Standard Bidding Document

Punjab Mass Transit Authority Property Damage/ MBD & Terrorism Reinsurance Coverage 2026 (Non-Consultancy Services)

International

Single Stage-Two Envelope

August 25, 2026

Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce),Procurement Specialist
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PROCUREMENT NOTICE

PROCUREMENT OF NON-CONSULTANCY SERVICES

1. The **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce)** has reserved Funds for the procurement planned for FY **2026-27** . The **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce)** intends to apply part of the proceeds of this Fund to cover eligible payments under the contract for the "**Punjab Mass Transit Authority Property Damage/ MBD & Terrorism Reinsurance Coverage 2026**" with the reference of **"P97765"**

2. The **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce)** invites Bids through **EPADS v2.0** from eligible Bidders registered on **EPADS v2.0** for provision of Non-Consultancy Services.

3. **Single Stage-Two Envelope** Procedure of Principal Method of Procurement (i.e. Open Competitive Bidding) will be used by adopting **Least Cost Based Selection (LCBS)**Technique for the subject procurement, in line with the Public Procurement Rules, 2004 and any Regulations, and Instructions issued by the Authority (from time to time).

4. All Bids must be accompanied by a Bid Security described in Bid Security Section in Bidding Document in the form of **Pay Order, Bank Guarantee** or Bid Securing Declaration on the prescribed format described.

5. E-Bidding documents, containing detailed terms & conditions, specifications and requirements etc. are available on **e-Pak Acquisition and Disposal System (EPADS)** at **https://epads.gov.pk/opportunities/federal/procurements/97765**.

6. The e-bids, prepared in accordance with the instructions in the e-Bidding documents, must be submitted through **EPADS v2.0** on or before **Friday, September 25, 2026 11:00 AM**. E-bids will be opened on the same day at **Friday, September 25, 2026 11:30 AM**. Manual submission of Bids shall not be entertained. Those vendors who have not yet registered on the new version of **EPADS v2.0,** may register themselves on https://vendors.epads.gov.pk/.

A tutorial to explain the registration process is available at **https://www.youtube.com/watch?v=MNW6T38v7tc**

7. In terms of Rules 48 of Public Procurement Rules, 2004 Grievance Redressal Committee (GRC) is notified for the subject procurement and notification copy is available on the procuring agency's website and also available on **EPADS v2.0** as well as Authority's website at (**www.ppra.org.pk**).

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Instructions to Bidders

A. Introduction

1. **Scope of Bids**

1.1. The Procuring Agency (PA), as indicated in the **Bids Data Sheet (BDS)** invites Bids through **EPADS v2.0** for the provision of Non-Consultancy Services for as specified in the BDS and **in Section Evaluation Criteria, Specifications & Schedule of Requirements**. The name, identification, and number of items/deliverables are provided in the **BDS**. **Single Stage-Two Envelope** procedure of the open competitive method shall be used. The successful Bidders will be expected to provide the services within the specified period and timeline(s) as stated in the **BDS**.

2. **Source of Funds**

2.1. Source of funds is referred in Clause-1 of Invitation for Bids.

3. **Fraudualent & Corrupt Practices**

3.1. As defined under Rule 2(1)(f) of the Public Procurement Rules, 2004.

4. **Eligible Bidders**

4.1. A bidder is eligible to participate in a procurement process if the bidder:

4.1.1. possesses or has access to the technical competence, financial resources, equipment and other physical facilities, personnel, managerial capability, experience and reputation necessary to complete the procurement contract;

4.1.2. has the legal capacity to enter into a procurement contract;

4.1.3. is not insolvent, in receivership, bankrupt or being wound up and its activities or affairs are not suspended or being administered under any Act, by a court or by a judicial officer;

4.1.4. is not the subject of legal proceedings for any of the matters mentioned in sub-rule (c);

4.1.5. has fulfilled or has made substantial arrangements satisfactory to the relevant authorities, to fulfil its obligations to pay taxes and social security (where applicable) other contributions of its employees; and

4.1.6. has not, or in the case of a company, its owners and beneficial owners, directors or officers have not, been convicted of a criminal offence related to:

4.1.6.1. its professional conduct; or

4.1.6.2. a bidder (or, in the case of a company, its key individuals such as owners, beneficial owners, directors, or officers) must not have engaged in any prohibited practice, such as fraud, corruption, collusion, or coercion, within the time period stated in the bidding documents, which can be up to three years before the start of the procurement process. Additionally, the bidder must not have been debarred (i.e., banned) from participating in public procurement processes in Pakistan or by any international organization or country. If they have, they are ineligible to participate in the current bidding.

4.2. The procuring agency may require a bidder participating in the procurement process to provide the prescribed documentary evidence or other information to satisfy itself that the bidder is qualified in accordance with the criteria in sub-clause (1).

4.3. A procuring agency shall set out in the bidding document all the criteria for qualification to be applied in accordance with sub-clause (1).

4.4. Except as permitted under the Ordinance, Rules and Regulations, the procuring agency shall not establish a criterion for eligibility of a bidder that:

4.4.1. discriminates against or among a bidder or against categories of bidders; or

4.4.2. is not required for the performance of the procurement contract; or

4.4.3. is not related to the avoidance or management of legal, reputational or economic risk to the procuring agency unless it is in the national interest to do so, and the criteria is set out in the bidding documents.

4.5. A procuring agency shall assess the eligibility of a bidder for participation in the procurement process against the criteria for qualification under sub-clause (1).

4.6. In the case of a joint venture, consortium, or association, all members shall be jointly and severely liable for the execution of the contract in accordance with the terms and conditions of the contract. The joint venture, consortium, or association shall nominate a lead member as nominated in the BDS,

4.7. who shall have the Authority to conduct all business for and on behalf of any and all the members of Joint venture, consortium, or association during the bidding process, and in case of award of contract, during the execution of the contract.

4.8. The appointment of the lead Member in the joint venture, consortium, or association shall be confirmed by submission of valid power of Attorney to the procuring agency.

4.9. Subject to the limits specified in the BDS, the procuring agency may allow bidders to participate in the form of a Joint Venture (JV). However, each party in the JV must individually meet the eligibility criteria specified in the BDS

4.10. No Bidder can be a sub-contractor while submitting a Bids individually or as a member of a joint venture in the same Bidding process.

5. **Qualification of the Bidder**

5.1. All Bidders shall provide in Section VI, Bid Forms, a preliminary description of the proposed work method and schedule, including drawings and charts, as necessary.

B. Bidding Documents

6. **Contents of Standard Bidding Document**

6.1. The Services required, bidding procedure, and terms and conditions of the contract are prescribed in the bidding document. In addition to the Invitation for Bids, the bidding document which should be read in conjunction with any addendum issued by the Procuring Agency include:

Section I -Invitation to Bid
Section II Instructions to Bidders (ITB)
Section III Bid Data Sheet (BDS)
Section IV Eligible Countries
Section V Evaluation Criteria, Specifications, Schedule of Requirements, and Technical Specifications.
Section VI Bidding Forms
Section VII Fraudaulent & Corrupt Practices
Section VIII – Material & Non-material deviation
Section IX General Conditions of Contract (GCC)
Section X Special Conditions of Contract (SCC)
Section XI Contract Forms

6.2. The Bidder is expected to examine all instructions, requirements, forms, terms and specifications in the bidding documents. Failure to furnish all the information required in the bidding document will be at the Service provider's risk and may result in the rejection of his bids.

7. **Clarifications**

7.1. Clarifications of the bidding documents may be requested in writing through EPADS v2.0 by any bidder up to three days prior to the deadline for the submission of bids.

The procuring agency shall respond promptly and in writing to any request by a bidder for clarification of the bidding documents and, in any event, no later than two days prior to the deadline for the submission of bids or proposals.

Responses to requests for clarification shall be communicated simultaneously and in writing to all bidders participating in the procurement proceedings.

No bidder shall be allowed to alter or modify his bid after the bids have been opened however, the procuring agency may seek and accept clarification to the bid that do not change the substance of the bid, through EPADS v2.0.

7.2. Procuring Agency's response will be uploaded on the EPADS v2.0, including a description of the inquiry.

7.3. Should the Procuring Agency deem it necessary to amend the bidding document as a result of a clarification, it shall do so following the procedure under **ITB 1.1.**

7.4. If indicated **in the BDS**, the bidder’s designated representative is invited at the bidder’s cost to attend a pre-bid meeting at the place, date and time mentioned **in the BDS**. During this pre-bid meeting, prospective bidder(s) may request clarification(s) regarding the schedule of requirements, the Evaluation Criteria or any other aspects of the bidding document.

7.5. Minutes of the pre-bid meeting, if applicable, including the text of the questions asked by bidders, and the responses given, together with any responses prepared after the meeting will be uploaded on EPADS v2.0. Any modification to the bidding document that may become necessary as a result of the pre-bid meeting shall be made by the Procuring Agency exclusively through the use of an Addendum.

7.6. To assist in the examination, evaluation and comparison of Bids of the Bidders, the Procuring Agency may, ask any Bidder for a clarification of its bid including breakdown of prices, through EPADS v2.0. Any clarification submitted by a bidder that is not in response to a request by the Procuring Agency shall not be considered.
No change in the prices or substance of the bid shall be sought, offered, or permitted.
The alteration or modification in the bid which in any way affect the following parameters will be considered as a change in the substance of a

bid:

7.6.1. evaluation & qualification criteria;

7.6.2. required scope of work or specifications;

7.6.3. all securities requirements;

7.6.4. tax requirements;

7.6.5. terms and conditions of bidding documents; and

7.6.6. change in the ranking of the bidders.

From the time of bid(s) opening to the time of contract award, if any bidder wishes to contact the procuring agency on any matter related to the bid, it should do so in writing or through electronic form that provides record of the content of communication.

8. **Amendment of Bidding documents**

8.1. Before the deadline for submission of bids, the procuring agency for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder or pre-bid meeting may modify the bidding documents by issuing addendum.

8.2. Any addendum issued including the notice of any extension of the deadline shall be part of the bidding document and shall be uploaded on EPADS v2.0 as well as Authority's website. The procuring agency shall promptly publish the addendum at the procuring agency's website indicated in the **BDS**:

Provided that the bidder who had either already submitted his bid, shall have the right to withdraw his already submitted bid and submit the revised bid, prior to the original or extended bid submission deadline.

8.3. To give prospective bidders reasonable time in which to take an addendum/corrigendum into account in preparing their bids, the Procuring Agency may, at its discretion, extend the deadline for the submission of bids:

Provided that the Procuring Agency shall extend the deadline for submission of bids, if such an addendum is issued within last three (03) days of the bid submission deadline.

C. Preparation of Bids

9. Documents Constituting the Bids

9.1. The bids prepared by the bidders shall constitute the following components: -

9.1.1. Forms of bid and Bid Prices completed in accordance with ITB BDS, GCC and SCC;

9.1.2. Documentary evidence established in accordance with BDS that services to be provided by the bidder are eligible services, and conform to the bidding documents;

9.1.3. Documentary evidence established in accordance with BDS that the bidder is eligible and/or qualified for the subject bidding process;

9.1.4. Documentary evidence established, that the bidder has been authorized to provide the services;

9.1.5. Bid security or Bids Securing Declaration furnished in accordance with BDS; and

9.1.6. Any other document required in the BDS.

10. **Documents Establishing Eligibility of the Services and Conformity to bidding documents**

10.1. To establish the conformity of the Non-Consulting Services to the Bidding document, the bidder shall furnish as part of its bid the documentary evidence that services provided conform to the requirements.

10.2. Standards for the provision of the Non-Consulting Services are intended to be descriptive only and not restrictive.

11. **Documents Establishing Eligibility and Qualification of the Bidder**

11.1. Pursuant to BDS, the bidder shall furnish, as part of itsbid, all those documents establishing the bidder's eligibility to participate in the bidding process and/or its qualification to perform the contract if its bid is accepted.

11.2. The documentary evidence of the bidder's eligibility to bids shall establish to the satisfaction of the procuring agency that the bidder, at the time of submission of its bid, is from an eligible country as defined in Section-IV titled as "Eligible Countries".

11.3. The documentary evidence of the bidder's qualifications to perform the contract if its bid is accepted shall establish to the satisfaction of procuring agency that:

11.3.1. the bidder has the financial, technical, and supply/production capability necessary to perform the Contract, meets the qualification criteria specified in BDS.

11.3.2. that the bidder meets the qualification criteria listed in the Bids Data Sheet.

12. **Form of Bid**

12.1. **The bidder shall fill the Form of Bid furnished in the bidding documents. The Bid Forms must be completed without any alterations to its format and no substitute shall be accepted.**

13. **Bids Prices**

13.1. The Bids Prices quoted by the bidder in the Forms of Bid and in the price schedule shall conform to the requirements specified or exclusively mentioned hereafter in the bidding document.

13.2. All items in the Schedule of Requirements must be listed and priced separately in the Price Schedules. If a Price Schedule shows items listed but not priced and neither explicitly mentioned, their prices shall be construed to be included in the prices of other items.

13.3. The Bid price to be quoted in the Forms of Bid shall be the total price of the bid, excluding any discounts offered.

13.4. The bidder shall indicate on the appropriate Price Schedule, the unit prices (where applicable) and total bid price of the services, it proposes to provide under the contract.

13.5. Prices quoted by the bidder shall be fixed during the currency of the contract and not subject to variation on any account. A bid submitted with an adjustable price will be treated as non-responsive and shall be rejected, unless otherwise price adjustment is permissible under Conditions of the Contract. (May be reviewed)

14. **Price Adjustment**

14.1. Price adjustment shall not be applicable.

14.2. Procuring agency may increase the remuneration of the human resources involved in non-consultancy services on annual basis as per agreement.

14.3. **Procuring agency shall incorporate the provisions to allow wage rate in compliance with Federal Government's minimum wage notification, subject to the applicability in that case.**

15. **Bids Currencies**

15.1. Prices shall be quoted in Pakistani Rupees unless otherwise specified in the BDS.

16. **Bid Validity Period**

16.1. Bid(s) shall remain valid for the period specified in the BDS after the bid submission deadline prescribed by the Procuring Agency. A Bid valid for a shorter period shall be rejected by the Procuring Agency as non-responsive. The period of bid validity will be determined from the complementary bid securing instrument i.e. the expiry period of bid security or bid securing declaration as the case may be.

17. **Bid Security or Bid Securing Declaration**

17.1. Unless otherwise specified in the BDS, the bidder shall furnish as part of its bid, in the amount and currency specified in the BDS or Bid Securing Declaration on the format provided in Section VI (Bid Forms) The scanned copy of the Bids Security shall be uploaded in the EPADS v2.0 while submitting bid, whereas the original forms of Bid Security shall be submitted to the procuring agency before the bid submission deadline. The bidder who failed to submit the original bid security before the submission deadline shall be disqualified straightaway.

17.2. The Bid Security or Bid Securing Declaration is required to protect the Procuring Agency against the risk of Bidder's conduct which would warrant the security's forfeiture.

17.3. The Bid Security shall be payable promptly upon written demand by the Procuring Agency in case any of the conditions listed in BDS, GCC and SCC are invoked.

17.4. Unsuccessful Bidders' Bid Security will be discharged or returned as promptly as possible after the award of contract, however in no case later than thirty (30) days after the expiration of the period of Bid Validity prescribed by the Procuring Agency. The Procuring Agency shall make no claim to the amount of the Bid Security, and shall promptly return the Bid Security document, whichever of the following that occurs earliest:

17.4.1. the expiry of the Bid Security;

17.4.2. the entry into force of a procurement contract and the provision of a Performance Guarantee, for the performance of the contract if such a guarantee, is required by the bidding document;

17.4.3. the rejection by the Procuring Agency of all Bids;

17.4.4. the withdrawal of the Bid prior to the deadline for the submission of bids, unless the bidding document stipulate that no such withdrawal is permitted.

17.5. The Bid Security may be forfeited or the Bid Securing Declaration executed:

17.5.1. if a bidder:

17.5.1.1. withdraws its bid during the period of bid validity as specified by the Procuring Agency, and referred by the bidder in the Forms of Bid, except as provided for in the ITBs; or

17.5.1.2. does not accept the correction of errors, or

17.5.2. in the case of a successful bidder fails:

17.5.2.1. **to sign the contract in accordance with SCC; or**

17.5.2.2. **to furnish Performance Guarantee in accordance with BDS and SCC.**

17.6. **The bid security shall be valid for a period specified in BDS. Bids with shorter bid security validity period shall be rejected straight away.**

18. **Alternative Bids by Bidders**

18.1. Alternatives will not be considered, unless specifically allowed for in the BDS.

18.2. When alternative times for completion are explicitly invited, a statement to that effect will be included in the BDS and the method of evaluating different time schedules will be described in Evaluation and Qualification Criteria.

19. **Withdrawal, Substitution, and Modification of Bids**

19.1. Before Bids submission deadline, any bidder may withdraw, substitute, or modify his bid after it has been submitted.

20. **Format and Signing of Bids**

20.1. The bidder shall prepare and submit his bid with due diligence after carefully reading all the terms and conditions before submission through

EPADS v2.0.

20.2. Any interlineations, erasures, or overwriting shall be valid only if they are signed by the person(s) signing the forms of bid.

D. Submission of Bids

21. **Submission of Bids through EPADS v2.0 before Dead deadline**

21.1. The Technical and Financial Bids as the case may be, shall be submitted in the due portion of the EPADS v2.0, before bid submission deadline. The bid submission option shall be automatically disabled once the deadline is over.

21.2. The Procuring Agency may, under exceptional circumstances and at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents. In such a case, all rights and obligations of the Procuring Agency and the Bidders that were previously subject to the original deadline shall thereafter be subject to the revised deadline.

E. Opening and Evaluation of Bids

22. **Opening & Evaluation of Bids by the Procurement Cell/Evaluation Committee**

22.1. The Procuring Agencies to constitute odd number Bid Evaluation Committee for the purpose of bid opening and evaluation of all procurements. As per Rules 29 & 30 of Public Procurement Rules, 2004,
The Procuring Agencyis required to establish a Procurement Cell/Evaluation Committee which shall Evaluate the Bids inaccordance with the evaluation criteria, terms and conditions given in the bidding documents.

23. **Opening of Bids**

23.1. The Bid Evaluation Committee of the Procuring Agency will open all bids through EPADS, in the presence of bidders' or their representatives who choose to attend, and other parties with a legitimate interest in the bid proceedings at the place, on the date and at the time, specified in the **BDS**. The Bidders' representatives present shall sign attendance sheet as proof of their attendance.

23.2. The bids shall be opened one at a time, and the following read out and recorded: (a) the name of the bidder; (c) the presence of a bid security, if required; and (d) any other details as the procuring agency may consider appropriate.

23.3. No bid will be rejected at the time of bid opening except for bids whose bid security has not been provided to the procuring agency before submission deadline**.**

23.4. The procuring agency shall prepare minutes of the bid opening. The record of the bid opening shall include, as a minimum: the name of the bidder and the bid price, if applicable.

24. **Confidentiality**

24.1. Information relating to the examination, clarification, evaluation and comparison of bids and recommendation of contract award shall not be disclosed to bidders or any other person(s) not officially concerned with such process, until the time of the announcement of the respective evaluation report.

24.2. Any effort by a bidder to influence the procuring agency processing of bids or award decision may result in the rejection of his bid.

25. **Preliminary Examination of Bids**

25.1. Prior to the detailed evaluation of bids, the procuring agency will determine whether each bid:

25.1.1. meets the eligibility criteria defined in **BDS**;

25.1.2. has been prepared as per the format and contents defined by the procuring agency in the bidding document;

25.1.3. is accompanied by the required securities; and

25.1.4. is substantially responsive to the requirements of the bidding document.

25.2. The procuring agency will confirm that the documents and information specified under **BDS, GCC and SCC** have been provided in the bids. If any of these documents or information is missing, or is not provided in accordance with the Instructions to Bidders, the bids shall be rejected.

25.3. If a bid is not substantially responsive, it will be rejected by the procuring agency and may not subsequently be evaluated for complete technical responsiveness.

26. **Examination of Terms and Conditions, Technical Evaluation**

26.1. The procuring agency shall evaluate the technical aspects of the bids submitted in accordance with **BDS,** to confirm that all requirements specified in **Evaluation Criteria, Technical Specifications and Schedule of Requirements**, prescribed inthe bidding document have been met without material deviation or reservation.

26.2. If after the examination of the terms and conditions and the technical evaluation, the procuring agency determines that the bid is not substantially responsive in accordance with BDS**,** it shall reject the bids.

27. **Correction of Errors**

27.1. Bids determined to be substantially responsive will be checked for any arithmetic errors. Errors will be corrected as follows: -

27.1.1. if there is a discrepancy between unit prices and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected, unless in the opinion of the procuring agency there is an obvious misplacement of the decimal point in the unit price, in which the total price as quoted shall govern and the unit price shall be corrected;

27.1.2. if there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected; and

27.1.3. where there is a discrepancy between the amounts in figures and in words, the amount in words will govern.

27.1.4. Where there is discrepancy between grand total of price schedule and amount mentioned on the Forms of bid, the amount referred in Price Schedule shall be treated as correct subject to elimination of other errors.

27.2. The amount stated in the bid will be adjusted by the procuring agency in accordance with the above procedure for the correction of errors and, with the concurrence of the bidder that shall be considered as binding upon the bidder. If the Bidder does not accept the corrected amount, his bid will then be rejected, and the Bid Security may be forfeited or the Bid Securing Declaration may be executed.

28. **Conversion to Single Currency**

28.1. As per Rule 30 of Public Procurement Rules, 2004.

29. **Evaluation of Bids**

29.1. The procuring agency shall evaluate bids in accordance with Rule 30 of Public Procurement Rules, 2004 and compare only those bids determined to be substantially responsive.

29.2. In evaluating the Technical Bids of each Bidder, the Procuring Agency shall apply the evaluation criteria and methodologies specified in the Bid Data Sheet (BDS) and in accordance with the Statement of Requirements and Technical Specifications. No other evaluation criteria or methodologies shall be permitted.

29.3. In case of tie of bids, the bidders shall be provided an opportunity to offer their best and final monetary offer through EPADS. However, in no case the rates shall be higher than the original financial bids.

29.4. The Procuring agency evaluation of a bid will take into account:

29.4.1. the bid price, excluding provisional sums and the provision, if any, for contingencies in the summary bill of quantities, but including day work items, where priced competitively;

29.4.2. price adjustment for correction of arithmetic errors in accordance with **ITB 6;**

29.5. converting the amount resulting from applying (a) and (b) above, if relevant, to a single currency in accordance with **ITB 7**;

29.6. The estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be taken into account in bid evaluation.

29.7. If these bidding documents allow bidders to quote separate prices for different lots, and the award to a successful bidder of multiple lots, the methodology of evaluation to determine the lowest evaluated lot combinations in the Form of Bid, is specified in the **BDS.**

30. Determination of Most Advantageous Bids

30.1. Selection technique will be adopted for determining the Successful Bid in accordance with the criteria referred in the **BDS** or prescribed in the separate section titled as Evaluation Criteria.

31. Abnormally Low Financial Bids

31.1. Procuring agency may reject a bid if it has determined that the price, in combination with other constituent elements of the bid, is abnormally low in relation to the subject matter of the procurement, such that it raises material concerns on the part of the procuring agency, as to the ability of the bidder to perform the procurement contract satisfactorily for the offered price.
A procuring agency shall not reject a bid as abnormally low under sub-clause (1) above unless the procuring agency –

31.1.1. requested in writing through EPADS from the bidder a written clarification of his bid, including a detailed price analysis of his bid price in relation to the subject matter of the procurement contract, scope, methodology, schedule, allocation of risks and responsibilities and any other requirements of the bidding document; and

31.1.2. having taken account, the information provided by the bidder in response to a request under paragraph (a) and the information included in the bid, the procuring agency determines that the bidder has failed to demonstrate its ability to perform the procurement contract satisfactorily for the offered price.

The procuring agency shall promptly communicate to the bidder concerned its decision to reject the bid, including the reasons for the decision.

32. **Rejection of Bids**

32.1. As per Rule 33 of the Public Procurement Rules, 2004

33. **Single Responsive Bid**

33.1. The procuring agency may consider single responsive bid subject to underlying conditions of Rule 38(b) of the Public Procurement Rules, 2004.

34. **Arbitration**

34.1. As per Rule 49 of Public Procurement Rules, 2004.

F. Award of Contract

43. **Criteria of Award**

43.1. The procuring agency will award the Contract to the bidder whose bid has been determined to be substantially responsive to the bidding document and who has been declared as most advantageous Bid.

44. **Procuring Agency’s Right to reject All Bids**

44.1. The procuring agency reserves the right to reject all the Bids and to annul the procurement process at any time prior to acceptance of the bid(s), without thereby incurring any liability to the affected bidder(s).

44.2. Notice of the rejection of all bids shall be given promptly to all bidders that have submitted the bids. The procuring agency shall upon request communicate to any bidder the grounds for the rejection of his bid, but is not required to justify those grounds.

45. **Notification of Award**

45.1. Prior to the award of contract, the procuring agency shall issue a Final Evaluation Report giving justification for acceptance or rejection of the bids.

45.2. Bidder whose bid has been accepted, will be notified for the award by the Procuring Agency prior to expiration of the Bid Validity period through EPADS. The Letter of Acceptance will state the sum that the procuring agency will pay the successful bidder in consideration for the execution of the scope of works as prescribed by the Contract (hereinafter and in the Contract called the "Contract Price).

45.3. The notification of award will constitute the formation of the Contract, subject to the condition that bidder furnish the Performance Guarantee and signing of the contract.

46. **Signing of Contract**

46.1. Promptly after notification of award, Procuring Agency shall send the successful bidder the draft agreement, incorporating all terms and conditions as agreed by the parties to the contract. The successful bidder and the procuring agency shall sign the contract.

47. **Performance Guarantee**

47.1. After the receipt of the Letter of Acceptance, the successful bidder, within the specified time, shall deliver to the Procuring Agency a Performance Guarantee in the amount and in the form stipulated in the **BDS**

and SCC, denominated in the type and proportions of currencies in the Letter of Acceptance and in accordance with the Conditions of Contract.

47.2. Failure of the successful bidder to comply with the requirement of **BDS, SCC and GCC** shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the procuring agency may make the award to the next ranked bidder or call for new bids.

48. **Corrupt & Fraudulent Practices**

48.1. Procuring Agencies (including beneficiaries of Government funded projects and procurement) as well as Bidders/Contractors under Government financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts, and will avoid to engage in any corrupt and fraudulent practices.

G. Grievance Redressal & Complaint Review Mechanism

53. **Constitution of Grievance Redressal**

53.1. Procuring agency shall constitute a Grievance Redressal Committee (GRC) comprising of an odd number of persons with proper power and authorization to address the complaint. The GRC shall not have any of the members of Procurement Evaluation Committee.

54. **GRC Procedure**

54.1. Any aggrieved party or bidder as the case may be, may file grievance in accordance with Rule 48 of the Public Procurement Rules, 2004 and Redressal of Grievance Regulations, 2022

H. Blacklisting/ Debarment

55. **Procedure for Blacklisting/Debarment**

55.1. The procuring agency may initiate blacklisting proceedings against contractor/supplier in accordance with Rule-19 of the Public Procurement

Rules, 2004 , Mechanism for Blacklisting, Debarment Regulations, 2024 and Regulation on “procedure for filling and disposal of review petition under rule-19(3) of the Public Procurement Rules, 2004.

Bid Data Sheet

Bids Data Sheet (BDS)

The following specific data for the procurement of Non-Consultancy Services to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

BDS Clause Number
ITB Number

Amendments of, and Supplements to, Clauses in the Instruction to Bidders

A. Introduction

BDS Clause Number 1

Name of Procuring Agency: **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce)**

The subject of procurement is: **Punjab Mass Transit Authority Property Damage/ MBD & Terrorism Reinsurance Coverage 2026**

Expected commencement date: **Thursday, October 1, 2026**

BDS Clause Number 2

Financial year for the operations of the Procuring Agency: **2026-27**

Name and identification number of the Contract: **P97765**

BDS Clause Number 3

JV/Consortium or Association Allowed: **No**
Number of JV/Consortium Members: **Nil**

B. Bidding Documents

BDS Clause Number 4

The Bidders may seek clarifications through **EPADS v2.0**: Clarification Date: Friday, September 18, 2026

BDS Clause Number 5

Any addendum, in case issued, shall be published on **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce)** website and on **EPADS v2.0**.

BDS Clause Number 6

List of documents required along with the bid: No

BDS Clause Number 7

The qualification criteria to establish the supply / production capability of the bidder.

see Eligibility Criteria

BDS Clause Number 8

Services and Their related documents:
See section Required Services and Scope of Work

BDS Clause Number 9

Price schedule will be provided according to the format defined and acquired.
see section price schedule.

BDS Clause Number 10

Specifications:

see section of specifications.

C. Preparation of Bids

BDS Clause Number 11

The price shall be **Fixed**.

BDS Clause Number 12

Currency of the Bids shall be : **PKR**

BDS Clause Number 13

The Bids/Bid Validity period shall be: **45 Days**

BDS Clause Number 14

The amount of Bid Security shall be as defined in Bid Security Section for items and lots given in **BDS 6**
The Bid Security shall be in the form of: **Pay Order, Bank Guarantee**

BDS Clause Number 15

The Bids security shall be valid for twenty-eight (28) days beyond the expiry of the Bids validity period specified in the bidding documents, for example the bid validity is 90 days so the bid security shall be valid for 90+28 = 118 days.

BDS Clause Number 16

Alternative Bids to the requirements of the bidding documents will not be permitted.

D. Submission of Bids

BDS Clause Number 17

Bid shall be submitted online on EPADS v2.0 whereas hard copy of the bid security should be submitted to the following;

PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).

Bids that are not submitted on EPADS v2.0 shall be disqualified.

The deadline for Bids submission is: **Friday, September 25, 2026 11:00 AM**

E. Opening and Evaluation of Bids

BDS Clause Number 18

The Bids opening shall take place on **EPADS v2.0**.

Day *: **Friday***

Date: ***Friday, September 25, 2026***

Time *: **11:30 AM***

BDS Clause Number 19

Selection technique adopted will be: **Least Cost Based Selection (LCBS)**
see Evaluation Criteria

F. Award of Contract

BDS Clause Number 20

The Performance guarantee shall: **0%**.

The Performance Guarantee shall be acceptable in the form of: **Nil**

21.

51.1

Arbitrator shall be appointed by mutual consent of the both parties.

G. Review of Procurement Decisions

BDS Clause Number 22

Grievence against this procurement shall be submitted online on EPADS v2.0.

Eligibility Criteria

Bidder's Type	Required Registration
Company (Private Limited) Company (Public Limited) Company (Holding Company) Company (Limited by Guarantee) State Owned Enterprise (Private Limited) State Owned Enterprise (Public Limited)	None

Eligibility Criteria	Document
The bidder should be an international (re)insurance broker having an annual premium placement volume of at least USD 500 million.	Yes
The bidder should provide an undertaking confirming that: • It complies with all applicable laws, rules, regulations, and professional standards of Pakistan. • No actual or potential conflict of interest exists in relation to PRCL and its business operations. • It shall maintain strict confidentiality and comply with all non-disclosure obligations concerning information received from PRCL	Yes

The bidder/firm must not have been blacklisted, debarred, or declared ineligible by any Government, Semi-Government, Autonomous, Regulatory, or Public Sector Organization. The bidder shall submit an affidavit on stamp paper affirming compliance with this requirement.	Yes

Evaluation Criteria

Least Cost Based Selection (LCBS)

Weightage

Technical Evaluation Weightage
100

Technical Marks	100
Passing Marks	100
Technical Evaluation Criteria	
Foreign brokers as well as local affiliates to submit valid professional indemnity policies meeting the regulatory requirements of their respective countries of registration. (Quantitative)(Doc Required)	5
Name of Lead Reinsurer (Quantitative)(Doc Required)	5
Lead Reinsurer Rating: minimum “A” as per S&P/AM Best, Moody’s and Fitch (Quantitative)(Doc Required)	5
Lead Reinsurer Share: at least 15% and not more than 25% (Quantitative)(Doc Required)	10
Country of Origin (Quantitative)(Doc Required)	5
Quotation should be a “FIRM” quote (Quantitative)(Doc Required)	5
Validity of the quote should be forty-five (45) days from the date of opening of the bid (Quantitative)(Doc Required)	5
No underwriting agencies are allowed as a leader (Quantitative)(Doc Required)	10

Quotation/slip/policy wording should be without any expressed or implied subjectivities/conditions/additional exclusions/warranties (Quantitative)(Doc Required)	10
Premium Payment warranty should be ninety (90) days from the inception of the policy period (Quantitative)(Doc Required)	5
Law and Jurisdiction must be Pakistan. (Quantitative)(Doc Required)	5
Actual Quotation slip/policy wording signed/stamped by the leader must be attached (Quantitative)(Doc Required)	10
Sum Insured/Loss value: USD 1,253,153,459.90 PKR 352,512,068,270 (conversion rate PKR 281.30) (Quantitative)(Doc Required)	10
Deductibles: 1. For Earthquake and Tsunami: USD 200,000 or 20% of value of total loss per occurrence, whichever is higher. 2. For Storms, Floods, Landslides, Collapses: USD 100,000 or 10% of value of total loss per occurrence, whichever is higher. 3. Breakage of glass (including window glass/door glass of the train, PSD and APG glass, etc.): USD 750/- 4. All other Risks: USD 10,000/- (Quantitative)(Doc Required)	10

Required Services

Positions Without Lots :

Position	Delivery Schedule	Quantity	Bid Security
Punjab Mass Transit Authority Property Damage/MBD & Terrorism Reinsurance Coverage Net to Broker Amount	**Address:** PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province). **Schedule:** as per requirements **Quantity:** 1/job	1/job	440000 PKR

Related Services :

No

Services Specifications

Positions Without Lots :

Position: Punjab Mass Transit Authority Property Damage/MBD & Terrorism Reinsurance Coverage Net to Broker Amount

Specifications / Requirements:

as per attached annexures

Scope of Work

as per attached annexures

Price Schedule

For Individual Positions

#	Position Title	Quantity	Unit Price (PKR)	Total Price (PKR)	Delivery Location	Delivery Period / Year	Country of Origin
1							
2							

For Lots

#	Lot Title	Total Lot Price (PKR)	Country of Origin
1	[Lot 1 Title]		

General Conditions of Contract

A. General

1. **Definitions**

1.1. Unless the context otherwise requires, the following terms whenever used in this Contract shall have the same meaning and shall be interpreted as indicated

1.1.1. “Applicable Law” means the laws and any other instruments having the force of law in the Government’s Country, or in such other country as may be specified in the Special Conditions of the Contract (SC), as they may be issued and in force from time to time;

1.1.2. “The Contract” means an agreement enforceable by law;

1.1.3. “The Contract Price” means the price payable to the Contractor under the Contract for the full and proper performance of its contractual obligations;

1.1.4. “The Services” means the work to be performed by the Contractor pursuant to this Contract and as prescribed in the Specifications and Schedule of Activities included in the Contractor’s Bid;

1.1.5. “Ancillary Services” means those services ancillary to the provision of Services, such as transportation and insurance, and any other incidental services, such as installation, commissioning, provision of technical assistance, training, and other such obligations of the Contractor covered under the Contract;

1.1.6. “GCC” means the General Conditions of Contract contained in this section;

1.1.7. “SCC” means the Special Conditions of Contract by which the GCC may be amended or supplemented;

1.1.8. **“**Day” means calendar day unless indicated otherwise;

1.1.9. “Effective Date” means the date on which this Contract comes into force and effect;

1.1.10. “The Contractor” means the individual or corporate body whose Bids to provide the Services has been accepted by the Procuring Agency;

1.1.11. “The Project Site,” where applicable, means the place or places named in Bid Data Sheet and technical Specifications;

1.1.12. “Government” means the Government of Pakistan;

1.1.13. “Local Currency” means the currency of Pakistan;

1.1.14. “In Writing” means communicated in written form with proof of receipt;

1.1.15. “Completion Date” means the date of completion of the Services by the Contractor as certified by the Procuring Agency;

1.1.16. “Foreign Currency” means any currency other than the currency of the country of the Procuring Agency;

1.1.17. “Party” means the Procuring Agency or the Contractor, as the case may be, and “Parties” means both of them;

1.1.18. "Service" means any object of procurement other than goods or works;

1.1.19. “Subcontractor” means any entity to which the Bidder subcontracts any part of the Services.

2. **Applicable Law**

2.1. The contract shall be governed and interpreted in accordance with the laws of Pakistan, unless otherwise specified in SCC.

3. **Language**

3.1. The Contract as well as all correspondence and documents relating to the Contract exchanged between the Contractorand the Procuring Agency, shall be written in the **English language** unless otherwise stated in the **SCC**. Supporting documents and printed literature that are part of the Contract may be in another language provided these are accompanied by an accurate translation of the relevant passages in English, in which case, for purposes of interpretation of the Contract, this translation shall govern.

4. **Notices**

4.1. Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the **SCC**.

5. **Location**

5.1. The Services shall be performed at such locations as the Procuring Agency may approve and as specified in **SCC.**

6. **Authorized Representatives / Authority of Member in charge**

6.1. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Procuring Agency or the Contractor may be taken or executed by the officials specified in the **SCC**.

B. Commencement, Completion, Modification, and Termination of Contract

7. **Effectiveness of Contract**

7.1. This Contract shall come into effect on the date the Contract is signed by both parties and such other later date as may be stated in the **SCC.**

8. **Commencement of Services**

8.1. The Contractor shall confirm availability of Key Experts and begin carrying out the Services not later than the number of days after the Effective Date specified in the **SCC.**

9. **Program schedule**

9.1. Before commencement of the Services, the Contractor shall submit to the Procuring Agency for approval a Program showing the general methods, arrangements, order and timing for all activities. The Services shall be carried out in accordance with the approved Program as updated.

10. **Starting Date/Expiration Date**

10.1. The Contractor shall start carrying out the Services Five (05) days after the date the Contract becomes effective, or at such other date as may be specified in the **SCC.**

10.2. Unless terminated earlier pursuant to Clause **GCC 14** hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the **SCC.**

11. **Entire Agreement**

11.1. This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

12. **Modification**

12.1. Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any modification(s) or variation(s) made by the other Party.

12.2. In cases of any modification(s) or variation(s), the prior written consent of the Procuring Agency is required.

13. **Force Majeure**

13.1. **Definition**
For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Contractor and which makes a Contractor’s performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

13.2. **No Breach of Contract**
The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract in so far as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

13.3. **Extension of Time**
Any period within which a Contractor shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

13.4. **Payments**
During the period of their inability to perform the Services as a result of an event of Force Majeure, the Contractor shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

14. **Termination**

14.1. **By the Procuring Agency**
The Procuring Agency may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (e) of this Clause. In such an occurrence the Procuring Agency shall give at least thirty (30) calendar days' written notice of termination to the Contractor in case of the events referred to in (a) through (d); at least sixty (60) calendar days' written notice in case of the event referred to in (e);

14.1.1. If the Contractor fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension;

14.1.2. If the Contractor becomes (or, if the Contractor consists of more than one entity, if any of its members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;

14.1.3. If the Contractor fails to comply with any final decision reached as a result of arbitration proceedings;

14.1.4. If, as the result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days;

14.1.5. If the Procuring Agency, in its sole discretion and for any reason whatsoever, decides to terminate this Contract;

14.2. **By the Contractor**
The Contractor may terminate this Contract, by not less than thirty (30) calendar days' written notice to the Procuring Agency, in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause.

14.2.1. If the Procuring Agency fails to pay any money due to the Contractor pursuant to this Contract and not subject to dispute within forty-five (45) calendar days after receiving written notice from the Contractor that such payment is overdue;

14.2.2. If, as the result of Force Majeure, the Contractor is unable to perform a material portion of the Services for a period of not less than sixty (60) calendar days;

14.2.3. If the Procuring Agency fails to comply with any final decision reached as a result of arbitration;

14.2.4. If the Procuring Agency is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Bidder may have subsequently approved in writing) following the receipt by the Procuring Agency of the Contractor’s notice specifying such breach.

C. Obligations of the Contractor

15. **General**

15.1. **Standard of Performance**

15.1.1. The Contractor shall perform the Services and carry out the Services with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Contractor shall always act, in respect of any matter relating to this Contract or to the Services, as a faithful adviser to the Procuring Agency, and shall at all times support and safeguard the Procuring Agency’s legitimate interests in any dealings with the third parties;

15.1.2. The Contractor shall employ and provide such qualified and experienced Experts and Sub-Contractors as are required to carry out the Services.

15.2. **Law Applicable to Services**
The Contractor shall perform the Services in accordance with the Contract and in accordance with the Law of Pakistan and shall take all practicable steps to ensure that any of its Experts and Sub-Bidders, comply with the Applicable Law.

16. **Conflict of Interests**

16.1. **Contractor Not to Benefit from Commissions and Discounts**
The remuneration of the Contractor shall constitute the Contractor’s sole remuneration in connection with this Contract or the Services, and the Contractor shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Contractor shall use their best efforts to ensure that the Personnel, any Subcontractors, and agents of either of them similarly shall not receive any such additional remuneration.

16.2. **Contractor and Affiliates Not to be Otherwise Interested in Project**
The Contractor agree that, during the term of this Contract and after its termination, the Contractor and its affiliates, as well as any Subcontractor and any of its affiliates, shall be disqualified from providing Services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

16.3. **Prohibition of Conflicting Activities**
Neither the Bidder nor its Subcontractors nor the Personnel shall engage, either directly or indirectly, in any of the following activities:

16.3.1. during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract;

16.3.2. during the term of this Contract, neither the Contractor nor their Subcontractors shall hire public employees in active duty or on any type of leave, to perform any activity under this Contract;

16.3.3. after the termination of this Contract, such other activities as may be specified in the **SCC.**

17. **Insurance to be Taken Out by the Contractor**

17.1. The Contractor(a) shall take out and maintain, and shall cause any Subcontractors to take out and maintain, at its (or the Sub-contractors', as the case may be) own cost but on terms and conditions approved by the Procuring Agency, insurance against the risks, and for the coverage, as shall be specified in the **SCC**; and (b) at the Procuring Agency's request, shall provide evidence to the Procuring Agency showing that such insurance has been taken out and maintained and that the current premiums have been paid.

18. **Contractor's Actions Requiring Procuring Agency's Prior Approval**

18.1. The Contractor shall obtain the Procuring Agency's prior approval in writing before taking any of the following actions:

18.1.1. appointing such members of the Personnel not provided by the Contractor;

18.1.2. changing the Program of activities; and

18.1.3. any other action that may be specified in the **SCC.**

19. **Reporting Obligations**

19.1. The Contractor shall submit to the Procuring Agency the reports and documents in the numbers, and within the periods as prescribed by the Procuring Agency.

20. **Liquidated Damages**

20.1. **Payments of Liquidated Damages**
The Contractor shall pay liquidated damages to the Procuring Agency at the rate per day stated in the **SCC** for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount defined in the **SCC**. The Procuring Agency may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor's liabilities.

20.2. **Correction for Over-payment**
If the Intended Completion Date is extended after liquidated damages have been paid, the Procuring Agency shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in **SCC.**

20.3. **Lack of performance penalty**

If the Contractor has not corrected a Defect within the time specified in the Procuring Agency's notice, a penalty for Lack of performance will be paid by the Contractor. The amount to be paid will be calculated as a percentage of the cost of having the Defect corrected, assessed as specified in the Contractor

21. **Performance Guarantee**

21.1. Within the time stipulated in the acceptance letter from the Procuring Agency, the successful Bidder shall furnish the Performance Guarantee in shape and amount **specified in SCC.**

21.2. The proceeds of the Performance Guarantee shall be payable to the Procuring agency as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.

21.3. The Performance Guarantee shall be denominated in the currency of the Contract, or in a freely convertible currency acceptable to the Procuring agency and shall be in the acceptable form as specified in **SCC**.

21.4. The Performance Guarantee will be discharged by the Procuring agency and returned to the Supplier not later than thirty (30) days following the date of completion of the Supplier's performance obligations under the Contract, including any warranty obligations, unless otherwise **specified in SCC.**

22. **Sustainable Procurement**

22.1. The Contractor shall conform to the sustainable procurement contractual provisions, if and as specified in the **SCC.**

D. Contractor's Personnel

23. **Description of Personnel**

23.1. The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Contractor's Key Personnel. The Key Personnel listed by title as well as by name are hereby approved by the Procuring Agency.

24. **Removal and / or Replacement of Personnel**

24.1. Except as the Procuring Agency may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Contractor, it becomes necessary to replace any of the Key Personnel, the Contractor shall provide as a replacement a person of equivalent or better qualifications.

24.2. If the Procuring Agency finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Contractor shall, at the Procuring Agency's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Procuring Agency.

24.3. The Contractor shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

E. Obligations of the Procuring Agency

25. **Change in the Applicable Law**

25.1. If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost of the Services rendered by the Contractor, then the remuneration and reimbursable expenses otherwise payable to the Contractor under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred in the **SCC.**

26. **Services and Facilities**

26.1. The Procuring Agency shall make available to the Contractor and the Experts, for the purposes of the Services and free of any charge, the services, facilities and property described in the Terms of Reference, at the times and in the manner specified in the Terms of Reference.

26.2. In case that such services, facilities and property shall not be made available to the Contractor, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Contractor for the performance of the Services, (ii) the manner in which the Contractor shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Contractor as a result thereof.

F. Payments to the Contractor

27. **Contract Price**

27.1. The price payable shall be in Pakistani Rupees unless otherwise specified in the **SCC**.

28. **Terms and Conditions of Payment**

28.1. Payments will be made to the Contractor according to the payment schedule stated in the **SCC** and as per actual invoice submitted by the Contractor.

28.2. Unless otherwise stated in the **SCC**, the advance payment shall be made against the provision by the Contractor of a bank guarantee for the same amount, and shall be valid for the period stated in the **SCC.** Any other payment shall be made after the conditions listed in the **SCC** for such payment have been met, and the Contractor have submitted an invoice to the Procuring Agency specifying the amount due.

29. **Quality Control Identifying Defects**

29.1. The principle and modalities of Inspection of the Services by the Procuring Agency shall be as indicated in the **SCC.** The Procuring Agency shall check the Contractor's performance and notify him of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Procuring Agency may instruct the Contractor to search for a Defect and to uncover and test any service that the Procuring Agency considers may have a Defect. Defect Liability Period is as defined in the **SCC**.

30. **Correction of Defects, and Lack of Performance Penalty**

30.1. The Procuring Agency shall give notice to the contractor of any Defects before the end of the Contract. The Defects liability period shall be extended for as long as Defects remain to be corrected.

30.2. Every time notice a Defect is given; the contractor shall correct the notified Defect within the length of time specified by the Procuring Agency's notice.

30.3. If the contractor has not corrected a Defect within the time specified in the Procuring Agency's notice, the Procuring Agency will assess the cost of having the Defect corrected, the contractor will pay this amount, and a Penalty for Lack of Performance.

31. **Settlement of Disputes Amicable Settlement**

31.1. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

32. **Dispute Settlement**

32.1. **Arbitration**
If any dispute of any kind whatsoever shall arise between the procuring agency and the contractor in connection with or arising out of the Contract, including without prejudice to the generality of the foregoing, any question regarding its existence, validity or termination, or the execution of the contract, the parties shall seek to resolve any such dispute or difference by mutual consultation. If the parties fail to resolve such a dispute or difference even after negotiations or mediation, then the dispute shall be referred within fourteen (14) days in writing by either party to the Arbitrator, with a copy to the other party.
Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with **GCC sub-clause 32.1**, shall be finally settled by arbitration. Arbitration may be commenced prior to or after completion of the Contract. Arbitration proceedings shall be conducted in accordance with Arbitration Act 1940.
Notwithstanding any reference to arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless otherwise agreed. The Procuring Agency shall continue to pay the Contractor any undisputed amounts due under the Contract during the resolution of any dispute.

Special Conditions of Contract

SECTION VIII. SPECIAL CONDITIONS OF CONTRACT

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the Conditions of Contract. The corresponding clause number of the GCC is indicated in parentheses.

Number of GC Clause

Amendments of, and Supplements to, Clauses in the General Conditions of Contract

Definitions

The Procuring Agency is: Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce), Procurement Specialist PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).

The Supplier is:

The title of the subject procurement is:Punjab Mass Transit Authority Property Damage/ MBD & Terrorism Reinsurance Coverage 2026

Number of GC Clause 2

Applicable/Governing Law:

The Contract shall be interpreted in accordance with the laws of Islamic Republic of Pakistan

Number of GC Clause 3

Language:

The language of the Contract, all correspondence and communications to be given, and all other documentation to be prepared and supplied under the Contract shall be in **English.**

Number of GC Clause 4

Notices:

The addresses for the notices are:

Procuring Agency:

Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce), Procurement Specialist
PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).
+92-300-699-8576
aghafoor@pakre.org.pk

Contractor/ Bidder:

[Name, address and telephone number].

The Contractor/ Bidder’s Representative(s)

[Name, address, telephone number and e-mail address]

Number of GC Clause 6.1

The Authorized Representatives are:

For the Procuring Agency:

Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce), Procurement Specialist
PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).
+92-300-699-8576
aghafoor@pakre.org.pk

For the Bidder:

Name: ………………………

Designation: ……………..

Address: ……………………………..

Number of GC Clause 7

Effectiveness of the contract

The Contractor/Bidder shall be effective within ….. days from the date of signature of the Contract by both parties

Number of GC Clause 8

Commencement of Contract:

The Contractor/ Bidder shall provide Non-Consultancy Services from the effective date of contract.

Number of GC Clause 10.2

Expiration of Contract:

The time period shall be ………………….

Number of GC Clause 14

Termination

In the event of termination of the contract due to any reason as already defined in the General Conditions of Contract, the Bidder shall be responsible for providing to the Authority the Services till the time of alternate arrangements.

Number of GC Clause 16

Conflict of Interest:

The Procuring Agency reserves the right to determine on a case-by-case basis whether the Bidder should be disqualified from providing services due to a conflict of a nature described in Clause GCC C2**.**

Number of GC Clause 20

Liquidated Damages

If the Bidder fails to provide services as required under the contract or in case of any data loss/data breach or any incident compromising the data security or other such failures related to any services, the Bidder shall pay to the Procuring Agency as Liquidated Damages at a rate of **0.01%** to **10.00%** of the Contract value, in accordance with the extent of performance failure & the cost of investigating such incidents as judged by the Authority.

Number of GC Clause 21

Performance Guarantee:

The amount of performance guarantee shall be 0% of the contract price in acceptable form of Nil

Number of GC Clause 27

Currency of Payment:

All the payment to be released to the contractor/Bidder shall be in Pakistani Rupees.

Number of GC Clause F

Payment terms:

Payment will be made to the Bidder against the procured Goods and services according to the actual invoice or running bills submitted by the Bidder against the services provided within the time given in the conditions of the contract.

Number of GC Clause F

Identifying Defects:

The Authority reserves the right at any time to inspect the premises of the provider to inspect the goods and monitor the goods being provided.

Number of GC Clause F 5 & 6

Following is the guidance for Dispute Resolution

i. If any dispute of any kind whatsoever shall arise between the Authority and the Bidder in connection with or arising out of the Contract, including without prejudice to the generality of foregoing, any question regarding its existence, validity, termination and the execution of the Contract – whether during developing phase or after their completion and whether before or after the termination, abandonment or breach of the Contract – the parties shall seek to resolve any such dispute or difference by mutual diligent negotiations in good faith within 14 (fourteen) days following a notice sent by one Party to the other Party in this regard**.**

ii. At future of negotiation the dispute shall be resolved through mediation and mediator shall be appointed with the mutual consent of the both parties**.**

iii. At the event of failure of mediation to resolve the dispute relating to this contract such dispute shall finally be resolved through binding Arbitration by sole arbitrator in accordance with Arbitration Act 1940. The arbitrator shall be appointed by mutual consent of the both parties**.** The Arbitration shall take place in Islamabad, Pakistan and proceedings will be conducted in English language.

iv. The cost of the mediation and arbitration shall be shared by the parties in equal proportion however the both parties shall bear their own costs and lawyer's fees regarding their own participation in the mediation and arbitration. However, the Arbitrator may make an award of costs upon the conclusion of the arbitration making any party to the dispute liable to pay the costs of another party to the dispute**.**

v. Arbitration proceedings as mentioned in the above clause regarding resolution of disputes may be commenced prior to, during or after completion of the contract.

Notwithstanding any reference to the arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree that the Authority shall pay the Bidder any monies due to the Bidder.

Arbitrator's fee:

The fee shall be specified in Pak Rupees, as determined by the Arbitrator, which shall be shared equally by both parties**.**

Appointing Authority for Arbitrator:

By the Mutual Consent or in accordance with the provisions of Arbitration Act, 1940, in case the parties fail to reach a consensus on the name of sole arbitrator, any party may submit an application to the Chief Justice Islamabad High Court for appointment of sole arbitrator. The Chief Justice IHC may appoint a former judge of any High Court or Supreme Court as the sole arbitrator to resolve the dispute between the parties.

Rules of procedure for arbitration proceedings:

Any dispute between the Authority and a Bidder who is a national of the Islamic Republic of Pakistan arising in connection with the present Contract shall be referred to adjudication or arbitration in accordance with the laws of the Islamic Republic of Pakistan including Arbitration Act 1940, however above provision shall prevail in referring the case to the Arbitrator.

Place of Arbitration and Award:

The arbitration shall be conducted in English language and place of arbitration shall be at Islamabad. The award of the arbitrator shall be final and shall be binding on the parties.

Bid Securing Declaration

Form 9: Bid Securing Declaration

Date: *[insert date (as day, month and year)]*

Bid No.:***P97765***

To: **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce), Procurement Specialist PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).**

We, the undersigned, declare that:

We understand that, according to your conditions, Bids must be supported by a Bid Securing Declaration.

We accept that we will be blacklisted and henceforth cross debarred for participating in respective category of public procurement proceedings for a period of (not more than) six months, if fail to abide with a bid securing declaration, however without indulging in corrupt and fraudulent practices, if we are in breach of our obligation(s) under the Bid conditions, because we:

1. have withdrawn or modified our Bid during the period of Bid Validity specified in the Form of Bid;
2. Disagreement to arithmetical correction made to the Bid price; or
3. having been notified of the acceptance of our Bid by the Procuring Agency during the period of Bid Validity, (i) failure to sign the contract if required by Procuring Agency to do so or (ii) fail or refuse to furnish the Performance Security or to comply with any other condition precedent to signing the contract specified in the Bidding Documents.

We understand this Bid Securing Declaration shall expire if we are not the successful

Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight (28) days after the expiration of our Bid.

Contract Form

SECTION IX: CONTRACT FORMS

THIS AGREEMENT made the _____ day of __________ 20_____ between **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce), Procurement Specialist PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).**

(hereinafter called “the Procuring Agency”) of the one part and *[name of Bidder]* of *[city and country of Bidder]* (hereinafter called “the Bidder”) of the other part:

WHEREAS the Procuring Agency invited Bids for provision of goods, viz., **Punjab Mass Transit Authority Property Damage/ MBD & Terrorism Reinsurance Coverage 2026 (*P97765*)** and has accepted a Bids by the Bidder for the provision of Goods in the sum of *[contract price in words and figures]* (hereinafter called “the Contract Price”).

NOW THIS CONTRACT WITNESSETH AS FOLLOWS:

1. In this Contract words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Contract, In the event of any ambiguity or conflict between the Contract Documents listed below, the order of precedence shall be the order in which the Contract Documents are listed below:-

   1. This form of Contract;
   2. the Form of Bids and the Price Schedule submitted by the Bidder;
   3. the Schedule of Requirements;
   4. the Technical Specifications;
   5. the Special Conditions of Contract;
   6. the General Conditions of the Contract;
   7. the Procuring Agency’s Letter of Acceptance; and
   8. [*add here: any other documents*]

3. In consideration of the payments to be made by the Procuring Agency to the Bidder as hereinafter mentioned, the Bidder hereby covenants with the Procuring Agency to provide the Goods related services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Procuring Agency hereby covenants to pay the Bidder in consideration of the provision of Goods and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the contract.

IN WITNESS whereof the parties hereto have caused this Contract to be executed in accordance with their respective laws the day and year first above written.

Signed, sealed, delivered by __________________the ________________ (for the Procuring Agency)

Witness to the signatures of the Procuring Agency:

………………………………………………

Signed, sealed, delivered by __________________the ________________ (for the Procuring Agency)

Witness to the signatures of the Bidder: ………………………………………………

Integrity Pact

Integrity Pact

DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC. PAYABLE BYTHE SUPPLIERS OF GOODS, SERVICES & WORKS IN CONTRACTS WORTH RS.10.00 MILLION OR MORE

Contract Number: Contract Value: Contract Title:

Dated:

[Name of Supplier] hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) through any corrupt business practice.

Without limiting the generality of the foregoing [Name of Supplier] represents and warrants that it has fully declared the brokerage, commission, fee etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultations fee or otherwise, with the object of obtaining or inducing the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

[Name of Supplier] certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representative or warranty.

[Name of Supplier] accepts full responsibility and strict liability for making and false declaration, not making full disclosure, misrepresenting fact or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, [Name of Supplier] agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder's fee or kickback given by [Name of Supplier] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

Performance Guarantee Form

Performance Guarantee Form

To: **Pakistan Reinsurance Company Limited (PAKRE) (Ministry of Commerce), Procurement Specialist PRC Tower, 32-A, Lalazar Drive, M.T. Khan Road., Civil Line Sub-Division, Karachi South (District), Karachi (Division), Sindh (Province).**

WHEREAS *[name of Bidder]* (hereinafter called "the Bidder") has undertaken, in pursuance of Contract No. *[reference number of the contract]* dated *[insert date]* for provision of Goods(hereinafter called "the Contract").

AND WHEREAS it has been stipulated by you in the said Contract that the Bidder shall furnish you with a Bank Guarantee by a reputable bank for the sum specified therein as security for compliance with the Bidder's performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Bidders guarantee:

THEREFORE, WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Bidder, up to a total of *[amount of the guarantee in words and figures]*, and we undertake to pay you, upon your first written demand declaring the Bidder to be in default under the Contract and without cavil or argument, any sum or sums within the limits of *[amount of guarantee]* as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the: *[insert date]*

Signature and seal of the Guarantors

____

[name of bank or financial institution]

[address]

[date}

Annexure

Terms & Condition

must be signed and stamped by the bidder

Technical Submission (Vendor)

Document Required

See Form Under Additional Forms and Documents: **Terms & Condition** (page number: 70)

Technical Matrix Sheet

must be signed and stamped by the bidder

Technical Submission (Vendor)

Document Required

See Form Under Additional Forms and Documents: **Technical Matrix Sheet** (page number: 73)

Financial Matrix

must be signed and stamped by the bidder

Financial Submission (Vendor)

Document Required

See Form Under Additional Forms and Documents: **Financial Matrix** (page number: 74)

Policy Wording

Information (Read-Only)

See Form Under Additional Forms and Documents: **Policy Wording** (page number: 75)

Procurement Forms

Additional Forms and Documents

Pakistan Reinsurance Company Limited

(Under the administrative control of Ministry of Commerce, Government of Pakistan)
PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi, Pakistan
Ph: 021-99202908- 14 Fax: (92-21) 99202920-21 & 22
prcl@pakre.org.pk, Website: www.pakre.org.pk

TERMS AND CONDITIONS FOR TENDER NO. 138 (PRCL-RETRO-PMTA/2026)

1. Bidder should be an international (re)insurance broker having an annual premium placement volume of at least USD 500 million, evidence of which must be submitted with bids. The international broker should submit the bid directly. The local affiliate must have a valid SECP license, NTN, Sales Tax (if services are taxable), and on active taxpayers' list of FBR. PRCL may any time ask for a foreign and local broker's written agreement or MOU etc. Nevertheless, the (re)insurance premium will only be paid/transferred into a foreign broker's account, whose signed and stamped slips are submitted with bids and similarly, refund/adjustment premiums, Claims proceed, if any, should be transferred by the foreign broker directly into PRCL's account. Foreign brokers as well as local affiliate both are required to submit copies of their respective valid professional indemnity policies meeting regulatory requirements of their respective countries of registration.

2. One Bidder (international broker) can submit only one bid; more than one bid(s) received from one broker will be liable to rejection.

3. Bidder shall not be blacklisted by any Government Agency/Institution of Pakistan. The bidder shall affirm this condition in their technical submission. However, temporary blacklist firms/bidders can submit bids if the blacklisting period has ended before the bid submission date.

4. Bidder who wishes to participate in this tender shall also intimate the name, contact number, and e-mail address of its authorized representative. Only the authorized representative shall be allowed to communicate with PRCL, seek clarification, participate in pre-bid conference/bid opening, etc. Further please note that any email from local affiliated broker, if sent without keeping in loop international broker, the same will not be entertained by PRCL. Hence, international broker must be kept in the loop in all emails/correspondences with PRCL.

5. Bidder must submit a signed/ stamped compliance matrix that must be on foreign broker's letter-head with their Technical bid and premium calculations with their financial bid as per the format provided with this letter.

6. Bid should be a FIRM QUOTE (not an indication or subject to 'Best Terms'). Price change/variation after opening of bids may lead to disqualification of the bidder/rejection of the bid.

7. Leader's written confirmation must be submitted by the broker to support any clarification/correction in their bid/policy wording that may be provided by them in response to PRCL's request.

8. Bid should be without any expressed or implied subjectivities/conditions/additional exclusions and warranties otherwise it may lead to disqualification.

9. All non-conditional discounts (e.g., Client and special Discounts etc) must be separately mentioned in the bid. PRCL will include these discounts in financial evaluation.

10. All conditional discounts and bonuses (e.g., No claim bonus, prompt payment discount, and continuity discount) must separately be mentioned in the bid. Being conditional such discounts/bonuses whether upfront or otherwise, will not be included in the financial evaluation/comparison. Only in case of a tie such conditional discounts/bonuses will be included in comparison.

11. Bidder shall ensure that the lead reinsurer, whose quote is being submitted, shall later be reflected in the placement sheet with the required lead share. The cover note/policy wording must also be signed by the same leader with the share quoted in bids.

12. Bidder must provide risk-wise break up along with the premium for each section as well as the aggregate premium in their financial bid. A computation sheet summarizing the gross premium/price to net premium/price working shall also be submitted

13. The bidder whose submission: (i) is compliant with evaluation criteria and other conditions of the bidding document and client requirements, and (ii) having lowest evaluated bid shall be declared the successful bidder.

14. Successful bidder shall complete placements at the earliest but not later than 15 days from the date of issuance of the placement order. The bidder will provide KYC/UBO forms filled by itself, leader/leaders and follow market along with the complete documents after placement within 30 days.

15. The size of reinsurance order to the winning broker of this tender shall be advised by the PRCL at the time of order placement that may vary from the reinsurance order placed with the incumbent broker for the expiring period.

16. If requested by the client or circumstances so warrant during the reinsurance period, the incumbent broker may be asked for amendment(s) in cover &/or additions / deletions in the items covered &/or increase / decrease in the sum(s) insured / limit(s) of liability / deductible(s) etc. The terms and conditions of these endorsements will be mutually agreed upon by all the parties involved.

17. If requested by the client or circumstances so warrant the incumbent broker may be asked to arrange extension(s) in the period of reinsurance cover on pre-rata basis. The time span of such extension(s) may be for one or more full policy periods or less than a full policy period. The terms and conditions of these extensions will be mutually agreed upon by all the parties involved. Further, in case a discount is offered by the incumbent brokers/reinsurers in lieu of an LTA (Long Term Agreement) or Extension of the reinsurance covers for multiple years, the same may be accepted by PRCL on insured's approval thereto.

18. In case of appointed broker's poor services especially with regards to the claim(s) recoveries under the cover in question whether slow &/or no response to the client's/PRCL's emails/correspondence &/or delay in collection of claims proceeds from the relevant reinsurers &/or delay in transferring claims proceeds so collected to PRCL, the contract awarded to the brokers as a result of this tender may be discontinued before completion of its full period and the brokers (foreign and their local affiliates) may also be debarred from participating subsequent PRCL tenders till their issues are resolved to the full satisfaction of PRCL.

19. Name of the leader along with the country of origin and current rating must be advised by the bidders at the time of submitting the bid. Share of the lead reinsurer must be at least 15% and not more than 25% and must hold at minimum "A" rating as per S&P/ AM Best/ Moody's/Fitch that should be clearly confirmed by the bidder in their technical Bid. Separate leaders are allowed on each layer but the lead share in each individual layer must be not less than 15% and not more than 25% of that respective layer. The leader's share stated in the bid must be clearly reflected in the submitted lead quote.

20. The remaining risks must also be placed with "A-"securities or above as per the rating signed by S&P/ AM Best/ Moody's/Fitch. Managing General Agencies and Underwriting Agencies who write the risk on behalf of minimum A- rated securities (signed by S&P/ AM Best/ Moody's/Fitch) are allowed to be used as follow/support market up to 20% of 100%, but in no case any Managing General Agency and Underwriting Agency (irrespective of its principal or owner) is allowed to be used as leader. Further, Takaful/Re-Takaful/Operator/Company is not allowed even as a follower.

21. Quoted rate must be valid at least for 45 days from the date of bid opening and the bidder must affirm this in their technical submissions.

22. Premium Payment Warranty (PPW) should be of 90 days from the inception of the policy period.

23. The quote submitted by the bidder should include 10% reinsurance commission that must be paid to NICL/PRCL by the successful bidder. Further, the bidder should provide stepwise computation to arrive at the 100% Net to Broker Amount from the 100% markets gross premium i.e. deduction(s) of discounts and reinsurance commission payable to NICL/PRCL etc.

24. No additional premium or differential premium other than the leader's quoted rate/ premium shall be allowed. Therefore, the Broker must be able to complete placement of its entire reinsurance order within the leader's quoted rates.

25. The attached Bid Declaration Form, filled and signed must be submitted by the bidder.

26. PRCL has the right to cancel the contract at any time if it is found that the bidder was non-compliant with the terms and conditions regarding placement mentioned in the bidding documents. However, in case of non-compliance, 15 days' time to comply shall be given. In case of failure, PRCL may take action as deemed appropriate.

27. In the event of a dispute arising between PRCL and the successful bidder/ reinsurers, out of or in connection with the contract, such dispute shall be amicably settled through negotiations. If the dispute remains unsettled for 30 days, the parties may resort to Arbitration. The Arbitration shall be subject to the Arbitration Act of 1940 (Pakistan Law). The law and jurisdiction for arbitration/litigation must be that of the Islamic Republic of Pakistan.

28. Any query relating to the risk should be shared with PRCL 05 days prior to the bid opening date.

29. Direct Communication by the broker with the client/insured/NICL without keeping in loop the procuring agency i.e. PRCL is against the rules hence not allowed at any stage of the tender and even after placement of reinsurance order as well as during/after commencement of reinsurance cover. If is done, it may lead to disqualification of that broker. Requests for road shows and risk surveys should also be addressed to PRCL only without involving NICL and insured, as PRCL will take-up such requests of broker with them and revert.

30. If any participants/brokers use unethical/threatening wording/language it may lead to their disqualification.

31. Internal Procurement Committee (s) of PRCL shall evaluate all the bids.

32. PRCL has the right to extend the date of opening of the bid or to cancel the bidding process if required, and issue addendums, corrigendum, and modifications to any or all conditions of bidding documents prior to the opening of bids.

33. PRCL does not bind itself to accept the lowest or any quote (if technically non-compliant) and as per above stated conditions and reserves it's right to accept and/ or reject any or all offers/bids without assigning any reasons.

34. Complaints/grievances (if any) will be entertained as per PPRA guidelines.

"Broker's Letter Head"

Subject: Punjab Mass Transit Authority-PMTA- Orange line train
PD/MBD (including terrorism) Reinsurance
Renewal Period from: 01-11-2026 to 31-10-2027
Method of tender: Single stage - Two Envelope Basis
Technical Compliance Matrix Sheet

Tender Requirement	Marks
Foreign brokers as well as local affiliates to submit valid professional indemnity policies meeting regulatory requirements of their respective countries of registration.	**05**
Name of Lead Reinsurer	**05**
Lead Reinsurer Rating: minimum "A" as per S&P/AM Best Moody's and Fitch	**05**
Lead Reinsurer Share: at least 15% not more than 25%	**10**
Country of Origin	**05**
Quotation should be "FIRM" quote	**05**
Validity of quote should be forty-five (45) days from date of opening of bid	**05**
No underwriting agencies are allowed as leader	**10**
Quotation/slip/policy wording should be without any expressed or implied subjectivities/conditions/additional exclusions/warranties	**10**
Premium Payment warranty should be ninety (90) days from the inception of the policy period	**05**
Law and Jurisdiction must be (Pakistan)	**05**
Actual Quotation slip/policy wording signed/stamped by the leader must be attached	**10**
Sum Insured/Loss value: **USD 1,253,153,459.90** **PKR. 352,512,068,270** (conversion rate PKR. 281.30)	10
Deductibles: 1. For Earthquake and Tsunami: USD 200,000 or 20% of value of total loss per occurrence, whichever is higher. 2. For Storms, Floods, Landslides, Collapses: USD 100,000 or 10% of value of total loss per occurrence, whichever is higher. 3. Breakage of glass (including window glass/door glass of the train, PSD and APG glass etc.): USD 750/- 4. All other Risks: USD 10,000/-	10
TOTAL	100

Name of Broker:________________________

Signature:__________________________________

Stamped:__________________________________

Dated:__________________________________

Broker’s Letter Head”

Subject: Punjab Mass Transit Authority-PMTA- Orange line train
PD/MBD (including Terrorism) Reinsurance
Renewal Period from: 01-11-2026 to 31-10-2027
Method of tender: Single stage - Two Envelope Basis

Financial Compliance Matrix Sheet

Particulars	**Amount in PKR**
Gross Premium (100%) including all layers (if any)	
Less: Client Discount (if any non-conditional discount)	
Premium after Discount	
Add: Broker Fee (if applicable)	
Premium 100% (payable by client)	
Less: Reinsurance Commission	**10%**
Net to Broker 100%:	

Name of Broker:________________________

Signature:_____________________________

Stamped:______________________________

Dated:________________________________

LAHORE ORANGE LINE METRO TRAIN SYSTEM

PROPERTY ALL RISKS INCLUDING MACHINERY BREAKDOWN & TERRORISM

THE PUNJAB MASS TRANSIT AUTHORITY

Prepared By: Nasreen

Reviewed By:

Authorized Signatory:

NATIONAL INSURANCE COMPANY LIMITED

SCHEDULE TO THE PROPERTY ALL RISKS INSURANCE

Type of Insurance	**Property All Risks including Machinery Breakdown Insurance.**
The Insured:	**Punjab Mass Transit Authority (PMA)** **Co- Insured :** i). NORINCO International Cooperation Ltd. Pakistan Branch, on behalf of NORINCO-GMG-Daewoo JV, which is the O&M Contractor of Orange Line, Lahore. ii). InfoTech Private Limited, which is the AFC contractor of Orange Line.
Insured's Address:	Punjab Mass Transit Authority, 346 B, 5th Floor, Arfa Software Technology Park, Feroze Pur Road, Lahore.
The Insurer	National Insurance Company Limited
Reinsurer	Pakistan Reinsurance Company Limited Address: PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi.
Period of Insurance:	From **November 01, 2025** To **October 31, 2026** **Both days inclusive, Pakistan Time.**
Nature of Business:	Operations & allied activities of Metro Rail Transit System of the orange Line in Lahore.

Property Insured :	Electrical & Mechanical System Equipment installed at the Project Site, Rolling Stocks, Locomotives and Spare Parts as per attached Annexure A.
Territorial Limit:	Areas in the scope of Metro Rail Transit System of the Orange Line in Lahore, Pakistan.
Coverage:	Property All Risks (including Machinery Breakdown) resulting in direct material damage or loss to the insured property.
Sum Insured:	**USD 1,253,153,459.90 (PKR 352,512,068,270)** For the purpose of this contract all USD Amounts will be converted in Pak Rupees using Conversion Rate of **PKR 281.30 / USD.**
Deductibles:	**1. For Earthquake and Tsunami:** USD 200,000 or 20% of value of total loss per occurrence, whichever is higher. **2. For Storms, Floods, Landslides, Collapses:** USD 100,000 or 10% of value of total loss per occurrence, whichever is higher **3. Breakage of glass** (including window glass/door glass of the train, PSD and APG glass etc.): USD 750 **4. All other Risks:** USD 10,000

Sub Limits:	**Removal of Debris Clause:** USD 5,000,000 per occurrence **Breakage of Glass:** USD 100,000 per occurrence **Capital Additions:** 10% of Sum Insured **Expediting Expenses:** 1% of Sum Insured **Professional Fee Clause:** 4% of Sum Insured. **Temporary Repairs due to insured perils:** 20% of Loss Amount **Public Authorities Clause:** USD 2% of the value declared subject to maximum USD 2Million. **Temporary Removal:** 20% of Loss Amount **Fire Fighting Expenses:** 20% of Loss Amount **Minimization of Loss:** 30% of Loss Amount **Claims Preparation Cost:** 10% of Loss Amount **Payment on account:** 25% of Loss Amount **Inland Transit Limit:** USD 20,000 per occurrence **Strike, Riots, Civil Commotion Clause Limit:** USD 500,000 per occurrence. **Workmen's (maintenance) clause:** 10% of sum insured. **Air-Freight Fee Clause:** 20% of Loss amount **Supplementary Machinery & Equipment Breakdown Insurance Clause:** USD 50 million per occurrence. **Terrorism :** USD 50,000,000
Original Conditions:	All terms, clauses and conditions as original Policy : 1. Supplementary Machinery and Equipment Breakdown Insurance Clause 2. Capital Additions Clause 3. Automatic Reinstatement of Sum Insured Clause 4. 72-Hour Clause 5. Fire Extinguishing Expenses of Fire Department Extension Clause 6. Breakage of Glass Extension Clause 7. Removal of Debris Extension Clause 8. Public Authorities Extension Clause 9. Temporary Removal Extension Clause 10. Payment on Account Clause 11. Errors and Omissions Clause 12. Out of Control Clause 13. Professional Fees Extension Clause 14. Earth Movement Clause 15. Flood Extension Clause 16. Additions, Alternations or Repair Contract Clause

PROPERTY ALL RISKS INSURANCE CLAUSES

War Exclusion Endorsement:

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

This Contract also excludes loss, damage, 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 above.

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

In the event, any portion of this Contract is found to be invalid or unenforceable; the remaining contract shall remain in full force and effective.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause:

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith:

1. In no case shall this insurance cover loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

1.1 ionizing, radiations from or contamination by radioactivity from any nuclear Fuel or from any nuclear waste or from the combustion of nuclear fuel.

1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

1.3 any weapon or device employing atomic or nuclear fission and/or fusion or Other like reaction or radioactive force or matter

1.4 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive metal. The exclusion in this sub-clause does not extended to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

Fraudulent Claim Clause

If the insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

Sanction Limitation and Exclusion Clause:

No (re)insurer shall be deemed to provide cover and no (re) insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA 3100

Claims Control Clause

Notwithstanding anything to the contrary contained in this insurance it is a condition precedent to insurers' liability under this insurance that:

(a) The insured shall give to the insurer(s) written notice as soon as reasonably practicable of any claim made against the insured in respect of the business insured hereby or of its being notified of any circumstances which could give rise to such a claim.

(b) The insured shall furnish the insurer(s) with all information known to the insured in respect of claims or possible claims notified in accordance with (a) above and shall thereafter keep the insurer(s) fully informed as regards all developments relating thereto as soon as reasonably practicable.

(c) The insurer(s) shall have the right at any time to appoint adjusters and/or representatives to act on their behalf to control all investigations, adjustments and settlements in connection with any claim notified to the insurer(s) as aforesaid.

(d) The insured shall co-operate with the insurer(s) and any other person or persons designated by the insurer(s) in the investigation, adjustment and settlement of such claim.

1/1/97
NMA2738

Communicable Disease Exclusion Endorsement:

1. This Policy, subject to all applicable terms, conditions and exclusions covers losses attributable to direct physical loss or direct physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, in any way connected with, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

2.1. for a Communicable Disease, or

2.2. any property insured hereunder that is affected by such Communicable Disease.

3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

4. This endorsement applies to all coverages extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA 5393

Property Cyber and Data Endorsement

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

1.1 Cyber Loss, unless subject to the provisions of paragraph 2;

1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3; regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

3. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.

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

5. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

6. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

7. Cyber Act means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

8. **Cyber Incident means:**

8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

9. **Computer System means:**

9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

11 November 2019
LMA5400

Premium Payment Clause

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non- payment of premium only the following clause will apply.

The (Re) Insured undertakes that premium will be paid in full to (Re) Insurers by (specify the date in full) (or, in respect of installment premiums, by (the due dates in full).

It is a condition of this contract of (re)insurance that the premium is payable in 4 equal quarterly installments.

1) 25% due by 01 December 2025
2) 25% due by 01 March 2026
3) 25% due by 01 June 2026
4) 25% due by 28 August 2026

If the premium due under this contract has not been paid to (Re) Insurers by (specify the date in full) (and, in respect of installment premiums, by the dates they are due) (Re) Insurers shall have the right to cancel this contract by notifying the (Re) Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re) Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001 (amended)
30/9/08

GENERAL PROVISION

Article 1 The Insurance Contract incorporates the Insurance Clauses, Proposal Form, Policy or Certificate, and Endorsements (if any). Any agreement related to the Insurance Contract shall be in written form.

PROPERTY INSURED

Article 2 The property insured shall include all trains, E&M Equipment, and spare parts that all specified in **Annexure-A**.

The above-mentioned insured property refers to the property that belongs to or is under the care or control of Insured and requires its responsibility and interest.

The place of use of the above property is not restricted within the scope of the insurance agreement, regardless of where it is in the insured's business premises or in which professional warehouse or in the warehouse of a non-rental unit.

Article 3

The following items shall not be used as insured property:

1. Guns, ammunition, explosives;
2. Cash, securities, bills, documents, files, account books, drawings;
3. Animals, plants, and crops;

INSURANCE COVERAGE

Article 4 During the validity period of this insurance, if the insured property listed in this insurance policy is directly damaged or lost due to natural disasters or accidents (hereinafter referred to as "loss"), the insurer shall be responsible for compensation in accordance with the provisions of this insurance policy.

Definition:

Natural disasters: refers to thunder and lightning, hurricanes, tornadoes, storms, heavy rains, floods, frost disasters, hail, landslides, avalanches, volcanic eruptions, ground subsidence and other natural phenomena with irresistible destructive power.

Accidents: refer to unexpected events that are unpredictable and that the insured cannot control and cause material losses, including fires and explosions.

EXCLUSION

Article 5 The insurer is not liable for the following:

1) Losses and expenses caused by design errors, raw material defects or poor workmanship;
2) Loss and expenses caused by natural wear, internal or potential defects, changes in the substance itself, spontaneous combustion, self-heating, oxidation, corrosion, leakage, rat bites, moth-eaten, atmospheric changes, normal water level changes or other gradual changes;
3) Damage to the mechanical or electrical device itself caused by non-external force;
4) Boiler and pressure vessel explosion caused its own losses;
5) Mechanical or electrical equipment losses caused by the insured's and its employees' operating negligence;
6) Shortages discovered during the inventory;
7) Other consequential losses such as devaluation, loss of market or use value;
8) Losses caused by wind, frost, severe cold, rain, snow, flood, hail, dust, etc., of insured property stored in the open air or using reed mat, tarpaulin, thatch, linoleum, plastic film or nylon cloth as a shed or cover；
9) Losses and expenses caused by earthquakes and tsunamis;
10) Any losses, expenses and liabilities caused by deliberate acts or gross negligence of the insured and its representatives, as well as theft by the insured's relatives, friends or employees;
11) Losses caused by the interruption of public power supply, water supply, gas supply and other public energy, except for the interruption caused by natural disasters or accidents;
12) Losses, expenses and liabilities caused by War, similar acts of war, hostilities, armed conflicts, terrorist activities, treason and coups;
13) Confiscation, expropriation, destruction or destruction by government order or any public authority;
14) Any losses and expenses caused by nuclear fission, nuclear fusion, nuclear weapons, nuclear materials, nuclear radiation and radioactive pollution;
15) Any losses, expenses and liabilities caused by air, land, water pollution and other various pollutions; but excluding losses caused by pollution caused by natural disasters or accidents;
16) The deductibles stipulated in the insurance policy schedule or related clauses that should be borne by the insured.

OBLIGATIONS OF THE INSURER

Article 6 In case of application of standard clauses, the Insurer shall enclose them in the Proposal Form and explain the contents of the insurance contract to the Applicant. For the clauses exempting the Insurer's liability, the Insurer shall make remarkable notice in the Proposal Form, Policy or other certificates to draw the Applicant's attention, and explain them clearly in written or oral form when entering into the contract. Otherwise, such clauses shall be void.

Article 7 The Insurer shall issue the Policy or other certificates in a timely manner after the establishment of an insurance contract

Article 8 The Insurer's right to cancel the Policy is void if not exercised by the Insurer within thirty days after his acknowledgement of any causes for cancellation of this Policy. After two years from the establishment of the insurance contract, such right to cancel the Policy is also void and the Insurer shall be liable for Damage insured by this Policy.

Article 9 If the Insurer believes that the proofs and documents provided by the Insured are not sufficient, the Insurer shall request the Applicant and/or the Insured to provide additional materials in time.

Article 10 Upon receipt of a claim, the Insurer shall confirm whether the Damage is covered by this Policy or not in a timely manner. For complicated cases, the Insurer shall make decision within the reasonable time, unless otherwise stipulated in the insurance contract.

The Insurer shall notify the Insured of the decision in a timely manner. If the Damage is covered by this Policy, the Insurer shall make payment after reaching an agreement with the Insured. If the time limit for indemnity is specifically stipulated in the insurance contact, the Insurer shall make payment within such time limit. If the Damage is not covered by this Policy, the Insurer shall issue a declination letter and explain the reasons to the Insured.

Article 11 The Insurer may allow an advance payment that can be determined by the available proofs or documents, and pay the balance to the Insured after the final amount of indemnity is adjusted.

OBLIGATIONS OF THE INSURED

Article 12 The insured and its representatives shall strictly perform the following obligations:

(1) When applying for insurance, the insured and his representatives shall provide a true and detailed explanation or description of the matters listed in the insurance application and other matters proposed by the insurer;

(2) The insured and his representatives shall pay the insurance premiums in accordance with the schedule and the endorsement of this insurance policy;

(3) During the period of insurance, the insured shall take all reasonable preventive measures, including serious consideration and implementation of the reasonable loss prevention suggestions put forward by the insurer;

(4) In the event of a matter that causes or may cause a claim under this insurance policy, the insured or his representative shall:

Article 13 Notify the insurer within a reasonable time, and provide a written report of the accident, the cause and the extent of the loss within seven days or within a period extended by the insurer's written consent;

Article 14 Take all necessary measures to prevent further expansion of losses and reduce losses to a minimum;

Article 15 Before the insurer or its surveyor conducts the survey, keep the accident scene and relevant physical evidence;

Article 16 When the insured property is stolen or maliciously damaged, immediately report the case to the police;

Article 17 provide all the supporting documents, materials and receipts according to the insurer's requirements, as the basis of the claim.

NOTIFICATION OF CLAIMS

Article 18 The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the Underwriters within seven (7) days of such knowledge of any occurrence and it is a condition precedent to the liability of Underwriters that such notification is given by the Insured as provided for by this Policy.

If the Insured, makes a claim under this Insurance he must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Underwriters, the Insured must submit to examination under oath by any person designated by the Underwriters.

After receiving the report or notified by Insured, the insurer shall visit the accident site, within twenty-four hours or on a mutually communicated date depending upon incident, to investigate the claim. However, if the repair of the damage/recovery is of urgent nature, the insured has the right to repair or replace the damaged property and restore the site after intimation to the insurer and insurer will be liable to pay for such repair cost as claimed by the insured.

PROOF OF LOSS

Article 19 The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Underwriters have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the Insured.

LOSS SETTLEMENT

Article 20 The Insured cannot lodge any claim against the Insurer if he has no insurable interest in the property insured at the time of the occurrence hereby insured.

Article 21 The Insurer may, at his option, indemnify the Insured for loss of or damage to the property insured by either:

a) cash: the Insurer makes cash payment as indemnity; or

b) replacement: the Insurer replaces the lost or damaged property with that of the same type, structure, function and capacity as the nearest condition of the property immediately prior to Loss; or

c) repair: the Insurer repairs the damaged property.

Nevertheless, the extra costs and/or expenses of any alterations, additions or improvements occurring in the course of repair or replacement carried out by the Insured shall not be recoverable under this Policy.

Article 22 The property insured still carrying salvage value after Damage shall be disposed upon agreement between the Insured and the Insurer. If the salvage of the damaged property is retained by the Insured, the salvage value shall be deducted from the actual amount of indemnity.

Article 23 For the loss of or damage to the insured property recoverable under this Policy, the amount of indemnity shall be ascertained on the following basis:

a) If the sum insured is equivalent to or greater than the insured value, the payment shall be the actual loss sustained but in no case shall the maximum liability of the Insurer exceed the insured value.

b) If the sum insured is less than the insured value, the amount of indemnity shall be such a proportion of the actual loss as the sum insured bears to the insured value, but in no case shall the maximum liability of the Insurer exceed the sum insured.

c) Every item, if more than one, of this Policy shall be adjusted separately subject to the condition herein.

Article 24 If the sum insured is equivalent to or greater than the insured value, the Insurer shall pay the Insured in respect of the necessary and reasonable costs and/or expenses incurred for the purpose of preventing or diminishing imminent damage to property insured caused by peril insured against by this Policy, in which case, the amount of such sue and labor expenses shall be calculated separately from the amount of indemnity for the damage of the property insured, subject to the limit of the insured value of the rescued property insured.

If the sum insured is less than the insured value, the payment of the aforementioned sue and labor expenses shall be such proportion of the actual expenses as the sum insured of the rescued property insured bears to its insured value, and calculated separately from the amount of indemnity for the Damage of the property insured, subject to the limit of the sum insured of the rescued property insured.

In the case that uninsured items are included in the rescued property, the Insurer shall only pay for the proportion of the sue and labor expenses as the insured value of the rescued property insured bears to the total value of the rescued property.

Article 25 The amount of indemnity shall be the amount as reached in Article 29 and 30 deducting the deductible for any one accident/occurrence.

Article 26 If at the time of any loss or damage happening to any property hereby insured, there be any double insurance subsisting, the Insurer shall not pay or contribute more than his rateable proportion of loss or damage as the corresponding sum insured under this Policy bears to the corresponding total sum insured under all these policies.

The Insurer shall not advance the amount payable by other insurer(s). If the Insurer has paid more than his share due to the Insured's non-disclosure, the Insurer is entitled to claim for the portion paid in excess.

Article 27 In the event of a partial loss, upon settlement of the claim by the Insurer, the sum insured of this Policy shall be reduced correspondingly from the date of Damage, and no premium shall be refunded by the Insurer for so reduced. If reinstatement of the sum insured is required by the Applicant, an additional premium for the reinstated amount shall be charged on pro rata daily basis from the date of requirement by the Applicant to the expiry date of this Policy.

Article 28 If any third party is held liable for the Damage insured hereby, the Insurer shall be entitled by subrogation to claim for indemnity against such third party upon Insurer's paying for the Damage subject to the limit of the payment, and the Insured shall provide the Insurer with all the necessary documents and relevant information known to him.

If the Insured has already been indemnified by the third party liable for the Damage, the Insurer shall deduct the corresponding amount when calculating the amount of indemnity.

The Insurer shall not indemnify the Insured for the Damage, if the Insured waive the right to claim against the third party liable before the Insurer makes payment of indemnity. If after receiving indemnity from the Insurer, the Insured waives the right to claim against any third party liable for the Damage without the Insurer's consent, such waiver of right is invalid. If due to the Insured's willful act or gross negligence, the Insurer cannot exercise the right of subrogation, the Insurer may deduct a corresponding amount when calculating the amount of indemnity or request refund of a corresponding amount from the indemnity paid to the Insured.

Article 29 The limitation of action to claim for indemnity under this Policy shall be two years from the date that the Insured is aware or ought to be aware of the occurrence of loss or damage insured hereby.

TERMINATION OF THE INSURANCE

Article 30 In respect of partial loss of the property insured, the Applicant may cancel the Policy within thirty days from the date that the Insurer makes payment of indemnity. This insurance may also be terminated at the option of the Insurer by sending fifteen days' notice to the effect being given to the Applicant, unless otherwise agreed and stipulated in this Policy.

If this insurance is terminated as aforementioned, the Insurer shall refund to the Applicant the premium of the undamaged proportion of the property insured after deducting the premium that shall be charged from the date of inception to the date of cancellation.

Article 31 At the Applicant's request for cancellation of this Policy before the inception of insurance, the Insurer shall charge the Applicant a commission for cancellation as stipulated in the Policy, but shall return the balance of the premium to the Applicant.

At the Applicant's request for cancellation of the Policy after inception of insurance, the insurance shall be terminated from the date of notification, in which case, the Insurer shall retain the premium calculated according to the Short-Term Premium Rate Table for the period from the date of inception to the date of cancellation, and refund the balance of the charged premium to the Applicant.

This insurance may also be cancelled at the request of the Insurer after inception of insurance by sending fifteen days' notice to the effect being given to the Applicant, in which case the Insurer shall calculate the premium on pro rata daily basis from the inception date of insurance to the date of cancellation, and refund the balance of premium to the Applicant.

Article 32 In the case that the property insured suffers total loss insured against hereby, this insurance shall terminate upon the Insurer's fulfillment of indemnity obligation. If the loss is not covered hereby, this insurance shall terminate, but the Insurer shall refund to the Applicant the charged premium after deducting the short-term premium as calculated pro rata daily from the date of inception to the date of total loss.

GENERAL CLAUSES

Article 33 Policy effectiveness

The insured strictly abides by and fulfills the provisions of this insurance policy, which is a prerequisite for the insurer to assume the liability for compensation under this insurance policy.

Article 34 The insurance policy to be invalid

If the insured or its representative's omission, misstatement, false statement or concealment of the substantive content of this insurance, this insurance is invalid.

Article 35 Extension Clauses

In case of any conflict between the general provisions of the insurance policy and the extension clauses, the extension clauses shall be paramount. As to other matters not referred to in the extension clauses, the general provisions of the insurance shall be paramount.

Article 36 Termination of the policy

Unless agreed in writing by the insurer, this insurance policy will automatically terminate in the following circumstances:

1. The insured loses insurance rights;
2. Expansion of underwriting risks.

After the termination of this insurance policy, the insurer will refund the insured person's unexpired part of the insurance premium under this insurance policy on a daily basis.

Article 37 Cancellation of insurance policy

The insured can apply for cancellation of this insurance policy in writing at any time; the insurer can also notify the insured to cancel this insurance policy 15 day in advance. For the insurance premium during the effective period of the insurance policy, the former is calculated and collected by the insurer at a short-term rate, and the later is calculated and collected on a daily basis.

Article 38 Loss of rights

If any claim contains false elements, or the insured or its representative resorted to fraudulent means to obtain benefits under this insurance policy, or any loss is caused by the deliberate act or connivance of the insured or its representative, the insured is insured will lose all its rights and interests under the insurance policy. The insured shall be responsible for undertaking all losses arising therefrom, including the compensation paid by the insurer.

Article 39 Reasonable inspection

The insurer's representatives have the right to conduct on-site inspections of the insured property's risk profile at any appropriate time. The insured shall provide all conveniences and the details and information required by the insurer to assess the relevant risks. However, the above inspection does not constitute any commitment of the insurer to the insured.

Article 40 Transfer of rights and interests

If the losses under this insurance policy involve other responsible parties, regardless of whether the insurer has compensated the insured, the insured shall immediately take all necessary measures to exercise or retain the right to claim against the responsible party. After the insurer pays the indemnity, the insured shall transfer the right to recover from the responsible party to the insurer, hand over all necessary documents, and assist the insurer in recovering the compensation from the responsible party.

Article 41 Dispute

All disputes related to insurance between the insured and the insurer shall be settled through friendly negotiation. If the negotiation fails, you can apply for arbitration or file a lawsuit in the court. Unless otherwise agreed in advance, the arbitration or litigation shall be conducted at the location of defendant.

DEFINITIONS

Article 42 The following definitions shall apply to the terms concerned in the policy.

1. Fire: a disaster caused by combustion out of control in time or space. The Insurer shall not be liable for the peril of fire unless the following three conditions have been satisfied simultaneously:

1.1 Combustion produces heat, light and flame;

1.2 Combustion is occasional and unexpected;

1.3 Combustion goes beyond control and tends to spread and expand.

Therefore, only combustion phenomena shall not constitute the "fire" insured against in the policy. Purposive burnings in production and life, for example, burning contaminated clothes for epidemic prevention or burning the grass on waste land by fire, etc., is not the fire insured hereby but normal combustion.

In addition, the losses caused by baking, roasting or ironing shall not be insured hereby because of no combustion phenomena and tend of spreading and expanding.

The damage of electric motors, appliances and equipment caused by overuse, overvoltage, swinging cross, flash, leakage and self-heating shall not belong to fire risk insured. However, if combustion happens, goes beyond control and spreads, it constitutes peril of fire insured and the Insurer shall be responsible for compensation for the losses of electric motors, appliances and equipment.

2. Explosion: explosion includes physical explosion and chemical explosion.

Physical explosion: when liquid is changed into steam or gas expands, its pressure rises sharply and greatly exceeds the ultimate pressure that container can bear, explosion happens, such as boiler explosion, air compressor explosion, compressed gas cylinder explosion and liquid gas storage tank explosion, etc. Boiler and pressure vessel explosion is defined as follows: a boiler or pressure vessel bursts during use or pressure test to make its pressure instantaneously drop to external atmospheric pressure, which is called "explosion accident".

Chemical explosion refers to a phenomenon that an object gives off plenty of heat and gases when decomposing or burning momentarily and spreads all around at a great pressure, such as gunpowder explosion, flammable dust and fiber explosion, flammable gas explosion and various chemicals explosion, etc.

Losses caused by inherent vice, latent defect, wear and tear, inferior quality of the property or negative pressure shall not be explosion insured against hereby.

3. Lightning Stroke: a disaster caused by lightning. Lightning refers to an electric discharge phenomenon happening in cumulonimbus clouds, between clouds or between

clouds and ground. The destructive forms of lightning stroke are divided into direct lightning stroke and inductive lightning stroke.

3.1. Direct lightning stroke: loss caused as lightning hits property insured directly, which is covered hereby as direct lightning stroke liability.

3.2. Inductive lightning stroke: static induction or electromagnetic induction caused by lightning stroke makes indoor metal objects which insulate against ground produce high potential and sparks, thereby leading to fire and damage of electric appliance, or high voltage induction of lightning results in damage of electric appliance, which is insured hereby as inductive lightning stroke liability.

4. Rainstorm: a rain when the rainfall is more than 16mm per hour, or more than 30mm per 12 hours, or more than 50mm per 24 hours.

5. Flood: flash flood, flooding of rivers, landing of tide and back flow. But regular rising tide, water leakage of automatic sprinkler system, underground water seepage and water pipe burst shall not belong to flood liability hereby insured.

6. Tempest: a natural wind whose force reaches Beaufort Force 8 and speed is more than 17.2 m/s.

7. Tornado: a violent whirlwind of small range and short time whose maximum speed on land is 79m/s to 103m/s and maximum extreme speed is more than 100m/s.

8. Hailstone: ice block or ice ball falling to the ground from severe convective cumulonimbus clouds, whose diameter is greater than 5mm and core is hard.

9. Typhoon and hurricane: typhoon refers to a tropical cyclone whose maximum average force near the center reaches or exceeds Beaufort Force 12, which means wind speed is more than 32.6m/s; hurricane refers to a tropical cyclone which has the same nature with typhoon but different appearance position and area from typhoon. Typhoon forms in the northwestern Pacific Ocean, while hurricane forms in the Indian Ocean and the Atlantic Ocean.

10. Sand Storm: a weather phenomenon that strong wind blows up large quantities of dust and sand on the ground to make air dirty and horizontal visibility less than one kilometer.

11. Snow Storm: a snowfall phenomenon whose snowfall in 12 consecutive hours is equal to or greater than 10mm.

12. Ice Slush: a phenomenon that during spring break, the floating of ice blocks is obstructed and ice blocks accumulate, thereby resulting in river channel blockage and sharp rise of water level, so that river water overflows from river channel and spreads all around to cause damage.

In some areas on land, for example, mountain and valley wind gap, bitter cold makes rain and snow get iced up, these ice blocks droop and become thicker and thicker, drooping pull makes objects destroyed, which also belongs to ice slush liability insured.

13. Sudden landslide: a phenomenon that unstable soil bodies or manmade deposits on slopes slide down suddenly and integrally under the action of gravity.

14. Avalanche: a phenomenon that rock cliffs, soil cliffs and rocks crumble and collapse due to natural weathering and rain erosion and a great deal snow collapses and tumbles

down from on high suddenly under the action of gravity.

15. Mud-rock flow: a special torrent containing large quantities of sand and stones, excited by rainwater and water produced by ice and snow melting.

16. Sudden subsidence of ground: the earth's crust subsides suddenly because of natural variation and stratigraphic contraction.

The ground subsides suddenly due to tide, river and heavy rain erosion or don't have a grasp of stratigraphic conditions before building a house and there are cavities or pockets, which also belongs to sudden submergence of ground. However, building foundation settlement, crack and collapse, etc., caused by not being in accord with construction requirements don't belong to sudden submergence of ground.

17. Falling of flying objects or other objects moving in air falling of air flying machine, man-made satellite and cloud stone, object falling when a crane or a car is moving, shooting and collapse of stonework, stone blocks and earthworks caused by manual excavation and explosion, collapse of buildings and falling of other air moving objects.

18. Natural Hazards: lightning, rainstorm, flood, tempest, cyclone, hailstorm, typhoon, hurricane, sandstorm, snowstorm, ice slush, sudden landslide, avalanche, mud-rock flow, sudden subsidence of ground and any other phenomena of nature with strong destructive power and beyond human control.

19. Accident: unforeseen, uncontrollable and sudden event which leads to material damage, which includes fire and explosion.

20. Gross Negligence: an act that the doer not only fails to comply with higher requirements of legal norms, but also cannot reach the general standards a reasonable person should have paid attention to.

21. Terrorism: an act of any person acting on behalf of or in connection with any organization with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

22. Earthquake: the shake the earth's crust makes.

23. Tsunami: huge ocean waves caused by submarine earthquake, volcanic eruption, underwater landslide or collapse.

24. Governmental or Judicial Actions: the acts of government departments and law enforcement agencies at all levels or institutions exercising public administration and social management functions according to law to destroy, expropriate or confiscate the object insured.

25. Simple Building: building which is constructed either:

25.1. with roof or wall made of bamboo, wood, reed mat, tarpaulin, couch grass, asphalt felt, plastic film, nylon cloth, glass fiber reinforced plastic and the like; or

25.2. with close roof, but the non-close vertical area exceeds 10% of total vertical area; or

25.3. at the maximum distance over one meter between roof and walls.

26. Spontaneous Combustion: a phenomenon that under the condition of no direct action of external heat sources, an inflammable matter emits heat because of its internal physical

action (such as adsorption and radiation, etc), chemical action (such as oxidation, decomposition and aggregation, etc) or biological action (such as fermentation and bacterial putrefaction, etc), heat accumulation leads to temperature rise, when the temperature of the inflammable matter reaches a certain value, the inflammable matter burns without direct contact with open flames.

27. Reinstatement Value: expenses for rebuilding or replacing the damaged property insured to its condition when new, excluding extra charges for any alteration, betterment or improvement.

28. Water Tank and Pipe Burst: it includes frost crack and accidental burst. Water tank and pipe burst is generally caused by flaw or service wear or icing of water tank and pipe.

EXTENSIONS:

1. Supplementary Machinery and Equipment Breakdown Insurance Clause

The Insurer shall indemnify the insured in respect of the sudden and accidental physical loss of or damage to the machinery and its associated equipment insured during the insurance period caused by:

1. faulty design, manufacturing or installation, defects in casting and material;
2. faulty operation, lack of skill, bad workmanship, negligence of the workers or technicians;
3. tearing apart on account of centrifugal force;
4. overload, over-voltage, wire-contact, electrical arc, electricity leakage, short-circuit, atmosphere discharge, faradism or other electric related reason.

2. Capital Additions Clause

It is agreed that all newly acquired property as defined in this contract is automatically covered up to the limit mentioned in the Schedule subject to no prior declaration up to 10% provided declaration and agreed additional premium payment is paid.

3. Automatic Reinstatement of Sum Insured Clause

It is agreed and understood that in the event of loss or damage within the scope of insurance, the sum insured of the damaged subject matter insured shall be automatically reinstated, and the Insured shall pay the premium for the reinstated part of sum insured therefore calculated pro rata from the date of loss or damage to the expiration of the insurance period.

4. 72-Hour Clause

It is agreed and understood that any loss of or damage to the subject matter insured arising during any one period of seventy two (72) consecutive hours, caused by storm, typhoon, flood or earthquake shall be deemed as a single event and therefore to constitute one insured occurrence. For the purpose of the foregoing the commencement of any such seventy two (72) hour period shall be decided at the discretion of the Insured it being understood and agreed, however, that there shall be no overlapping in any two or more such seventy two (72) -hour periods in the event of damage occurring over a more extended period of time.

5. Fire-extinguishing Expenses of Fire Department Extension Clause

It is hereby agreed that the Insurer is liable for indemnity of fire-extinguishing expenses legally charged by the fire department due to fire extinguishing within the scope of insurance as per the insurance contract. The above fire department does not include the fire brigade owned by the Insured. The amount payable by the Insurer under this clause shall not exceed the corresponding limit of indemnity stated in this insurance policy.

6. Breakage of Glass Extension Clause

It is hereby agreed that this insurance shall be extended to cover the breakage of glass stated in this policy caused by any reasons other than natural disasters and accidents.

7. Removal of Debris Extension Clause

It is agreed and understood that the Insurer is liable for indemnity of the costs and expenses incurred in removing, dismantling and/or demolishing of the damaged subject matter insured within the scope of the insurance as per the insurance policy.

The amount payable by the Insurer under this clause shall not exceed the corresponding limit of indemnity stated in this insurance contract.

8. Public Authorities Extension Clause

It is agreed and understood that the Insurer is liable for indemnity of the additional costs of reinstatement or restoration of the destroyed or damaged subject matter insured as may be incurred solely by reason of the necessity to implement any ordinance, law, statute or by-laws of any municipal or local authority as per this insurance contract. Provided that:

(1) The Insurer is not liable for indemnity of the additional cost incurred in complying with any of the aforesaid ordinance, law, statute under the following cases:

a). in respect of destruction or damage occurring prior to the granting of this Extension;

b). in respect of destruction or damage not insured by this policy;

c). under which notice of removal or reinstatement has been served upon the Insured by the relevant public authorities prior to the happening of the destruction or damage;

d). in respect of the restoration, removal and reinstatement of the undamaged subject matter insured (not including the insured foundation).

(2) The work of reinstatement and restoration of the Insured must be commenced and carried out immediately, and in any case must be completed within 12 months after the destruction or damage or within such further time as the Insurer may in writing allow and may be carried out upon another site (if the aforesaid ordinance, law, statute so necessitate) subject to the liability of the Insurer under this Extension not being thereby increased.

(3) In case the subject matter insured under this insurance contract is damaged, the liability of the Insurer shall be reduced by application of any of the provisions of the insurance contract, the liability of the Insurer under this Extension shall be reduced accordingly.

(4) The total amount of indemnity payable by the Insurer for any item of the damaged subject matter insured shall not exceed the sum insured of such item stated in this insurance contract.

9. Temporary Removal Extension Clause

It is agreed and understood that the Insurer is liable for indemnity of the loss of or damage to the subject matter insured (excluding stock) caused by the insured event whilst temporarily removed for cleaning, renovation, repair or other similar purposes, or temporarily removed to elsewhere in China P.R. (excluding Hong Kong, Macao and Taiwan) from the premises stated in this policy in transit thereto and there from by road, water, rail and air as per this insurance contract.

Provided that:

(1) The amount recoverable of the removed subject matter insured shall not exceed the amount which would have been recoverable for the loss or damage occurred in that part of the premises from which it is removed, nor 10% of the sum insured by this policy after deducting the value of any building or stock in trade hereby insured;

(2) This Extension does not apply to the subject matter insured if and so far as it is otherwise insured;

(3) This Extension does not apply to items covering stock and merchandise of every description. The Insurer shall not indemnify the Insured for any loss occurring elsewhere than at the premises from which it is temporarily removed;

(4) This Extension does not apply to:

a). motor vehicles and motor chassis licensed for normal road use;

b). property held by the Insured in trust, other than machinery and plant.

The amount of indemnity of the Insurer under this clause shall not exceed the corresponding limit of indemnity stated in this insurance contract.

10. Payment on Account Clause

It is hereby agreed and understood that the Insurer may pay the indemnity for the part of loss or damage in advance with an amount of 50% of expected amount of indemnity as per the request of the Insured and suggestion of the adjuster in the event of loss of damage under this policy.

11. Errors and Omissions Clause

It is agreed and understood that the rights and benefits of the Insured under this insurance contract shall not be affected for any delay or unintentional error or omission when the Insurance Applicant and the Insured inform or notify the Insurer of alternations of locations occupied or value of the subject matter insured, or describe the additions of perils on the subject matter insured or any other important information. Provided that the Insurance Applicant and the Insured shall notify the Insurer of such delay, error or omission as soon as practicable after knowledge thereof and pay a possible additional premium for the period from the date of additions of perils until the expiry of the insurance period, otherwise, the Insurer bears no liability.

12. Out of Control Clause

It is agreed and understood that the Insured's breach of terms and guarantees of this insurance policy under the circumstance of out of control or non-existent fault shall not affect the warranties of this insurance policy.

13. Professional Fees Extension Clause

It is agreed and understood that the Insurer shall indemnify the Insured for the architects', surveyors', consulting engineers' fees necessarily incurred by the Insured in the reinstatement of the property insured consequent upon its destruction or damage by peril hereby insured against but not any fees for the preparation of a claim or estimate of loss.

It is understood that indemnity payable by the Insurer for such fees shall not exceed the amount authorized under the scales of the related professional department regulating such charges prevailing at the time of reinstatement of the property insured; provided that the total amount recoverable shall not exceed the limit of indemnity stated in this insurance contract.

14. Earth Movement Clause

It is agreed and understood that this insurance extends to cover natural losses and damages caused by any natural or man-made earth movement, including but not limited to earthquakes, landslides, and ground subsidence. This clause does not apply to property in transit.

15. Flood Extension Clause

It is agreed and understood that this insurance extends to cover the natural loss or damage caused by floods, waves, tides, water discharge, flooding, bank bursts (natural or artificial), or splashes caused by any of the above reasons.

This clause does not apply to property in transit.

16. Additions, Alternations or Repair Contract Clause

This clause will automatically cover any loss/damage of insured property incurred during the expansion, reconstruction, maintenance, and decoration of the insured property, but the insured must notify the insurer in advance in writing.

17. Earthquake Extension Clause

It is agreed and understood that the Insurer is liable for indemnity of the direct losses/damages to the insured property directly caused by the earthquake or the tsunami, fire, explosion, landslide, and land subsidence caused by the earthquake.

18. Replacement Value Clause

It is agreed and understood that the agreed value insured to be the replacement value at the time of an insured event shall apply the follows:

In the event of a loss within the scope of this insurance liability, the compensation amount shall be based on the reinstatement value of the damaged insured property and calculated without deduction of depreciation.

Replacement value refers to:

(1) The price to rebuild or reinstate the damaged property.

(2) The price to repair or restore the damaged property.

No matter which method is adopted, the purpose is to restore the damaged property to its original state, that is, the state of the property after repair or restoration is neither better nor worse than the standard before the damage.

19. Expediting Expenses Extension

The insurer shall indemnify the insured up to the limit of indemnity specified in the schedule in respect of reasonable extra costs for overtime, night-work, work on public holidays, express freight (except airfreight) incurred to rectify loss of or damage to property insured.

20. Automatic Cover Clause

It is hereby agreed that indemnity provided by this Policy shall apply automatically and shall include all new or additional property as described in the Schedule from the time that construction or acquisition of such property is completed or that title to such property is transferred to the Insured or the Insured becomes responsible for such property (unless insured by other policies). But the liability of the Insurer for such extension shall not exceed USD 5 million.

21. Inland Transit Clause

It is agreed and understood that this insurance shall be extended to cover loss of or damage to the property insured whilst in transit within the scope of areas specified in this insurance policy.

22. Strike, Riot And Civil Commotion

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Contract or endorsed thereon, this Contract shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by:

(i). 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);

(ii). 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,

(iii). the willful act of any striker or locked-out worker performed in furtherance of a strike or in resistance to a lock-out;

(iv). 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.

23. Multiple Insured Clause:

It is noted and agreed that any other entities can be added to this insurance as an additional insured if it is approved by the insured and specifically indicated in the endorsement.

If there is more than one insured in this insurance policy, the first insured in the insurance policy will become the representative of the other insureds. And it can entrust other insureds with full authority to deal with the claims of the part of its insurance interests in writing, and the insurer must approve it.

All the insureds listed in this insurance agreement should be deemed as each insured holding an independent insurance policy, but the insurance company's full insurance liability for all insureds shall not exceed the indemnity limits specified in the insurance policy.

24. Co-Insurance Clause

It is hereby agreed and understood that the sum insured having been declared by the Insured is up to 80% of the total value insured, the Insurer shall calculate the indemnity as per the actual loss or damage within the sum insured at the time of any loss or damage under the insured perils; in case less than 80% of the total value insured, the Insurer shall calculate the indemnity as per the proportion of the sum insured bears to the total value insured. Every item, if more than one, of the subject matters insured specified in this insurance contract shall be separately calculated the indemnity as per this rider.

25. Automatic Extension Clause

It is agreed that this insurance policy will be automatically extended according to the original policy wording after being notified by the insured. The insured shall notify the extension 5 days before the expiry date of this insurance policy. The premium will be calculated on a pro-rata basis at the rates applying during the expiring period of insurance.

26. Exclusion of Computer Clause

It is agreed and understood that the Insurer shall not indemnify the following losses and expenses:

Any loss of, damage to, destruction of, distortion of, error or change in electronic data for any cause (including but not limited to computer virus), or any forfeiture of the value of use, or reduction of functions, or any expenses and costs, whether or not there is any other causes lead to such loss jointly or one after another.

Electronic data refers to certain fact, concept and information which can be interpreted or handled by electronic data processing equipment or electronic control equipment, including program, software and other coding dictates used for data processing and manipulation or equipment dictates and operation.

Computer virus refers to a series of devastating, harm or unauthorized dictates or codes, including a series of viciously introduced and unauthorized dictates, codes, program or any other object which can be transmitted via computer system or network. Computer virus includes but not limited to Trojan horses, worm and time or logic bomb.

Nevertheless, in the event of the occurrence of any event aforementioned in paragraph two which cause the insured event happened, then this Policy shall indemnify the material damage to the property insured directly caused by such insured event subject to otherwise provisions, conditions and exclusions of this Policy during the period of insurance.

27. Animal/Rodent/Insect Bite Clause

It is agreed by both parties that this insurance extends the coverage of the loss or damage of the insured property due to animal/rodent/insect bite.

28. Automatic Sprinkler System Water Damage Extension Clause

It is hereby agreed that the Insurer is liable for indemnity of the loss of or damage to the subject matter insured caused by or resulting from the sudden burst and/or malfunction of the automatic sprinkler system as per the insurance policy.

29. Smoke Damage Clause

It is agreed and understood that the Insurer shall indemnify the direct property loss of or expense incurred for removing debris of the item insured arising out of smoke caused by accidents subject to the terms and conditions of this Policy.

30. Waiver of Apportion Clause

It is agreed and understood that, if there are other insurances with the same coverage as listed in this insurance policy, this insurance will waive the liability for proportionally apportioned compensation, and the insurer shall be responsible for indemnifying the insured for all the compensation due to the insured in accordance with the terms of this insurance policy.

31. Storage Off the Site Clause

Subject to the provisions, exclusions, conditions and endorsements of this Policy, this insurance shall be extended to cover any loss of or damage to the materials and equipment purchased anywhere of the world when storing off the site in an area stipulated in the Policy.

The maximum amount payable shall not exceed USD 1.5 million for loss per storage unit.

32. Temporary Protection Extension Clause

It is hereby agreed that the Insurer is liable for indemnity of the necessary expenses due to the reasonable and temporary or permanent repair, protection of the damaged subject matter insured as per the insurance contract.

But such expenses are confined solely to the protection of the damaged subject matter insured from further damage.

The amount payable by the Insurer under this clause shall not exceed the corresponding limit of indemnity stated in this insurance contract.

33. Non-Invalidation Clause

It is agreed that this Insurance shall not be invalidated due to the occurrence of the following circumstances:

(1) When the insured is unknown about the increasing of risk of the insured property, but the insured must immediately notify the insurer when it knows the situation, and pay additional premiums that may be caused by the increased risk.

(2) Risk changes caused by general maintenance work at the premises specified in this insurance policy.

34. Malicious Damage Clause

It is agreed and understood that subject to the Insured having paid the agreed additional premium, this Policy shall be extended to cover loss of or damage to the insured property caused by the malicious act of any person.

35. Property Off the Site Clause

It is agreed and understood that this insurance shall be extended to cover the property insured removed off the site for the purpose of repair, examination or avoiding the covered perils for less than 60 days from the removal date subject to 10% of the total sum insured.

36. Reinstallation Cost Clause

It is agreed and understood that this policy is extended to cover the reinstallation and/or rearrangement cost due to the damage of machinery equipment caused by any insured peril. But the total amount of compensation under this policy shall not exceed the limit of indemnity.

37. Important Documents Special Clause

It is hereby agreed and understood that the Insurer is liable for indemnity of re-drawing or re-production costs caused by the loss of or damage to works drawings and documents due to the perils insured under this insurance contract.

The limit of indemnity per occurrence under this clause shall be USD 100,000, and the accumulated limits shall be USD 200,000.

This Clause is subject otherwise to the terms, conditions and exclusions of this policy.

38. Theft and Robbery Extension Clause

It is agreed and understood that the Insurer is liable for indemnity of the loss of or damage to the subject matter insured due to theft or robbery act by following upon a violent entry into and out the premises where it is located or recorded by the electronic monitoring system, which have been identified by the police department as per the insurance policy.

However, the Insurer shall not be liable for:

(1) due to burglary or robbery by any member of the family of the Insured, and his employees, lodgers who directly or indirectly involve and/or instigate others to commit it;

(2) shortage identified at the time of stock-taking.

39. Subrogation Waiver Clause

It is agreed and understood that the Insurer agrees to waive any rights remedies or relief to which they might become entitled by subrogation against:

(1) any company associated or joint venture with the Insured;
(2) any of the Insured's subsidiary or holding companies;
(3) any directors, partners;
(4) any employees.

Provided that the Insurer shall retain any rights remedies against the intentional acts of any part above.

40. Overhaul Extension Clause

It is hereby agreed and understood that this insurance is extended to cover the loss of or damage to the property insured arising from dismantling for cleaning, repair or maintenance, and/or incurred during the above-mentioned operations, or during the subsequent reinstallation, testing and commissioning, caused by the perils insured hereby.

41. Storm Extension Clause

It is agreed and understood that the Insurer is liable for indemnity of the loss of or damage to the subject matter insured arising caused by lightning, rainstorms, floods, storms, tornadoes, hail, typhoons, hurricanes, blizzards, ice and sandstorms.

42. Spontaneous Combustion Clause

It is hereby declared and agreed that this insurance covers loss of or damage to the insured property caused by its own spontaneous combustion, notwithstanding anything stated to the contrary in the printed conditions of the policy.

43. Cross liability clause

It is agreed and understood that if the insured includes more than one party, and any party operates as an independent entity, then this insurance is effective to the same extent for each party, as if each party had been issued a separate insurance policy.

The rights of one party of the insured under the insurance policy shall not be affected by the fraud, misleading, concealment or breach of contract by the other party of the insured. In any case, the limit of liability under this insurance policy shall not be increased.

44. Repeat Tests Extension

If as a result of a peril insured against hereunder it becomes necessary to repeat any test or to carry out subsequent test(s) Insurers hereon will bear the cost of any such repeated and/or subsequent test(s).

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

45. Terrorism Activity Clause:

The insurance extends the coverage of direct material loss or loss of the insured property caused by terrorist activities of any terrorist or organization in the business premises listed in the schedule of this insurance contract. The insurer shall be liable for reasonable expenses arising from the above loss.

Prepared By: **Reviewed By:** **Authorized Signatory:**