

中国平安财产保险股份有限公司

Property And Business Interruption Insurance Clause (YUM! Version 2009)

(本条款适用于 YUM! 项目以协议方式承保)

PART ONE - INSURING AGREEMENTS

A. Real and Personal Property

1. The interest of the Insured in all real and personal property, including improvements and betterments, owned, used or intended for use by the Insured.
2. The interest of the Insured in the real and personal property of others in the Insured's care, custody and control and the Insured's liability imposed by law or assumed by contract, for such property, and property to which the Insured has agreed to assume responsibility.

B. Business Interruption

Loss resulting from necessary interruption of business conducted herein during the terms of this Insurance resulting from loss or damage to real and personal property, including property during the course of construction, as covered herein.

If such loss occurs during the terms of this insurance it shall be adjusted on the basis of the actual loss sustained by the Insured consisting of the gross profit which is thereby prevented from being earned and of all charges and expenses excluding ordinary payroll, but only to the extent that they must necessarily continue during the period of recovery and only to the extent to which they would have been earned had no loss occurred.

Ordinary payroll is defined to be the entire payroll expenses for all employees of the Insured except officers, executives, department or restaurant managers, employees under contract, and other important employees. The payroll of such officers, executives, department or restaurant managers, employees under contract and other important employees shall be agreed to be continuing expense at the discretion of the Insured. We shall not be liable for any loss resulting from the time required to reproduce finished stock. Finished Stock shall mean stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

1. **Resumption Of Operations:** Except with respect to a total or constructive total loss, it is a condition of this insurance that if the Insured could reduce the loss resulting from the interruption of business,
 - a. by a complete or partial resumption of operations, or
 - b. by making use of other available stock, merchandise or locations such reduction will be taken into account in arrival at the amount of loss.
2. **Expense To Reduce Loss:** This policy also covers such expenses as are incurred for the purpose of reducing any loss under this policy, provided such coverage shall not exceed the amount by which the loss under this policy is reduced.
3. **Experience Of Business:** In determining the amount of gross profit charges and expenses covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to the experience of the business before the date of damage or destruction and to the probable experience thereafter had no loss occurred.

C. Extra Expense

Extra expense incurred resulting from loss or damage to property insured caused by any of the perils covered hereunder during the terms of this Insurance.

Extra expense means the excess cost necessarily incurred to continue the operation of the Insured's business or facility as nearly as reasonably practicable during the period of recovery of the damaged property over and above the cost that would normally have been incurred to conduct the business during the same period had no loss or damage occurred.

D. Rental Value

Rental value loss sustained by the Insured resulting directly from the necessary untenantability caused by loss, damage or destruction by any of the perils covered during the term of this Insurance to real or personal property, as described in paragraph A, but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue during the period of untenantability.

For the purpose of this Insurance "rental value" means the sum of:

- The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured; and
 - The fair rental value of any portion of said property occupied by the Insured
1. **Expense To Reduce Loss:** This policy also covers such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, such coverage however shall not exceed the amount by which the loss under this policy is thereby reduced.
 2. **Experience Of Business:** In determining the amount of rental value covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to the rental experience before the date of damage or destruction and to the probable experience thereafter had no loss occurred.

E. Provisions Applicable To Business Interruption, Extra Expense and Rental Value Coverage

1. Period Of Indemnity

The length of time for which loss may be claimed:

- a. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy;
 - b. except with respect to a total or constructive total loss shall not (except as provided below) exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been destroyed or damaged;
 - c. with respect to a total or constructive total loss shall be deemed to be 12 months, but this fixed period shall only apply to respect of locations which are not rebuilt.
- ##### **2. Special Exclusions**
- This policy does not insure against any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease, license, contract, or order nor for any increase of loss due to interference at the Insured's premises by strikers or other persons with rebuilding, repairing or replacing the property damaged or destroyed or with the resumption or continuation of business, or with the reoccupancy of the premises.
- ##### **3. Extension Of Coverage**
- This policy, subject to all provisions also insures against loss resulting from damage to or destruction of by the perils insured against:
- a. electrical, steam, gas, water, telephone and other transmission lines situated on the premises; and to related plants and substations and equipment therein off the premises;
 - b. any property when access to the premises is prohibited for not exceeding two weeks by order of civil or military authority.
- ##### **4. Period Of Indemnity Extension**
- This policy is extended to cover the actual loss sustained by Business Interruption and/or Extra Expense and/or Rental Value, for such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's earnings and/or Rental Value income as described in Part One paragraph B, C and D to that which would have existed had no loss occurred, beginning with the later of the following dates:
- a. the date on which our liability for Business Interruption and/or Extra Expense and/or Rental loss under this policy would terminate if this extension had not been incorporated herein; or
 - b. the date on which repair, replacement or rebuilding of such part of the property described as has been damaged or destroyed is actually completed but in no event for more than 180 consecutive days from said later commencement date.

F. Royalties

This policy covers loss of income to the Insured under royalty, licensing fees, commission agreements or franchise agreements between the Insured and another party which is not realizable due to loss, damage or destruction by any of the perils covered during the terms of insurance to property of the other party. If such loss occurs during the terms of insurance, it shall be adjusted on the basis of actual loss sustained of such income which would have been earned had no loss occurred.

1. **Period of Indemnity** The length of time for which loss may be claimed:

- a. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy;
- b. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been destroyed or damaged;
- c. but in no event for more than 180 consecutive days.

G. Contingent Business Interruption/Extra Expenses

This policy also insures loss or expense resulting from damage to or destruction by the perils insured against, of:

1. property that directly or indirectly prevents a supplier of goods and/or services to the insured from rendering their goods and/or services, or property that prevents a receiver of goods and/or services from the Insured from accepting the Insured's goods and/or services, such supplier or receiver to be located anywhere in the P. R. China, but such supplier or receiver shall not be an Insured under this policy
2. that portion of a shopping center or equivalent property not occupied by the Insured.

H. Ingress/Egress

This policy is extended to cover the loss sustained during the period of time when as a direct result of a peril insured, ingress to or egress from the Insured's premises is prevented.

I. Contractual Fines And Damages.

This policy is extended to cover such sums as the insured shall be legally liable to pay for contractual fines or damages incurred solely in consequence of loss, damage or destruction by a peril insured for non-completion or late completion of order.

J. Special Perils Business Interruption And/Or Extra Expense Extension

The Business Interruption and/or Extra Expense coverage provided by this policy is extended to cover loss resulting from interruption of or interference with the business carried on by the Insured but only for such length of time as would be required with the exercise of due diligence and dispatch to restore the business to normal operating conditions in consequence of:

1. Infectious or contagious disease manifested by any person whilst on the premises of the Insured;
2. Murder or Suicide occurring at the premises of the Insured;
3. Injury or Illness sustained by any person arising from or traceable to foreign or injurious matter of food and drink provided on the premises of the Insured or the threat thereof;
4. Closing of the whole or part of the premises of the Insured by order of a competent Public Authority consequent upon the existence or threat of hazardous conditions either actual or suspected at the premises of the Insured.

K. Loss of License Clause.

In the event of the License granted to sell excisable liquors by retail at the Insured premises being forfeited or the renewal of the said license being refused by licensing justices or other competent authority as a result of an Insured Peril after due application at any time during the terms of Insurance, this policy will indemnify the Insured against all such loss as the Insured may sustain by way of reduction in liquor turnover of the Business carried on at the insured premises by reason of such forfeiture or refusal of renewal of license up to but not exceeding the Limits of Liability and the indemnity period as stated in the Policy.

In addition, the policy will indemnify the Insured for the costs and expenses incurred by the insured with the Company's written consent in connection with any appeal against the forfeiture of or refusal to renew the license.

L. Leasehold Interest

This policy is extended to insure the Pro Rata proportion from the date of loss to expiration date of the lease to be paid without discount when (a) property is rendered wholly or partially untenable by any of the perils covered during the terms of this Policy and (b) the lease is canceled by the lessor in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located, for the Insured's interest in:

1. the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease for the unexpired term of the lease;
2. improvements and betterments to real property during the unexpired term of the lease which is not covered under any other section of this policy;
3. the amount of any advance rental obligation paid by the Insured and not recoverable under the terms of the lease for the unexpired term of the lease;

M. Valuable Papers and Records

This policy covers valuable papers and records, defined as written, printed or otherwise inscribed documents and records, including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, micro inscribed documents, manuscripts and media, but not including money and/or securities.

The term securities shall mean all negotiable and non-negotiable instructions or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

N. Accounts Receivable

This policy covers accounts receivable, is defined as:

1. All sums due the Insured, provided the Insured is unable to effect collection thereof as the direct result of loss damage to records of accounts receivable;
2. Interest charges on any loss to offset impaired collections pending repayment of such sums made uncollectable by such loss or damage;
3. Collection expenses in excess of normal collection cost and made necessary because of such loss or damage;
4. Other expenses, when reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.

For the purpose of this insurance, credit card company charge media shall be deemed to represent sums due the Insured from customers until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

1. The monthly average accounts receivable during the last available twelve months, together with collection expenses in excess of normal collection costs and expenses in excess of normal collection costs and made necessary because of such loss or damage and reasonable expenses incurred in re-establishing records of accounts receivable following such loss or damage shall be adjusted in accordance with the percentage increase or decrease in the twelve (12) months average of gross revenues which may have occurred in the interim.
2. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in amount of accounts receivable within the fiscal month involved;
3. There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow the probable bad debts which would normally have been uncollectible by the Insured.

O. Property In Transit

This policy covers shipment within and between the territorial limits of this policy including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and

in temporary storage, including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment including during deviation and delay, until safely delivered into place of destination. This insurance is extended to cover loss or damage to property:

- sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
 - occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery, orders, or similar documents.
1. **Waiver Of Rights** The Insured may waive right(s) of recovery against private and contract carriers and accept bills of lading or receipts from carriers, bailees, warehousemen, or processors limiting their liability, but this transit insurance shall not inure to the benefit of any carrier, bailee, warehouseman, or processor.
 2. **F.O.B. Shipments** With respect to shipments made under F.O.B. or similar terms, we agree to waive our rights of subrogation against consignees at the option of the Insured.
The Insured is not to be prejudiced by any agreements exempting lightermen from liability. Seaworthiness of any vessel or craft is admitted between us and the Insured.

P. Loss of Cash Coverage

This policy is extended to cover for PRC loss of money, notes, crossed cheques and non-negotiables from a peril not excluded and from infidelity or any dishonesty on the part of the Insured or any of his employees or others to whom the property may be delivered or entrusted;

PART TWO - CONDITIONS

A. Deductibles

All losses, damages, or expenses arising out of any one loss shall be adjusted as one loss and the following amounts shall be deducted from the sum of the total loss payment:

TRICON RESTAURANTS INTERNATIONAL (Non USA) **

USD 5,000 per occurrence for all loss except

USD 500 per occurrence for cash loss described under Insuring Agreement K above

USD 500 per occurrence for loss to electronic equipment

WORLDWIDE (All Locations) **

USD 5,000 per occurrence for transit and fine arts loss

TIER I WIND COUNTIES

Tier 1 wind counties are defined as any county or parish that borders the Gulf of Mexico or is on the Atlantic Coast North up to Cape Hatteras.

TWO OR MORE DEDUCTIBLES

If two or more deductibles apply, the deductible amount will be limited to the single largest applicable deductible.

B. Loss Payee

Loss, if any, shall be adjusted with and payable to Insured or their order.

C. Territory

This policy covers anywhere in the P. R. China.

D. Perils Insured Against

This policy insures against all risks of direct physical loss or damage to property described including general average, salvage and all other similar charges on shipments covered hereunder, if any, except as excluded.

E. Perils Excluded

This policy does not insure:

1. Against infidelity, or any dishonesty on the part of the Insured or any of his employees or others to whom the property may be delivered or entrusted; inventory shortage or unexplained disappearance; it being understood that this exclusion will not apply to loss of cash, notes, crossed cheques and non-negotiables at Non USA locations.
2. Against loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, contamination, rust, wet or dry rot, mold, dampness of atmosphere, smog or extremes of temperature unless other loss or damage from a peril not otherwise excluded herein ensues and then this policy shall cover for such ensuing loss or damage.

3. Against loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, marring, scratching, exposure to light, or change in color, texture, or flavor, unless such loss or damage is caused directly by a peril not excluded by this policy.
4. The cost of making good defective design or specifications, faulty materials, or faulty workmanship, however, this exclusion shall not apply to loss or damage resulting from such defective design or specifications, faulty materials or faulty workmanship.
5. Against ordinary wear, tear, or gradual deterioration unless other loss or damage from a peril not otherwise excluded herein ensues and then this policy shall cover only for such ensuing loss or damage.
6. Against normal settling or shrinkage of walls, floors or ceilings unless loss or damage from a peril not otherwise excluded herein ensues and then this policy shall cover only for such ensuing loss or damage.
7. Loss of market
8. Against nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; except
 - i. if fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation or radioactive contamination;
 - ii. The Company shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage from material used or from processes conducted on an insured premises provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in self-supporting chain reaction nor any new or used nuclear fuel on the insured premises.
9.
 - a. against hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack;
 - (1) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces;
 - (2) or by military, naval or air forces;
 - (3) or by an agent of any such government, power, authority, or forces;
 - (4) by any weapon employing atomic fission;
 - b. Insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such occurrence;
 - c. Seizure or destruction by order of public authority, except destruction by order of public authority to prevent spread of fire or explosion;
 - d. Risk of contraband or illegal trade.

Notwithstanding the above provisions in c, d, e, and f above this insurance shall cover loss or damage directly caused by acts committed by an agent of any government, party or fraction engaged in war, hostilities or warlike operations, provided such agent is acting secretly and not in connection with any operations of armed forces (whether military, naval or air forces) in the country where the property is situated;
10. Against loss or damage to motor vehicles on the Insured's premises caused by or resulting from:
 - i. collision
 - ii. theft, robbery and pilferage
 - iii. wrongful conversion, embezzlement or secretion.

F. Property Excluded

This policy does not cover loss or damage to:

1. Securities (excluding non-negotiables), stamps, letters of credit, tickets, bills, deeds; and in respect of USA locations only, money, notes, crossed cheques and non-negotiables
2. Growing crops, drying crops, standing timber, animals except animals held for research and then for the perils of fire and extending coverage only;
3. Watercraft, aircraft, and motor vehicles (except mobile homes, coaches and trailers) licensed for highway use when not on the Insured's premises, railroad rolling stock;

4. Waterborne shipments to and from Puerto Rico, Virgin Islands, Hawaii, and Alaska, waterborne shipments via the Panama Canal;
5. Export shipment after loading on board an overseas vessel or after ocean marine insurance attaches whichever occurs first, and import shipments until they have been discharged from the overseas vessel or until the ocean marine insurance terminates, whichever occurs last;
6. Furs, fur garments, jewels, jewelry, watches, pearls, precious and semi-precious stones, gold, silver, platinum, other precious metals and alloys;
7. Property sold on installment, conditional sale, trust agreement or other deferred payment plan, after delivery to customer;
8. Shipments by mail;
9. Land or land values.

G. Valuation

At the time of loss, the basis of adjustment unless otherwise endorsed herein shall be as follows:

1. Real and personal property at replacement cost without deduction for depreciation except as provided below or by endorsement;
2. Property of others at the amount for which the Insured is liable but in no event to exceed replacement cost plus the cost of labor performed and material expended thereon at the time of loss;
3. Tenant's improvements and betterments to existing buildings or structures
 - a. If repaired or replaced at the expense of the Insured within a reasonable time after loss the replacement cost of the damaged or destroyed improvements or betterments,
 - b. If not repaired or replaced within a reasonable time after loss, the amount for which the Insured is obligated for the unexpired term of the lease or rental agreement,
 - c. If repaired or replaced or to be repaired or replaced at the expense of others for the use of the Insured, there shall be no liability hereunder;
4. Valuable Papers and Records and Media at the cost to repair or replace the property with other property of like kind and quality including the cost of gathering and/or assembling information;
5. Electronic Data Processing Equipment at replacement cost;
6. Fine Arts at current market values.

H. Flood

Loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s); or
2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance; such flood shall be deemed to be a single occurrence within the meaning of this Policy;

Should any time period referred to above extend beyond the expiration date of this policy and commence prior to expiration, the Company shall pay all such flood losses occurring during such period as if such period fell entirely within the terms of this Insurance.

We shall not be liable, however, for any loss caused by any flood occurring before the effective date and time of this policy or commencing after the expiration date and time of this policy.

The term "flood" shall be defined as waves, surface waters, tidal wave or tidal water, overflow of streams or other bodies of water or spray from any of the foregoing all whether driven by wind or not.

I. Earthquake Shock

Each loss by earthquake shall constitute a single claim hereunder; provided, if more than one earthquake shock shall occur within any period of seventy-two (72) hours during the terms of this Policy such earthquake shall be deemed to be a single earthquake within the meaning thereof. We shall not be liable for any loss caused by any earthquake occurring before the effective date and time of this Policy, however, we will be liable for any losses occurring for a period of up to seventy-two (72) hours after the expiration of this Policy provided that the first earthquake shock or damage occurs prior to the date and time of the expiration of this Policy. The term "Earthquake" shall be defined as earth movement, meaning natural faulting of land masses, but does not mean subsidence, landslide, rockslide, mudflow, earth rising, earth sinking or settling, unless as a direct

result of earthquake.

The Insured may elect the moment from which each of the aforesaid perils of seventy-two (72) hours shall be deemed to have commenced but no two such seventy-two (72) hour periods shall overlap.

However, if the National Earthquake Information Service or comparable authority in any other country or locality should declare that one single earthquake had continued at the locations involved beyond the elected period of seventy-two (72) hours, all losses sustained during such extended period shall be included as a single loss occurrence.

As to whether or not all earthquake shock losses sustained by the Insured during an elected period of seventy-two (72) hours arose out of or were caused by a single earthquake, the stated opinion of the National Earthquake Information Service of the United States Department of the Interior or comparable authority in any other country or locality shall govern as to whether or not a single earthquake continued throughout the period at the locations involved.

J. Fire Brigade Charges and Extinguishing Expenses

If property insured is destroyed or damaged by a peril insured against, this policy shall cover:

1. fire brigade charges and other extinguishing expense for which the Insured may be assessed;
2. the cost of fire extinguishing materials expended.

K. Demolition and Increased Cost of Construction

In the event of loss or damage under this policy that caused the enforcement of any law or ordinance regulating the construction or repair of damaged facilities, we shall be liable for:

1. the cost of demolishing the undamaged facility including the cost of clearing the site;
2. the value of such undamaged part of the facility which must be demolished;
3. the increased cost of repair or reconstruction of the damaged and undamaged facility on the same or another site limited to the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property and the cost thereof on the same site. However we shall not be liable for any increased cost of construction loss unless the damaged facility is actually rebuilt or replaced within two years.
4. any increase in the business interruption, with extra expense or rental value loss arising out of the additional time required to comply with said law or ordinance compared with the time it would have taken to replace the loss with materials of like kind and quality.

L. Salvage and Recoveries

All salvage, recoveries and payments excluding proceeds from subrogation recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made to the parties involved.

M. Brands or Trademarks

In case of damage by a peril insured against to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics. The Insured shall have full right to the possession of all goods involved in any loss under this policy and shall retain control of all damaged goods. The Insured, exercising a reasonable discretion, shall be the sole judge as to whether the goods involved in any loss under this policy are fit for consumption; and no goods so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the Insured's consent; but the Insured shall allow the Company any salvage obtained by the Insured on any sale or other disposition of such goods.

N. Machinery

In case of loss or damage by a peril insured against to any part of a machine or unit held either for sale or use consisting of two or more parts when complete, the liability of the Company shall be limited to the value of the part or parts lost or damaged or, at the Insured's option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit provided that no such option shall exceed 125% of the lowest of the above.

O. Pair And Set

Except as otherwise provided, in the event of loss or damage by a peril insured against to any article or articles which are a part of a pair or set, the measure of loss or damage to such article or

articles shall be a reasonable and fair proportion of the total value of the pair or set giving consideration to the importance of said article or articles, but in no event shall such a loss or damage be construed to mean total loss of the pair or set.

P. Sue And Labor

In case of actual or imminent loss or damage by a peril insured against, it shall, without prejudice to this insurance, be lawful and necessary for the Insured, their factors, servants or assigns to sue, labor, and travel for, in, and about the defense, the safeguard and the recovery of the property or any part of the property insured hereunder; nor, in the event of loss or damage, shall the acts of the Insured or of the Company in recovering, saving and preserving the insured property be considered a waiver or any acceptance of abandonment. The Company shall contribute to the expenses so incurred according to the rate and quantity of the sum herein insured.

Q. Abandonment

There shall be no abandonment to us of any property.

R. Automatic Acquisition

It is understood and agreed that this policy is automatically extended to cover additional property and interests as described in this policy, which may be acquired or otherwise become at the risk of the Insured during the terms of this Insurance, within the territorial limits.

S. Consequential Loss Assumption

In the event any property insured by this policy, or any off premises utility power stations (public or private), substations, transformer or switching, or pumping stations or other electrical and appurtenant equipment including off premises poles, towers, transmission or distribution lines furnishing electricity, steam, water or gas or refrigerant to premises insured hereunder is lost, damaged, spoiled or destroyed from perils insured against, including refrigeration breakdown, as defined herein and causes consequential loss or damage or loss of value to other property insured hereunder, this policy is extended to include such loss or damage. We agree to pay the insured value of the entire property and the Insured agrees to surrender the damaged and sound portions to us providing the Insured cannot replace the lost or damaged portion within a reasonable time.

T. Difference in Conditions (Difference of Conditions).

Subject to all other terms, conditions and limitations set forth herein, coverage under this policy shall apply, at any subleased, assigned and/or guaranteed locations, when the perils and/or definitions and/or conditions set forth herein are broader in meaning or scope, or number of perils than existing primary policies. It is a condition of this clause that such locations shall maintain in full force and effect existing insurances at such locations. No inadvertent error or omission or failure to maintain such insurances shall prejudice the Insured's right of recovery, but shall be corrected when discovered.

U. Course Of Construction

It is understood and agreed that this policy will provide automatic coverage for property in course of construction, installation, repair, renovation and the like at both new and existing locations subject to inclusion of the appropriate values for reporting and adjustment purposes.

V. Vacancy And Unoccupancy

It is hereby understood that permission is granted for the Insured to leave any building insured hereunder vacant and or unoccupied.

W. Permission To Issue "Certificates Of Insurance"

Permission is granted to Lockton Companies to issue on behalf of the Insured "Certificates of insurance" to Additional Named Insureds, Loss Payees, or Mortgagees evidencing coverage by this policy subject to the acceptance of the Insured, without which this clause shall be null and void. Subject otherwise to the terms and conditions of the permission to issue "Certificates of Insurance" clause, it is agreed that "Certificates of Insurance" may be issued if necessary, without reference to any deductible subject to the clause below.

X. Currency

1. At the option of the Insured, premium may be paid in local currency at the rate of exchange applying at the time of invoicing.
2. Loss, if any, is to be paid in any currency, as the Insured may require. It is understood and agreed at the option of the Insured that losses will be paid at the local level in local currency.

3. In the event of a property damage loss adjustment, other than in respect of replacement or reconditioning, involving local currency, conversion into the currency of the United States of America (or any other currency) shall be at the New York foreign exchange selling rate published in the Wall Street Journal as of the date of loss.
4. In the event of a property damage loss adjustment in respect of replacement or reconditioning involving local currency, conversion into the currency of the United States of America (or any other currency) shall be at the New York foreign exchange selling rate published in the Wall Street Journal as of the date of the expenditure for the replacement or reconditioning.
5. In the event of a business interruption, extra expense, rental value, royalties and/or expediting expense loss adjustment involving local currency, conversion into the currency of the United States of America shall be at the average New York foreign exchange selling rate published in the Wall Street Journal in effect during each 30 days period (or part thereof) commencing on the date the actual loss is incurred.
6. The "Local Currency" wherever used in the policy shall mean the currency of the country where loss occurs. This definition shall also include a local currency equivalent.
7. Exchange Rate Differential Coverage: This extension of coverage applies only in the following situation:
 - a. a locally insured loss is paid, in local currency;
 - b. the local Insured must import materials and/or equipment necessary to make repairs.
In such case this policy is hereby extended to cover the increased cost to the Insured as a result of the difference between the local official rate of exchange and the lowest rate of exchange available to the Insured, between local currency and currency required to replace damaged property. This coverage is part of and not in addition to the Limits of Liability under this policy.

Y. Increased Tax Liability

This policy is extended to cover the increased tax liability insured by the Insured on any loss recovery under this policy in the event that the tax liability incurred as a result of such loss recovery is greater than would have been incurred had no loss occurred.

Z. Expediting Expenses

It is understood and agreed that coverage under this policy includes the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Insured, including overtime and the extra costs of express or other rapid means of transportation.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #1

**SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION; DEBRIS
REMOVAL AND COST OF CLEAN UP EXTENSION; AUTHORITIES EXCLUSION**

Seepage And/Or Pollution And/Or Contamination Exclusion

Notwithstanding any provision in the Policy to which this Endorsement is attached, this Policy does not insure against loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

Nevertheless if fire is not excluded from this Policy and a fire arises directly or indirectly from seepage and/or pollution and/or contamination, any loss or damage insured under this Policy arising directly from that fire shall (subject to the terms, conditions, and limitations of the Policy) be covered.

However, if the insured property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this Policy (subject to its terms, conditions and limitations) insures against direct physical loss or damage to the property insured hereunder caused by resulting seepage and/or pollution and/or contamination.

The Insured shall give notice to the Company of intent to claim (No later than 12 months after the date of the original physical loss or damage.)

Debris Removal Cost Of Clean Up Extension

Notwithstanding the provisions of the preceding exclusion in this Endorsement or any provision

respecting seepage and/or pollution and/or contamination and/or debris removal and/or cost of clean up in this Policy to which this Endorsement is attached, in the event of direct physical loss or damage to the property insured hereunder, this Policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures within sum insured

1. expenses reasonably incurred in removal of debris of the property insured hereunder destroyed or damaged from the premises of the Insured; and/or
2. cost of clean up, at the premises of the Insured, made necessary, as a result of such direct physical loss or damage;

provided that this Policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for physical loss or damage to the property insured hereunder unless such payment is precluded solely by the operation of any deductible and that the Insured shall give notice to the Company of intent to claim for cost of removal of debris or cost of clean up (no later than 12 months after the date of such physical loss or damage.)

Authorities Exclusion

This Policy does not cover expenses, fines, penalties or costs incurred or sustained by the Insured or imposed on the Insured at the order of any Government Agency, Court or other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

Nothing in this Endorsement shall override any radioactive contamination exclusion clause in the Policy to which this Endorsement is attached.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #2

TOTAL OR CONSTRUCTIVE TOTAL LOSS

It is agreed that in the event of a total or constructive total loss we will pay the stated amount on file of the model having square foot area closest to that of the damaged property. If the damaged property is outside the United States, a cost per square foot will be calculated for the model having the square foot area closest to that of the damaged property. The cost per square foot will be adjusted by the Hanscomb/Mean International Construction Cost Index for the country where loss occurs and the adjusted per square foot cost will be multiplied by the actual square foot area of the damaged property.

“Total Loss” shall be defined as any loss where the cost to repair is equal to or greater than the cost to replace, or any loss agreed by us and you to be a total loss.

“Constructive Total Loss” shall be defined as any loss where one of the following conditions is met:

1. The loss or damage of the building is equal to or exceeds 70% of the cost to replace the building structure; or
2. The loss or damage of the contents of the building and the building structure combined is equal to or greater than 70% of the combined values.

The following shall be used in determining if a loss is equal to or greater than the above-required 70%:

Building: A contractor or architect agreed to by us or its designated representative and you shall prepare an estimate of:

1. Cost to repair the damage to the building; or
2. Cost to replace the existing building.

The cost of repair must be equal to or greater than 70% of the cost to rebuild. The estimates of repair and replacement should include the cost of bid bonds, architectural and engineering fees, impact and permit fees, administrative costs, debris removal, all appropriate soft costs, but excluding site preparation, landscaping, paving and curbs, underground plumbing, underground electrical work and business interruption or other time element values.

Contents: An inventory shall be taken of the damaged and undamaged equipment, supplies and stock and replacement values established for each, as listed in the applicable new

restaurant equipment quotation. The cost of the lost or damaged contents must be equal to or equal to or greater than 70% of the total contents values.

IT IS SPECIFICALLY UNDERSTOOD AND AGREED that the provisions of this Total or Constructive Total Loss Section do not apply to locations classified as “Excess Properties” by the Insured. “Excess Property” means all properties that are no longer operated as restaurants.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #3

TENANTS AND NEIGHBORS (NAPOLEONIC CODE)

Where the Property Insured is located in a country which is subject to a Napoleonic or similar Civil Code the Insurers shall be liable for:

1. the direct financial consequences of the legal liability which the Insured may incur as tenant under any such Civil Code for property damage resulting from an insured peril:
2. the direct financial consequences of the legal liability which the Insured may incur under any such Civil Code for any property damage caused to Neighbors and/or Third Parties resulting from an insured peril that spreads from the property insured:
3. the direct financial consequences of the legal liability which the insured may incur as Owner and/or Landlord under any such Civil Code for property damage caused by an insured peril to property of tenants and/or co-tenants as a result of constructional defects or lack of maintenance.

This cover applies only to legal liability incurred under a Napoleonic or similar Civil Code and the policy shall not pay for more than the maximum amount expressed in any local Napoleonic or similar Civil Code.

It is understood and agreed losses payable under this Coverage Section will not be subject to the deductible as stated in PART TWO-CONDITIONS.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #4

LOSS OF CASH COVERAGE

PART ONE-- INSURING AGREEMENTS. This policy is extended to cover for Non USA locations loss of money in the form of cash from the peril of theft. The peril of theft shall include theft by an employee or others to whom the cash may be entrusted; however, this extension shall not include inventory shortage, cash “underages”, mysterious disappearance or loss of cash by a cause other than loss by theft. A \$500 USD deductible shall apply to each loss claimed under this coverage extension.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #5

CONSEQUENTIAL LOSS ASSUMPTION

The following paragraph replaces Consequential Loss Assumption, Paragraph S., PART TWO-CONDITIONS:

S. Consequential Loss Assumption. We agree to insure damage or loss to property and/or loss from interruption of business resulting from sudden interruption of a utility supplying service to an Insured including service from power stations (public or private), substations, transformer or switching, pumping stations or other electrical and appurtenant equipment either on or off the premises including off premises poles, towers, transmission or distribution lines furnishing electricity, steam, water, telephone, gas or refrigerant to premises insured. This coverage is subject to all terms and conditions of the Policy.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #6 Named Insured's

The following Joint Ventures are added as a Named Insured under this contract with respect to this section:_____

ENDORSEMENT #7
A.B.I. TERRORISM EXCLUSION CLAUSE

This policy does not cover:

1. Damage or consequential loss in England or Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act of 1987 by fire and explosion occasioned by or happening through or in consequence directly or indirectly of Terrorism except to the extent stated in the special provision below.
2. Damage or consequential loss in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
 - a. civil commotion
 - b. terrorism.

For the purposes of this policy "terrorism" shall mean 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.

In any action suit or other proceedings where we allege by reason of this definition any damage or consequential loss is not covered by this policy (or is covered only up to a specified limit of liability) the burden of proving that such damage or consequential loss is covered (or is covered beyond that limit of liability) shall be upon the Insured.

Special Provision

Subject otherwise to the terms, definitions, exclusions, provisions and conditions of the policy this policy includes damage or consequential loss in England and Wales and Scotland by fire or explosion occasioned by or happening through or in consequence of terrorism as defined in this policy.

PROPERTY AND BUSINESS INTERRUPTION
ENDORSEMENT #8
MILLENNIUM EXCLUSION

The policy is hereby amended as follows:

1. We will not pay for Damage or Consequential Loss whether preventative, remedial or otherwise, directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the inability to:
 - a. Correctly recognize any date as its true calendar date;
 - b. Capture, save, or retain and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; and/or
 - c. Capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly process such data on or after any date.
2. It is further understood and agreed that the Company will not pay for Damages or Consequential Loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design evaluation, inspection installation, maintenance, repair or supervision done by the Insured or for the Insured or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in 1. above.

Such Damage or Consequential Loss described in 1. or 2., above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

This endorsement shall not exclude subsequent Damage or Consequential Loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.

Endorsement Effective ____.

PROPERTY AND BUSINESS INTERRUPTION

ENDORSEMENT #9

Disputes arising from the execution and performance of the policy shall be settled through negotiation between the parties hereto. Should no settlement be reached, the case in dispute shall be submitted to the arbitration institution specified in the policy. Where no arbitration institution is specified in the policy or no arbitration agreement is reached after disputes, either party hereinto may bring litigation to the People's Court with jurisdiction.

Any dispute with regard to the policy should apply the law of P.R.China (excluding Hongkong, Macao and Taiwan).