



# FULL COVER GENERAL CONDITIONS

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## FULL COVER



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# GENERAL CONDITIONS

IN CONSIDERATION OF THE DECLARATIONS DESCRIBED IN THE APPLICATION SUBMITTED BY THE POLICYHOLDER, WHICH IS AN INTEGRAL PART OF THE FULL COVER PLUS INSURANCE CONTRACT, JAH AND ITS UNDERWRITERS AGREE TO COVER THE INSURED GOODS DESCRIBED IN THE INSURANCE CERTIFICATE, AGAINST THE LOSSES OR DAMAGES DESCRIBED IN THE PARTICULAR CONDITIONS THEREOF, OCCURRING DURING THE MOBILIZATION OF THE GOODS AND SUBJECT TO THE FOLLOWING CLAUSES:

## FULL COVER

### COVERAGES AND EXCLUSIONS DAMAGES

#### 1.1. COVERAGES

1. Partial or total loss due to robbery with violence.
2. Partial or total loss due to damages and the following events:



Stranding, sinking, jetsam, grounding or collision of the vessel.



Unforeseen wetting during transport either by fresh water, salt water or both.



The loss of entire packages, fallen into the sea, during loading, transshipment and unloading maneuvers.



Unloading maneuvers including transport by auxiliary and/or smaller vessels (raft, barge and/or ferry) from or to the main vessel.



Fall of the aircraft, self-ignition, collision, overturning or derailment of the vehicle or other means of transportation used, including breakage of bridges or collapsing of these or of vessels whose use is indispensable to complete land transit.



Breakage or cracking during transportation. Used and breakable merchandise is excluded, as well as those goods lacking packaging or packing material.



Accident suffered by the transporting vehicle.



VMM (Vandalism and Malicious Mischief, including war acts and terrorism).



Riot, civil or popular commotion and strike.



Fire and/or lightning, explosion or action to extinguish the fire originated by such causes.



Acts of nature such as earthquakes, landslides, floods and the like.

3. The contribution for general or common average, according to the international definitions on the matter, especially those corresponding to the York and Antwerp Rules.
4. Partial or total loss due to robbery with violence or damage caused by international war, not including countries in conflict, which will be detailed below and subject to early termination with a 7 working days' notice.

5. Extension of coverage for permanence in custom warehouse or tax authority warehouse for up to 90 days without charging extra premium for total and partial losses and damages directly caused by the occurrence of the following events: Fire, lightning, explosion, snow, strikes and popular riots, hurricane and hail, falling aircraft, impact of vehicles, smoke and total or partial losses due to robbery with violence.

#### 1.2. EXCLUSIONS CARGO SECTION: This insurance certificate does not cover events originated by:

1. Shipments not insured before starting their journey, with the exception of maritime shipments, which have a period of 24 hours after the start of the voyage to issue the insurance certificate.
2. Own defect of the goods, spontaneous combustion, shrinkage, evaporation or filtration due to the nature of the goods transported.
3. Factory warranties.
4. Errors or faults in dispatch or goods sent in poor condition.
5. Pre-existing damages.
6. Electrical or electronic damage, except if caused by the affectation of one of the coverages.
7. Damage caused by bad or improper packaging.
8. Deterioration, damage of packaging or wrapping boxes due to humidity and/or tearing of packaging.
9. Damage to the transporting vehicle or the carrier's contractual civil liability.
10. Loss of accessories in the transportation of automobiles, machinery or any equipment that is equipped with them, being understood that they are complementary parts and not of their normal operation. Coverage may be provided if these are expressly declared in the insurance certificate and are duly valued and are part of the sum insured.
11. Damage caused by transporting the insured property with other merchandise that affects its properties or the integrity of the product.
12. Damage caused by deterioration of the container or packaging.
13. Used property and machinery and in general any normal wear and tear of the insured property.
14. Collision of the load with objects due to exceeding the dimensional capacity of the load and/or vehicle structure, whether in length, width or height.
15. Losses due to nuclear reaction or radiation or radioactive pollution
16. Damage caused by mines, torpedoes, bombs or other devices of war that are transported together with the cargo or the transporting vehicle, even in territories free from conflict.
17. Confiscation, seizure and sequestration, seizure by customs or state authorities.
18. Loss or damage caused to the merchandise in the process of inspection, sampling by customs authorities of any country.
19. Transportation in private automobiles, owned by employees and/or the company (subject to review prior to contracting the insurance certificate).
20. Self-theft, fraud, malice or bad faith, gross negligence, breach of trust or infidelity of employees, partners, dependents or employees, whether acting alone or in complicity with other individuals.
21. Robbery without violence, simple theft, subtraction without violence or intimidation, mysterious disappearance, misplacement.
22. The abandonment of the insured goods by on the part of the insured or of the person representing his/her interests, unless authorized by the insurance company.

23. The violation by the insured or whoever represents his/her interests, of any law, provision or regulation issued by any authority, foreign or national, federal, state or municipal, when it influences the occurrence of the loss.
24. Loss, damage or expense arising from the insolvency or breach of obligations of the owners, managers, charterers or operators of the vessel.
25. Indirect damages such as: Loss of market, loss of profits, delay or any other damage, or difficulty of a commercial and economic nature affecting the insured, whatever its cause or origin is.
26. Mysterious disappearance of sealed door-to-door containers, missing containers without violation of security seals.
27. Damage or loss to containers not caused by transportation and pre-existing damage.
28. Embargoes, fines and penalties.
29. Air condensation inside the container or packaging unit.
30. Delays in the means of transport affecting the merchandise.
31. Damage or loss due to temperature variation, interruption of the cold chain.
32. Goods in bulk. Coverage may be provided with the prior authorization of the company and the terms and conditions granted must be expressly stated in the insurance certificate.
33. Courier and/or parcels and/or household goods.
34. Transfers within plants, warehouses and/or premises.
35. Damage caused by contamination of the insured goods from any cause.
36. Transportation of precious metals and/or stones, works of art of any kind, money and valuables.
37. Wrinkles, stains and/or discoloration, folds, dents, cracks, scrapes and/or scratches, breakage, unless caused by an event covered by the policy. For used and breakable merchandise as well as those goods lacking packaging or packing material, this exclusion shall be absolute.
38. Damage and/or loss to the insured goods caused by pests, vermin, insects, rodents or any type of living organism.
39. Any loss of the physical, chemical, biological and/or biochemical properties of the insured goods such as, but not limited to color, odor, aroma, taste, flavor, texture.
40. Transportation of goods on deck by sea, river or lake, except for goods packed in containers that can be secured to the deck of the ship or vessel.
41. Transportation of live cattle, as well as any animal species. Coverage may be provided with the prior authorization of the company and the terms and conditions granted must be expressly stated in the insurance certificate.

### 1.3. CONFLICT COUNTRIES WHERE COVERAGE DOES NOT OPERATE:

None of the above coverages operate, no coverage for shipments made in, to or from, or originating from: Afghanistan, Albania, Algeria, Angola, The Balkans (Bosnia, Herzegovina, Bulgaria, Slovenia, Macedonia, Romania, Kosovo), Belarus, Burma (Myanmar), Chad, North Korea, Ivory Coast, Croatia, Crimea, Cuba, Eritrea, Ethiopia, Georgia, Persian Gulf and adjacent waters including Gulf of Oman, Guinea, Central African Republic, Democratic Republic of Congo, Iraq, Iran, Israel and Red Sea coasts, Laos, Lebanon, Liberia, Libya, Montenegro (Former Yugoslavia), Nigeria, Pakistan, Qatar, Russian Federation, Serbia, Sierra Leone, Syria, Somalia, Sri Lanka, North Sudan, Ukraine, Uzbekistan, Venezuela, Yemen, Zaire, Zimbabwe and in general countries that may eventually be excluded by determination of laws of the United Mexican States or the United States of America or any restriction or embargo under resolutions issued by the United Nations, or sanctioned embargoes or with which there are trade limitations imposed by the Office of Foreign Assets Control (OFAC Office of Foreign Assets Control).

## 1.4. GENERAL CONDITIONS CARGO SECTION

### 1.4.1. Parties of the insurance

- 1 **Policyholder:** Person or company that contracts the insurance certificate and undertakes to pay the premium. For this contract it shall be the logistic operator, customs agents, transporter or cargo customer that has a direct relationship with JAH Insurance Brokers or any of its affiliates or subsidiaries.
- 2 **Insured:** Person or company that owns the cargo or has contractual responsibility for it and that in the event of loss is affected financially.
- 3 **Beneficiary:** If different from the Insured Party, he/she must identify himself/herself and state in what capacity he/she is the beneficiary, whether by ownership, credit or lease.

### 1.4.2. Non-insurable goods

Unless otherwise stipulated in the insurance certificate, the following goods are not included in this insurance contract:

1. Securities, banknotes, coins, money, asset titles.
2. Jewelry, gold, metals, precious and semi-precious stones and/or articles made of or containing precious metals and stones and/or paintings, statues, works of art or antiques, art objects and/or goods of a similar nature.
3. Watches and/or jewelry items other than costume jewelry.
4. Lottery or similar tickets, stocks, securities, unstamped postage and stamps, traveler's checks and, in general, geographical charts, maps, securities, plans, old coins.
5. Financial documents, prepaid telephone cards, negotiable instruments, credit or debit cards, sodexo, big pass or consumer or similar cards, official bonds, mortgage bonds, shares, securities, unstamped postage and stamps, checks, traveler's checks and, in general, all kinds of documents representing securities.
6. Information stored on disks, tapes or other magnetic or electronic device, and software once installed.
7. Materials and substances of an explosive and/or corrosive nature.
8. Weapons and/or ammunition, fireworks, explosives.
9. Narcotic substances.
10. Transportation under its own impulse of: motor vehicles, aircraft and vessels.
11. Live animals (pets, livestock, exotic animals)
12. Unginned cotton or in bales.
13. Software once installed.
14. Fishmeal and cotton.
15. Bulk merchandise.
16. Human organs (For scientific procedures - transplants).
17. Chemical and biological agents.
18. Hydrocarbons, gas, oil derivatives, rubber.
19. Radioactive substances.
20. Biomedical products.
21. Copper.

### 1.4.3. Mobilization of special goods

For the goods listed below and provided they are not expressly excluded and are considered "excluded goods", they shall be mobilized under individually analyzed terms and conditions and under the logistic and safety conditions detailed in the particular conditions of the Insurance certificate.



#### GROUP 1

- a. New and used cars.
- b. Motorcycles.
- c. Aircrafts.
- d. Yachts.
- e. Golf carts.
- f. Vessels.



#### GROUP 2

- a. Food, flowers, products and medicines under temperature control.
- b. Refrigerated and frozen.

For this group, the provisions of paragraph 1.4.6 Mobilization of refrigerated products - Annex 3 attached to the Insurance certificate apply.



#### GROUP 3

- a. Laptop computers.
- b. Tablets.
- c. High-end electronics\*
- d. Cellular telephones.
- e. Drones.

\* High-end is defined as those items that are part of the same category, brand or class.

For this group, specifically for the mobilization of cell phones, the provisions of numeral 1.4.14 Prevention measures numeral 8 apply, for shipments over USD 20,000.00.



#### GROUP 4

- a. Perfumery.
- b. Alcoholic beverages.
- c. Cigarettes.
- d. Tobacco.
- e. Flammable.
- f. Hazardous chemicals.



#### GROUP 5

- a. Glassware.
- b. Glass.
- c. Marble.
- d. Used household goods and office equipment.
- e. Unaccompanied baggage.

These goods are excluded from the coverage since they will be insured solely and exclusively for Total Loss. 20% depreciation applies to used household goods and office equipment.

#### 1.4.4. Mobilization of dangerous goods

To comply with the requirements, technical standards and other instructions indicated in Decree 1609 for Colombia and other laws, decrees, regulations and resolutions of each country, which indicate the handling of dangerous goods applied to packing, packaging, products and with specific responsibility for the generator of the load, transport company and owner of the vehicle.

#### 1.4.5. Movement of goods controlled by the antinarcotics authorities

The insured guarantees that, for the transportation of the goods controlled by antinarcotics, s/he will have the permits and authorizations granted by the government agencies that control the handling and manipulation of chemical precursors.

#### 1.4.6. Mobilization of refrigerated products

The insured undertakes to comply with the control and monitoring of the temperature condition during the trip, and the terms and conditions of Appendix 3 apply to the coverages granted.

#### 1.4.7. Limit per dispatch

This is the company's maximum liability for each dispatch, which corresponds to the limit established in the insurance certificate for each insured trip.

Dispatch means the shipment made by a dispatcher, from the same place and in a single transport vehicle, destined for the same consignee, under a single contract of carriage and represented in a single bill of lading, rail or airway bill, consignment, order or similar document.

When the shipment, as defined above, is unloaded at an intermediate point of the insured route, and its subsequent transportation is carried out in several vehicles, "shipment" for such route shall be understood to be the shipment of each vehicle, provided that the value of the property moved in each vehicle and the loss or damage occurred in each of them are determined. Otherwise, "dispatch" shall be understood as the sum of the shipments of all vehicles.

If several dispatches corresponding to different bills of lading, air waybills or land waybills (waybill or land consignment) are concentrated in a single transport unit or storage site (ship, vessel, railroad, airplane, truck or warehouse), the maximum limit of liability of the company shall be understood to apply to the value of each bill of lading, air waybill or land waybill independently considered (in case of railroad each wagon is considered as a transport unit).

#### 1.4.8. Sum insured

The insurable sum shall consist of the value of the merchandise including, among others, freight, taxes, packing costs, in accordance with the INCOTERMS terms of negotiation.

The same basis for calculating the sum insured shall be used for claims settlement.

The value of the insurable sum will be calculated depending on each shipment and the insured items such as additional costs, operational expenses, taxes, freight, among others, and it will be determined as follows:

##### 1. For imports:

**a. In the foreign route:** The equivalent to the value of the commercial purchase invoice, the value of the foreign freight and the value of the import expenses.

**b. On the inland route:** The value of nationalization taxes and inland freight is added to the sum insured for the outward route.



## 2. For exports:

**a. On the inland route:** The value of the commercial sales invoice minus the value of the expected profit or earnings. Inland freight is added to this value.

**b. On the foreign route:** To the sum insured for the inland route is added the value of the external freight, and the value of the export expenses, including, if applicable, the nationalization expenses in the country of destination.

## 3. Dispatches within the national territory

**a. When the insured is the buyer:** The sum insured shall correspond to the value of the commercial invoice of purchase and freight.

**b. When the insured is the seller:** The sum insured shall correspond to the value of the commercial invoice of sale minus the value of the expected profit or earnings, plus freight.

## 4. For maquila shipments carried out by the Insured Party

Freight of transportation used, cost of raw material, other expenses incurred in the production process and other expenses inherent to the transportation of the insured goods, if any.

## 5. For shipments between subsidiaries in the same country of mobilization

Cost of production or acquisition, plus freight and other expenses inherent to the transportation of the insured goods, if any.

## 6. For used goods

Actual value of the property plus expenses, such as freight, import taxes, customs expenses, packing, crating, cartage and other expenses inherent to the transportation of the insured property, if any.

**PARAGRAPH 1:** In case of settlement of the loss, the determination of the exchange rate in local currency of the country where the claim is presented, shall be the one indicated in the customs documents for import or export of the respective dispatch.

If this is not possible for any reason (other than export or import) or if the

customs document does not reflect this information, the rate of the day of the claim will be taken as the basis. For the payment of premiums or other items not related to claims, the rate to be taken shall be that of the day of the movement or payment.

**PARAGRAPH 2:** In the event of loss, notwithstanding the fact that freight charges are insured, additional expenses for their indemnity must be supported by documents; if this is not possible, the company will not take them into account in the settlement of the loss.

**PARAGRAPH 3:** In the value of the charge, VAT or tax shall be considered, as long as it is not tax deductible and discounts included in the invoices of the generators - clients shall be applied.

**PARAGRAPH 4:** In those cases in which it is required to prove the cost or production value of the merchandise or goods to be indemnified, the company may request the invoices of acquisition, purchase or production or certification of auditors, tax auditors or accountants with professional registration duly registered before the competent authority and must also be endorsed with the signature of the legal representative of the insured party.

## 1.4.9. Underinsurance

If the sum insured is less than the insurable amount of the insured good, the Company shall apply the proportional rule derived from underinsurance which implies that the Insured shall be indemnified by applying the proportion between the sum insured and the insurable value to the damage or material loss.

In the event that any of the items established in the sum insured are not included, the company shall only be liable for those included in the insurance certificate. The proportional rule may still be applied to these items.

## 1.4.10. Maximum indemnity limit

The indemnity payable by the company shall correspond to the sum insured, subject to the maximum limit per shipment and to the application of the proportional rule of the effect of the underinsurance if applicable and to the items included in the insurance certificate.

In case of partial loss, the maximum limit of indemnity payable by the company shall be determined proportionally. This shall also apply to each of the items included in the insurance certificate.

## 1.4.11. Validity of coverage

This insurance comes into force as long as the insurance certificate is in force and the goods are insured before starting their journey, from the moment the insured good is first moved in the warehouse or place of storage (at the place mentioned in the insurance certificate), for the purpose of immediate loading in or on the means of transport and with the intention of starting the transit (provided that this first movement of the insured property is made by the shipper or carrier in execution of the contract of carriage and under his responsibility in accordance with the contract of carriage and the law governing it), continues during the ordinary course of the transit and terminates either:

1. Upon completion of the unloading process of the means of transport used to transport the insured good, within or at the warehouse or final storage place, at the place of destination mentioned in the insurance certificate.
2. Upon completion of the unloading process of the means of transport used to carry the insured good, at any other warehouse or storage place, either prior to, or at the place of destination mentioned in the insurance contract where the insured or his employees choose to use for storage and which is not due to the ordinary course of transit or for assignment or distribution.
3. When the insured or his employees choose to use any means of transportation or any container, trailer, van or cargo unit for storage purposes, unless it occurs in the ordinary course of transit, or the following item (4).
4. Upon the expiration of a period of five (5) working days for all modes of transportation after completion of the goods unloading, alongside the vessel or other conveyance at the final port or place of final unloading or destination described in the certificate of insurance; whichever occurs first.

**PARAGRAPH 1:** The termination of coverage shall become effective when any of the events described above occurs first.

If after unloading alongside the vessel or other means of transport at the final port or place of unloading, but before the termination of this insurance, the insured good should be shipped to a destination other than that which is insured by this certificate, this insurance, while remaining subject to the termination provided for in Clauses 1 to 4, shall terminate at the time the insured good is first moved for the purpose of beginning transit to the new destination.

This insurance shall remain in force (subject to the termination provided for in paragraphs 1 to 4 above and to the provisions of the following clause) during delay to which the insured is not subject, any change of route, forced unloading, re-shipment or transshipment and during any variation in the adventure resulting from the exercise of a power granted to the carriers under the contract of carriage.

In case goods carried under charter party conditions, i.e. under a contract of chartering, have been insured by special condition, this insurance comes into force as long as the insurance certificate is in force, from the moment the insured goods are first moved in the warehouse or place of storage (at the place mentioned in the insurance contract), for the purpose of immediate loading in or on the vessel (provided that this first movement of the insured good is made by the carrier or the charterer in execution of the charter party and under his responsibility in accordance with the charter party), continues during the ordinary course of transit and terminates upon completion of the unloading operation at the port of destination, provided that the loading operation is made by the carrier or by the charterer in execution of the charter party and under his responsibility in accordance with the charter party, or when a period of 60 days has elapsed since the vessel arrived at the destination port, whichever occurs first.

#### 1.4.12. Stay Clause

Subject to the general conditions of the insurance certificate and in addition to the risks inherent to transportation, the policy is extended to cover the insured goods while in temporary storage in custom warehouse or tax authority warehouse, only in the country of destination and for nationalization procedures for physical loss or damage caused directly by the occurrence of the following risks:

Fire, lightning, explosion, snow, strikes and riots, hurricane and hail, aircraft, vehicles and smoke and theft with violence.

Notwithstanding the foregoing, this coverage shall cease ninety days (90 days) after the merchandise has arrived at such intermediate premises, and the applicable conditions are those mentioned above, in accordance with the approved wording for the Fire section.

In order for the coverage to cover a longer period of time, the insured shall obtain, at least 30 days in advance, the written consent of the company, and shall be obliged to pay the corresponding additional premium.

#### 1.4.13. Termination clause of the transportation contract

When a condition of coverage is required under this clause, there is an obligation to give timely notice to the COMPANY and the right to such coverage shall be subject to the fulfillment of this obligation.

If due to circumstances beyond the control of the insured, the transportation contract terminates at a port or place other than the destination designated therein, or the transit otherwise terminates prior to the unloading of the insured goods as provided in the preceding clause of this contract, this insurance shall also terminate unless immediate notice is given to THE COMPANY and continuation of coverage is requested and approved in which event this insurance shall remain in force, subject to payment of an additional premium if required by THE COMPANY, either:

1. Until the insured goods are sold and delivered at such port or place, or, unless otherwise expressly agreed, until the expiration of a period of 60 common days from the arrival of the insured goods at such port or place, whichever occurs first, in case the mode of transportation used is by sea, or 30 common days, in case a mode of transportation other than by sea is used, or the following item (2).

2. If the insured good is shipped within the aforementioned period of 60 days or 30 common days, as the case may be, (or any extension thereof to be agreed upon) to the place of destination indicated in the policy or to any other place of destination, this insurance shall terminate in accordance with the provisions of the foregoing clause.

#### 1.4.14. Land transportation conditions

It is a guarantee for this coverage that the following preventive measures shall be complied with in order to avoid or minimize possible losses and/or damages to the insured good, either by the insured and/or whoever s/he may hire for the mobilization of the merchandise. Non-compliance shall give rise to the penalties set up by the law.

1. For any land transportation, the insured shall guarantee the use of toll roads when available, not to exceed the load capacity limit and/or maximum dimensions specified for the truck and/or container (established by the S.C.T. and/or equivalent foreign authority), in addition to using container trailers or closed metal box or open vehicles (flatbeds, pallets or similar) covered with canvas in perfect condition (without tears, holes, rips or similar defects) and properly fastened to the means of transport, otherwise, the wetting and rust coverages (if contracted) shall be null and void.
2. **Only applies for merchandise transported in Mexican territory:** Stops en route for land shipments shall only and exclusively be authorized in the following cases and/or assumptions: In case the route used in the transportation requires stops for refueling, physiological needs of the driver and/or food, these stops shall be made after 100 km have elapsed from the origin of the shipment. From the shipment's beginning, any other type of stop unrelated or not related to the Insured's commercial activity is totally prohibited. Mechanical inspections and/or fastening of the cargo to the container and/or initial loading of fuel must be carried out prior to departure of the shipment. In stops for refueling, physiological needs of the driver and/or permitted food, the truck and its trailers (boxes) shall be parked in sites or places where there is lighting as well as police or private protection or in gas stations with convenience stores with parking space for trucks or detachments of the Federal Preventive Police (or Federal Highway Police) or toll booths (up to a maximum radius of 200 meters with respect thereto) or in stops specifically used and designated by the competent authorities for trucks of federal public service. In case of overnight or rest stops, the truck and its trailers (boxes) must be parked in closed sites or places where there is lighting as well as public or private protection and surveillance or in gas stations with convenience stores with space for truck parking or Federal Preventive Police (or Federal Highway Police) detachments or toll booths (up to a maximum radius of 200 meters with respect to these) or in stops specifically used and designated by the competent authorities for federal public service trucks, The truck and its trailers (boxes) must remain parked for a period of no longer than 8 continuous hours in such places.
3. They must use seals and/or padlocks in good condition made of steel or naval locks for containers and trailers.
4. To contract the mobilization of the cargo with land cargo transportation companies legally established for this purpose, authorized and enabled by the respective authorities to carry out this type of operation and that have a Civil Liability (CR) or transport policy for these transporters, in force and with automatic coverage for all shipments, according to the legislation applicable in each country.

5. The transportation company must monitor the ground transportation either by cell phone or any other means of communication that allows road control.
6. For land shipments with a value greater than or equal to USD 25,000.00, the insured shall use his own and/or third party vehicles hired by the insured, equipped with satellite tracking systems (GPS or similar), operative and functional during the entire trip, with constant position tracking and monitoring (every 15 minutes, in countries where the geography and local infrastructure allow it). In case of deviation, stop or variation in the unscheduled route, the company in charge of such tracking and monitoring shall immediately notify the corresponding judicial authorities. The company providing the tracking and monitoring service must have current registrations with the relevant authorities to operate within the countries where the shipment is made.
7. To hire forward supervision escorts or custodians from start to destination for land cargo movements at urban, national or international level, whose insured values are equal to or greater than \$100,000 USD. The company providing the custody or escort service in person or virtually must have current registrations before the pertinent authorities to operate within the countries where the shipment takes place. In the Republic of Mexico for insured values over USD 100,000 and under USD 150,000 the escort may be virtual as long as the provider of this service has permission from the relevant authority.
8. To hire a forward supervision escort for complementary trips in group 3 merchandise (cellular phones) whose insured values are equal to or greater than USD 20,000.
9. The transporting vehicle must not be more than 20 years old.

#### 1.4.15. Means of transportation

For the transportation of the insured good, the services of the means of transportation indicated on the cover page and/or specification of the certificate shall be used indistinctly, isolated and/or combined with each other, which shall belong to established lines or to public concessionary and permit companies for the transportation of cargo.

It is permitted to use vessels up to 25 years, provided they are duly classified and registered. For charter vessels up to 20 years. In the case of maritime shipments: The goods must travel below deck, in mechanically self-propelled steel-hulled vessels.

Closed containers may be transported on deck if the maritime regulations so allow it.

All vessels and container carriers must be classified in one of the following companies.

Lloyd's Register of Shipping	100a1 o B.S.
American Bureau of Shipping	+A1
Bureau Veritas	1 3/3 E +
Germanisher Lloyd	+100 A4
Korean Register of Shipping	+ KRS 1
Nippon Kaiji Kyokai	NS*
Dit Norske Veritas	+1A1
Registro Italiano Navale	*100A 1.1. Nav. L
Register of Shipping of CEI	KM*
Polski Regist Stat Kow	*KM

In the event of modifications or new inclusions of the aforementioned Classification Companies, this policy will be automatically updated.

Likewise, such rates operate as long as such vessels:

1. They are not bulk and/or combined carriers more than 10 years old.
2. They are not oil tankers with a gross register of more than 50,000t of more than 10 years old.
3. They are not older than 15 years , or the following item (4)
4. They are more than 15 years old, but not more than 25 years old, and have established and kept a regular sailing pattern on an advertised itinerary for loading and unloading at specified ports.




Charter vessels, such as vessels with a gross register of less than 1000 that are mechanically self-propelled and of steel construction, must be classified as above and must not exceed the specified age limits.

The requirements of the Vessel Classification Clause do not apply to any vessel, raft or barge used to load or unload vessels while within the port area.

Cargoes and/or interests carried by mechanically self-propelled vessels not falling within the scope of the above described shall remain covered subject to an extra premium and on terms and conditions to be agreed upon.

#### 1.4.16. Special coverage for used goods, returns, as well as goods that are not covered from their initial origin (continuation of trip).

Coverage will be:

1. Total losses due to robbery with violence.
2. Total loss due to damage caused by the following events:
  - a.  Fire, lightning and explosion of the transportation means.
  - b.  For Ocean Shipments:
    - Stranding, sinking or collision of the vessel.
    - The loss of entire packages, fallen into the sea, during loading, transshipment and unloading maneuvers.
    - The contribution resulting from general or major malfunction shipment and salvage charges payable according to the provisions of the Navigation Law, Navigation and Maritime Commerce Law, Commercial Code of the applicable country, in accordance with the York – Ambers Rules.
  - c.  For Inland and/or Air shipments or both:
    - Fall of the aircraft, self-ignition, collision, overturning or derailment of the vehicle or other means of transportation used, including breakage or collapsing of bridges or vessels whose use is indispensable to complement land transit.

**When there is a certificate of No Damage issued by a specialized company, duly registered and recognized in the international market, the coverage shall be extended to all risks described in the insurance certificate. The cost of this certification shall be borne by the insured unless it is agreed in the value of the agreed premium.**



#### 1.4.17. Modifications to the risk status

The insured or the policyholder, as the case may be, are obliged to maintain the risk status. By virtue of this, one or the other shall notify the company in writing of any unforeseeable events or circumstances that occur after the conclusion of the contract and which represent an aggravation of the risk.

The notification shall be made not less than ten (10) working days prior to the date of modification of the risk, if this depends on the will of the insured or of the Policy Holder, if it is unknown to them, within ten (10) days following the date on which they become aware of it.

Once the modification of the risk has been notified in the aforementioned terms, the company may revoke the contract or demand the necessary readjustment in the value of the premium. The lack of timely notification shall result in the termination of the insurance contract.

#### 1.4.18. Coexistence, concurrence or plurality of insurances

The insurance certificate shall contain a record of the other existing insurance.

The insured shall inform the company in writing, within a term of ten (10) working days from its issuance, of the insurances of insurance of the same nature contracted on the same good; failure to comply with this obligation shall cause the termination of the insurance contract.

In case of plurality, concurrence or coexistence of insurances, the insurers shall bear the indemnity proportionally to the insured in accordance with the amount of the insured value of their respective insurance contracts or as provided by the insurance laws according to the claim in a country where the claim has occurred and is applicable.

#### 1.4.19. Subrogation

By virtue of the payment of the indemnity and by operation of law, the company is subrogated, up to the amount of the indemnity, to the rights of the insured against the individuals responsible for the loss.

#### 1.4.20. Loss of the right to indemnification

The policyholder's, insured or beneficiary's right to indemnity shall be lost in the following cases:

1. When there has been bad faith on the part of the policyholder, insured or beneficiary in the claim or the verification of the right to payment of a loss.
2. When giving notice of the loss, s/he maliciously omits to inform about the coexisting insurances on the same insured good.
3. If the policyholder, insured or beneficiary waives his/her rights against the individuals responsible for the loss without the written approval of the company or does not facilitate the exercise of subrogation.

#### 1.4.21. Obligations of the insured in the event of loss

In case of loss, the Insured has the following obligations:

1. Give promptly notice to Claims Dept. of JAH BROKERS CORP by e-mail to: [claimsdepartment@ahinsurance.com](mailto:claimsdepartment@ahinsurance.com), or throw our website [www.jahinsurance.com](http://www.jahinsurance.com), or in our APP Android or IOS

System "JAH INSURANCE". This must be done within a maximum period of five (5) business days, after receiving the merchandise and knowing the evidence of damage or loss. Failure to comply with this condition will give the insurance company the right to deny to process the claim due to extemporaneity.

2. To avoid the extension and propagation of the loss, and to provide for the salvage of the insured goods. Likewise, to keep from abandoning the insured objects without the express authorization of the company.
3. To inform the company the occurrence of the loss within five (5) working days from the date of knowledge of the event or at the time of arrival of the goods in the destination country.
4. To declare in writing to the company, the coexisting insurances, with indication of the insurer and the insured sum.
5. To file a written claim against those responsible for the loss or damage caused to the insured good, within the term prescribed in the contract of carriage or in the law, especially as provided for in the international conventions governing the subject matter. It is understood and agreed that failure to comply with such obligation shall entail to the insured the obligation to acknowledge to the company the amounts that s/he had been able to recover from the third party liable, which shall be deducted from the indemnity.
6. To facilitate the company's exercise of the rights derived from the subrogation.
7. Other obligations imposed by law.

When the insured or beneficiary does not comply with these obligations, the penalties provided for in the Law will be applied.

#### 1.4.22. Documents required for indemnity payment

In case of loss, the policyholder, insured or beneficiary, as the case may be, must provide the following documentation at his own expense and cost, as it is their obligation.

1. Letter of claim for indemnity in the name of the company and/or JAH Insurance Brokers where s/he tells the events or circumstances that caused the claimed event, the quantification of the loss and the possible responsible parties for the loss.
2. Commercial invoice of purchase or sale. From the latter, discounting the value of the profit or expected profit.
3. Packing list.
4. Authentic copy of the bill of lading, air waybill, waybill, consignment, remittance, cargo manifest or carrier's compliment, as the case may be. In cases where the merchandise arrives at its final destination with a land complement with the same main or international transportation contract, it must be stated and in this case provide the BL or a house air as the case may be.
5. Import or export declaration or manifest, prior customs declaration or manifest, or whatever it is called in each country by the customs authorities.
6. Paid invoice for freight.
7. Prior claim to the responsible third party (maritime, air or land carrier where it is believed that the merchandise suffered the loss.
8. Protest of the captain in case of maritime accident, or report of the corresponding authority in case of accident inside the transporting vehicle.
9. In case of robbery with violence, the criminal report to the competent authority of the place where the event was originated.
10. Technical report from the manufacturer or representative of the

brand at the site of the event or repair shop establishing the causes that originated the loss and its repair.

11. Estimate for repair and/or replacement of parts or spare parts in case of damage to insured equipment or machinery. In case of total loss, the replacement value of the equipment will be required.
12. Certificate of receipt and delivery of goods issued by the transporter, warehouseman or by the port or customs authorities, as the case may be.
13. Declaration of Major Damage in case of occurrence and details of the event, name and data of the international adjusters appointed to attend the event. Details should be given if there was a loss or only generation of expenses to overcome the emergency.
14. In case of international mobilization of containers, the EIR of departure at the port of origin and the EIR of entry at the port in the destination country.
15. In case of having insurance and filing the claim for the expenses generated in the loss, it must be supported with paid invoices of such expenses.
16. Those specifics at the company's discretion that are required to supplement any of the above information requested.

#### 1.4.23. Deductible

This is the percentage or fixed sum that is invariably deducted from the amount of the indemnizable loss, and therefore always remains the responsibility of the insured.

The deductible determined on the cover of the insurance certificate and/or in the particular conditions of the policy.

In the event that the insured contracts with another policy to cover the deductible without due notification to the company, it shall be understood as a coexistence and its implications as stipulated in the aforementioned clause.

#### 1.4.24. Revocation

This insurance contract may be revoked as follows:

1. By the company, by means of written notice sent to the policyholder or the insured to his last known address with no less than ten (10) working days and seven (7) for international war coverage or before the beginning of an insured dispatch. Notwithstanding, those dispatches which have been in force prior to the date of revocation of the policy shall be covered on the basis of the conditions agreed with the policyholder or insured, except in cases of international war, for which the peremptory term of seven (7) days shall apply.
2. By the policyholder or insured, at any time, by means of a written notice given to the company. The revocation won't be effective, if the shipment is in course.

#### 1.4.25. Payment of premium and termination of the contract

When the payment of the premium is not made upon delivery of the insurance certificate or annexes issued thereafter, or within the term agreed upon by JAH Insurance Brokers, the insurance contract shall automatically terminate and all obligations of the company shall cease.

#### 1.4.26. Inspection rights

The insured is obliged to allow access to his/her offices to individuals authorized by the company, to whom s/he shall make available the review of the documents related to this contract.

#### 1.4.27. Salvage rights

When the insured is indemnified, the company shall define at its discretion and convenience whether to take ownership of the salvaged or recovered goods. In those cases in which it decides not to take ownership thereof, the good saved or recovered shall continue to be the property of the insured and consequently the storage and holding expenses shall remain the insured's responsibility.

In case of sale of the salvage, the insured shall participate proportionally in the sale of the net salvage, taking into account the deductible and the underinsurance, when the latter is applicable. Net salvage is understood as the value resulting from deducting from the sale value thereof the expenses incurred by the company, such as those necessary for the recovery and marketing of such salvage.

#### 1.4.28. Special conditions for critical equipment

In general terms, critical items and/or equipment are defined as those comprising one or more of the following characteristics:

- Any item and/or equipment with a unit value at risk equal to or greater than USD 500,000.00.
- Any item and/or equipment where its repair, even if minor, cannot be carried out at the place of destination.
- Any item and/or equipment that requires the use of special (non-conventional) means of transport and/or when its dimensions do not fall within the dimensions of a standard 40-foot container or its equivalent in road transport (length: 12 meters, width: 2.5 meters and/or height: 2.5 meters).
- Any item and/or equipment, including packaging, whose gross weight exceeds 30 metric tons.
- Any item and/or equipment that, due to its characteristics, requires special handling equipment.
- Any item and/or equipment with center of gravity displaced from its geometric center.
- Any item and/or equipment that requires special fasteners.
- Shipments on deck except for items and/or equipment packed in fully enclosed standard metal containers on board container vessels or other vessels designed and approved for the carriage of containers.
- Barge shipments.

Special means unconventional and/or usual for handling and securing common loads in general.

For the mobilization of this type of equipment, the following specific guarantees must be complied with for all dispatches:

1. Each item and/or equipment shall have its gross weight and center of gravity clearly identified and in a visible place, as well as the indications of the anchorage places for its lifting and/or handling.
2. The equipment used for loading and/or unloading and/or handling of critical items and/or equipment must be operated by recognized and competent companies.
3. The equipment used for loading and/or unloading and/or handling of items and/or equipment shall be in good state of maintenance and certified at the date of the operation.
4. Equipment used for loading and/or unloading and/or handling of items and/or equipment must have sufficient lifting capacity in terms of safety load (SWL - [https://en.wikipedia.org/wiki/Working\\_load\\_limit](https://en.wikipedia.org/wiki/Working_load_limit)) in relation to the gross weight of the load and working angle.
5. Vehicles used for the transportation of items and/or equipment shall be carried out by specialized companies; recognized and competent in the matter. Vehicles used for transportation shall

not be older than 10 years and shall be in good maintenance, condition at the time of operation.

6. Land transits must be carried out with daylight, and travel in conditions of reduced visibility is not permitted under any circumstances.
7. The ordinary and necessary stops and/or stays for the performance of the trip are covered on condition that the transporting vehicle is in a safe place at all times under the control and supervision of the carrier and/or his/her dependents.

The guarantees included in items 2) to 7) inclusive, are applicable when the insured and/or a representative of the insured had under his control the operations and/or the responsibility for the contracting thereof.

Otherwise, in case of payment of indemnity under the terms of this clause, the insured undertakes to transfer to the insurer all and any right of recovery against whoever was in charge of and/or was responsible for the contracting of the operations included in the guarantees listed above. Likewise, the insured shall provide the insurer with all reasonable cooperation to enable him/her to exercise such subrogated rights.

Special warranties in case of a package and/or piece exceeding USD 1,000,000.00.

For this type of dispatches, in addition to the above guarantees, the insured shall comply with:

1. Presence of an independent surveyor during loading, stowage, packing, consolidation, deconsolidation, securing and unloading operations. The observations made by such surveyor shall be considered and complied with in order for the insurance coverage to be effective. The cost of the surveyor shall be borne by the insured.
2. An impact detector shall be affixed to the items and/or equipment and the serial number shall be reliably reported to the contract carrier.

Failure to comply with any of the guarantees listed above shall render the insurance coverage null and void as from such failure.

#### 1.4.29. Address

Notwithstanding the procedural provisions, either of issue location, transport and/or the claim incident took place, for the purposes related to this contract (precontractual, contractual and postcontractual time), the city of Miami - United States of America is set as the domicile of the parties.

#### 1.4.30. Information Security and Data Protection Policy

The insured party shall allow to the Company to give appropriate treatment to the information from the Insurance documents or in execution of the contract, in order to evaluate risks and claims in the procedure. The insured party shall allow the Company to collect data and implement it in the performance of the contract and its protection.

#### 1.4.31. Definitions

For the purpose of this coverage, the following terms shall be understood and as set forth in these conditions:

##### — GENERAL AVERAGE:

Consists of any loss or expense deliberately incurred by the captain in order to avoid serious damage of total or partial loss

of the vessel and/or the goods, the resulting loss to be shared proportionally among all the parties that have been benefited.

##### — THE YORK AND AMBER RULES (RYA):

These are a set of customary rules (i.e., they are not an international convention), but are simply imposed by their free and generalized adoption by the parties to contracts of carriage.

##### — ADDITIONAL EXPENSES IN THE INSURED AMOUNT:

The percentage for proven additional expenses includes within the insured sum other usual ordinary expenses incurred up to the final destination, additional to the commercial invoice, freight and nationalization taxes, and which have their respective justification. Among others, the following are mentioned: Foreign trade and customs forms; opening and ordinary financial expenses; letter of credit; exchange rate fluctuations; port and airport services; warehousing and cargo handling; customs agent fees; insurance costs, among others.

##### — DISPATCH:

Dispatch shall be understood to mean the shipment made by a dispatcher, from the same place and in a single transport vehicle, destined for the same consignee, under a single contract of carriage and represented in a single bill of lading, railway or air waybill, consignment, order, or similar document. When the shipment, as defined above, is unloaded at an intermediate point of the insured route, and its subsequent transportation is carried out in several vehicles, "shipment" for such route shall be understood as the shipment of each vehicle, provided that the value of the goods moved in each vehicle and the losses or damages incurred in each of them are determined.

Otherwise, "dispatch" shall be understood as the sum of the shipments of all vehicles. If several dispatches corresponding to different bills of lading, air waybills or land waybills (waybill or land consignment) are concentrated in a single transporting unit or storage site (ship, vessel, railroad, airplane, truck or warehouses), the maximum limit of liability of the company shall be understood to apply to the value of each bill of lading, air waybill or land waybill independently considered (in case of railroad each wagon is considered as a transporting unit).

##### — PACKING UNIT:

External element that covers or wraps the insured goods. Packing unit (bundle, drum, crate, box, suitcase, sack, etc.), as mentioned in the transport document. The container and stowage shall be considered as means of transport when the goods contained therein are packed in such a way that they can be transported even without the use of the container or stowage. Otherwise, the container and stowage are considered as packaging.

##### — ACTUAL VALUE:

It is the equivalent to the value of the good at the time of dispatch, i.e. the replacement value less depreciation or demerit for use.

#### — **LIMIT PER DISPATCH:**

The maximum liability of the company for each dispatch, which corresponds to the limit established in the insurance certificate for each insured trip.

— **FCP:** Full Cover Plus.

— **FC:** Full Cover.

— **TL:** Total Loss.

#### — **TOTAL LOSS:**

For the purposes of this insurance certificate, total loss for damage shall be understood as when the cost of replacement or repair of the insured shipment is equal to or exceeds the actual value or exceeds the insured value in the insurance certificate. Total loss for theft events is understood as the total non-delivery of the shipment. It does not apply to independent items within a shipment; it is a concept that applies to the entire shipment.

#### — **DEMERITS BY USE:**

Depreciation by use is understood as the loss of value suffered by the asset due to natural wear and tear. It depends on several factors such as maintenance, useful life, current age, time actually used, environmental conditions, current condition and time of use before the malfunction or loss. In accounting terms, it is used to depreciate assets with a view to their restoration.

#### — **APPLICATION OF DEMERITS FOR USED MACHINERY AND USED GOODS:**

For used machinery or goods, a demerit for use of 10% per year shall be applied up to a maximum amount of 70% of the replacement value of the insured good. Failing this, in the event of not knowing the replacement value or the time of use of the damaged equipment, the loss value shall be that which appears in the accounting books certified by the statutory auditor and/or accountant with a valid professional license and the legal representative of the insured party.