



TOTAL LOSS GENERAL CONDITIONS

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INDEX

TOTAL LOSS

COVERAGES AND EXCLUSIONS

1.1. COVERAGES	3
1.2. EXCLUSIONS	3
1.3. CONFLICT COUNTRIES WHERE COVERAGE DOES NOT OPERATE	4
1.4. GENERAL CONDITIONS	4
1.4.1. Parties of the insurance	4
1.4.2. Non-insurable goods	4
1.4.3. Mobilization of special goods	4
1.4.4. Mobilization of dangerous goods	5
1.4.5. Movement of goods controlled by the antinarcotics authorities	5
1.4.6. Mobilization of refrigerated products	5
1.4.7. Limit per dispatch	5
1.4.8. Sum insured	5
1.4.9. Underinsurance	6
1.4.10. Maximum indemnity limit	6
1.4.11. Validity of coverage	6
1.4.12. Stay Clause	7
1.4.13. Termination clause of the transportation contract	7
1.4.14. Land transportation conditions	7
1.4.15. Means of transportation	8
1.4.16. Special coverage for used goods, returns, as well as goods that are not covered from the beginning (continuation of voyage)	8
1.4.17. Modifications to the risk status	9
1.4.18. Coexistence, concurrence or plurality of insurances	9
1.4.19. Subrogation	9
1.4.20. Loss of the right to indemnification	9
1.4.21. Obligations of the insured in the event of loss	9
1.4.22. Documents required for payment of compensation	9
1.4.23. Deductible	10
1.4.24. Revocation	10
1.4.25. Payment of premium and termination of the contract	10
1.4.26. Inspection rights	10
1.4.27. Rights on salvage	10
1.4.28. Special conditions for critical equipment	10
1.4.29. Address	11
1.4.30. Information Security and Data Protection Policy	11
1.4.31. Definitions	11

GENERAL CONDITIONS

IN CONSIDERATION OF THE DECLARATIONS DESCRIBED IN THE APPLICATION SUBMITTED BY THE POLICYHOLDER, WHICH IS AN INTEGRAL PART OF THE TOTAL LOSS 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:

TOTAL LOSS

COVERAGES AND EXCLUSIONS

1.1. COVERAGES

1. Total loss due to robbery with violence.
2. Total loss due to damage and the following events:



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



Loading and unloading operations.



Accident suffered by the transporting vehicle.



VMM (Vandalism and Malicious Mischief) Including war acts and terrorism.



Assault, riot, civil or popular commotion and strike, according to their legal definitions.



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. Theft or total 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 customs warehouse or tax authority warehouse for up to 90 days with no extra premium charge, for total losses 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 and smoke and total losses due to robbery with violence.

1.2. EXCLUSIONS

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. Partial losses due to theft or damage, understood as economic

losses lesser than the insured value either individually of each item transported or to the shipment in general.

6. Particular damage, understood as the damage to the transported goods where the value of its replacement or repair is within the concept of partial loss. Particular damage is covered as long as it is considered a total loss, in accordance with the definition in the policy.
7. Pre-existing damages.
8. Electrical or electronic damage (Except if caused by the affectation of one of the coverages).
9. Damage caused by improper or inadequate packaging.
10. Deterioration, damage of packaging or wrapping boxes due to humidity and/or tearing of packaging.
11. Damage to the transporting vehicle or the carrier's contractual civil liability.
12. Loss of accessories in the transportation of automobiles, machinery or any equipment that is equipped with these, understanding that they are complementary parts and not of its normal operation.
13. Damage caused by transporting the insured good with other merchandise that affects its properties or the integrity of the product.
14. Damage caused by deterioration of the container or packaging.
15. Normal wear and tear of the insured goods, especially when transporting used goods.
16. 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.
17. Losses due to nuclear reaction or radiation or radioactive pollution.
18. 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.
19. Confiscation, seizure and sequestration, seizure by customs or State authorities.
20. Loss or damage caused to the merchandise in the process of inspection, sampling by customs authorities of any country.
21. Transportation in private automobiles owned by employees and/or the company (subject to review prior to issuance of the insurance certificate).
22. 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.
23. Partial theft, simple theft, theft without violence, mysterious disappearance and misplacement.
24. Abandonment of the insured property by the insured or by anyone representing his/her interests, unless authorized by the insurance company.
25. The violation on the part of the insured or whoever his interests represents, of any law, provision or regulation issued by a foreign or national, federal, state or municipal authority, when it influences the occurrence of the loss.
26. Loss, damage or expense arising from the insolvency or breach of obligations of the owners, managers, charterers or operators of the vessel.
27. 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.
28. Mysterious disappearance of sealed door-to-door containers, or missing containers without violation of security seals.
29. Damage or loss to containers not caused by transportation and pre-existing damage.

30. Liens, fines and penalties.
31. Air condensation inside the container or packaging unit.
32. Delays in the means of transport affecting the merchandise.
33. Damage or loss due to temperature variation, breakage of the cold chain.
34. Bulk goods. Coverage may be provided with the prior authorization of the company and the terms and conditions granted must be expressly stated.
35. Courier and/or parcels and/or household goods.
36. Transfers within plants, warehouses and/or premises.
37. Damage caused by contamination of the insured good by any cause.
38. Transportation of precious metals and/or stones, works of art of any kind, money and securities.
39. Wrinkles, stains, discoloration, creases, scuffs and/or scratches.
40. Dents and cracks unless specifically covered under particular conditions in the certificate of insurance and arising out of an event covered by the policy and considered as a total loss as defined in this certificate of insurance.
41. Damage and/or loss to the insured good caused by pests, vermin, insects, rodents or any type of living organism.
42. 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.
43. Transportation of goods on deck in the maritime, river or lake mode, with the exception of goods packed in containers that can be fastened to the deck of the ship or vessel.
44. 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 UN, or sanctioned, embargoed or with which there are trade limitations imposed by the Office of Foreign Assets Control (OFAC).

1.4. GENERAL CONDITIONS

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, precious and semi-precious metals and 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, Sodexho, 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.
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. Cotton, unginning or in bales.
13. Software once installed.
14. Fishmeal and cottonseed meal.
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.

Paragraph: 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, and 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 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 to be the shipment of each vehicle, provided that the value of the goods 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 internal route, the value of the external freight and the value of the export expenses is added, 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 made 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:

Production or acquisition cost, plus freight and insurance costs and other expenses inherent to the transportation of the insured goods, if any.

6. For used goods:

Actual value of the goods plus expenses, such as freight, import taxes, customs expenses, packing, crating, cartage and other expenses inherent to the transportation of the insured good, 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 case of loss, notwithstanding the freight is insured, additional expenses for indemnity must be supported by documents; if this is not possible, the company shall not take them into account in the liquidation of the loss.

PARAGRAPH 3: In the value of the charge, VAT or tax will be considered, as long as it is not tax deductible and the discounts included in the invoices of the generators - clients will 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 shall also be endorsed with the signature of the legal representative of the insured party.

1.4.9. Underinsurance

If the sum insured is lesser 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 applies to it and to 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 good is made by the shipper or carrier in execution of the contract of carriage and under his responsibility in accordance with the carriage contract and the law governing it), continues during the ordinary course of the transit and terminates either:

1. Upon completion of the unloading process from 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 from the means of transport used to transport the insured property, 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 unloading of the goods, alongside the vessel or other conveyance at the final port or place of final discharge or destination described in the certificate of insurance; whichever occurs first.

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

PARAGRAPH 2: The insurance certificate shall be valid for 90 calendar days after it is issued or until the merchandise reaches its final destination.

If after unload alongside the vessel or other means of transport at the final port or place of unload, but before the termination of this insurance, the good insured 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 good insured 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 the 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 arising 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 affreightment, 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 hold or storage place (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 property insured 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 when the unloading operation at the port of destination is completed, provided that the discharge 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 port of destination, 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 good 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 that cause total loss, in accordance with the definition of total loss of this coverage, 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 line.

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 coverage condition is required under this clause, there is an obligation to give timely notice to the insured 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 contract of carriage 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 the payment of an additional premium if required by THE COMPANY, either:

1. Until the insured good is sold and delivered at such port or place, or, unless otherwise expressly agreed, until the expiration of a period of 60 calendar days from the arrival of the insured good 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 he may hire for the mobilization of the merchandise. Non-compliance shall give rise to the penalties set forth by 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 transportation, 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 the event that the route used in the transportation requires stops for refueling, physiological needs of the driver and/or food, these stops must be made after 100 km have elapsed from the origin of the shipment, any other type of stop unrelated or not related to the commercial activity of the insured is totally prohibited. The mechanical inspections and/or cargo fastening 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) must be parked in places or locations where there is lighting as well as police or private protection or in gas stations with convenience stores with space for truck parking or detachments of the Federal Preventive Police (or Federal Highway Police) or toll booths (up to a maximum radius of 200 meters with respect to them) or in stops specifically used and designated by the competent authorities for federal public service trucks. 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 more 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 incorporated 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 allows 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 USD \$100,000. The company that provides 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 merchandise group 3 (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 goods, 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 among themselves, which must 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.

Lloyds's Register of Shipping	100a1 o B.S.
American Bureau of Shipping	+A1
Bureau Veritas	1 3/3 E +
Germanischer 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 document will be automatically updated.

Likewise, these 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 more than 15 years old, 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 1000t 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 launch 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 the beginning (continuation of voyage).

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 failure and salvage charges to be paid according to the provisions of the Navigation Act, Navigation and Maritime Commerce Act, Commercial Code of the country that applies, according to the York-Antwerp rules.



c. For land 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 sinking 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 upon 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, is obliged to keep 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 policyholder, if it is unknown to him, within ten (10) days following the date on which they become aware of it.

Upon notification of the modification of the risk 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 insurances. The insured shall inform the company in writing, within a term of ten (10) working days from its issuance, of the insurances 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, or throw our website 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 about 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 country of destination.
4. To declare in writing to the company, the coexisting insurances, indicating the insurer and the insured sum.
5. To file a written claim against those responsible for the loss or damage caused to the insured goods, within the term prescribed in the contract of carriage or in the law, especially as provided for in the international conventions governing the matter. It is understood and agreed that failure to comply with such obligation shall entail to the insured the obligation to let the company know the amounts that s/he had been able to recover from the responsible third party, 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 payment of compensation

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 his 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 declared and in this case provide the BL or house air waybill 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 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 malfunction in case of occurrence and details of the event, name and details of the international adjusters appointed to attend the event. Details should be provided as to whether there was a loss or only expenses incurred 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 country of destination.
15. In case of having insurance and filing a claim for the expenses caused in the loss, such expenses must be supported with paid invoices.
16. Those specific to 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 page 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. However, 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 written notice given to the company, the revocation shall not operate with respect to the dispatches in progress.

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 facilitate the review of the documents related to this contract.

1.4.27. Rights on salvage

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 responsibility of the insured.

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 having 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 the handling and securing of 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 indications of the anchorage places for 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 must be in good conditions 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) 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 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 it 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:

- a. Presence of an independent surveyor during loading, stowage, packing, consolidation, deconsolidation, securing and unloading operations. The remarks 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.
- b. 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 purposes 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 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 in carriage contracts.

— 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 transport 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 transport unit).

— **PACKING UNIT:**

External element that covers or wraps the insured goods. Packing unit (bundle, drum, crate, box, suitcase, bundle, 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 minus 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.

— **DEMERIT 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 failure 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 valid professional license and the legal representative of the insured party.