

CARGO TRANSPORTATION INSURANCE POLICY

INDIVIDUAL CONDITIONS

Subject to the General, Individual Conditions and Specifications of the Policy, whereby the latter having preference over the former, Tokio Marine Compañía de Seguros, S.A. de C.V. named hereinafter as “the Company” insures in favor of the person mentioned in the Face of the Policy, named hereinafter as “the Insured” against the damage and/or loss caused by the risks covered, provided that the Insured has an insurable interest, in accordance with the terms, exclusions, stipulations and conditions established or endorsed in this Policy.

I. MARINE TRANSPORTATION

I.1. INSURANCE TERM

The term of this insurance is indicated in the Face of the Policy, and the coverage attaches, for each shipment, from the time the property insured is under the care of marine carriers for transportation thereof, at the place of origin; and continues during the ordinary course of the transit, and terminates as the property is discharged on the docks, at the port of destination.

Both the origin and destination, together with the type of insured property to be transported, are registered in the Specification of this Policy.

I.2. MEANS OF TRANSPORTATION

The rates as agreed in this insurance apply to cargoes and/or interests carried by mechanically self-propelled vessels of steel construction. Classed as below by one of the following classification societies:

- **LLOYD’S REGISTER OF SHIPPING**
- **AMERICAN BUREAU OF SHIPPING**
- **BUREAU VERITAS**
- **GERMANISHER LLOYD**
- **NIPPON KAIJI KYOKAI**
- **DET NORSKE VERITAS**
- **REGISTRO ITALIANO NAVALE**
- **REGISTER OF SHIPPING (CEI)**
- **POLSKI REGESTR STATKOW OR POLISH REGISTER OF SHIPPING**
- **CHINA CLASSIFICATION SOCIETY**
- **KOREAN REGISTER OF SHIPPING**

The coverage granted by this insurance covers property and/or interests carried under deck by vessels not exceeding 25 years of age, belonging to a regular service. The vessels must not raise the “Flag of Convenience” of the following countries:

Costa Rica, Cyprus, Dominican Republic, Greece, Honduras, Lebanon, Liberia, Falkland Islands, Malta, Morocco, Nicaragua, Panama, Singapore and Somalia.

I.3. RISKS COVERED (ORDINARY RISKS OF TRANSIT)

This insurance covers exclusively:

- I.3.1.** Physical loss or damage occurred to the insured property directly caused by fire, lightning and explosion, or by stranding, sinking or collision of the carrier vessel;
- I.3.2.** Loss of entire bundles that fall during loading, transshipment or unloading operations.
- I.3.3.** General average or salvage charges payable according to the legal provisions in force in the Republic of Mexico, specifically in the Commercial Code, the Navigation Law and the Marine Navigation and Commercial Law or to York-Amberes Rules in force or to Foreign Statement, applicable at the time of the occurrence of loss, in accordance with the bill of lading or the contract of affreightment.
- I.3.4.** This insurance covers the property declared while they are being transported to or from the main vessel to lighters, whilst on board such vessels.

The Insured is not to be prejudiced by any agreement exempting lightermen from liability.

II.- LAND OR AIR TRANSPORTATION OR BOTH

II.1. TERM OF INSURANCE

This insurance attaches from the time the property is loaded on the vessel or aircraft for the commencement of the transit of the insured vessel, at the point of origin named in this policy, and continues during the ordinary course of transit and terminates:

- II.1.1.** On delivery to the consignee, at the point of destination named in this policy, or
- II.1.2.** On delivery of the property other than in the ordinary course of transit, whether prior to or at the point of destination named in the policy, which the Insured elects to use for storage, allocation, distribution, dispatch, reshipment, or
- II.1.3.** 48 (forty eight) hours during working days after the arrival of the property at the point of destination or airport of destination

whichever shall first occur.

Both the origin and destination, together with the type of property to be transported are recorded in the Specification of this policy.

II.2.RISKS COVERED (ORDINARY RISKS OF TRANSIT)

This insurance covers exclusively the physical loss or damage occurred to the insured property caused by fire, lightning and explosion, together with aircraft fallen, railroad derailment, collision or overturning of the transporting vehicle used, including collapse of bridges, overhang thereof or sinking of shipments, which use is necessary to complete the land transit.

II.3.MEANS OF CONVEYANCE

For the transportation of the insured property: railroad, vehicles, aircraft owned by the Insured or leased for his service, Autotransportation Lines or Air Lines of commercial and cargo use. The means of conveyance of the federal public service that travel in the Republic of Mexico shall have authorization and registration in force by the Secretaría de Comunicaciones y Transportes (Secretariat of Communications and Transportations).

III. SENDINGS BY POST OR MULTIMODAL SHIPMENTS

III.1. TERM OF INSURANCE

The term of this insurance is indicated on the face of the Policy, the coverage attaches, for each shipment, from the time the insured property is received by the postal office or by the multimodal carrier, and terminates upon delivery to the addressee.

III.2. RISKS COVERED (ORDINARY RISKS OF TRANSIT)

The covered risks shall be specified in this Policy, corresponding to the means of conveyance used.

IV. ADDITIONAL RISKS

By means of the obligation of payment of the corresponding premium, and provided it is mentioned in the Specification of this Policy, the protection granted is extended to cover the property insured against loss or damage directly caused by the occurrence of any or various of the additional risks, it is understood that such protection shall be granted in accordance with the provisions in the following items:

IV.1. THEFT OF ENTIRE BUNDLE.- Covers the property insured against total non-delivery of one or more bundles due to:

IV.1.1. Total theft of shipment.

IV.1.2. Theft with violence and/or assault perpetrated by persons leaving visible signs of violence in the packages and/or means of conveyance, whether through the use of force or violence, moral or physical, on the persons in charge of the transportation or under custody of the property.

IV.1.3. Misplacement or theft when using vehicles of third parties.

IV.2. PARTIAL THEFT. – Covers the property insured against partial non-delivery of the contents of one or more bundles due to theft with violence and/or assault, whether by force or violence, moral or physical.

IV.3. DAMPING.- Covers the property insured against the physical damage caused by sudden damping, whether by fresh, salt water, or both.

THE FOLLOWING PERILS ARE NOT COVERED WITHIN THIS ITEM:

- **DAMAGE CAUSED BY HUMIDITY OF THE ENVIRONMENT OR BY CONDENSATION OF AIR WITHIN THE PACKING OR CONTAINER OR THE WAREHOUSE WHEREIN THE MERCHANDISE HAS BEEN STOWED.**
- **WHEN THE STOWED MERCHANDISE TRAVELS ON DECK OR IN RAILROAD WAGON OR OPEN TRUCK OR ANY OTHER VEHICLE THAT DOES NOT COMPLY WITH THE ADEQUATE PROTECTION.**

THIS COVERAGE SHALL BE NULL AND VOID WHEN THE INSURED PROPERTY LACKS OF PACKING, OR DEFECTIVE, INSUFFICIENT OR UNSUITABLE PACKING.

IV.4. STAINS.- Covers the property insured against the physical damage directly sustained by stains, when these affect their original properties or characteristics.

THIS COVERAGE SHALL BE NULL AND VOID WHEN THE INSURED PROPERTY LACKS OF PACKING OR DEFECTIVE, INSUFFICIENT OR UNSUITABLE PACKING.

IV.5. OXIDATION.- Covers the property insured against the physical damage caused to the property by oxidation.

EXCLUDING DAMAGE CAUSED BY HUMIDITY OF THE ENVIRONMENT OR BY CONDENSATION OF AIR WITHIN THE PACKING OR CONTAINER OR THE WAREHOUSE WHEREIN THE MERCHANDISE HAS BEEN STOWED.

THIS COVERAGE SHALL BE NULL AND VOID WHEN THE INSURED PROPERTY LACKS OF PACKING, OR DEFECTIVE, INSUFFICIENT OR UNSUITABLE PACKING.

IV.6. CONTAMINATION BY CONTACT WITH OTHER CARGOES.- Covers the property insured against physical damage that may sustain due to contamination by contact with other cargoes or caused by breaking of the packing or container.

NOT COVERING THE CONTAMINATION CAUSED BY STRANGE RESIDUES OR MATERIALS IN THE INSURED MERCHANDISE ARISING FROM A BAD CONDITION OF THE HANDLING OF CONTAINERS OR DEVICES, VALVES, HOSES, PIPES OR TANK CARS OR MEANS OF CONVEYANCE.

- IV.7. BREAKING, DENTING, BENDING OR CRACKING.-** Covers the property insured against breaking, denting, bending or cracking; provided always there is an accidental occurrence, and while the property has been duly packed, before the commencement of the transportation.

EXCLUDING SCRAPING AND CHIP, TOGETHER WITH DAMAGE SUSTAINED TO PROPERTY THAT LACKS OF PACKING MATERIAL OR DEFECTIVE, INSUFFICIENT OR UNSUITABLE PACKING.

- IV.8. LEAKAGE.-** Covers the property insured against loss or damage directly caused by leakage, but only when this is caused by the breaking of any bottle, packing or baling or container in which the property is being transported.

- IV.9. SHRINKAGE.-** Covers the property insured against loss or damage directly caused by accidental reductions or loss of weight or volume.

- IV.10. WAREHOUSE TO WAREHOUSE CLAUSE FOR SEA, LAND OR AIR SHIPMENTS.-** The coverage granted to the property insured by this Policy, attaches from the time the property leaves the sender's domicile for its transportation, and continues during the ordinary course of transit, and terminates at the arrival of the property insured at the consignee's domicile, between the initial point of shipment and the point of destination named in this Policy.

If an interruption occurs during the transportation of the insured property, such property shall be covered in accordance with stipulations in Clause VI.2 "Interruption of Transportation", Section VI. "Additional Coverages".

- IV.11. STRIKES AND RIOTS.** Strikes, riots and civil commotion for sea, land or air shipments.

- IV.12. WAR.**

Afloat War.

Air war.

- IV.13. BARRATRY OF MASTER OR CREW.-** Covers the property insured against loss or damage due to an act committed by the master or crew of a vessel, for some wrongful act, contrary to their duty of the owner or charterer of the vessel.

EXCLUDING THE DAMAGE IF THE CAPTAIN IS THE OWNER OF THE VESSEL OR MERCHANDISE, OR BOTH.

IV.14. JETTISON AND WASHING OVERBOARD.- In case of jettison covers the loss of the property insured when is voluntary throwing into the sea by orders of the captain's vessel, provided always there is a reason justified by him, and that it is stated in the vessel's log. In case of washing overboard, covers the loss when the insured property stowed on deck is washed overboard by the waves.

V. BROAD COVERAGE

The property insured is covered against the physical loss or damage covered by the Ordinary Risks of Transit indicated in Clauses I.3., II.2., and III.2, in accordance with the means of conveyance, and in addition, items, IV.1 to IV.10. of Section IV. "Additional Risks" when they have been contracted and specified as covered, in accordance with the terms and conditions stipulated thereof.

VI. ADDITIONAL COVERAGES

VI.1. VARIATIONS

This insurance shall remain in force, subject to termination as provided for on the Policy face and to the provisions of Clause VI.2. "Interruption of Transportation", during delay beyond the control of the Insured, during any deviation or change of route, forced discharge, reshipment or transshipment, and any other variation of the adventure arising from the exercise of a liberty granted to the shipowners or charterers under the contract of affreightment, waybill, air waybill or bill of lading, together with unintentional omission or error in such documents, in the description of the vessel or voyage, and if required, the Insured must pay the corresponding additional premium.

VI.2. INTERRUPTION OF TRANSPORTATION

If during the transportation of the property insured, abnormal circumstances arise beyond the control of the Insured or their representatives, not excluded in this Policy, making necessary that between the points of origin and destination specified in the face of this Policy, the property remain layed up or stored in warehouses, wharves, platforms, piers, dikes or other places, the insurance shall remain in force:

- VI.2.1. Up to a maximum period of 15 (fifteen) calendar days counting from 00.00 hours on the following day of arrival of the property insured, if the consignee's address is in the same border city or marine port or airport at the final destination place.
- VI.2.2. Up to a maximum period of 30 (thirty) calendar days counting on the same manner as above, if the final destination of the property insured is located in another place other than such indicated.
- VI.2.3. For a period greater than those mentioned in the two previous items, with prior notice, and subject to the Company's acceptance, and by means of the obligation of the payment of the corresponding additional Premium, for the necessary lay up and proof thereof. If the Company does not receive the prompt notice, the liability shall cease on the following day upon expiry of such periods.

The Insured undertakes to pay the corresponding premium, which shall be calculated considering the period granted in the coverage, but not counting the first 30 (thirty) days of such interruption.

IF THE INTERRUPTION OF THE TRANSPORTATION IS DUE TOTALLY OR PARTIALLY TO CAUSES IMPUTABLE TO THE INSURED OR THEIR REPRESENTATIVES, THE INSURANCE SHALL CEASE FROM THE DATE OF SUCH INTERRUPTION.

It is necessary for the Insured when they become aware of an event or circumstance which is provided under this clause, together with Clause VI.1. "Variations" to give prompt notice to the Company, and the right to such protection is dependent upon compliance with this obligation.

VI.3. LOADING AND UNLOADING OPERATIONS (LAND AND AIR TRANSPORTATION)

Previous acceptance of the Company, and by means of the payment of the corresponding additional Premium, the property shall be covered during the loading and unloading operations carried out during the transportation.

VI.4. RETURNS

In case that the consignee does not receive, for any reason, the property insured, this policy is extended to cover such property until the delivery is actually effected and/or the property is returned to the sender and/or until dispose of otherwise; therefore, the Insured undertakes to notify this fact as soon as known by him to the Company, or else in the declaration of shipments, for the collection of the corresponding premium.

VI.5. REMOVAL OF DEBRIS

In addition to the direct damages that may cause the insured risks, this coverage is extended to insure, previous payment of the corresponding additional premium, in case of compensable **partial loss**, the necessary expenses incurred to remove the debris of the damaged property, such as: cleaning up or hauling. The Company's maximum liability for this risk shall be equivalent to the proportion that the Sums Insured bears with the actual cash value of such property.

IT IS UNDERSTOOD AND AGREED THAT IN ALL CASES OF TOTAL LOSS, THIS PERCENTAGE OF DEBRIS REMOVAL IS NULL AND VOID.

The Debris Removal is subject to the Individual Conditions of the Policy and contracted Coverages. Therefore, in case of loss, the Insured shall give notice thereof and shall be subject to provisions in Clause 2 "Procedure in the event of loss" of the General Conditions of this Policy.

EXCLUSION:

THIS CLAUSE DOES NOT COVER THE DEBRIS REMOVAL ARISING FROM CHEMICALS OR CONTAMINANTS OF ANY TYPE.

VII. LIMITATION OF COVERAGE FOR PARTIAL VOYAGES

Even if not specify in the section of risks covered of this policy, the coverage is limited to the following:

When this policy covers imports shipments, and only that part of the transit within the Republic of Mexico is covered, and not shipped from the origin point, the coverage shall be limited to insure only the Ordinary Risks of Transit.

VIII. ACKNOWLEDGE OF RIGHTS

The right derived from this Policy corresponds to whom proves to have a legal interest in the insured property.

However, any carrier or bailee shall never claim, directly or indirectly, the right of this policy, even if it is provided in the bill of lading or otherwise.

IX. DEDUCTIBLE

In case of loss or damage meriting indemnity under this Policy, the deductibles established in the Specification of the Policy shall always be borne by the Insured.

Since the deductible is applied to the total value of the shipment, this value is understood as the total Sum Insured of the property on board of a single means of conveyance, in accordance with the Specification of the Policy.

In case of combined transportation, the means of conveyance in which the property insured is at the time of loss shall be taken as a basis, and where it is not possible to clearly establish that such loss occurred, the means of transportation presenting the most accumulation shall be taken as a basis.

X. EXCLUSIONS APPLICABLE TO ALL SECTIONS

IN NO CASE SHALL THIS INSURANCE COVER THE PROPERTY INSURED AGAINST LOSS, DAMAGE AND/OR EXPENSE CAUSED BY:

- X.1. INFRINGEMENT BY THE INSURED OR THEIR REPRESENTATIVES OF ANY LAW, AGREEMENT, TREATY, CODE, RULE OR PROVISION ISSUED BY ANY FOREIGN OR NATIONAL AUTHORITY, FEDERAL, MUNICIPAL AUTHORITY OR WHATSOEVER NATURE, WHEN THIS HAS AN INFLUENCE IN THE OCCURRENCE OF THE LOSS.**
- X.2. LOSS OR DAMAGE DUE TO DECEIT, BAD FAITH OR THEFT IN WHICH DIRECTLY OR INDIRECTLY INTERVENES THE INSURED, PAYEE, EMPLOYEES, CIVIL DEPENDENTS OF THE INSURED OR THEIR REPRESENTATIVES.**
- X.3. DAMAGE TO INSURED'S PROPERTY UNDER THE CUSTODY OR CARE OF A THIRD PARTY.**
- X.4. LEGAL APPROPRIATION OF THE PROPERTY INSURED BY THE PERSONS AUTHORIZED TO HAVE POSSESSION THEREOF.**

- X.5. PERISHABLE NATURE OF THE PROPERTY INSURED, INHERENT VICE THEREOF.**
- X.6. DELAY OR LOSS OF MARKET, EVEN THOUGH THE DELAY BE CAUSED BY A COVERED RISK.**
- X.7. THEFT OR LARCENY, SHORTAGE DISCOVERED UPON TAKING INVENTORIES, OR ANY DAMAGE DISCOVERED AFTER THE DELIVERY OF THE PROPERTY INSURED IN THE WAREHOUSE OF THE FINAL DESTINATION.**
- X.8. ABANDONMENT OF THE COVERED PROPERTY BY THE INSURED OR THEIR REPRESENTATIVES, WHEN THE COMPANY HAS NOT GIVEN AUTHORIZATION THEREOF.**
- X.9. ORDINARY LOSS IN WEIGHT OR VOLUME OF THE PROPERTY INSURED OR WEAR AND TEAR IMPUTABLE TO INHERENT VICE AND CHARACTERISTICS OF SUCH PROPERTY.**
- X.10. LACK OF BRANDS OR ANY SIMBOLOGY INTERNATIONALLY ACCEPTED, INDICATING THE FRAGIL NATURE OR PRECAUTION MEASURES NECESSARY FOR THE HANDLING AND TRANSPORTATION OF THE PROPEYTY INSURED, WHEN THIS HAS AN INFLUENCE IN THE OCCURRENCE OF THE LOSS.**
- X.11. USE OF INADEQUATE MEANS OF TRANSPORTATION KNOWN BY THE INSURED, HIS EXECUTIVES, PARTNERSHIPS, DEPENDENTS, EMPLOYEES OR MANDATORY.**
- X.12. EXCESS OF WEIGHT AND/OR MAXIMUM DIMENSIONS OF CARGO AUTHORIZED BY THE SECRETARIA OF COMMUNICATIONS AND TRANSPORTATIONS AND/OR ANY EQUIVALENT FOREIGN AUTHORITY FOR THE CARRIER UNIT AND/OR TRANSPORTED PROPERTY.**
- X.13. LOSS OF QUALITY BY INFLUENCE OF THE ENVIRONMENT CONDITIONS OTHER THAN SUCH DESCRIBED IN THE RISKS COVERED BY THIS POLICY.**

X.14. CONFISCATION, DESTRUCTION OR REJECTION OF THE PROPERTY BY THE SANITARY, CUSTOMS AUTHORITIES OR OTHER AUTHORITIES LEGALLY RECOGNIZED AS PART OF THEIR FUNCTIONS, WHETHER MEXICAN OR FOREIGN.

X.15. NUCLEAR REACTION, NUCLEAR RADIATION, OR RADIOACTIVE CONTAMINATION DIRECT OR INDIRECT ON THE INSURED PROPERTY.

X.16. ACTS OF TERRORISM AND/OR

X.16.1. MEASURES TAKEN IN PREVENTING, SUPPRESSING, CONTROLLING OR MINIMIZING THE CONSEQUENCES DERIVED FROM ANY ACT OF TERRORISM AND/OR

X.16.2. ANY CONSEQUENTIAL DAMAGE DERIVED FROM ANY ACT OF TERRORISM.

X.17. ANY CONSEQUENTIAL DAMAGE.

XI. DEFINITIONS

XI.1. Insured.- Holder of the interest insured, subject to risk, to whom the rights and obligations derived from this contract shall correspond.

XI.2. General Average.- Extraordinary loss or damage resulting from a voluntary sacrifice of the vessel or merchandise transported, before the proximity of a hazard and in order to avoid further damage in the own vessel or merchandise or cargo. The holders of the insured property integrating the navigation community (vessel, freight and cargo) and all cargo owners involved, contribute to the payment of the loss on a pro rata basis.

XI.3. Particular or Common Average.- Damage caused to the vessel or cargo thereof. The difference with the general average is that in the quantity thereof participates only the owner (or insurer) of the damaged property.

XI.4. Payee.- Person designated in the Policy by the Insured or contracting party, as the holder of the rights compensable as provided in such document.

XI.5. Consignee.- In marine insurance, the individual acting on behalf of the shipowner, and by reason of the payment of the **agreed** freight, he assumes the obligation to unload and deliver the merchandise.

XI.6. Deductible.- It is a specific amount or percentage agreed upon, which shall be deducted from the indemnity corresponding to each loss, and shall always be charged to the Insured.

XI.7. Misplacement.- Is the loss of property that has been placed at a specific site, and later on when it is searched in such place, it is not found, without existing violence signs that explain the disappearance thereof.

XI.8. Deceit or bad faith.- Acts or omissions of a person to induce another to commit an error. **Fraudulent** or false acts of a person with respect to another in the contractual relation, whether at the time of agreement or during the corresponding term, and in compliance thereof.

- XI.9. Packing or baling.-** Shall be deemed to include the stowage in a container or box, but only when such stowage is carried out prior to the attachment of this insurance or by the Insured or his employees.
- XI.10. Affreightment.-** Contract entered into between the person that hires a vessel (affreighter) to another person (freighter), whether partial or total, for one or more voyages or at a specified time.
- XI.11. Larceny.-** Theft without violence, offence committed in a furtive manner by a person who takes possession of other people's property, without being noticed by anybody.
- XI.12. Premium.-** Price of the insurance that the Insured shall pay to the Company for the concept of the coverage of risks granted to him.
- XI.13. Salvage.-** The rescue of whole insured property, during or following the occurrence of a loss, by the person that has the corresponding interest and rights.
- XI.14. Terrorism.-** For the purpose of this Policy terrorism shall mean:
- XI.14.1.** The acts of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization whether for political, religious, ideological, ethical or whatsoever nature with the intention to influence or pressure any government to undermine the authority of the State.
 - XI.14.2.** The physical loss or damage direct or indirect with a mediate or immediate origin are the result of the utilization of explosives, toxic substances, firearms, or by any other violent means carry out against persons, objects or public services whereby said actions cause alarm, fear, terror in the general public or in a group or sector thereof, with the aim to disturb the public peace.

GENERAL CONDITIONS

CLAUSE 1. PREMIUM

- 1.1. The premium charged to the Insured becomes due at the time of issuing of the contract, and any subsequent agreement that may affect the Policy, which gives rise to the payment of any such additional premiums.
- 1.2. Should the Insured choose to make installment payments of the premium, the installments shall be payable in equal periods no less than a month, and the installments shall be due at the inception of each period thereto agreed upon. The financial rate of the premium shall be applied to the installment payment in force at the time of issuance or renewal of the Policy, which shall be made known to the Insured in writing.
- 1.3. The time for the payment of premium or any installment may not be greater than 30 (thirty) calendar days following the expiry date of the premium. The effects of this contract shall automatically end at the 12:00 (twelve) noon on the last day of this period. The hours shown in this item shall be the local official time in the place whereby the corresponding insurance policies are issued.
- 1.4. The agreed premium shall be paid in the Company's offices upon delivery of the corresponding receipt thereof.
- 1.5. In the event of loss, the Company shall deduct from the indemnity the total premium pending or outstanding installments not paid, until the total premium corresponding to the period of insurance contracted is completed.

CLAUSE 2. PROCEDURE IN THE EVENT OF LOSS

Should the covered property be damaged by a peril not excluded, the Company shall indemnify the Insured for the value of such property, or at its option, choose to replace or repair to the Insured's satisfaction, or otherwise pay in cash the value of such property; within the limits or sublimits of liability, together with the terms and conditions set forth in this Policy.

2.1. SAFEGUARD OR RECOVERY MEASURES

When the Insured has knowledge of any such loss caused by of the risks covered by this Policy, it shall be lawful and necessary for the Insured, their agents, warehousekeepers or assignees, to sue, labor and travel for, in and about the defense, safeguard or recovery of the property insured, or any part thereof, for the purpose of minimizing and avoiding further damage, and to ensure that all rights against carriers, warehousekeepers or other third parties are properly preserved and exercised.

If delay is not considered dangerous, the Insured shall request and adhere to instructions given by the Company. Failure to comply with this obligation may affect the Insured's rights in the terms of article 115 of the Insurance Contract Law.

The Company shall, in addition to any loss recoverable hereunder, reimburse the Insured for any charges properly and reasonably incurred for the purpose of saving and/or protecting the property, and if the Company gives instructions, shall anticipate such expenses, applying as the case may be, the proportion referred to in Clause 2.5.A "Insurance Value" of the General Conditions of the Policy.

Measures taken by the Insured or the Company to saving, protecting or recovering the property insured shall no be deemed a waiver or abandonment.

2.2. CLAIMS

In the event of a loss likely to give rise to an indemnity, in accordance with this Policy, the Insured or his representatives shall act and comply with the following:

2.2.A. CLAIM AGAINST CARRIERS

In the event of any loss of or damage which may give rise to an indemnity, in accordance with this Policy, the Insured or their representatives shall make a claim in writing directly against the carrier, within the time provided for in the contract of affreightment, waybill, air waybill or bill of lading, and shall comply with the stipulations thereof to safeguard their rights.

The Insured or their representatives shall make such claim before signing accordingly the reception of the property insured, without reservation.

2.2.B. NOTICE OF LOSS

Upon the occurrence of a loss giving rise to an indemnity in accordance with this insurance, the Insured or loss payee shall have a maximum period of 5 (five) days to give such notice in writing, such period starts when the Insured or loss payees have knowledge thereof, except in the case of an act of God or force majeure, which notice may be given as soon as ends one or other cause.

Failure to give prompt notice may result in a reduction to the amount of the original indemnity, if however the Company had received prompt notice thereof.

2.2.C. MEASURES TAKEN ON PROPERTY DAMAGED BY A LOSS

In case of loss that destroys or damages the property insured and whilst the amount of the corresponding indemnity has not been fixed definitely, the Company may examine, classify and appraise the property wherever so located, in order to determine the extension of the loss.

The Insured is obliged to maintain such property under their custody and liability, and therefore, the Insured may not abandon such property to the Company.

Failure to comply with this obligation shall affect the Insured's rights in the terms of article 115 of the Insurance Contract Law.

2.2.D. AVERAGE STATEMENT

The Insured shall present himself to the claims agent of the Company, if any, at the point where survey is required, or in his absence, to the local agent of Lloyd's or failing such to a Notary Public, judicial or postal authority, and finally to the local police authority.

Right of recovery in case of loss or damage sustained is specifically dependent on the survey of damage carried out within 5 (five) working days after the termination of the voyage, in accordance with stipulations in the Clauses of term of these general conditions, according to the type of transportation used or as per item IV.10 "From warehouse to warehouse for sea, land or air shipments" of Section IV. "Additional Risks" of the Individual Conditions of the Policy, when they have been contracted.

2.3. PROOF

Within the 60 (sixty) days following the notice of loss, and in accordance with item 2.2.B."Notice" of Clause 2.2."Claims" of the General Conditions of this Policy, the Insured shall submit to the Company, a written detailed claim, together with the following documents:

- 2.3.A.** The evidence or average statement obtained in accordance with item 2.2.D."Average Statement" of Clause 2.2."Claims".
- 2.3.B.** Commercial invoice and packing or baling list.
- 2.3.C.** Contract of affreightment, bill of lading, waybill or air waybill.
- 2.3.D.** Evidence of the claim against the carriers and the plea thereof if any.
- 2.3.E.** Certified copy of the vessel Master's protest, if any, and/or original certificates of discharge.
- 2.3.F.** Import or export orders and supporting documents of expenses incurred, if any.
- 2.3.G.** Originals of Certificates of discharge.
- 2.3.H.** At the demand of the Company, any other supporting document related to the claim or loss.
- 2.3.I.** Declaration, if any, with respect to any other insurance existing in the property covered by this Policy.

2.4. MAXIMUM LIABILITY OF THE COMPANY

The maximum liability for any single shipment or any single conveyance, at any single time, in any single place has been fixed by the Insured, and such shall be neither a proof of existence of nor the value of the property. They are to be used exclusively as a basis to determine the maximum liability of the Company that would be obliged to indemnify.

2.5. CONDITIONS FOR PAYMENT OF LOSSES

2.5.A. VALUE OF INSURANCE

Both the collection of premiums as the payment of losses shall be made in accordance with the following bases:

2.5.A.1. Shipments of Purchases made by the Insured:

Invoice value of the property covered, plus provable expenses inherent to transportation, such as: freights, haulage, and in addition, if any, expenses for import taxes and customs expenses.

2.5.A.2. Shipments of sales and inventories made by the Insured:

Production and/or acquisition costs of the property covered plus provable expenses inherent to transportation, such as: freights, haulage, and in addition, if any, expenses for import taxes and customs expenses.

2.5.A.3. Shipments among Affiliates, Stores or Warehouses:

Production and/or acquisition costs of the property plus provable expenses inherent to transportation, such as: freights, haulage, and in addition, if any, expenses for import or export taxes and customs expenses.

2.5.A.4. Shipments of manufacturing goods made by the Insured:

2.5.A.4.a). Departure Voyage:

Production and/or acquisition costs of raw material plus provable expenses inherent to transportation, such as: freights, haulage, and in addition, if any, expenses for import or export taxes and customs expenses.

2.5.A.4.b). Return Voyage:

Production and/or acquisition costs of raw material plus provable expenses, subject to property covered, and expenses inherent to transportation, such as: freights, haulage, and in addition, if any, expenses for import or export taxes and customs expenses

However, in all cases, the liability of the Company shall be limited to the Sum Insured or to the maximum liability per shipment as provided in the Specification of the Policy.

2.5.A.5. In shipment of antiquities and fine arts:

The Insured must submit a description of the property insured, as a necessary requirement, at the time of making a claim, with the corresponding invoice or appraisal made by an expert appraisal with professional certificate in force.

2.5.A.6. In shipment of household goods:

The Insured must submit, at the time of making a claim, a complete report of the insured household goods, including the value of each property separately.

2.5.B. REPLACEMENT IN KIND

With respect to consumer goods, the Company may replace the lost or damaged property with other of like kind and quality, to the Insured's satisfaction, instead of paying in cash the amount of loss or damage.

2.5.C. CONDITION OF INSURED ITEMS

With respect to used property, this Policy covers only the ordinary risks of transit, in accordance with Clauses I.3. II.2. and III.2, as corresponding.

2.5.D. PARTS AND COMPONENTS

When the loss or damage is caused directly to any insured unit, by any of the risks covered, consisting when complete for sale or use of several parts, the Company shall only be liable for the actual cash value of the lost or damaged parts, in the same proportion that the Sum Insured bears with the actual cash value of the insured property

2.5.E. LABELS AND WRAPPERS

When the damage is caused directly to insured labels or wrappers, by any of the risks covered against, the Company shall only be liable for the replacement of such labels or wrappers, and if any, the cost of re-labelling such articles, paying at its own expense, the same proportion that the Sum Insured bears with the actual cash value of such property.

CLAUSE 3. ARBITRATION

In the event of dispute between the Insured and the Company as to the amount of any loss or damage, the matter shall be given over in writing to an Arbitrator of mutual agreement; however, in such cases where no single Arbitrator can be agreed upon, two such arbitrators shall be named; one for each party, within a period of 10 (ten) days from the date on which either of the parties has required the other to do so in writing. Moreover, before commencement of arbitration, the two arbitrators shall name an umpire in case of further disagreement.

If either of the parties shall refuse or simply neglect to designate his arbitrator at the request of the other, or if the arbitrators do not agree upon the umpire, then the judicial authority shall, at the request of either of the parties, make the appointment of the arbitrator or the umpire, or both if necessary.

The death of any party, if an individual; or the dissolution, if a corporation, during the arbitration process shall not cancel or affect the authority or powers of the arbitrator, or arbitrators or umpire, as the case may be; or in the event of the death of an arbitrator or umpire of either of the parties die before a decision is made, another shall be appointed by such respective (party, arbitrator, judicial Authority) as a substitution thereof.

Expenses and fees originated by the arbitration shall be divided equally between the Insured and the Company, but each party shall pay the fees of his own arbitrator.

The arbitration referred to in this Clause shall not be construed as an admission of liability by the Company; it shall only determine the amount of the loss which shall eventually be payable by the Company, and while giving both parties liberty to exercise the corresponding objections.

CLAUSE 4. PROPORTIONAL RULE

The sum insured has been fixed by the Insured, and such shall be neither a proof of existence of nor the value of the property. They are to be used exclusively as a basis to determine the maximum liability of the Company.

If, at the time of the occurrence of a loss, the property has a total value greater than the amount covered, the Company shall only be liable proportionally for the damage caused. Should the policy include various items, this provision shall be applied separately to each item.

CLAUSE 5. PLACE AND PAYMENT OF INDEMNITY

The Company shall pay any indemnity at its office, within the 30 (thirty) days following the date of receipt of the documents and information, which are the fundamental base of the claim, in the terms of Clause 5 "Procedures in the Event of Loss" of the General Conditions of the Policy.

CLAUSE 6. SUBROGATION OF RIGHTS

In all terms of Law, the Company shall be subrogated, up to the amount paid, to the Insured's rights, together with the corresponding actions against those liable or responsible for the loss. Should the Company so request, and at the Insured's expense, the Insured shall place in record such subrogation in notarized documents.

If due to acts or omissions of the Insured, such subrogation is inhibited, the Company shall be wholly or in part released from its obligations forthwith.

If only a part of the damage is paid, the Insured and the Company agree to exercise their rights in the same corresponding proportion.

CLAUSE 7. FRAUD, DECEIT, BAD FAITH OR GROSS NEGLIGENCE

THE COMPANY'S OBLIGATIONS SHALL TERMINATE:

- 7.1. IF THE INSURED, LOSS PAYEE OR THEIR REPRESENTATIVES WITH THE OBJECT OF INDUCING THE COMPANY TO COMMIT AN ERROR, DISSIMULATE OR MAKE INEXACT DECLARATIONS, WHEREBY EXCLUDING OR RESTRICTING SUCH OBLIGATIONS.**
- 7.2. MOREOVER, IF WITH THE SAME INTENTION THEY DO NOT FURNISH, IN DUE TIME, TO THE COMPANY THE DOCUMENTS NECESSARY FOR THE CORRECT PROCEDURE OF THE PAYMENT OF THE LOSS (BASED ON PROVISIONS IN CLAUSE 5 "PROCEDURE IN THE EVENT OF LOSS" OF THE GENERAL CONDITIONS OF THE POLICY).**
- 7.3. DECEIT OR GROSS NEGLIGENCE ON THE PART OF THE INSURED OR LOSS PAYEE OR ASSIGNEES OR ATTORNEYS, HIS REPRESENTATIVES OR PERSONS LIABLE FOR THE TECHNICAL DIRECTION; IF AND WHEN SUCH ACT OR NEGLIGENCE IS DIRECTLY ATTRIBUTABLE TO SUCH PERSONS.**

CLAUSE 8. INCREASE OF HAZARD

The Insured shall advise the Company of any essential increase of hazard of the risks covered, during the validity of this insurance, within a period of 24 hours upon having such knowledge thereof. Should the Insured omit to give such advice or provoke an essential increase of hazard, the Company's obligations shall terminate hereinafter.

CLAUSE 9. ARREARS INTEREST

In the event that the Company, even though it has received the documents and information with reference to the basis for the claim made, does not fulfil the obligation of paying the indemnity, capital or rent, in the terms of Article 71 of the Insurance Contract Law, then, by fault of paying the legal interest applicable, the Company is obliged to pay the Insured, loss payee or third party sustaining damage, an arrears interest under the terms provided in Article 135 Bis of the General Law of Insurance Institutions and Mutual Societies, covering the delay period. Such interest shall be calculated as of the following day in which such obligation is so demanded.

CLAUSE 10. SALVAGE ON DAMAGED MERCHANDISE

As a consequence of the payment of any indemnity for lost or damaged merchandise insured under this Policy, the Company may acquire the salvaged goods, provided always the actual cash value is credited to the Insured, as per expert appraisal; therefore, the Insured undertakes to furnish to the Company the documentation that accredits the ownership of such property, ceding in addition all rights that he has on such ownership.

CLAUSE 11. STATUTE OF LIMITATIONS

All actions derived from this insurance contract shall prescribe in **2 (two) years**, in the terms of Article 81 of the Insurance Contract Law, as of the date of the occurrence thereof, unless exceptions consigned in Article 82 of the same law.

The prescription shall be interrupted not only by ordinary causes, but also by those referred to in the **Law of Protection and Defense of the Financial Service User (CONDUSEF)**.

Article 81 and 82 of the Insurance Contract Law:

Article 81: All actions derived from an insurance contract shall prescribe in two years, as of the date of the occurrence giving rise thereto.

Article 82: The term referred to in the previous article shall not be effective in case of omission, false or inexact declarations of the risk. However, in such case, where loss has occurred it shall be effective when the interested parties have proven that they had no previous knowledge of such loss occurrence taking place but on such date when the company has knowledge thereof. With respect to third party loss payees, they should also be aware of the vested rights in their favour.

CLAUSE 12. NOTIFICATIONS

Any declaration or notification in respect to this contract shall be submitted in writing to the Company's registered address indicated in the Specification of this Policy or in any office thereof.

In all such cases where the address of the offices of the Insurance Company is different from such indicated in the issued Policy, the Company shall advise the Insured the new address in the Republic of Mexico for all requests and notifications that should be sent to the Insurance Company for any legal effect.

The requirements and notifications that the Insurance Company shall make to the Insured or their assignees shall be valid to the last known address given to the Insurer.

CLAUSE 13. OTHER INSURANCES

If the property is insured, wholly or in part, by other insurance covering the same risk, whether acquired on the same date or another, the Insured is under the obligation to declare such immediately in writing to the Company and/or they should be mentioned in the Policy or enclosure thereto; indicating the name of the insurance companies and the sums insured, with the purpose to be registered in the Policy or in an enclosure.

Should the Insured intentionally omit to give such notice, or acquire other insurance in order to obtain an illicit gain, the Company shall be released from its obligations.

When the Company has been duly notified that other companies cover the same interests by this Policy, the Company is obliged to pay the full value of the damage sustained within the limits of the Sum Insured, and thereafter shall be repeated proportionally against other companies, which have issued coverage for the amount insured.

CLAUSE 14. BENEFITS FOR THE INSURED

If during the period of the insurance, the General Conditions are modified in similar contracts, the Insured shall have the right to request in writing to the Company the corresponding modifications in his Policy in order that the new conditions are applied thereto, but if such modifications grant higher benefits for the Company, the Insured is obliged to cover the equivalent increase in the corresponding premium.

CLAUSE 15. JURISDICTION

In the event of controversy, the plaintiff may enforce his rights in the terms provided by the **Law of Protection and Defense of the Financial Service User (CONDUSEF)**.

CLAUSE 16. ARTICLE 25 OF THE INSURANCE CONTRACT LAW

“Should the wording of the Policy or its modifications not agree with the offer, the Insured may request the necessary amendment within the 30 (thirty) days following receipt thereof. After expiry of this period, the provisions or amendments of the Policy shall be considered as accepted”.