

## STOCK IN DECLARATION

### ADDITIONAL CLAUSE

Exclusive coverage is given to stock of merchandise deposited in wholesale warehouse and/or storage facilities, merchandise in retail shops, including stock of raw material, merchandise in process of manufacture or manufactured and in general existing stock appropriate to the line of business. The maximum limit of liability shall be indicated in the Specification of the Policy.

The declaration of the insurance amount shall be monthly or annually, as in whatsoever case:

In case of monthly declaration, the Insured shall furnish to the Company:

- a) When contracting this insurance, the maximum limit of liability in accordance with the annual estimate of stock.
- b) Monthly declarations to which the rate or rates established in the policy shall be applied, issuing the corresponding endorsement.
- c) In case that the monthly declaration is not furnished within the 60 (sixty) days following the corresponding month, the Company shall consider the maximum liability of the Policy or any of its locations as declaration for the aforementioned month.

In case of annual declaration, the Insured shall furnish to the Company:

- a) When contracting this insurance, the maximum limit of liability in accordance with the annual estimate of stock, which shall be the basis for the adjustable annual Premium at the expiry term.
- b) At the expiry term, the Insured shall furnish the amount of the definite monthly average of his stock.
- c) In order to make the annual adjustment, the rate or rates established in the Policy shall be applied to the final monthly average amount for determining the premium of the annual declaration, and such shall be compared with the earned premium paid, issuing the corresponding endorsement for any resulting difference.

Should the policy consist of various locations, the declaration and the calculation of the premium shall be made separately for each location.

This Clause may be terminated by any of the parties, at any time, in accordance with provisions in Clause 13 "Advance Termination of Contract" of the General Conditions of the Policy. Should the Insured request the total termination of the Policy or any of its location, the refunded premium shall be subject to the Company's retention of the minimum premium established in the corresponding item. Should the Company cancel this Clause, it shall refund any unearned premium, disregarding stipulations in such item.

**IT IS HEREBY SPECIFICALLY UNDERSTOOD AND AGREED UPON THAT THE COMPANY SHALL NOT BE LIABLE FOR A GREATER PROPORTION OF ANY LOSS AS THAN THAT AMOUNT OF MAXIMUM LIABILITY STATED IN THE SPECIFICATION IN RESPECT TO THE ACTUAL CASH VALUE OF THE INSURED PROPERTY, AT THE TIME OF THE OCCURRENCE OF LOSS, NOR SHALL THE COMPANY BE LIABLE FOR A LOSS PROPORTION GREATER THAN THAT EXISTING BETWEEN THE VALUE DECLARED IN THE LAST PERIODICAL DECLARATION RECEIVED AND THAT PRIOR TO THE OCCURRENCE OF LOSS, AND THE ACTUAL CASH VALUE OF THE INSURED PROPERTY ON THE DATE CORRESPONDING TO SUCH DECLARATION, PROVIDED THAT THE DECLARED VALUE IS LESS THAN THE ACTUAL CASH VALUE.**

Notwithstanding any provision to the contrary in Clause 9 "Reduction and reinstatement of Sum Insured in the event of loss" of the General Conditions of the Policy, the Company assumes the obligation to maintain at all time in force, the liability up to the maximum sum specified in the Policy or in any locations thereof. Forthwith, the Insured is obliged, in case of the occurrence of a loss warranting indemnity under this Clause, to pay the Company the premium corresponding to the unexpired term of the Policy, as at the date of loss until the expiry of the insurance, on the indemnified amount and at pro rata of the annual rate. This premium shall be considered earned, and hence shall not be taken into account for the final adjustment to premiums.