

MERCHANDISE AND/OR FINISHED PRODUCTS AT NET SELLING PRICE

ADDITIONAL CLAUSE

1. SCOPE

The Company agrees that when the merchandise and/or finished products insured in this policy are destroyed or damaged by any of the direct damage perils, this Company shall indemnify the Insured for the damaged goods at Net Selling Price, as defined below. For such purposes of indemnity, the Insured authorizes the Company to revise his accounting books.

As heretofore mentioned, the Sum Insured declared by the Insured should represent the Net Selling Price of the merchandise and/or finished products to be covered. Contrary to such and in the event of loss, Clause 4 "Proportional Rule" of the General Conditions of the Policy shall be applied hereto.

2. DEFINITIONS

Net Selling Price

- 2.1. For the manufacturer, the Net Selling Price to the wholesaler, that is to mean, including the profit from the sale of the product.
- 2.2. For the wholesale dealer, the Net Selling Price to the retailer, that is to mean, including the profit from the sale of the product.
- 2.3. For the retailer, the sale Price to the consumer, that is to mean, including the estimated profit from the sale of the product.

In all three cases, the taxes (I.V.A.), freights, hauling, discounts, commissions and all other expenses not incurred by the Insured shall be discounted, whereas the sale of merchandise and/or finished product is not affected by the loss.

Merchandise.- Existing non manufactured stock or property kept by the Insured for sale.

Finished Products.- Stock manufactured by the Insured in order to attain the conditions for their final package, shipment or sale.

3. CONDITIONS

3.1. CAUSES FOR CONTRACT CANCELLATION

- 3.1.A. **SHOULD THE BUSINESS REMAIN CLOSED DURING A PERIOD OF 20 (TWENTY) OR MORE CONSECUTIVE DAYS, IF NO SUCH LOSS HAS OCCURRED.**
- 3.1.B. **IF ANY ALTERATION IS MADE IN THE BUSINESS, WHEREBY THE HAZARD OF THE CONTRACTED PERILS IS INCREASED, AND NO NOTICE OF SUCH IS GIVEN TO THE COMPANY.**
- 3.1.C. **IF THERE ARE NON JUSTIFIED DISCREPANCIES BETWEEN THE AMOUNTS DECLARED BY THE INSURED, AND THOSE PRESENTED BY AN ACCOUNTING AUDIT, DURING THE NORMAL OPERATIONS OF THE INSURED BUSINESS.**