



Business Insurance

# Planprotege Daños



General Conditions



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**AXA Seguros, S.A. de C.V.**  
**Planprotege Daños**  
**General Conditions**

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**AXA Seguros, S.A. de C.V., hereinafter named “the Company”, in accordance with the General and individual conditions of this Policy, the latter having preference over the former, does hereby provide coverage in favor of the individual/corporation specified in the Policy, hereinafter named “the Insured”, against any loss and/or damage caused by the insured perils occurring in Mexico to property wherein the Insured has an insurable interest, according to the terms set forth in the Policy, provided that they are not excluded.**

## **I. Definitions**

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For the purpose of this Policy, the following terms are defined as follows:

### **1. Sewerage**

Underground drain network that collects sewage and household and industrial detritus along the streets, as well as rainwater, and conveys them to treatment plants or discharges them into a river or sea.

### **2. Insured**

The individual or corporation who pays an insurance premium to obtain the benefits agreed upon.

### **3. Mudslide**

Mud sliding caused by Flood or rain.

### **4. Downspout**

Pipe installed from the rooftop of a building down to the floor level to drain rainwater.

### **5. Personal Effects**

Items worn or carried on the Insured’s customers at the time of loss occurrence, except for money and securities, the latter two as defined in the Monetary Law and Law of Credit Instruments and Transactions.

### **6. Safe**

Steel or iron box intended to safeguard cash and valuables and which may be embedded in the floor, wall or ground.

### **7. Acts of God**

Any natural event beyond the control of man, such as lightning, volcanic eruption, earthquake, falling meteorites, Hurricane, Windstorm, Flood, Tidal Wave, Tsunami or other natural phenomena.

### **8. Foundations**

That portion of a building below the ground level or below the first level to which access is allowed, built of masonry, reinforced concrete, steel or concrete, through which loads of the structure are transmitted to the subsoil.

### **9. Personal Injury**

Injury suffered by a person in his/her feelings, affections, beliefs, dignity, honor, reputation, private life, physical aspect and appearance or in the perception held by others of himself/herself. Personal Injury is deemed to have been suffered when the freedom or physical or mental integrity of the person is unlawfully violated or undermined.

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## **10. Punitive Damages**

Fine or a penalty imposed by any authority as a punishment for any misconduct.

## **11. Humanitarian Duty**

Set of duties, values and principles that provide the grounds for cooperation or solidarity in the face of disasters, dangerous or risky situations putting at risk our congeners.

## **12. Man-Made Water Reservoirs or Currents**

Deposits, dams, dikes, basins, wells, artificial lakes, river channels and weirs in the open.

## **13. Natural Water Reservoirs or Currents**

Reservoirs or currents originating from tributaries, rivers, springs, rivulets or streams, and water contained in lakes or lagoons.

## **14. Tropical Depression**

Tropical cyclone which maximum average surface wind speed (average speed per minute) is 62 kilometers per hour or less.

## **15. Malicious Intent or Bad Faith**

Acts or omissions of one person for the purpose of inducing others to commit an error. Fraudulent or deceitful conduct of one party with respect to the other in a contractual relationship, either during the preparatory stage or during the contract period and compliance period thereof.

## **16. DGMSFMC**

Days of the General Minimum Salary in Force in Mexico City.

## **17. Building under Demolition**

Building or construction undergoing deliberate and willful physical works for the purpose of being wholly or partially dismantled, demolished or destroyed.

## **18. Building under Reconstruction**

Building or construction undergoing planned and organized physical works for the purpose of being reconstructed with the same physical and functional features as originally designed.

## **19. Building under Renovation**

Building or construction undergoing physical works for the purpose of being modified or transformed by changing its physical or functional features, in whole or in part, provided that its structural support or framework is not modified.

## **20. Building under Repair**

Building or construction undergoing physical works for the purpose of restoring the physical or functional condition it had immediately before the occurrence of the property damage giving rise to such works.

## **21. Completed Building**

Building ready to be occupied with all its walls, roofs, windows, window panes, floors and doors installed.

## **22. Extortion**

The act by which a person without any right compels another to give, do, stop to do or endure something.

## **23. Fraud**

Any act by which a person deceives another or takes advantage of the other person's oversight to obtain a gain or something in an illicit manner.

## **24. Force Majeure**

Any event beyond the Insured's control, such as violent theft and/or robbery, war, civil war, warlike operations, terrorist acts, revolution, rebellion, mutiny, strikes or damage caused by order of authorities, de jure or de facto.

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## **25. Storm Surge or Tsunami**

Damage resulting from an undersea earthquake causing violent sea waves that propagate to the coasts giving rise to Floods.

## **26. Hail**

Atmospheric strong precipitation in the form of compact and hard ice crystals.

## **27. Frost**

Climatic phenomenon consisting of an unexpected drop of environmental temperature to the freezing point of water or below in the place of occurrence.

## **28. Hurricane**

Flow of air and water of great magnitude moving in a circular trajectory around a low pressure center, either over the ocean or land, at a peripheral wind speed of 118 kilometers per hour or above, which has been identified as such by the National Meteorological Service (Servicio Meteorológico Nacional).

## **29. Implosion**

The inward thundering collapse of the walls of a cavity wherein the internal pressure is lower than the external one.

## **30. Flood**

Water temporarily and accidentally covering the ground as a consequence of deviation, overflow or breakage of Retaining Walls of rivers, channels, lakes, dams, ponds and all other Natural or Man-made Reservoirs or Currents of water resulting from Storm Surge or Tsunami.

## **31. Flood by Rain**

Rain water temporarily and accidentally covering the ground as a consequence of the unusual and fast accumulation or overflowing of water arising out of extraordinary rainfall:

- a) Reaching at least 85% of the averaged maximum historic record of the occurrence zone for the last 10 years, as per procedure published by the Mexican Association of Insurance Institutions (Asociación Mexicana de Instituciones de Seguros – AMIS) measured at the nearest meteorological station and certified by the National Meteorological Service of the National Water Commission (Servicio Meteorológico Nacional de la Comisión Nacional del Agua), or
- b) Damaging the insured property within a flooded area of at least one hectare.

## **32. Set**

Items or parts of the same or similar class and/or size and/or quality, used as a whole.

## **33. Maintenance**

All activities performed by the Insured or a third party by means of a contract intended to check on a regular basis Machinery, Electronic Equipment, Boilers or Buildings and replace worn or damaged parts, if necessary.

## **34. Tidal Wave**

Alteration of the sea that manifests itself by the raising of the sea level due to a meteorological disturbance or depression combining a drop of atmospheric pressure and a cutting force produced by winds on the sea surface.

## **35. Minimum Amount of Claim**

Amount of money as stated in the Policy that in the event of loss must exceed any claim to be payable, except with respect to Earthquake and/or Volcanic Eruption and Hydrometeorological Phenomena coverages.

## **36. Retaining Walls**

Walls that confine and hold back the land. Retaining Walls may be found below the lowest level to which access is allowed; they can also be used as foundations or may be separate from the structure of a building without bearing any load and without being connected to the structure of the building.

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### **37. Snowfall**

Ice crystals falling in the form of flakes.

### **38. Pair**

Set of two equal items or parts.

### **39. Business Interruption**

Loss of income, profit, benefit or other similar pecuniary loss, and expenses arising out of the suspension or slowdown of the operations of the insured building by reason of physical damage caused by any peril insured against.

### **40. School Facilities**

Premises occupied by day care centers or schools.

### **41. Policy or Insurance Contract**

Document evidencing the execution of the Insurance Contract which specifies the rights and obligations of the Company and the Insured and is comprised by the insurance application form, endorsements and the general and individual conditions of the Policy.

### **42. Salvage**

Set of physical stock saved either during or after the occurrence of a loss.

### **43. Kidnapping**

The act of holding any person or group of persons in false imprisonment for an indefinite period of time for the purpose of obtaining an unlawful gain.

### **44. Seafront, Lakefront, Lagoonfront or Riverfront Locations**

Set of insured properties at the same address, which first building, in straight line to the water source, is at a distance less than:

- a) 500 meters from the wave breaking line at high tide.
- b) 250 meters from the shore of a lake, lagoon or a river.

### **45. Medical Urgency or Medical Emergency**

Sudden change in the Insured's health displaying acute symptoms of such severity that endanger his/her life, bodily integrity, or the viability of any of his/her organs, requiring immediate medical attention.

### **46. Replacement Cost**

The insurable value, understanding as such the objective and actual appraisal of the property or properties, subject matter of the risk to be insured, pursuant to the market price thereof, according to provisions below:

**a) Real property:**

The amount required to build and/or repair the damaged property to the same operating condition existing immediately before the loss.

**b) Merchandise and/or finished products:**

The net selling price, understanding as such:

- For the manufacturer: the net selling price to the wholesale distributor; that is, including the profit on the sale of the product.
- For the wholesale distributor: the net selling price to the retailer; that is, including the profit on the sale of the product.
- For the retailer: the net selling price to the consumer; that is, including the profit on the sale of the product.

Any expense not paid by the Insured, such as taxes (VAT), freight, carriage, discounts and commissions,

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will not be taken into consideration in such price, as the sale of the merchandise was not made as a consequence of the loss.

**c) Products in process of manufacture:**

The cost of production immediately before the occurrence of the loss.

**d) Furniture, machinery and/or equipment, glass and billboards**

The amount necessary to repair, acquire or install property of like kind, quality, size and/or production capacity, without deduction for depreciation, but including the cost of freight, taxes, customs duties and installation expenses, if any, and the amount of premium for the transportation insurance covering the damaged property during its transportation to and from the repair shop wherein repairs are to be made, wherever said repair shop may be located.

**47. Actual Cash Value**

The value computed by subtracting the corresponding depreciation from Replacement Cost at the time of loss.

**48. Windstorm**

Winds that reach at least the category of Tropical Depression, tornado or Force 8 of the Beaufort scale (62 kilometers per hour), according to the National Meteorological Service or records recognized by this agency.

## **II. General Conditions applicable to all sections**

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### **Clause 1. Excluded Property**

The Company shall in no event be liable for loss or damage to the following property owned by the Insured:

- a) **Buildings, structures, contents, machinery and equipment in course of construction, reconstruction, assembly or disassembly, installation or testing, including materials and the supplies thereof.**
- b) **Wharves and/or any other kind of property wholly or partially above or under the water.**
- c) **Sidetracks and railways, tunnels, bridges, dams, channels, and production platforms.**
- d) **Land and soil.**
- e) **Aircraft, watercraft, space ships, satellites, mining equipment and any other type of self-propelled vehicle requiring driving or navigating permit or license plates.**
- f) **Nuclear waste.**
- g) **Frescoes, murals and in general, all those goods not incidental to the purpose or subject matter of the insured business, which value per unit, Pair or Set is greater than the amount equivalent to 500 DGMSFMC.**

### **Clause 2. Excluded Perils**

The Company shall in no event be liable for loss or damage resulting from:

- a) **War, invasion of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, military uprising, subversion, rebellion, revolution, insurrection, suspension of guarantees or events giving rise to such acts, de jure or de facto.**
- b) **Terrorism, Sabotage, Disturbances, Strikes, Riots, Civil Commotion, Malicious Mischief or any other Anthropogenic Act Exclusion**

**Definitions:**

The terms defined below, wherever used in this policy, shall have the meaning herein

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attributed to them. The existence of such risks is determined by the circumstances and modalities contractually defined hereinafter. It does not depend on the classification given or decision made by civil, political, criminal or other authorities with respect to facts.

**Anthropogenic Acts:** Actions carried out by any person or group(s) of persons, either acting alone or on behalf of or in connection with any organization or government, who, by using toxic substances, chemical weapons, biological weapons or the like, radioactive material or radiating devices, explosives or firearms, or by fire, flood or any other violent means against persons, things or utilities put the public or any section thereof in alarm, fear or terror to threaten national security or urge any authority, de jure or de facto, to make a decision.

**Riot:** Chaotic and violent protest of a group of persons for political, religious, ideological, economic or similar origin or reason.

**Civil Commotion:** Relevant, significant and violent disruption of public order by a group of persons meeting and acting with a common interest.

**Malicious mischief:** Loss, damage or destruction of property caused by acts of any person in order to cause damage or injury for economic, political, religious, ideological or similar reasons.

**Disturbance:** Violent disruption of public order by a group of persons with a common interest.

**Sabotage:** Subversive act (revolting, insurrectionary, rebellious, insubordinate, seditious or revolutionary) or series of acts committed for economic, political, religious or ideological reasons, including the intention to influence on any government de jure or de facto and/or put the public in fear for such reasons.

**Strike:** Suspension of the working activity by workers or employees of any employer with a view to requiring employers to meet certain demands or protest against an act or condition.

**Terrorism:** Any act or series of acts, including the use of force or violence, of any person or group of persons, either acting alone or on behalf of or in connection with any organization or organizations, committed for economic, political, religious or ideological reasons, including the intention to influence on any government de jure or de facto and/or put the public in fear for such reasons.

**According to provisions in the preceding Definitions section and with regard to the following perils, the property damage and consequential loss, where applicable, caused to the following as a result of Disturbances, Strikes, Civil Commotion, Riots, Malicious Mischief, Terrorism, Sabotage or any other Anthropogenic Act are excluded:**

- **the building(s) described in the Schedule of Locations of the Policy, including water supply, sanitation and lighting installations and all other fixtures.**
- **Contents, such as, but not limited to, machinery, tools, spares, accessories, furniture, equipment, raw material, products in process of manufacture, finished products and merchandise stored in warehouses and/or commercial**

- establishments, and improvements and betterments to business premises or buildings held on lease by the Insured.
- fees of architects, experts, consulting engineers and other professionals involved in the reinstallation or repair of the insured property following the occurrence of loss or damage.
- Debris Removal and damages, costs and losses arising from the interruption or hindering of the insured business operations, provided that such interruption or hindering results from the occurrence of the perils excluded in the above paragraph.

In compliance with provisions in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) under registry CGEN-S0048-0014-2018 dated March 26, 2018

- c) Expropriation, requisition, confiscation, seizure, detention or destruction of property by acts of any authority legally recognized by virtue of its duties as such, except when the destruction of property is for the purpose of preventing a conflagration or complying with a Humanitarian Duty.
- d) Fraud, Malicious Intent or Bad Faith committed by the Insured or his/her employees.
- e) Plagues and predators.
- f) Depreciation, delay or loss of market.
- g) Non-violent theft, disappearance, larceny, pilferage, looting or misplacement.
- h) Contraband, smuggling or other illegal activities.
- i) Kidnapping or Extortion, as stipulated in the definitions.
- j) Nuclear reaction, nuclear radiation or radioactive contamination.

### Clause 3. Territorial Limit

This Policy, according to the coverages agreed as per provisions of the general conditions of this insurance Policy, provides coverage against any damage caused to persons and property insured occurring within the Mexican territory.

### Clause 4. Proportional Rule

Provisions under this clause apply to Sections I. Property Damage and II. Additional Losses and Expenses as follows:

#### a) Real Property

If at the time of loss the agreed sum insured as set forth in the Policy for real property at the damaged location is less than 80% of the **insurable value** of such real property, the Company will only indemnify in the same proportion as the sum insured bears to the insurable value.

$$\text{Proportional Rule} = \frac{\text{Sum Insured}}{\text{Insurable Value}}$$

This rule will apply without exception to each building and location.

#### b) Contents

If at the time of loss the agreed sum insured as set forth in the Policy for insured contents at the damaged location is less than 80% of the insurable value of such contents at such location, the Company will only indemnify in the same proportion as the sum insured bears to the insurable value.

$$\text{Proportional Rule} = \frac{\text{Sum Insured}}{\text{Insurable Value}}$$

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This rule will apply without exception to each building and location.

**c) Loss of Profits, Salaries and Fixed Expenses**

If at the time of loss the sum insured as set forth in the Policy for this coverage is less than 80% of the insurable amount, the Company will only indemnify in the same proportion as the sum insured bears to the insurable amount.

$$\text{Proportional Rule} = \frac{\text{Sum Insured}}{\text{Insurable Amount}}$$

This rule applies to each location in case that amounts broken down by location are included in the Policy.

In case that the insured values or sums declared are greater than the insurable values or amounts, the Company will be liable up to the amount of the actual loss sustained and the Insured will have the right to be reimbursed the excess Premium paid.

### **Clause 5. Agreed Amount**

At the request of the Insured and where agreed in the Policy, the Company will fix as Sum Insured, for the coverages referred to in Sections I. Property Damage and II Additional Losses and Expenses, the amount provided by the Insured. In this case, Clause 4. Proportional Rule shall not apply to indemnity payable under said coverages.

This type of agreement is not a proof of the value or existence of the insured property; it only stipulates the maximum liability of the Company per event and/or total of events likely to occur during the policy period.

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of July 16, 2015 under registry No. BADI-S0048-0068-2015.

### **Clause 6. Increase of Hazard**

The Insured must notify in writing to the Company within 48 hours after having knowledge and within the term of this insurance of any circumstances (facts or actions) that modify the features of the risk on the inception date of the Policy and that produce an essential increase of hazard.

The Company shall be authorized to terminate the Contract when the essential conditions of the insured risk are aggravated by the Insured's acts, contributing to the occurrence of loss or to any modifications to the features of the risk when it was first insured.

In case of any essential increase of hazard, the Company will notify in writing to the Insured:

- The rescission of coverage, indicating that the Company's liability shall cease 15 days following such notice. Any claim arising out of the increase of hazard during said period shall be excluded; or
- The period granted to the Insured to correct such increase of hazard. Failure of the Insured to correct the increase of hazard within such period by any cause other than an Act of God or Force Majeure will render this Insurance Contract terminated, in the terms of the above paragraph; or
- The continuation of insurance until expiry of the policy period, subject to modifications to the terms and conditions of the Insurance Contract. If necessary, an additional Premium will apply according to the new features of the risk, as per the respective tariff.

No such essential increase of hazard shall be deemed to have occurred in case that it is intended to safeguard the Company's interests or to comply with a Humanitarian Duty.

### **Clause 7. Deductibles and Coinsurance**

Coinsurance is the percentage of the Insured's participation in the payable loss as stated in the Policy.

The deductible is the percentage of Sum Insured stated in the Policy for the account of the Insured in case of claim.

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The coinsurance will apply after deducting the deductible. The deductible applies only to Hydrometeorological Phenomena and Earthquake and/or Volcanic Eruption coverages.

### **Clause 8. Other Insurance**

It is binding on the Insured to give written notice to the Company when becoming aware of the existence of other insurance effected before or during the period of this insurance which covers the same interest and which period of coverage overlaps with this insurance, either covering in whole or in part the same property and perils of this or other line of insurance. The Insured shall indicate the name of such other Insurance Companies and Sums Insured.

Insurance Contracts referred to in this clause and executed in good faith on the same or another date for a total sum insured greater than the insured interest value shall all be valid and binding on each Insurance Company in the same proportion to the sums respectively insured until completing the amount of damage sustained and within the limits of sums insured.

In case that the Company pays the total amount of damage sustained within the limits of the sum insured, the Company may **file claim against all other Insurance Companies for the recovery** of the amount in the proportion of the respective sums insured.

**Should the Insured intentionally omit to give the advice stipulated in this clause or if he/she purchase several insurances to obtain illicit gain, the Company shall be relieved of its obligations.**

### **Clause 9. Notice of Loss**

Upon the occurrence of any loss likely to result in indemnity payment under the terms of this insurance, it shall be binding on the Insured, his representatives or attorneys to give the Company prompt notice in writing, by e-mail or telephone and by providing written confirmation within the following five business days after having knowledge thereof. This notice shall only be valid if the Company assigns a claim number.

Failure to give such prompt notice may cause indemnity payment to be reduced to the amount that would have originally been paid had prompt notice been given to the Company, **except in case where the Insured proves that such failure was due to an Act of God or Force Majeure and that notice was provided by the Insured once such circumstance ceased.**

**Should the Insured, his representatives or attorneys delay the above notice in order to prevent circumstances giving rise to the loss from being timely proven, the Company shall be released from all Contract obligations.**

Upon receiving the notice of loss, the Company shall be entitled to inspect the damage.

With respect to the coverages described in Section V. Transportation of Merchandise, the Insured must comply with the procedure in the event of loss as set forth in such section, in addition to the notice given to the Company.

**In case that damage to property insured is caused by third party(ies), the Insured shall not make any arrangement without prior written consent and authorization by the Company as respects the liability resulting from such damage. Otherwise, the Insured's right to indemnity will be forfeited.**

Timely notice and information provided by the Insured or his representatives to the Company as well as the assistance provided by the Company to the Insured in ascertaining the loss shall in no event be construed as acceptance of liability by the Company.

### **Clause 10. Safeguarding or Recovery Measures**

With respect to Sections I. Property Damage, II. Additional Losses and Expenses and III. Theft of Property:

Upon becoming aware of any loss arising from any peril insured by this Policy, the Insured, his representatives or attorneys will be obliged to protect the property and therefore, take all necessary safeguarding or recovery measures. When the delay in taking such measures implies no risk, the Insured will request instructions from the Company and thereafter abide by them. Expenses incurred by the Insured for safeguarding and/or protecting the property

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shall be paid by the Company if clearly justified and such expenses will be paid in advance if the Company gives instructions to do so. In any case, the amount of such expenses shall not exceed the value of damage prevented.

If the Company does not give its permission, the Insured shall have to keep conditions unaltered, **except for reasons of public interest, by order of authority or to prevent or minimize the damage.**

When the Insured, for the purpose of safeguarding all or part of the property insured against loss or damage, moves the property insured to any building or premises either mentioned or not mentioned in the Policy, he/she should give written notice thereof to the Company within five business days thereafter so property continues to be covered.

**If the Insured fails to comply with the obligation to prevent or minimize the damage, or to keep conditions unaltered, the Company shall be entitled to reduce indemnity up to the value it would have amounted had such obligation been fulfilled. If, with fraudulent intent or fraudulent acts, the Insured fails to comply such obligation, the Insured's right to indemnity will be forfeited.**

**The Insured will keep the damaged property and make it available to the Company, except in the event of Force Majeure.** While the corresponding amount of indemnity has not been definitely determined, the Company may examine, classify and appraise the property, wherever located, in order to determine the extent of loss. It is binding on the Insured to keep such property in his custody and care. The abandonment of any property by the Insured will be deemed an increase of hazard. In such case, Clause 6. Increase of Hazard of these general conditions will apply.

Regarding Section V. Transportation of Merchandise:

Upon becoming aware of any loss arising from any insured peril causing damage to the property insured, it shall be binding on the Insured or the Insured's officers, partners, dependents, employees or agents to take all precautions and to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured or any part thereof, and to secure all rights of carriers, bailees or others and enforce all actions relative to the above. When the delay in taking such measures implies no risk, the Insured will request instructions from the Company and thereafter abide by them. Non-compliance with this obligation may affect the Insured's rights in the terms of Article 115 of the Insurance Contract Law.

Expenses incurred by the Insured for safeguarding and/or protecting the property shall be paid by the Company, and such expenses will be paid in advance if the Company gives instructions to do so. In any case, the amount of such expenses shall not exceed the value of damage prevented and shall be separate from the Sum Insured agreed for the coverage involved in the loss.

No act by the Company or the Insured to recover, safeguard or protect property shall be construed as a waiver or abandonment thereof.

## **Clause 11. Documents, data and information to be submitted to the Company in the event of loss**

The Insured is required to prove the preexistence of the property, as well as the accuracy of the claim and all facts stated therein. The Company will be entitled to demand from the Insured or Beneficiary all information of the facts related to the loss, for which the circumstances and consequences of the loss occurrence may be determined, in accordance with provisions in Article 69 of the Insurance Contract Law. For the purpose of expediting the loss procedures, the Insured shall furnish the Company the following documents and data, and also all documents and information specified for the Insured's claim:

- a) A statement of damages resulting from the loss, stating with as much detail and accuracy as possible the stolen or damaged property and the corresponding amount of loss or damage, taking into consideration the value of property at the time of loss.
- b) All purchase and sales notes, sales receipts, invoices, appraisal certificates or any other documents supporting the claim.
- c) All information related to the circumstances surrounding the loss and certified copies of all proceedings taken by the Public Prosecutor or any other authority that may have participated in the investigation.
- d) Vouchers for expenses incurred.

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Regarding claims payable under Sections IV. Liability and V. Transportation of Merchandise, the Insured is required to submit, in addition to the above, the documents mentioned in the paragraph Procedure in the event of loss under such sections.

### **Clause 12. Reduction and Reinstatement of Sum Insured in the Event of Loss**

All indemnity for loss paid by the Company will reduce the sum insured accordingly and indemnity payments for subsequent losses shall be paid up to the limit of the remaining sum insured.

The sum insured may be reinstated at the request of the Insured, upon previous acceptance by the Company, which shall establish the terms and conditions applicable to the reinstatement.

With respect to insurance Policies wherein the sum insured is stated as a single maximum limit of liability for each or every event occurring during the Policy period, as per provisions of Clause 39. Maximum Limit of Liability, there shall be no reinstatement of such sum insured.

### **Clause 13. Measures that may be taken by the Company in the Event of Loss**

With respect to all sections, except for Section IV. Liability. Upon receiving notice of loss, the Company may authorize the Insured in writing to make the necessary repairs.

In respect of every loss, while the indemnity amount has not been definitely determined, the Company may inspect the damage and:

- a) Enter the building or premises where loss occurred in order to determine the cause and/or extent thereof.
- b) Have the damaged property and recovered property examined, classified and appraised, wherever located. In no case shall the Company be obliged to undertake the sale or settlement of the property or the remains thereof. The abandonment of any property by the Insured will be deemed an increase of hazard. In such case, Clause 6. Increase of Hazard of these general conditions will apply.

If the inspection is not carried out within seven days following the date of notice of loss, the Insured shall be entitled to make the necessary changes or repairs, provided that proper conditions allow such changes or repairs to be made without jeopardizing the life or property of the Insured or of any third party. It shall also be binding on the Insured to photograph or videotape the damage occurred.

### **Clause 14. Sum Insured**

The sums insured are stated in the Policy for each agreed coverage, but are no proof of the existence or value of the property, subject matter of insurance; such sums only stipulate the Company's Maximum Liability fixed by the Insured in the event of loss or property damage per each agreed coverage, including all increases and/or reductions of sums insured made during the Policy period.

If a sub-limit is established in the Policy for any agreed coverages, such sub-limit will prevail in the event of loss.

Respecting coverages under Section IV. Liability, the sum insured is subject to the provisions of Sum Insured set forth in such section.

If it is expressly mentioned in the Policy that the agreed coverage applies as a **floater** coverage, the sum insured established for this coverage shall cover without distinction the property insured contained in two or more locations covered in the Policy, understanding that the coverage applies only to the property insured within the insured locations.

This type of coverage may be agreed in Section I. Property Damage with respect to Billboards and Glass, in Section III. Theft of property, **except for Portable Electronic Equipment outside the location, and in Section IV. Liability.**

### **Clause 15. Indemnity**

In the event of loss, which is understood as the occurrence of an event foreseen in the Policy and giving rise to

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the indemnity payment, and in case that the amount of loss is greater than the Minimum Amount of Claim agreed to in the Contract, the Company may choose to replace or repair the damaged, lost or injured property at the Insured's satisfaction, or pay in cash the value thereof at the time of loss, but not to exceed the sum insured in force corresponding to the coverage affected.

The Company will apply the Deductible and/or Coinsurance established in the Policy, as well as the Salvage value in case that Salvage is retained by the Insured.

The liability of the Company shall cease in case that any definite repair of property made by the Insured is not made at the Company's satisfaction.

The Maximum Liability of the Company in respect of one or more losses occurring during the Policy period shall not exceed as a whole the sum insured corresponding to the coverage affected.

In order to determine the indemnity amount under each coverage, the Indemnity provisions as set forth in each section of this Policy will apply.

**The Company shall in no event be liable for:**

- 1. Any additional expense arising out of the Insured's need or desire to build or replace the damaged property on a site other than that occupied by the damaged property at the time of loss.**
- 2. Any additional expense in excess of the Replacement Cost resulting from laws or regulations governing the construction, reconstruction, repair or replacement of damaged property.**
- 3. The difference between the Actual Cash Value and Replacement Cost in the event of loss or damage to property useless or permanently out of use, or property not being constructed, replaced or repaired, whether buildings or furniture and equipment.**
- 4. Any amount greater than the Replacement Cost of the damaged part(s) when loss or damage affects one of these parts of an insured property, and said insured property requires several parts to function properly.**

**Clause 16. Arbitration**

With respect to all sections, except for Section IV. Liability, if the Insured and the Company fail to agree on the cause of loss, on the payment or non-payment thereof based on the agreed coverages or the on amount of loss to be indemnified, the matter shall be submitted to the decision of an arbitrator appointed in writing by mutual agreement of both parties.

Should they fail to agree on the appointment of a single arbitrator, two shall be named, one appointed by each party, within 10 business days from the date on which one of the parties has been requested in writing by the other to do so. Before commencing their duties both arbitrators shall name an umpire in case of disagreement.

Should one of the parties refuse to name its arbitrator or simply fail to do so when so requested by the other party, or should the arbitrators not agree on the appointment of the umpire, the Judicial Authority or the National Commission for the Protection and Defense of Users of Financial Services (Condusef, by its initials in Spanish -Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros), upon request of any of the parties or of both parties, shall appoint the arbitrator, the umpire or both, if necessary.

Arbitrators shall conduct their arbitration, either jointly or separately, whether or not assisted by the parties hereto, as they deemed convenient.

Arbitrators shall submit their award **within a period of 30 business days following their appointment, unless otherwise agreed upon.** If they agree with the award, one single writ shall be issued and undersigned by the two arbitrators, otherwise, they shall issue their awards in two separate writs.

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Fees of each arbitrator shall be paid by each party, and fees of the umpire shall be paid by both parties hereto.

**The statute of limitations as derived from the Insurance Contract shall be interrupted by the appointment of an expert for the purpose of resolving the loss occurrence.**

The arbitration referred to in this clause does not imply an acceptance of the claim by the Company, it merely establishes the mechanism to determine the cause of loss, the payment or non-payment thereof based on the agreed coverages or the amount of loss to be indemnified by the Company, both parties being free to execute any actions and oppose the corresponding exceptions.

The Federal Code of Civil Procedures shall be applicable in respect of all matters relative to the appointment and naming of arbitrators, when not contradictory to the provisions herein.

### **Clause 17. Fraud, Malicious Intent or Bad Faith**

**The Company's obligations shall cease:**

- a) If it is proven that the Insured, Beneficiary or their representatives, with the intent to induce the Company to commit an error, conceal or misrepresent facts that would exclude or could restrict such obligations or fail to timely provide information requested by the Company on facts related to the loss and by which the circumstances and consequences thereof may be determined.**
- b) Should the loss or claim involve Malicious Intent or Bad Faith on the part of the Insured, successors or attorneys.**

### **Clause 18. Subrogation Rights**

The Company shall be subrogated up to the amount paid to all rights and actions against third parties to which the Insured is entitled by virtue of the damage sustained.

If subrogation is prevented by acts or omissions of the Insured, the Company shall be relieved from its obligations, either in whole or in part.

If damage is partially indemnified, the Insured and the Company will agree in enforcing their rights to the corresponding proportion.

Subrogation rights will not be enforceable in case there is a spousal relationship or consanguinity or affinity relationship up to the second degree or kinship by adoption between the Insured and the person causing the damage, or in case the former is civilly liable for the latter.

### **Clause 19. Place and Payment of Indemnity**

Unless otherwise agreed, the Company shall make the indemnity payment at the place indicated and as stated in the Policy, within thirty calendar days following the date of execution of the adjustment agreement by the parties hereto after receipt by the Company of all documents and information with reference to the basis of the claim.

### **Clause 20. Jurisdiction**

**Provisions of Mexican Laws shall be applicable in all cases for the purposes of interpreting and complying with this Contract.**

**In case that the Insured complains about any services described in the Insurance, pursuant to provisions of Article 65 of the Law for the Protection and Defense of Users of Financial Services (LPDUSF, by its initials in Spanish - Ley de Protección y Defensa al Usuario de Servicios Financieros), the Insured is entitled to assert his/her rights before the National Commission for the Protection and Defense of Users of Financial Services.**

**Claims should be made within a period of two years following the event giving rise to such claim or, if**

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applicable, following denial of the Company to satisfy the Insured's allegations, in the terms of Articles 63, 65 and 68 of the Law for the Protection and Defense of Users of Financial Services.

At the Insured's option, claims may be filed in writing or by any other means at the head office of the National Commission for the Protection and Defense of Users of Financial Services or at any of its branch office of the CONDUSEF that is closest to the Insured's home, at the Company Customer Complaints Unit (Unidad Especializada de Atención de Consultas y Reclamaciones).

The Insured shall have the prerogative to resort to the administrative authority as foreseen by the Law for the Protection and Defense of Users of Financial Services or to competent courts. If the parties hereto do not submit to arbitration by the National Commission for the Protection and Defense of Users of Financial Services Users or by whomever is proposed, the claimant's or Company's rights shall be preserved to assert them, at the claimant's option, before competent courts addressed at any branch offices of the National Commission for the Protection and Defense of Users of Financial Services.

**Customer Complaints Unit** (UNE, by its acronym in Spanish) located at: Félix Cuevas 366, Piso 6, Col. Tlacoquemécatl, Del. Benito Juárez, 03200, México, D.F. Phone 01 800 737 76 63 (option 1), and from Mexico City: 5169 2746 (option 1) from Monday to Thursday from 8:00 a.m. to 5:30 p.m. and on Friday from 8:00 a.m. to 4:00 p.m. or e-mail us at: [axasoluciones@axa.com.mx](mailto:axasoluciones@axa.com.mx)

**National Commission for the Protection and Defense of Users of Financial Services** (Condusef, by its acronym in Spanish) located at: Av. Insurgentes Sur #762 Col. Del Valle Cd. de México, C.P. 03100, Tel. (55)5340 0999 and (01 800) 999 80 80, [asesoria@condusef.gob.mx](mailto:asesoria@condusef.gob.mx). [www.gob.mx/condusef](http://www.gob.mx/condusef)

### **Clause 21. Interest in Arrears**

In the event that the Company, even though it has received all the documentation and information with reference to the basis of the claim made, does not fulfill the obligation to pay the sum insured within thirty days following the date on which the Company received all the documents and information which are the basis of the submitted claim in terms of Article 71 of the Insurance Contract Law, the Company undertakes to pay interests in arrears to the Insured or Beneficiary according to provisions set forth in Article 276 of the General Law of Insurance and Bonding Institutions during the delay period.

### **Clause 22. Notices**

Any notice required to be given by the Insured in relation to this Insurance shall be addressed in writing to the Company's domicile stated in the Policy or by any other means of communication authorized by the Company.

The Insured must inform the Company of any change of domicile made during the term of the Insurance.

Any notice given by the Company to the Insured shall be effective provided it is addressed to the corresponding domicile stated in the Policy or in the respective endorsement in case of modification.

### **Clause 23. Premium**

The premium becomes due upon execution of the Contract and of further agreements affecting the Policy and giving rise to payment of additional Premium. The Contracting Party or the Insured will be entitled to a thirty calendar day grace period to pay the total premium or, in case of installment payments, to pay the first installment. If the Insured chooses to pay the premium in installments, such installment payments will cover equal periods of time and will become due on commencement of each agreed period, and the corresponding installment surcharge shall apply, pursuant to Articles 37, 38 and 40 of the Insurance Contract Law. If the Insured fails to pay the premium within the above mentioned periods, the effects of the contract will cease automatically.

The agreed premiums should be paid either by bank deposits or wire transfers in favor of AXA Seguros, S.A. de C.V. The respective payment receipts will serve as proof of Premium payment, therefore, they should be kept for further clarifications and reference.

In the event of loss, the Company will deduct from the indemnity payable to the Beneficiary the total outstanding Premium or outstanding installments thereof until completing the total Premium for the period of insurance agreed.

## Clause 24. Advance Termination of Contract

Notwithstanding the term of this Contract, the parties hereto do hereby agree that this insurance may be terminated by any cause before the expiration date thereof by means of written notice.

- a) When the Insured requests termination of Contract, the Company shall be entitled to that part of the premium corresponding to the time during which the insurance was in force, in accordance with the short rate tariff approved by the National Insurance and Bonding Commission and the policy fees.
- b) When the Company requests termination of Contract, the Insured will be given written notice and termination will become effective 15 calendar days after such notice.

Upon submission of said notification, the Company will return to the Insured the part of the unearned Premium less the policy fees. Failure to give such notice will render termination ineffective.

**Except for the Hydrometeorological Phenomena coverage to which its own table for return of premium shall apply.**

**Tables with the premium percentages to which the Company is entitled in case of advance termination of the contract.**

<b>Short Rate Tariff Insurance Table Applicable to all Covers, except to the Hydrometeorological Phenomena Cover</b>	
<b>Period</b>	<b>Percentage of Annual Premium</b>
Up to 10 days	10%
Up to 1 month	20%
Up to 1.5 months	25%
Up to 2 months	30%
Up to 3 months	40%
Up to 4 months	50%
Up to 5 months	60%
Up to 6 months	70%
Up to 7 months	75%
Up to 8 months	80%
Up to 9 months	85%
Up to 10 months	90%
Up to 11 months	95%

<b>Short Rate Tariff Insurance Table Applicable to the Hydrometeorological Phenomena Cover</b>	
<b>Period</b>	<b>Percentage of Annual Premium</b>
Up to 1 month	35%
Up to 2 months	50%
Up to 3 months	65%
Up to 4 months	80%
Up to 5 months	95%
More than 5 months	100%

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## Clause 25. Currency

All amounts of the Insurance Contract, including Sum Insured and Premiums, shall be in the currency stated on the Policy; however, all agreed payments arising out of this Contract shall be made in Mexican currency, pursuant to Article 8 of the Monetary Law in force on the date payment is made.

## Clause 26. Statute of Limitations

All actions derived from this Insurance Contract will prescribe as per the terms of Articles 81, 82 and 84 of the Insurance Contract Law as detailed below:

### Article 81

“All actions derived from an Insurance Contract will prescribe in:

I. five years as respects the Death coverage for life insurance.

II. two years as respects all other cases.

in all cases, periods shall be counted as of the date of the occurrence giving rise to such actions”.

### Article 82

“The period referred to in the above article shall not be effective in the event of omissions, false statements or misrepresentations concerning the risk, but from the day the Company has knowledge thereof, and in the event of Loss occurrence, from the day such occurrence has come to the knowledge of the concerned parties, who shall give evidence of the fact that they did not know of such occurrence until then. Respecting third party Beneficiaries, it shall also be necessary that such third party Beneficiaries shall have knowledge of the vested rights in their favor.”

### Article 84

“In addition to the ordinary causes of interruption, the statute of limitations may be interrupted by the appointment of experts upon the occurrence of Loss and by bringing of suit for the payment of Premium.”

The filing of claims before the Company Customer Complaints Unit will interrupt the statute of limitations for actions to which such claims may give rise. Also, claims filed before the Commission for the Protection and Defense of Users of Financial Services will interrupt the statute of limitations for the corresponding legal actions, until concluding the procedure, in accordance with provisions of Articles 50 Bis and 66 of the Law for the Protection and Defense of Users of Financial Services.

## Clause 27. Insured's Benefits

If during the term of this Policy, new coverages or extended coverages are added to the general conditions of contracts of the same kind without any additional charge of Premium, the Insured shall be entitled to request that such new coverages or extended coverages inure to his/her favor. If such new coverages or extended coverages imply higher benefits provided by the Company, it shall be binding on the Insured to pay the corresponding Premium, in which case the benefit will apply from the time of request, pursuant to Article 65 of the Insurance Contract Law.

## Clause 28. Renewal

Automatic renewal of the Policy shall be for annual periods of time. Renewal premiums for the subsequent periods shall be those premiums in force and registered before the National Insurance and Bonding Commission with respect to the different coverages forming the Policy on the date of Policy renewal.

The Insured may cancel the Policy at any time by written request for cancellation, considering therefore that the obligations of the Company will cease thereafter and that the Policy will not be renewed and further Premiums will not be charged. In case that only the cancellation of the Policy renewal is requested to the Company, said request must be submitted in writing thirty days before renewal date.

## Clause 29. Attachment and Expiration of Policy Period

The Policy period shall attach and expire on the dates shown in the Policy, at 12:00 noon at the place where the insured property is located.

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### **Clause 30. General Inspections**

The Company shall have the right to inspect the insured risks during the insurance term. However, this right shall not constitute for the Company an obligation to make inspections in specific dates or at the request of the Insured or his representatives.

The inspection does not relieve the Insured of his Contract obligations. It is binding on the Insured to provide the Company's representative with all details and information requested to assess the risk.

The Company reserves the right to modify the Premium or conditions, or to cancel the insurance as a result of the inspection.

### **Clause 31. Article 25 of the Insurance Contract Law**

Should the content of the Policy or the amendments thereto do not conform to the offer, the Insured may request the corresponding correction within thirty days following receipt thereof. Once this period has elapsed, the provisions of the Policy or the amendments thereto shall be deemed accepted.

### **Clause 32. Disclosure of Commissions**

During the Policy period, the Contracting Party may request in writing from the Company the percentage of premium report that corresponds to the intermediary or corporation, whether by commission or direct compensation, by virtue of their intervention in the execution of the contract.

The Company shall provide such report in writing or by electronic means in a period not exceeding ten business days after the date of receipt of such request.

The Contracting Party of the insurance shall be understood as the individual or corporation requesting the execution of the Contract on their behalf and/or on behalf of any third party, binding themselves to pay the corresponding Premiums.

### **Clause 33. Operation Permits**

**The conditions agreed in this Policy shall not cover loss of, damage to and/or expenses incurred for insured real or personal property operating without the required authorization, permit or license issued by the competent authority or if Insured or whose interests he represents fails, for whatever reason, to comply with any legal requirements compulsory for the proper performance of the Insured's business operations. Negligence or non-compliance therewith shall be deemed an increase of hazard and thus the effects of the insurance contract shall cease automatically. Should these facts or acts contribute to the occurrence of the loss or to the extent of damage, such loss, damage and/or expenses shall not be payable.**

### **Clause 34. Translation**

For the legal interpretation of the printed or written conditions of the Policy, the Spanish text will prevail in all cases.

### **Clause 35. Brands and Labels**

In the event of loss, the Company may not dispose of any Salvage bearing the Insured's brands and labels without the Insured's prior written consent.

### **Clause 36. Automatic Adjustment of Sum Insured for Domestic and Non-Domestic Property Coverage**

The Company and the Contracting Party consent to increase automatically the sum insured agreed.

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The maximum liability of the Company is the sum insured plus the percentage determined by the Insured as shown in the Policy. The percentage will be zero if no percentage is determined by the Insured.

#### **Procedure in the event of loss**

The sum originally agreed plus any increases in the Actual Cash Value of the property from the date such property is included to the date of loss occurrence will serve as the basis for determining the payable amount in the event of loss.

The amount so determined will be the basis for the effects of Clause 4. Proportional Rule provided in the general conditions of the Policy.

#### **Clause 37. Omissions or Misrepresentations**

**It shall be binding on the Contracting Party and on the Insureds at the time of filling in the insurance application, to declare in writing to the Company, in accordance with the corresponding questionnaires or any other documents on which the customer provides details of the information requested, all important facts for the assessment of risk that may affect the conditions agreed upon, as exactly known or as should be known at the time of executing this Insurance Contract, pursuant to articles 8, 9 and 10 of the Insurance Contract Law.**

#### **Clause 38. Operation of Fire Protection Systems**

This Policy shall not cover loss of, damage to and/or expenses incurred for real or personal property insured, if fire protection systems were reported in good order by the Contracting Party or the Insured and are not operating properly; for example, emptied extinguishers, fire protection equipment pumps in poor operating conditions or improper maintenance to the fire protection systems. It shall binding on the Insured to keep a logbook of maintenance provided thereto.

If fire protection systems are to be removed, valves are to be closed or kept inoperative, the Insured must give the Company prior written advice. Failure of notice by the Insured or to whose interest he represents shall be construed as an increase of hazard, thus the Company's obligations shall cease in full right thereafter. It shall be understood that if such facts or acts contributed directly to the occurrence of loss or to the extent of damage, such loss, damage and/or expenses shall not be payable.

#### **Clause 39. Maximum Limit of Liability**

At the request of the Insured and when so stated in the Policy, the Company will fix as sum insured the amount proposed by the Insured. Such amount will be less than 100% of the total insurable values and will be deemed as the Maximum Limit of Liability, subject to the following conditions:

1. It is understood and agreed that in the event of loss payable under this Policy, the Company shall in no event be liable for any amount greater than the loss actually sustained, not to exceed the lesser of the following:
  - a) The Maximum Limit of Liability stated in the specification or schedule of coverages.
  - b) The declared value of the damaged location.
2. If maximum sub-limits of liability were established for any property or coverage, such sub-limits will in turn represent the maximum payable amount with respect to such property or coverage.

Such sub-limits shall be deemed included in the maximum limit of liability stated and in no event shall such sub-limits represent additional sums insured or increase the maximum limit of liability stated.

3. Any amount of loss exceeding the sums mentioned in paragraphs 1 or 2 above shall not be responsibility of the Company and shall be for account of the Insured.
4. It is binding on the Insured to declare the total value of the property insured at the time of effecting the Policy,

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which is neither proof of the existence or the value of the property, it only stipulates the basis to determine the Premium and to apply provisions of Clause 4. Proportional Rule.

Therefore, in the event of loss, if the value of the property insured at the damaged location is greater than the value declared by the Insured, the Company shall only be liable for the same proportion to the damage caused. If the Policy includes several items, the Proportional Rule shall apply to each item separately.

#### **Clause 40. Coverage Limitation**

**The Company may neither provide coverage nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose the Company to any trade or economic sanction, prohibition or restriction under United Nations resolutions or laws or regulations of the European Union, United Kingdom or United States of America or under listings or restricting resolutions issued by international organizations.**

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of October 2, 2012 under registry No. CGEN-S0048 0064-2012.

#### **Clause 41. Cyber Risk Exclusion**

**Cyber Risk shall be understood as any form of affecting information (Data) and technology (Infrastructure) of an individual or corporation through the universe of digital networks and/or communications and infrastructures (hardware equipment or devices) used to obtain, store, modify and exchange information, including events such as leaks due to security failure; hacker attacks; computer virus; acts or omissions of dishonest or negligent employees; leakage or loss of information; phishing; damage to corporate reputation or to reputation of the insured; alteration, modification, destruction or loss of information and data due to external attacks; theft and/or loss of files, laptops, external memory devices such as USBs; access of personnel to confidential information; breach of data protection legislation; cyber threats (including breach of private data and information, network security claims, hackers or restoration expenses, e-payments, crisis communication expenses and consulting services); defense of fines and penalties imposed by regulatory bodies, loss of benefits; criminal activities on data and electronic equipment where located; breach of contents; infringement of copyrights or industrial property rights; fraud; falsification; unauthorized access; pornography; cyber stalking, disclosure of nonpublic data and information.**

**This includes all information systems used to support infrastructure and services of the Insured.**

**In accordance with the definition above, this Policy shall in no event cover liabilities, expenses, damage or loss of the insured or imputed to the Insured by Third Parties caused by, contributing to or arising from Cyber Risks.**

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions

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Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of February 8, 2017 under registry No. CGEN-S0048-0200-2016.

### III. Individual Conditions

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#### Section I. Property Damage

##### 1. Insured property

In case that the following property is not expressly excluded and according to the limit stated in the sum insured agreed in the Policy, such property will be covered.

a) **Real Property**

Buildings or premises scheduled in this Policy, the outbuildings thereof, fixed installations (water, gas, electricity, heating, refrigeration and others incidental to the buildings) and all other attachments fixed thereto that are located at the same address.

b) **Contents**

Contents are those properties incidental to the insured line of business that are in the premises stated in this Policy, owned by the Insured or in his custody or under the Insured's legal liability.

In case that the Insured is a tenant, improvements and betterments made to the building are hereunder covered.

Insured contents are covered during loading and unloading operations within the limits of the premises of locations named in this Policy and up to a distance of 50 meters therefrom.

For purposes of this Policy, contents shall be understood as the following concepts that are covered up to the sum insured stated in the Policy for each concept; **otherwise they shall be deemed excluded.**

• **Merchandise and furniture in general**

Merchandise shall mean the Insured's property for sale in stock, as well as raw materials and products in process of manufacture and finished products.

Utensils, tools and all other accessories usual and incidental to the insured business are deemed part of the furniture.

• **Electronic Equipment**

Appliances or devices using electric power supply or batteries to perform complex functions through electronic circuits, such as measuring and data handling and not just transformation of energy. Electronic equipment shall be such machine or equipment in which the value of electronic components is greater than 50% of its total value.

• **Fixed Electronic Equipment**

Fixed Electronic Equipment shall mean such equipment that needs to be connected to the electrical service grid to work correctly. It is installed, anchored or embedded into any place (walls, floors or ceilings). This equipment may be moved, but given its features, may not be operated while being carried.

• **Portable Electronic Equipment**

Equipment due to its features (dimension and weight) is easy to carry and mainly battery powered. Such equipment operates while being carried.

• **Machinery**

Set of appliances, machines, installations and mechanical or electrical equipment, either fixed or mobile, new or used, for production or servicing purposes.

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- **Boilers**

Boilers, fired or unfired pressure vessels, including pressure pipes, while in operation and being used for transformation, production and/or servicing purposes.

- **Boilers and fired pressure vessels**

Those closed containers in which water or other liquid is heated or converted into steam by means of heat generated by any fuel or electricity.

- **Unfired pressure vessels**

Those containers normally subject to pressure or vacuum, not directly heated by fire or gases from combustion.

- **Piping**

Network or circuit of duly installed metallic piping of any diameter up to the closest valve, including such valve, carrying a fluid under pressure among machines, boilers or pressure vessels, including connections and supports, but excluding insulators.

Electronic Equipment, Machinery and Boilers coverage attaches:

- With respect to new property, once such property has been installed in the premises described in the Policy and after the initial operations tests have been concluded.
- With respect to used property, while under normal operation.

- c) **Glass**

All kinds of glass, regardless of its thickness, glass plates, glass domes and glass covers, as well as the decorations, fittings and frames thereof, provided that such glass is duly installed or being removed from the building stated in the Policy.

- d) **Billboards**

Letterings, posters, neon signs, billboards and electronic or electric screens incidental to the insured business, while duly installed in the premises described in the Policy.

## 2. Excluded property

**In addition to the property excluded in Clause 1. Excluded Property of the general conditions of this Policy, the Company shall in no event be liable for loss or damage to:**

- a) **Construction equipment, excavating machines or earth moving equipment.**
- b) **Fuel, lubricants, coolants and other operating means are not covered by this insurance if forming part of the equipment and if such equipment is affected by internal damage, except for oil used in electric transformers and interrupters, and mercury used in current rectifiers.**
- c) **The following property will not be covered if as part of an equipment it is individually damaged, provided that such equipment is not damaged by an insured peril.**
  - **Wearing parts, such as any kind of transmission bands, conveyor belts, matrixes, swages, molds, dies, stamping rollers, rubber tires, mobile equipment springs, changeable and cutting tools, blades, fuses, felts, fabrics, sieves, structures and/or supports, refractory or porcelain lining, as well as any kind of glass and pewter, excepting glazing of reactors and porcelains used in electric insulators.**
  - **Safety disks, rupture disks, plug fuses, and joints.**
- d) **Non-metallic vessels, equipment, accessories or piping are not covered against internal damage, except for plastic and/or fiber glass chemical reactors not older than five years.**

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- e) **Homemade machines, boilers, equipment, and accessories.** “Homemade” is understood as property not bearing the manufacturer’s trademark which guarantees its design and service integrity.
  - f) **Equipment older than the age shown below. Age being understood as the date of manufacture of the equipment:**
    - **Computer equipment older than seven years.**
    - **Electronic equipment other than computer equipment older than 15 years.**
    - **Machinery, boilers and equipment other than those stated in previous paragraphs older than 30 years.**
  - g) **Growing crops, lawn, trees, shrubs, plants, wood resources, live animals, farm animals or aquaculture.**
  - h) **Underground property of any kind. Underground property means property located below the natural ground level, excepting machinery, boilers and electronic equipment when damaged by Internal Damage, provided that such coverage has been agreed.**
  - i) **Any kind of property in transit, except for that specified for Portable Electronic Equipment in the section Insured Perils.**
  - j) **Cash, either in specie or bank bills, securities and other negotiable and non-negotiable instruments, such as drafts, promissory notes, checks, shares; financial bonds, mortgage bonds, certificates, debentures, postal or fiscal stamps, securities, all owned by the Insured or in the Insured’s custody.**

### **3. Insured Perils**

The insured property is covered up to the limit of sum insured agreed against:

- a) **Basic perils**
- **External Damage**  
External damage means any loss caused directly by a sudden, accidental and unexpected peril, which is not part of the exclusions outlined in this Policy.

This insurance is extended to cover portable electronic equipment outside of the insured building, provided that the Insured is performing his/her duties related to the insured line of business.

#### **Coinsurance**

It is a basic condition for providing this coverage that the Insured bears for his/her own account a percentage of every payable loss or damage sustained by property subject matter of insurance and, as the case may be, of Business Interruption and debris removal, if these coverages have been acquired. This percentage is specified in the Policy and shall not exceed 386 DGMSFMC.

Coinsurance will apply to the payable loss before applying the Proportional Rule provisions, where appropriate.

If the Hydrometeorological Phenomena and/or Earthquake and/or Volcanic Eruption coverages are acquired, coinsurance shall apply in accordance with the terms stipulated in the corresponding section.

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of June 7, 2013 under registry No. BADI-S0048-0080-2013.

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- b) **Additional perils that may be covered by Payment of an additional Premium and at the request of the Insured.**

**The following is covered, provided that it is not expressly excluded from the Policy:**

•**Internal Damage**

Loss or property damage caused by any sudden, accidental and unexpected peril arising from the operation itself of machinery, boilers, electronic equipment and electronic screens insured by the Policy, which are not part of the exclusions described in the Policy.

This insurance is extended to cover portable electronic equipment outside of the insured building, provided that the Insured is performing his/her duties related to the insured line of business.

•**Spontaneous Combustion**

Property insured by this Policy is also covered against loss or property damage resulting from spontaneous combustion, **except for white phosphorous, cellulose nitrate, fertilizers containing ammonium nitrate, the property that is not subject to this peril and the property that is stored in the open.**

Spontaneous combustion is that combustion which does not originate from an external source of heat for ignition, but by chemical and biochemical oxidation processes producing solid carbon residues that may cause fire when there is a sufficient supply of oxygen.

•**Earthquake and/or Volcanic Eruption**

According to provisions set forth in the corresponding paragraphs.

•**Hydrometeorological Phenomena**

According to provisions set forth in the corresponding paragraphs.

•**Extended Coverage specifically against Disturbances, Strikes, Riots, Civil Commotion and Malicious Mischief**

In the terms referred to in the corresponding section.

#### **4. Excluded perils**

**In addition to the perils excluded in Clause 2. Excluded Perils of the general conditions of the Policy, the Company shall in no event be liable for damage caused to insured property either directly or indirectly or resulting from the following perils:**

- a) **Collision of ships, boats, barges or other watercraft.**
- b) **Gradual damage, such as use, wear and tear, fatigue, gradual deterioration and/or deformation and other flaws in the material which the insured property is made of, caused by normal use or inadequate operation of equipment, contamination, corrosion, rusting, erosion, evaporation, leakage, escape, changes in temperature, loss of weight, quality, texture, finishes, shrinkage, scaling, corrosive gases, soot, decay, fermentation, inherent vice, latent defect, dampness or dryness or any desiccation or heating process undergone by the property.**
- c) **Existing damage or defects in the property insured on the inception date of the insurance.**
- d) **Structural or design changes, either in its specifications or in the fuel being used, enlargements, reductions, changes in accessories (ancillary equipment) or in the operation of equipment, machinery and boilers, as well as installation of spare parts**

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or use of operating resources other than those specified by the manufacturer of such property.

Accessories or ancillary equipment means the pieces or mechanical sets mounted on machines or equipment for the purpose of transforming such machines or equipment or increasing their performance, making their handling easier or making them safer.

- e) Provisional repairs, except for those forming part of permanent repairs.
- f) Intentionally exceeding the capacity and/or of the maximum working pressure of equipment, machinery and boilers recommended by the manufacturer or submitting said equipment, machinery and boilers to any test not matching the normal operation thereof.
- g) Loss or damage for which the manufacturer or seller of the insured property or the Maintenance service provider other than the Insured's personnel is legally or contractually liable.
- h) Solidification of contents in melting vessels, furnaces, conduits and pipelines, provided that such solidification is caused by a peril not excluded from this Policy.
- i) Leakage of liquids or materials contained in boilers, storage tanks or vessels, and costs to repair failures giving rise to such leakage, except when leakage is caused by a peril not excluded from this Policy, in which event, the following special exclusions will apply:  
Leakage of or damage to contents caused by:
  - Faulty operation of equipment, valves or couplings.
  - Opening of safety devices to relieve overpressure.
  - Defects in joints, gaskets, glands, couplings or valves, safety disks, rupture disks and plug fuses.
- j) Errors in design and defective materials, except as stipulated for Internal Damage.
- k) Manufacturing process, testing, repair, Maintenance, cleaning, restoration, alterations, modifications or servicing.
- l) Professional errors or omissions in the rendering of services.
- m) Settlement, contraction, subsidence, collapse, landslides, expansion or cracking of the insured property, except when caused by an insured peril.
- n) Felling or pruning of trees or trimming of its branches carried out by the Insured or the Insured's employees.
- o) Smoke or soot from chimneys or industrial equipment found in the premises of the Insured, when such equipment lacks flues or chimneys.
- p) Theft.
- q) External damage arising from lack, insufficiency, shortage or reduction of water, gas, electricity, driving force, heat, steam, refrigeration, fuel or energy supplied by public utilities.
- r) Vibrations or sonic boom caused by aircraft or other devices.
- s) The cost of reconditioning, changes or improvements not necessary to repair the damage will be for account of the Insured.
- t) Damage to or loss of information, applications or software under development, however caused.
- u) Loss or damage resulting from inherent vice or perishable nature of the property insured, which final result is not spontaneous combustion that manifests itself

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by the presence of embers and/or exteriorly carbonized materials that eventually generate or may generate a fire.

- v) **Underground or phreatic water seeping through the Foundation of floors or walls, or through cracks in such Foundation or walls.**
- w) **Wetting, dampness or its consequences as a result of seepage due to faulty design or construction of roofs, walls or floors, wrong application of or faulty waterproof materials, lack of roofs, doors, windows or walls or openings thereon or faulty construction thereof.**
- x) **Loss or damage caused by scraping, scratching or other similar surface defects on billboards and glass.**
- y) **Aesthetic defects on Billboards.**
- z) **Assembly, disassembly, repair, reconstruction, testing, Maintenance, cleaning, restoration, alteration, modification and servicing works or errors in manufacturing processes.**

In addition to the above exclusions, the following exclusions will apply to Portable Electronic Equipment when said equipment is out of the insured location:

- a) **Loss or damage occurring while the described property is not in the Insured's care, unless such property is locked in a building or motor vehicle.**
- b) **Loss or damage however caused while the described property is installed in an airplane, aircraft or vessel.**

## 5. Sum Insured

The Insured must request and maintain as sum insured within the period of insurance for:

- **Real Property, Merchandise, Furniture in General, Electronic Equipment, Machinery, Boilers, Glass and Billboards.**

the Replacement Cost of each and every insured property.

Regarding rare objects, fine arts, frescoes, murals and in general property not necessary to the insured line of business, the sum insured will be determined by the Insured based on invoices and/or appraisals of every insured property, and coverage will be provided only for property which value per unit, Pair or Set is less than or equivalent to 500 DGMSFMC.

## 6. Indemnity

Every indemnity payment under this section will be made according to Clauses 4. Proportional Rule, 5. Agreed Amount and 14. Indemnity of the General Policy Conditions and as provisions set forth below:

### a) **Real Property, Merchandise and Furniture in General**

Indemnity for this property will be paid at Replacement Cost and limited to the sum insured, except for:

- **Plans, molds and models.** Indemnity will be limited to the value of the materials used to make each drawing, model or plan, regardless of the value thereof estimated by the Insured to use or perform studies or employ technology in order to make such drawing, model or plan.
- **Books and records.** Indemnity will in no event exceed the cost of books or any other blank material, plus the actual cost of labor required to transcribe or copy such books and records.

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**b) Electronic Equipment, Machinery and Boilers**

The spare parts required to put the damaged equipment or machinery back into operation will be indemnified at Replacement Cost.

In case that the cost to repair the damage is greater than the Actual Cash Value, such damage will be considered a total loss.

The Actual Cash Value shall be the Replacement Cost less depreciation of 1% per month applicable as of the date of manufacture of the damaged equipment. The maximum applicable depreciation will be 70%, regardless of the date the damaged property was manufactured.

Indemnity will be paid at Replacement Cost in case of total loss of computer equipment up to three years old or less, or in case of total loss of equipment other than computer equipment or of machinery and boilers up to five years old or less.

Indemnity for equipment which age is other than as set forth in the above paragraph will be paid at Actual Cash Value, up to the sum insured agreed.

In case that spare parts required for repairing this kind of property are no longer available, the Company's liability will be limited to the value of such parts at the time of loss according to the manufacturer's price list, plus payable costs.

**The Company will not be liable for damage occurring during transportation of property to be repaired,** however, the Company undertakes to pay the Premium of the insurance the Insured will have to effect to cover the damaged property while in transit to and from the repair shop, wherever said repair shop may be located. Furthermore, in case that the repair or part thereof is carried out at the Insured's repair shop, the Company will pay expenses resulting from material and labor costs arising out of the repair, plus 10% of such costs to pay fixed overhead costs of the repair shop.

**Expenses incurred for overtime and express freight and extra expense incurred for air transportation will be paid only in case that Section II. Additional Losses and Expenses has been agreed.**

For the purpose of expediting indemnity payment in the event of loss, the Company will not require from the Insured any inventory or appraisal on undamaged property in case that the total claim under the External Damage peril does not exceed 10% of the sum Insured of each damaged fire area.

"Fire area" means facilities consisting of solid construction, built of incombustible materials and separated from each other by a distance greater than 15 meters; or facilities which **are not of solid construction**, built of combustible materials or occupied for the handling, processing or storage of flammable substances, separated from each other by a distance greater than 30 meters.

Indemnity payable to the Insured in respect of partial and total losses will be calculated according to provisions set forth in Clause 4. Proportional Rule of the General Conditions of this Policy.

**c) Glass and Billboards**

The Company may choose to replace this property to the entire satisfaction of the Insured or pay in cash the Replacement Cost of such property at the time of loss, plus costs incurred for the installation and removal of the damaged property.

## **7. Obligations of the Insured (applicable only to Electronic Equipment, Machinery and Boilers)**

**If the Insured fails to comply with the obligations set forth in this clause and such failure contributes to the occurrence of loss, the obligations of the Company with respect to the damaged property will lawfully cease:**

- a) Keeping the insured property in good working conditions and complying with installation, operation and Maintenance instructions recommended by the manufacturer.

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- b) Satisfying administrative and legal provisions applicable to the insured business activities.
  - c) Advising the Company within 24 hours following any change causing an essential increase of hazard, such as:
    - Reconditioning of or making significant modifications to machines and equipment, which alter the design, capacity, performance or use thereof.
    - Changing the location of machines and equipment.
    - Placing new installations near the insured machine and equipment unit(s).
    - Changing raw materials or processes.
    - Interrupting operations for a continuous period over three months.
    - Changing the operating environment surrounding the insured machinery and equipment.
    - Changing Foundations.
  - d) The Insured will notify the Company, with at least seven calendar days in advance, of the inspection date and authorize the presence of a Company's representative.

## **8. Earthquake and/or Volcanic Eruption**

### **Insured Perils**

The property insured by the Policy to which this coverage is attached will also be insured against direct property damage caused by Earthquake and/or Volcanic Eruption.

In case that such property or part thereof is destroyed or damaged within the period of insurance set forth in the Policy, the Company agrees to indemnify the Insured for the amount of loss according to provisions in the Deductible, Proportional Rule and Coinsurance Clauses of this coverage and all other related clauses, but excluding the value of betterments (whether or not required by the competent authorities) made to strengthen the damaged building or buildings or for other purposes, which exceeds repairs needed to restore property to the condition existing at the time of loss.

Damage insured under this coverage as a result of Earthquake and/or Volcanic Eruption will give rise to a separate claim for each event, but if more than one event occurs within a 72 hour continuing period within the policy period, all such events will be considered one single loss and the damage caused will be included in one single claim.

### **Excluded property and perils that may be covered by express agreement.**

**Unless expressly agreed, this Company shall not be liable for any damage insured by this coverage to:**

- a) **Foundations, swimming pools, fences, outdoor yards, exterior stairs and any other construction separated from the building(s) or construction(s) expressly insured by the Policy to which this coverage is attached to.**
- b) **Retaining Walls under the lowest level of the ground, or separate Retaining Walls.**
- c) **Any kind of frescoes or murals painted in or forming part of insured building(s) or construction(s) for decoration or ornamental purposes.**
- d) **Business Interruption.**  
**Business interruption means loss of income, profit, benefit or other similar consequential loss, as well as loss of fixed expenses and salaries arising out of the suspension or slowdown of business operations as a result of Earthquake and/or Volcanic Eruption.**

**Excluded property and perils that may not be covered.**

**This Company shall in no event be liable for damage as referred to in this coverage:**

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- a) To soil and land.
  - b) To buildings, premises and constructions not yet fully completed and their contents.
  - c) Directly or indirectly, proximately or remotely caused by nuclear reactions, radioactive radiations or radioactive contamination, whether or not controlled, and whether or not as a consequence of Earthquake and/or Volcanic Eruption.
  - d) Arising from Tidal Wave or Flood, even when caused by any peril insured by this coverage.
  - e) Caused by natural vibrations or movements of subsoil, other than earthquake, such as subsidence, ground heave and normal and gradual settlement.

#### **Deductible**

In every claim for property damage to buildings, constructions and contents insured by this coverage, the deductible set forth in the Policy will apply. The deductible is indicated as a percentage and will apply to the sum insured agreed for this coverage under the Policy, as indicated below.

If the insurance comprises two or more items or covers under any item two or more buildings, constructions or their contents, the deductible will apply separately to each item and, where appropriate, to each building, construction and/or contents thereof.

The deductible will be deducted from the amount of loss before subtracting any underinsurance (proportional rule) or applying any coinsurance.

#### **Proportional Rule**

If the value of property insured is greater than the sum insured at the time of loss, provisions of the General Conditions of this Policy, Clause 4. Proportional Rule will apply, in which event, indemnity will be reduced accordingly.

#### **Coinsurance**

It is a basic condition for this coverage to take effect that the Insured bears for his/her own account a percentage, as specified in the Policy, of every payable loss or damage caused by Earthquake and/or Volcanic Eruption to the property insured, according to the seismic zone where the property insured is located.

Coinsurance will apply to the payable loss after deducting the respective deductible and before applying the Proportional Rule provisions, where appropriate.

## **9. Hydrometeorological Phenomena**

### **Coverage**

Subject to the General and Special Conditions of the Policy to which this coverage is attached and limited to the sum insured agreed, coverage is provided for the property subject matter of insurance against loss or property damage directly caused by **Mudslide, Hail, Frost, Hurricane, Flood, Flood by Rain, Storm Surge, Tidal Wave, Snowfall and Windstorm**, according to the definitions. With respect to Hail, coverage will also be provided against damage caused by the accumulation of Hail resulting in the blockage of manholes of hydrosanitary networks, drainage systems located within the insured premises and Downspouts.

The applicable coverage will be that of the peril immediately causing direct property damage to property insured, regardless of the hydrometeorological phenomenon giving rise to such damage.

### **Excluded Property that may be covered by Express Agreement.**

**Property described below is excluded from this coverage and may only be covered if expressly agreed between the Insured and the Company by specifying separate sums insured as sub-limit and charging the corresponding additional Premium. Written evidence of the above will be provided by the Company.**

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- 1. Completed Buildings that do not have, either in whole or in part, walls, roofs, doors or windows, provided that such buildings are designed and/or built to operate under such conditions, in accordance with construction regulations of the zone which are in force on the date of construction.**
  - 2. Fixed equipment and/or machinery and their installations, located outdoors either in whole or in part and duly anchored or inside buildings that do not have, either in whole or in part, walls, roofs, doors or windows, provided that such buildings are specifically designed to operate under such conditions.**
  - 3. Fixed property other than machinery that must be outdoors due to its very nature, namely, all property outside buildings or inside buildings that do not have, either in whole or in part, roofs, doors, windows or walls, such as the following:**
    - a) Swimming pools.**
    - b) Billboards and signs.**
    - c) Roads, walkways, streets, curbs or yards inside the Insured's premises.**
    - d) Outdoor ornaments.**
    - e) Sports courts and/or facilities.**
    - f) Outdoor lamps.**
    - g) Reinforced concrete Retaining Walls, fences, bar fences and/or perimeter wire mesh and their doors or gates.**
    - h) Palapas and pergolas.**
    - i) Irrigation systems, including their pipe networks.**
    - j) Receiving and/or transmitting antennas and towers.**
    - k) Plastic or metal silos or tanks.**
  - 4. Personal property or that part of a building in basements or semi-basements, which is understood to be any enclosed space where all perimeter walls are in whole or in part below the natural ground level.**

**General Exclusions of the Hydrometeorological Phenomena Coverage applicable to all locations of this coverage.**

#### **Excluded Property.**

**This Company shall in no event be liable for loss or damage to:**

- a) Personal property outdoors.**
- b) Completed Buildings that do not have, either in whole or in part, doors, windows or complete solid walls due to the nature of their occupancy, in case that such buildings are not designed or built to operate under such conditions, in accordance with construction regulations of the zone which are in force on the date of construction. This exclusion also applies to contents in such buildings.**
- c) Contents and stock in buildings as described in paragraph 1 of the Excluded Property that may be covered by Express Agreement, unless outdoor windows, doors, walls or roofs of such buildings are destroyed or damaged by direct action of the perils insured by this coverage, causing fractures or cracks through which water, Hail, mud, wind or snow penetrates. This exclusion does not apply to any damage from Flood or Flood by Rain.**

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- d) Standing crops, plots, orchards, plants, trees, forests, lawns or gardens.
  - e) Buildings or constructions consisting of walls and/or roofs made of plastic or canvas tarps.
  - f) Animals.
  - g) Impounded water, running water, rivers or phreatic water.
  - h) Lands, including surface, backfilling, drainage and Sewerage.
  - i) Dikes, piers, jetties, natural reservoirs, channels, wells, tunnels, bridges and floating equipment or floating facilities.
  - j) Foundations and underground installations.
  - k) Wharves and/or any other kind of property wholly or partially above or under water.
  - l) Damage to or loss of beach.
  - m) Golf courses.
  - n) Transmission and/or distribution lines.
  - o) Buildings in course of demolition.
  - p) Buildings in course of construction at the time of effecting this insurance.
  - q) Buildings under repair or reconstruction, in case that their outdoor windows, doors, walls and roofs are not yet completed.
  - r) Every property located between the Retaining Wall closest to the beach or coastline and the wave breaking line, or property located in the federal zone, whichever distance is the lesser.
  - s) Retaining Walls made of materials other than reinforced concrete.
  - t) Property located in areas identified as high-risk Flood or Mudslide zones by the Civil Protection Department or its regional offices.

### Excluded Perils

This Company shall in no event be liable for loss or damage caused by:

- a) Wetting or dampness or the consequences thereof resulting from seepage:
  - of underground or phreatic water.
  - by faulty design or construction of roofs, walls or floors.
  - by factures or cracks in Foundations or Retaining Walls.
  - by faulty application of or defective waterproof materials.
  - by lack of Maintenance.
  - by lack of roofs, doors, windows or walls, or openings or construction deficiencies therein.
- b) Wetting, wind, Hail, snow or rain coming into buildings or their contents, unless resulting from destruction of or damage caused to outdoor windows or doors, walls or roofs of buildings by direct action of wind, water, Hail or snow or the accumulation thereof, causing fractures or cracks through which water, Hail, snow or wind penetrates. This exclusion does not apply to any damage caused by Flood or Flood by Rain.
- c) Corrosion, rust, erosion, mold, vermin of any kind and any other gradual deterioration caused by environmental and natural conditions.
- d) Sewer backup and/or lack of or deficient drainage system in premises of the Insured.
- e) Natural tidal effect.

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- f) **Flood, Flood by Rain or Mudslide affecting only the locations where the property subject matter of insurance is contained.**
  - g) **Contamination caused directly by rain water, unless property damage insured by this coverage occurs to the insured premises.**
  - h) **Undermining effects on Foundations of Seafront buildings, unless such buildings are protected by Retaining Walls consisting of reinforced concrete Foundations or by reinforced concrete tetrapod jetties. This exclusion will not apply to buildings and their contents located beyond 50 meters from the wave breaking line at high tide or 15 meters above the sea level at high tide.**
  - i) **Loss or damage already existing prior to inception date of this insurance, whether or not known to the Insured.**
  - j) **Loss or damage of any kind caused by faulty construction or design or lack of Maintenance to the property subject matter of insurance.**
  - k) **Damage caused by contamination, unless property damage is directly caused to the property insured by the Insured perils causing contamination to the property insured. Pecuniary loss or expenses arising from clean-up or decontamination of the environment (soil, subsoil, atmosphere or water) are also excluded.**
  - l) **Any property damage or consequential damage resulting from failure to supply water, electricity, gas or any raw material or input, even though such failure to supply results from hydrometeorological phenomena.**
  - m) **Pilferage, larceny, disappearance, looting or any theft committed during or following the occurrence of any hydrometeorological phenomenon.**

#### **Deductible**

In every claim for property damage caused by the perils insured by this coverage, the amount equivalent to the percentage indicated in the Policy will always be for the account of the Insured. Such percentage will apply to the sum insured agreed for this coverage under the Policy.

The deductible will apply separately to each building or the contents thereof. If the insurance provides coverage for two or more buildings or contents thereof, the deductible will apply separately to each one.

With respect to property described in the paragraph Excluded Property that may be covered by Express Agreement of this coverage, the applicable deductible shall be indicated in the Policy as a percentage and will apply to the sum insured of such property at the damaged location.

Where Earthquake and Hydrometeorological Phenomena coverages are agreed for the same location and an event causes property damage payable hereunder as a result of earthquake and Storm Surge, only the largest deductible will apply.

#### **Coinsurance**

It is a basic condition for this coverage to be provided that the Insured bears for his/her own account a percentage of every payable loss or damage sustained by the property subject matter of insurance, and, where applicable, of Business Interruptions and debris removal arising therefrom, in case that these coverages have been agreed. Such percentage is indicated in the Policy.

With respect to property described in the paragraph Excluded Property that may be covered by Express Agreement of this coverage, the applicable coinsurance shall be indicated in the Policy as a percentage and will apply to the payable amount of loss or damage.

With respect to Storm Surge or Tsunami, the applicable coinsurance shall correspond to the seismic zone where the property insured is located.

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Said coinsurance amounts will apply after deducting the applicable deductibles.

### **Claims Filed for Hydrometeorological Phenomena Events**

All losses arising from the Insured perils and causing damage to the property insured will be considered a single loss if all such losses occur within a continuous 72-hour period as of the first damage to the property insured in respect of all perils insured by this coverage, but a continuous 168-hour period in respect of Flood. Any event not falling within such continuous 72-hour period in respect of all perils or continuous 168-hour period in respect of Flood will be considered two or more events taken in multiples of the period stated in this clause.

## **10. Extended coverage specifically against Disturbances, Strikes, Riots, Civil Commotion and Malicious Mischief.**

By paying the corresponding additional premium, coverage is extended by the Company to:

- i) Property Damage to Buildings or its Contents, Debris Removal, Business Interruption or Extra Expenses, when such coverages have been agreed upon; where resulting from the following perils: Disturbances, Strikes, Riots, Civil Commotion and Malicious Mischief, only for losses occurring within the Mexican Territory.
- ii) In addition thereto, should the Property/Property Damage to Contents coverage be agreed upon, loss shall be covered where caused by Looting, Pillage, Pilferage and Theft; only when committed during the occurrence of any of the perils mentioned in the paragraph above.

The sublimit of liability of the Company is equal to USD 25,000 or equivalent amount in Mex.Cy. as per "Currency" Clause with respect to the Sum Insured agreed upon and shown in the Policy, for direct physical loss to the insured property, including, as the case may be, Debris Removal or Business Interruption or Extra Expenses, in accordance with the insurance scheme agreed by the Insured. Regarding commercial and industrial lines of business or Package Insurance Policy, the sublimit of liability for item ii) shall be 10% of the insured limit per location.

The liability of the Company under this extended coverage shall operate as CSL (Combined Single Limit) per loss or losses occurring during the Policy Period.

Indemnity payable under this coverage shall be included in the Sum Insured agreed by the Insured for the basic coverage to which this extended coverage attaches; therefore, agreeing to this coverage does not increase or raise the Sum Insured nor the maximum liability of the Company.

For the purpose of this extension of coverage, the following terms are defined as follows:

- **Looting:**  
Illegal seizure of the covered property placed or kept at any site insured, taking advantage of the confusion and disturbances.
- **Pillage:**  
Illegal seizure of the covered property placed or kept at any site insured, by using physical violence and taking advantage of a situation of confusion and disturbances, specially collectively committed.
- **Pilferage:**  
Illegal seizure of the covered property which is placed or kept at any site insured, not threatening or using physical violence or material violence on objects or persons who custody said objects at the time of entering or escaping from the place where said objects are located.

**The extension of this coverage applies on a named perils basis, therefore, any loss or damage arising out of or caused by any perils other than those named shall continue being excluded.**

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and

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Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of August 3, 2018 under registry No. BADI-S0048-0026-2018.

#### **Deductible**

The applicable Deductible regarding this Extended Coverage shall be that specified in the Schedule of Locations of the Policy as per basic coverage in connection with this peril at each location.

## **Section II. Additional Losses And Expenses**

### **1. Insured Perils**

In case of indemnity for loss sustained by the building and/or contents insured by the Policy as a result of the perils covered by Section I. Property Damage, losses and/or expenses as described below will be covered up to the sum insured specified in the Policy, provided that such losses and/or expenses are not excluded from the Policy.

#### **a) Additional Expenses**

##### **• Debris Removal**

Coverage is provided for expenses necessarily incurred to remove debris of damaged property, such as: dismantling, demolition, cleaning or hauling costs and any other expenses necessarily incurred to leave the property in conditions of being repaired or rebuilt.

#### **b) Business Interruption**

##### **• Extra Expense**

Extra expense means the difference between the total cost incurred by the Insured to keep the insured business in operation after a loss and the total cost that would have been incurred to do business for the same period of time had no loss occurred, including expenses necessarily incurred by the Insured to continue the normal operations of the insured business, such as:

- a) Expenses incurred for the acquisition or use of property or occupancy of facilities of other companies or any other emergency expenses.
- b) Additional costs for overtime, night work, work on holidays and express freight incurred by the Insured to expedite repair works of machinery, electronic equipment and boilers as a result of an Internal Damage. Such costs are limited to 30% of the repair cost of the damaged property up to the sum insured agreed.
- c) Airfreight costs necessarily incurred to expedite repair works of machinery, electronic equipment and boilers as a result of an Internal Damage. These costs are limited to 1% of the sum insured declared for this property.
- d) Expenses incurred to document, evaluate and support the claim. The Maximum Liability for these expenses is 100 DGMSFMC in respect of each and every claim likely to be filed within the Policy period, limited to the sum insured agreed for the Extra Expense coverage, provided that supporting documents are submitted to prove such expenses.

##### **• Loss of Profits, Salaries and Fixed Expenses**

#### **Loss of Profits**

The loss or reduction of net profits of the business is covered where resulting from the interruption or slowdown in the business operations, **except for losses resulting from Earthquake and/or Volcanic Eruption or Hydrometeorological Phenomena.**

#### **Salaries**

The salaries of workers at the service of the Insured in the business covered by this Policy, **provided that such salaries have to be paid uninterruptedly within the partial or total suspension of business operations, but only to the extent of the proceeds the business would have produced to pay such salaries, had no loss occurred.**

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### **Fixed Expenses**

The expenses uninterrupted and necessarily incurred during the partial or total suspension of business operations, **but only to the extent of the proceeds the business would have produced to pay such expenses, had no loss occurred.**

Coverage is also provided for expenses necessarily incurred to reduce the loss, but not to exceed the amount actually reduced.

These coverages are extended to insure against the actual loss insured, but not to exceed two consecutive weeks, in case that an order of civil authorities prohibits access to the premises as a direct result of the insured perils.

## **2. Excluded Perils**

**In addition to the perils excluded under Clause 2. Excluded Perils of the general conditions of this Policy, the Company shall in no event be liable for any expense and/or loss resulting from:**

### **Debris Removal**

- a) **When ordered by any authority or decided by the Insured without the property insured being damaged by any peril insured by this Policy, or as a result of the property insured being damaged by perils other than those covered by Section I. Property Damage.**

### **Extra Expense resulting from:**

- a) **The enforcement of any municipal, state or federal law regulating the occupancy, construction, repair or demolition of buildings or structures.**
- b) **The suspension, expiration or cancellation of any permit, license, lease or license agreement.**
- c) **The cost to build, rebuild, repair or replace the property insured by this Policy.**
- d) **Research costs or any other expense necessary to replace or restore accounting books, plans, maps and files (including tapes, films, discs or any other magnetic recording media for electronic processing) damaged or destroyed by any peril insured against.**
- e) **Strikers interfering at the described premises or persons interrupting or hindering the reconstruction, repair or replacement of the insured business.**
- f) **Gross earnings.**
- g) **Expenses incurred by the Insured, due to the occurrence of a peril insured by this Policy, as gratuities and/or extraordinary compensations granted to the Insured's employees or workers, or as fees paid to technicians whose services were not authorized by the Company.**

### **Loss of Profits, Salaries and Fixed Expenses resulting from:**

- a) **Damage to or destruction of finished products.**
- b) **Reproduction of any finished product which might have been damaged or destroyed.**
- c) **Any order or law regulating the construction or repair of buildings.**
- d) **The suspension, expiration or cancellation of any lease or license agreement, contract, request or order.**
- e) **Any other Business Interruption.**

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### 3. Sum insured

#### a) Debris Removal

With respect to any peril covered by Section I. Property Damage, the Insured shall agree on a sum insured sufficient to remove debris of the property insured.

#### b) Extra Expense

With respect to any peril covered by Section I. Property Damage, the Insured shall agree on a sum insured sufficient to continue or resume the normal or usual business activities of the insured business and shall keep such sum insured within the policy period.

#### c) Loss of Profits, Salaries and Fixed Expenses

The sum insured for this coverage will be calculated on a 12-month period of profits, salaries and fixed expenses experienced by the insured business, regardless of the indemnity period agreed.

Respecting these perils, if the Policy covers more than one location, the Company's liability will not exceed the sum insured agreed for each location.

### 4. Indemnity

Every indemnity payment under this section will be made according to Clauses 4. Proportional Rule, 5. Agreed Amount and 15. Indemnity of the General Policy Conditions and as provisions set forth below:

Respecting these perils, the indemnity payment will not exceed the reimbursement of expenses actually incurred and duly proven, limited to the sum insured indicated in the Policy.

**In addition to the above, the following provisions will be taken into account for indemnity payment purposes under the coverages stated below:**

#### Extra Expense

This coverage is subject to a six-month maximum restoration period, without being limited to the expiration date of the Policy.

Restoration period means the period commencing on the date of damage or destruction and ending upon re-establishing the conditions existing prior to the loss occurrence.

#### Loss of Profits, Salaries and Fixed Expenses

In the event of loss of or damage to finished products indemnified under Section I. Property Damage of which there is an inventory record, this coverage will insure against the actual loss sustained, less the implied gross earnings since indemnity paid under Section I. Property Damage is computed on a net sales price basis.

The indemnity period under this coverage will in no event exceed the number of months agreed; it shall not be limited to the expiration date of the Policy.

**The indemnity period, during which the operations of the insured business may be disrupted as a result of loss, commences on the date of loss, continues within the term of this coverage and ends upon expiration of the number of months set forth in such coverage.**

In case of suspension or slowdown in the insured business by the destruction of or damage to raw materials by any insured peril, **the Company's liability under this coverage will be limited to the period during which the destroyed or damaged raw materials** would have made possible to continue the business operations.

In case of damage to or destruction of any product undergoing a manufacturing process at premises occupied by the insured business, this coverage will become effective for the time required, **but not to exceed thirty consecutive business days**, provided that due diligence is used in replacing or restoring such product to the condition that existed prior to loss.

### 5. Obligations of the Insured

**It is hereby stipulated that the Insured undertakes to:**

- a) Have a work plan intended to resume operations of the insured business following a loss.
- b) Resume, either in whole or in part and as soon as possible following a loss, the operations of the insured business and use, when required and feasible, other business premises or locations, machinery, spare parts, equipment, materials, fittings, raw materials, products in process of manufacture and excess reserves owned by the Insured, in case that the loss insured by this coverage can be reduced by these means. Such reduction will be considered in determining the loss payable according to the terms of this Contract.
- c) Reduce as much as possible the insured expenses during the indemnity period for loss reduction purposes.

**In addition to the above, if the Loss of Profits, Salaries and Fixed Expenses coverage has been agreed, the Insured shall undertake with respect to:**

- d) Inventories  
to take, within thirty days following the issuance date of this insurance, a general, complete and detailed inventory of the insured business, and to do so at least once a year within the twelve-month period following the date of the immediately previous inventory, unless the Insured has an inventory with similar characteristics on the issuance date of this coverage, taken within the immediately previous twelve-month period.
- e) Books  
to keep during the ordinary course of the Insured's business as of inception date and thereafter, a Set of books showing in a clear and simple manner a complete record of every property arriving at the business premises and increasing the amount of property held in stock, and of every property departing from such premises, either by instructions of the Insured or others, even though such arrival or departure technically does not represent a purchase or sale, including all shipments, sales and purchases made either in cash or on credit.  
If the business insured by this coverage is related to the manufacturing industry, such books must also indicate all raw materials received and all products manufactured therewith, including the cost of manufacture, shrinkage or waste resulting from the manufacturing process, and all raw materials and manufactured products taken or removed from the described building(s) by any reason.
- f) to keep and preserve all inventories taken during the current year and immediately prior year, existing at the time this coverage is issued, and all books the Insured may have at that time showing the record of all the Insured's business operations performed during the current year and immediately prior year.  
Each and every book and inventory described above will be kept by the Insured at a safe place not exposed to a fire that may destroy them. In the event of loss or damage to the property insured by the Policy, such books and inventories will be submitted by the Insured to the Company for examination.

It is also agreed that requesting, receiving or examining such books or inventories or any thereof by the Company will not be construed as an acceptance of liability or waiver of any term or condition of the Policy.

In case that supporting documents submitted by the Insured to prove a claim fail to comply with provisions of the above paragraphs, the Company will be released from any liability.

## **6. Causes for termination of Extra Expense and Loss of Profits, Salaries and Fixed Expenses coverages**

- a) If after a loss, the Insured suspends business operations willingly with no intention to resume said operations again, this coverage will be terminated and the unearned premium will be returned by the Company on a pro rata basis as of the date of loss according to the short-rate tariff.
- b) If business remains closed for a period of twenty consecutive days or longer without any loss occurrence.
- c) If the insured business is entrusted to a receiver or trustee, either by judicial order or as agreed with creditors or as decided by the Insured.
- d) In respect of Loss of Profits, Salaries and Fixed Expenses, in addition to the causes described in paragraphs a), b) and c) above, the Contract shall be rescinded in case that evident discrepancies, not justified by the ordinary course of the Insured's business, are found between figures declared by the Insured to the Company and those revealed by auditing the Insured's accounting records.
- e) With respect to Extra Expense, in addition to the causes described in paragraphs a), b) and c) above,

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the Contract shall be rescinded in case that the business operations subject matter of these conditions are suspended by the Insured following a loss due to lack of capital to rebuild, replace or repair property damaged by any peril insured by the Policy. The unearned premium will be returned by the Company on a pro rata basis.

## Section III. Theft Of Property

### 1. Insured Property

The following is covered up to the sum insured agreed, unless excluded from the Policy:

- a) Property described in Section I. Property Damage, such as contents, property owned by third parties in the Insured's care and property in general that is not required for the purpose of the insured business, which value per unit, Pair or Set is less than or equivalent to 500 DGMSFMC.
- b) Cash, either in specie or bank notes, securities and other negotiable instruments, such as bills of exchange, promissory notes, checks, shares; financial, mortgage or savings bonds, deeds, debentures, postage and fiscal stamps, owned by the Insured, provided that this property is usual and necessary to perform activities related to the insured business and kept in Safes, cash registers or cash boxes, held by or in custody of the Insured's cashiers, paymasters, collectors or any other employee or officer authorized by the Insured. For the purpose of this Policy, cashiers, paymasters, collectors, employees or officers are people over eighteen years old directly contracted by the Insured by means of an employment contract in force.

### 2. Insured Perils

#### Inside the insured location.

Loss of insured property as a consequence of:

- a) Burglary perpetrated by any person or persons using violence from outside the business premises wherein the property insured is safeguarded and leaving visible signs of violence at the place of forced entry.
- b) Robbery or any attempt thereat perpetrated inside the business premises by using force or violence either moral or physical against persons.
- c) Physical loss or damage caused by burglary or robbery (as referred to above) or any attempt thereat to real or personal property and to Safes, cash registers or cash boxes secured with combination lock, provided that violence is used to open such Safes, cash registers or cash boxes as evidenced by visible signs.
- d) In respect of Cash and Securities, coverage is provided against physical loss or damage directly caused by fire and/or explosion to property as described in paragraph b) Insured Property of this Section, while kept in Safes, cash registers or cash boxes secured with combination lock, provided that violence is used to open such Safes, cash registers or cash boxes as evidenced by visible signs, or while kept at any other place inside the insured business premises.

#### Outside the insured location.

Loss of **Cash and Securities** in transit while held by cashiers, paymasters, collectors or any other employee or officer for the purpose of carrying out any operation related to the insured business, **as a consequence of:**

- a) Violent theft and/or robbery:  
Physical loss or damage caused to the insured property by violent theft, any attempt thereat or robbery. Violent theft or robbery means any act perpetrated against the person(s) in charge of handling the insured property, provided that such person(s) is (are) carrying out any activity related to the insured business, by using force or violence, either moral or physical, while the insured property is held by such person(s).
- b) Physical disability of the carrier:  
Loss, damage or theft of insured property directly attributable to physical disability of the person in charge of carrying such property, due to sudden illness or as a result of an accident rendering unconscious or causing bodily injury or death to such persons.
- c) Accidents to the vehicle carrying the persons in charge of handling the insured property:  
Loss, damage or theft of insured property as a result of any damage caused to the vehicle transporting

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the persons carrying such property by fire, lightning, explosion, collision, overturn, falling, derailment, and collapse or breakage of bridges.

The maximum liability of the Company for the coverage "Outside the insured location" is 1000 DGMSFMC for any one event.

### **3. Additional Perils**

Perils that may be covered at the request of the Insured by paying an additional premium.

- a) **Customer Robbery**  
Coverage is provided against robbery inside the insured business premises, in which customers are deprived of their Personal Effects by the use of physical or moral violence.
- b) **Theft of Portable Electronic Equipment outside the insured business premises**  
Coverage is provided against theft of portable electronic equipment outside the insured location, while such equipment is on board or being transported by a closed vehicle or at other place within the limits of Mexico and being used for work purposes in the Insured's custody.
- c) **Gas Station Attendant**  
Violent theft and/or robbery of cash inside the insured business premises is covered hereunder where said cash is in custody of gas station attendants

### **4. Excluded Property**

In addition to the property excluded in Clause 1. Property Excluded of the general conditions of this Policy, the Company shall in no event be liable for loss of or damage to:

- a) **Outdoor Property.**
- b) **Property contained in buildings with openings in roofs and walls, other than those for doors, windows or skylights and property contained in buildings whose doors, windows or skylights are not protected with the appropriate means (locks, bolts or any other safety mechanism in use) to prevent direct access to the interior of the building, except by using violence from outside.**
- c) **Lottery, sports lottery and instant lottery tickets or any property related to games of chance.**

In addition to the above exclusions and with respect to Cash and Securities, the property described below is also excluded:

- a) **Motor vehicle inspection stickers.**
- b) **Cash and securities left out of Safes, cash boxes or cash registers not secured with combination lock or forced open without leaving any visible sign of violence, when the business premises are closed to the public.**
- c) **Cash robbery after such cash is withdrawn from automated teller machines.**
- d) **Withdrawal of cash from automated teller machines or banking institutions under moral or physical coercion or threats of any kind.**
- e) **Cash and securities contained in business premises located at public markets or business premises in course of construction.**
- f) **Checks, promissory notes, bills of exchange, orders for withdrawal of funds or property, if such documents are cashed with forged signature.**
- g) **Checks written by the Insured under moral or physical coercion or threats of any kind.**

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- h) Property with no supporting documents to prove the preexistence or value of such property upon the occurrence of loss.
  - i) Property contained in business premises that do not have rolling steel doors or electronic security devices installed in street facing show windows, where out of business hours, provided that the above contributes to the occurrence of loss.

## 5. Excluded Perils

In addition to the perils excluded in Clause 2. Excluded Perils of the general conditions of this Policy, the Company shall in no event be liable for loss or damage caused by or expenses resulting from the following:

- a) Losses arising from neglect, non-violent theft, misplacement or disappearance, except as provided in paragraph d) of Perils covered inside the insured location section and paragraphs b) and c) of the Perils covered outside the insured location section with respect to Cash and Securities.
- b) Losses directly caused by strikers or persons taking part in labor disturbances, mutinies, riots, or vandalism during the occurrence of such acts.
- c) Damage to or loss of information, applications or software in course of development, however caused.

In addition to the above exclusions, the following exclusions shall also apply to the described coverages:

### Cash and Securities

- a) Loss of and/or damage to insured property while kept in the private home of the Insured or any of the Insured's employees, or in transit to or from such private home.
- b) Loss of and/or damage to insured property while the Insured or the Insured's employees are lodged in hotels or boarding houses of any kind, and in locations not specified in this Policy.
- c) Fraud or breach of trust committed by the Insured's officers, partners or employees, either acting alone or in collusion with others.
- d) Theft involving the Insured's employees or persons for whom the Insured is civilly liable.
- e) Cash and securities held by collectors or sellers using vehicles for the trading or distribution of merchandise, whether or not on board such vehicles.

### Portable Electronic Equipment

- a) Loss or damage however caused while the insured property is installed in or transported by airplane, aircraft or vessels.

## 6. Sum Insured

The sums insured for this section stated in the Policy have been fixed by the Insured, however, they are no proof of the existence or value of the insured property, they only stipulate the Company's maximum liability for each and/or every event likely to occur within the Policy period.

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**The Company's liability shall be sub-limited in the following cases:**

**a) Customers Robbery**

**The Company's limit of liability will be the Replacement Cost of the stolen property, but not to exceed the sub-limit per customer as specified in the Policy, up to the sum insured stipulated for each insured location under this cover.**

**b) Gas Station Attendant**

**The Company's limit of liability will be an amount equivalent to the sub-limit per attendant as specified in the Policy, up to the sum insured stipulated for each insured location under this coverage.**

## **7. Indemnity**

Every indemnity payment under this section will be made according to Clauses 4. Proportional Rule, 5. Agreed Amount and 15. Indemnity of the General Policy Conditions and as provisions set forth below:

**a) Contents**

- **Merchandise and Furniture in general.** Indemnity will be paid at Replacement Cost, limited to the sum insured, except for:
- **Plans, molds and models.** Indemnity will be limited to the value of materials used to make each drawing, model or plan, regardless of the value estimated by the Insured based on the use of such drawing, model or plan or the studies performed or the technology employed to make such drawing, model or plan.
- **Books and records.** Indemnity will in no event exceed the cost of books or any other blank material, plus the actual cost of work required to transcribe or copy such books and records.
- **Electronic equipment, machinery and boilers.** Indemnity will be paid at Replacement Cost in respect of stolen parts of the insured equipment.

The damaged property will be considered a total loss if the cost to repair such property is greater than its Actual Cash Value.

The Actual Cash Value is the Replacement Cost less depreciation of 1% per month applicable as of the date of manufacture of the insured equipment. The maximum applicable depreciation will be 70%, regardless of the date the equipment was manufactured.

Indemnity will be paid at Replacement Cost in case of total loss of computer equipment up to three years old or less, or total loss of other equipment other than computer equipment, of machinery and boilers up to five years old or less.

Indemnity for equipment of any age other than as set forth in the above paragraph will be paid at Actual Cash Value, up to the Sum Insured.

In case that spare parts required to repair this kind of property are no longer available, the Company's liability will be limited to the value of such parts at the time of loss according to the manufacturer's price list, plus payable costs.

**b) Cash and Securities**

With respect to Securities, the Company shall in no event be liable for an amount greater than the Actual Cash Value of Securities upon closing business operations on the date of loss, but, if the time of loss is unlikely to be determined, the Company's liability will not be greater than the Actual Cash Value of such securities on the day immediately prior to the date loss is discovered.

Respecting negotiable registered securities and credit card payment vouchers which cancellation and/or replacement is legally feasible, the Company's liability will be limited to reprinting costs, judicial expenses and fees of experts and lawyers necessarily incurred to cancel those registered securities damaged by any peril insured by this coverage, provided that these expenses do not exceed the value of such registered securities, in which event the value thereof will be paid.

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## Accumulation of income

The Company will not be liable for claims arising out of the accumulation of income from daily operations of the insured business for a period greater than 24 hours on business days.

However, coverage will be provided for the accumulation of income on Saturdays, Sundays and holidays, up to the immediately following business day.

“Business day” means any day on which deposits of cash and securities of the Insured may be accepted by banking institutions.

## Payroll payment

Respecting cash for payroll payment, coverage will only be provided the days in which such payment must be made; therefore, such cash will not be covered when kept at the Insured’s business premises any day prior to or following that on which payroll payment is to be made.

In case that the Insured submits evidence to prove that it was not possible to deliver or request cash for payroll payment in that specific day, such cash should be kept in a Safe secured with combination lock until the corresponding payment date, and, for the purpose of opening such Safe, violence is used as evidenced by visible signs.

On the other hand, in case that an amount of cash for payroll payment is kept at the Insured’s business premises following the payment date for any reason not attributable to the Insured, the Company will only be liable for an amount equivalent to 10% of the whole payroll for a 72-hour period following the payment date, but not to exceed the amount of such cash, in return, the Insured undertakes to keep (during this period of time) such cash in a Safe secured with combination lock during non-business days and hours at the insured business premises.

The Company will not be liable for cash for payroll payment on any date following the above 72-hour period.

## 8. Obligations of the Insured

### 1) Required documentation

The Insured undertakes to keep:

- A duly filled out and updated inventory control, registry and accounting, including the respective receipts, of each and every operation conducted in the insured business.
- Respecting property in the Insured’s custody, the documents supporting the legal custody of property by the Insured.

In case that receipts submitted by the Insured to support a claim fail to comply with provisions of the above paragraphs, the Company will be released from any liability.

Respecting Cash and Securities, the Insured undertakes to:

- Keep the insured property in a Safe secured with combination lock within non-business days and hours at the insured business premises as set forth in the Policy, and, for the purpose of opening such Safe, violence is used as evidenced by visible signs.
- Keep cash separated from credit card vouchers held by the Insured for payment of goods or services rendered by the insured business.
- Make on business days daily deposits of cash and securities obtained from the insured business operations, directly to any lawfully authorized banking institution or cash in transit Company.

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If the Insured fails to satisfy the obligations set forth in this clause and such failure contributes to the occurrence of loss, the obligations of the Company with respect to the damaged property will lawfully cease.

## Section IV. Liability

### 1. Subject matter of insurance

The Company undertakes to pay for the damage, consequential pecuniary loss and Personal Injury caused by the Insured to third parties in Mexican territory, for which the Insured is held liable pursuant to the liability legislation applicable in Mexico, **as a result of non-fraudulent acts or omissions occurring during the Policy** period and causing death or health impairment to such third parties or damage or destruction to their property, as per clauses and provisions agreed in the Policy.

Pecuniary loss means deprivation of any lawful gain that would have been obtained had no loss occurred.

The Insured's employees and workers shall in no event be treated as third parties for the purpose of this insurance, except with respect to the Employees Liability coverage.

### 2. Scope of insurance

The Company's obligation comprises:

Payment of the Insured's defense costs, including, among others:

- a) Payment of Premiums for judicial bonds granted by the Insured to warrant payment of the sums claimed for the Liability covered by the Policy. This payment will be additionally covered, but not to exceed a sum equivalent to 50% of the limit of liability insured under this section.
- b) Payment of costs for legal advice, procedures brought before the authorities or before the damaged parties, fees of the lawyers or experts of the damaged parties (including investigations and reports), legal costs and interests the Insured is liable to pay for final arbitral or court decision.
- c) Payment of other expenses incurred by the Insured to process and settle claims.

### 3. Limitation of Scope of Insurance

1. The Company's Maximum Liability for each and every loss likely to occur during the policy period and insured by any coverage provided under this section will be the sum insured stipulated for this section in the Policy.
2. The occurrence of more than one loss within the Policy period arising from the same or similar cause will be considered one single loss and deemed to have occurred upon the occurrence of the first loss of the series.

### 4. Covered Liabilities

#### 4.1 General Basic Coverage

Coverage is provided within the scope of the Policy conditions against legal liability likely to be incurred by the Insured in respect of the following:

**a) Business Activities Liability**

Liability from business activities specific to the line of business as set forth in the Policy for each location.

**b) Premises and Facilities Liability**

As owner, tenant or usufructuary of lands, buildings or business premises occupied to carry out the business activities set forth in the Policy.

As a tenant, the Insured will be required to acquire **Tenant Liability** coverage to be insured against legal liability for damage to real property.

**c) Loading and Unloading Operations Liability**

Damage caused by cranes, derricks or lift trucks to non-owned land vehicles during loading and unloading operations. Damage caused by Implosion to non-owned tanks, cisterns or containers during unloading operations is also covered.

**d) Employees Liability**

Coverage is provided against liability likely to be incurred by the Insured in respect of any injury sustained by the Insured's workers while performing their duties as such:

It is binding on the employer, worker, or the worker's relatives or representatives to give notice to the corresponding social security institute within a period not later than 24 (twenty four) hours after the injury.

The Maximum Liability assumed under this coverage for each and every loss likely to occur within the Policy period will be an amount equivalent to 4,350 DGMSFMC, but not to exceed the sum insured under this section.

**e) First Aid Assistance Liability**

Coverage is provided against liability likely to be incurred by the Insured in respect of any damage arising out of the provisions of first aid assistance within the Insured's facilities, provided that the Insured's facilities have a doctor's office and medical staff for providing these services.

The Maximum Liability assumed under this coverage for each and every loss likely to occur within the Policy period will be an amount equivalent to 1,000 DGMSFMC, but not to exceed the basic sum insured agreed in this section.

**4.2 Specific coverage by line of business**

**The following coverages form part of the basic coverage as per line of business insured:**

**a) Liability for Students**

This coverage applies to Educational Service businesses. The liability incurred by the Insured for injury to students in the locations stipulated in the Policy, who are in the care and/or custody of the Insured and for whom the Insured is responsible is covered herein.

Under this coverage and according to the conditions thereof, injury to students is covered according to the limits stipulated in the Federal Civil Code and up to the sub-limit per student established in the Policy.

For the purpose of this coverage, the amount of students shall be understood as the maximum student capacity of the educational institution or the enrollment of students therein.

**The following is excluded from this coverage:**

- **Physical or moral abuse, sexual harassment or malicious mischief by personnel of the Insured, by the Insured himself or other students.**

**b) Liability for Partners**

This coverage applies to **Sports Club** businesses. The liability incurred by the Insured for injury caused to club partners due to the use of the facilities at the insured locations is covered herein, provided that club partners are registered and are using said facilities. Under this coverage and according to the conditions thereof, injury to partners is covered according to the limits stipulated in the Federal Civil Code and up to the sub-limit per partner established in the Policy.

**c) Liability for Checkrooms**

This coverage applies to **Restaurant, Hotel, Motel businesses and similar lines of business** arising out of non delivery, confusion, theft or damage to garments handed in by the clients in a checkroom constantly under surveillance and accessible only to personnel in charge.

The Maximum Liability for this coverage with respect to all losses occurring during the policy period shall be the equivalent amount of 40% of the basic sum insured agreed for this section, with a limit per event equal to 10% of the basic sum insured agreed therefor.

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Regarding the “Checkroom” coverage, the following liabilities are excluded:

- where arising from breach of contracts or agreements, where failure to comply therewith has not caused death or health impairment of third parties or deterioration or destruction of property of said third parties.
- By failure to return money, valuables or other property inside the garments handed in.
- When the client or guest had misplaced the checkroom ticket or tag and it is not possible to prove the deposit by other means.
- Package storage, lockers.

d) **Liability for Laundry and Ironing**

This coverage applies to **Laundry, Dry Cleaning, Hotel, Motel businesses and similar lines of business** arising out of non delivery, confusion, theft of or damage to garments handed in by the clients to a laundry and ironing service by means of written evidence.

The Maximum Liability for this coverage with respect to all losses occurring during the policy period shall be the equivalent amount of 40% of the basic sum insured agreed for this section, with a limit per event equal to 10% of the basic sum insured specified therefor.

Regarding the coverage “Laundry and Ironing”, the following liabilities are excluded:

- where arising from breach of contracts or agreements, when failure to comply therewith has not caused death or health impairment of third parties or deterioration or destruction of property of said third parties.
- By failure to return money, valuables or other property inside the garments handed in.

e) **Liability for Baggage and personal effects of guests**

This coverage applies to Hotel, Motel businesses and similar lines of business for damage to or theft of baggage and Personal Effects introduced to the lodging establishment by clients, their family members and companions **(except for animals and motor vehicles, accessories and contents thereof), unless it is proved that damage sustained is imputable to said persons, their companions, servers or people calling a visit or which arise from Acts of God, Force Majeure or vice of the said Personal Effects.** Baggage and Personal Effects kept for their custody at the front desk or conciergerie are also insured under this coverage; provided that said property is always under surveillance and only personnel in charge has access thereto.

The Maximum Liability for this coverage with respect to all losses occurring during the policy period shall be the equivalent amount of 40% of the basic sum insured agreed for this section, with a limit per event equal to 10% of the basic sum insured specified therefor.

Regarding the “Baggage and Personal Effects” coverage, the following liabilities are excluded:

- Damage to or theft of money, securities, jewelry, manuscripts, plans, designs, documents, promissory notes or objects of purely sentimental value.

f) **Liability for Reception of Cash and Securities**

This coverage applies to **Hotel, Motel businesses and similar lines** of business for services related to the reception or custody of cash, securities, jewelry or high cost objects handed in by the clients, provided that these are kept in safe-deposit boxes located within the insured premises and to which only employees

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duly authorized have access and **only when the loss is a consequence of burglary and/or robbery, fire and explosion.**

The Maximum Liability for this coverage with respect to all losses occurring during the policy period shall be the equivalent amount of 40% of the basic sum insured agreed for this section, with a limit per event equal to 10% of the basic sum insured specified therefor.

**Regarding the “Cash and Securities” coverage, the following liabilities are excluded:**

**• Damage to or theft of manuscripts, plans, designs, documents, promissory notes or objects of purely sentimental value.**

**g) Liability for Parking lots and Repair Shops**

This coverage applies to **Parking lots and Repair Shops** businesses. Coverage is provided against damage to vehicles owned by third parties in the custody, control or liability of the Insured or his employees caused by the following perils:

- fire and/or explosion
- total theft of the vehicle.
- the use of any elevator or ramp.

For parking lots providing valet parking services and for repair shops, the Insured’s liability shall be covered in connection with:

- collisions or overturns while driving the vehicle inside the premises
- breakage of windshields and/or glass of the vehicle, any cause whatsoever.

The perils above mentioned shall be covered within a radius not exceeding:

- 5 kilometers from the location of the parking lot providing valet parking services; provided that vehicles are transported for safe-guarding purposes.
- 20 kilometers from the location of the repair shop; provided that the vehicles are transported due to activities related to the services offered by the business.

This coverage is subject to

- the Insured’s strict control of entries and exits of the vehicles, by means of the respective ticket or receipt.
- the existence of walls, planters, fences for protecting or enclosing the premises and for limiting the entrance and exits of the vehicles exclusively to the areas intended for such purpose.
- the possession by the car-parking attendant or driver of appropriate driving licenses or permits issued by a competent authority.

**Regarding the “Parking Lots and Repair Shops” coverage, the following liabilities are excluded:**

- a) Where arising from breach of contracts or agreements, when failure to comply therewith has not caused death or health impairment of third parties, or deterioration or destruction of property of said third parties.**
- b) For damage caused by or to vehicles owned by the Insured or any employee and worker of the insured parking lot or repair shop.**
- c) For damage sustained by the vehicles in the Insured’s care or custody or held on consignment by the Insured for selling purposes.**

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- d) For damage sustained by the vehicles when being driven by the Insured or his/her workers, who do not hold the proper type of driver's license issued by the competent authority for driving the vehicle, unless fault, unskillfulness or gross negligence in the occurrence of the loss cannot be imputed to the driver. For the purpose of this policy, driving permits are deemed as driver's licenses.
  - e) For damage caused by or to the vehicles when being driven by a person under the influence of alcoholic beverages or drugs not medically prescribed, unless fault, unskillfulness or gross negligence cannot be imputed to the driver.
  - f) For loss of or damage to merchandise, money, clothes, Personal Effects, tools, spare parts or any other object inside the vehicle, even if said loss or damage is a consequence of total theft or even though they have been delivered to the Insured or his employees.
  - g) For partial theft of any component part of the vehicle.
  - h) For damage sustained by the vehicles due to additional services provided by the parking lot personnel, such as but not limited to washing or waxing, as well as due to products used for the purpose of carrying out of such types of work.
  - i) Arising out of any failure in repair works, labor or services provided by the repair shop.
  - j) For damage to the repaired vehicle once delivered to the owner, as well as damage to other property or persons where caused by any repair work or service not carried out properly and by products provided or used in connection with such works.
  - k) For damage to vehicles or damage caused by vehicles to persons or property outside the premises or area occupied by the parking lot, if valet parking services are provided or if exceeding the operating area stipulated for repair shops or parking lots providing valet parking services.
  - l) For damage to, theft or loss of vehicles as a result of breach of trust by the insured personnel.
  - m) For any expense resulting from loss of use of vehicles that have been damaged or stolen.
  - n) For damage from earthquake and/or volcanic eruption or penetration of rainwater or Flood.
  - o) For damage to tires and inner tubes as a result of their own blowout, puncture or deflation.
  - p) For damage to or theft of motorcycles, scooters, bicycles or the like.

#### **4.3 Additional Coverages in general**

The following coverages may be agreed at the request of the Insured and by payment of an additional premium.

##### **a) Products and Completed Operations Liability**

This coverage is provided hereunder against the legal liability incurred by the Insured for damage caused to third parties by the products manufactured, delivered or supplied, or else by the operations performed during the policy period, provided that damage was caused also during said policy period.

Manufacturing shall be understood as the set of processes involved for obtaining a final or intermediate product, such as design, formulation, production, transformation, commercialization, as well as instructions, warnings among others.

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## Exclusions

- a) **Damage sustained by the product manufactured, delivered or supplied and damage to the operations performed.**
  - b) **Expenses or indemnities due to market recall, inspection, repair, replacement or loss of use of the products or operations of the Insured.**
  - c) **Damage caused by products or operations under experimentation or by products or operations that do not have the license from the corresponding authorities.**
  - d) **Damage caused by non-compliance with the instructions of consumption or use of the products or of operations.**
  - e) **Claims for non-compliance with quality guaranties or any special guarantee agreement.**
  - f) **Damage derived from the manufacture or supply of aircraft or the parts thereof.**
  - g) **Damage deriving from deliveries, supplies or executions made before the inception date of this policy.**
  - h) **In case of insurance termination due to any cause whatsoever, claims for damage occurring thereafter, even when caused by products insured during the policy period.**
- b) **Liability for Union or Mixture and Manufacturing of Products**  
This coverage is provided hereunder against the legal liability incurred by the Insured for property damage caused by the products of the Insured delivered or supplied during the policy period, which are a direct consequence of Union, Mixture or Manufacturing by third parties for obtaining the final product; provided that such damage also occurs during the policy period and prior to the delivery, supply or sale of the Final Product.

The Company shall indemnify only and exclusively for the following claims:

- a) Deterioration or destruction of the product of the third party during the process of union, mixture or manufacturing of the Product of the Insured.
- b) Manufacturing costs of the Final Product. **The Company shall not pay for the price of the product of the Insured.**
- c) Additional expenses necessary only for rectifying the Final Product.
- d) The costs paid by a third party for the manufacturing of the Insured product, provided that the final product cannot be sold and the costs mentioned above have not been caused by repair, remedying or correction of the defect itself of the product of the Insured.  
For the effects of the previous paragraph, costs of third parties shall be understood as manufacture costs of the product after having deducted the price of the product of the Insured.
- e) Should the deficiencies of the product of the Insured cause a reduction in the sales price of the final product, the Company shall indemnify the difference between the sales price of the final product and the reduction of such price, **instead of the costs mentioned in paragraph d)**
- f) Other pecuniary losses resulting from the fact that the final product may not be sold or is lost due to price reduction.

## Exclusions

- a) **Any indemnity corresponding to the price of the product insured.**
- b) **In case of insurance termination due to any cause whatsoever, claims for damage occurring thereafter, even when caused by products insured during the policy period.**
- c) **Expenses, payments or indemnities due to market recall, inspection, repair, replacement or loss of use of the insured products.**

- d) **Damage caused by products under experimentation or by products that do not have the license from the corresponding authorities.**
- e) **Damage caused by the non-compliance with the instructions of consumption or use of the products insured.**
- f) **Damage derived from the manufacture or supply of aircraft or the parts thereof.**
- g) **Claims due to non-compliance of contractual obligations between the Insured and third parties, such as those resulting from delay, redhibition, and reduction of price.**
- h) **Claims for repeated delivery.**
- i) **Claims for loss of investments.**
- j) **Claims for interruption of production.**
- k) **Claims for special guarantee agreements.**
- l) **Damage deriving from deliveries, supplies or executions performed prior to inception date of this policy.**

**For the purpose of this coverage, the following definitions are specified:**

- a) **Union** is to keep in contact one or more products with the product of the Insured.
- b) **Mixture** is the homogenization of a Union of products.
- c) **Manufacturing** is the elaboration/manufacture of a Final Product through change or transmutation of one or several products.  
A manufacturing change may occur when during the process carried out there has been no union or mixture with other product.
- d) **Product of the Insured** is the product manufactured by the Insured within the performance of the activities mentioned in the policy and supplied to the third party for the elaboration/manufacture of other product.
- e) **Final Product** is the product obtained directly from the Union, Mixture or Manufacturing of the Product of the Insured with the Product of a third Party.
- f) **Defective Product** is the product that does not meet the particular specifications agreed upon in writing between the Insured and third party or that lacks proper features whether by error in its design, manufacturing or elaboration or by not matching the description made of such product.
- g) **Other Product or Product of Third Parties** is any product other than the Product of the Insured.
- h) **Price of the Product of the Insured** is the manufacturing cost at the time of purchase of the product by the third party damaged.
- i) **Correction of the Final Product** is the process through which the existing errors or defects in the Final Product are corrected.
- c) **Tenants Liability**  
This coverage is provided hereunder against legal liability for damage caused by fire or explosion to the real property(ies) stipulated in the Policy taken on lease (either in whole or in part) by the Insured for occupancy proper to the activities subject matter of this Policy, provided that such damage is imputed to the Insured.
- d) **Assumed Liability**  
This coverage is provided hereunder against the assumption of liability of others either by agreement or contract wherein the Insured binds himself to the substitution of the original obligor to repair or indemnify contingent and future bodily injury or property damage to third parties, deriving from regular Maintenance works to the real property, not taking into consideration major remodeling, as well as all liability assumed by the Insured for services rendered by other persons on his behalf and related directly to the insured activity.

**So this coverage becomes effective, the Insured must show the Company the agreements and contracts mentioned in the paragraph above at the time of filing the claim.**

**This coverage does not represent a guarantee in favor of the original obligor and, therefore, it may not be construed as a bond, pledge, surety or any other guarantee, either personal or in rem guarantee, regarding non-compliance with contracts or agreements executed by the original obligor.**

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**Major remodeling** is understood as the remodeling carried out to the real property, contents thereof or services exceeding 15% of the value of the real property detailed in the Policy or that the remodeling contract exceeds 1,000 DGMSFMC.

**Note:**

In order to determine the sum insured of the real property, the following must be taken as a reference:

- . Appraisal
- . Cadastral value (real estate tax receipt)
- . Information on the accounting books

**Exclusions**

**Liabilities derived from claims for services not totally related to the activities of the insured business.**

**e) Cross Liability**

This coverage is provided hereunder against the legal liability incurred by any of the Insureds named in the Policy to other Insured for damage caused only to property of the latter, in respect of unintentional acts or omissions deriving from the activities subject matter of this Policy.

For purposes of this condition, the Insureds above referred shall be treated as third parties among themselves, as if separate policies have been issued for each one of them.

**f) Subsidiary Liability Coverage for Automobiles**

This coverage is provided hereunder against the legal liability incurred by the Insured due to the use and operation of vehicles property of the Insured which are driven by the Insured's employees, who, at the time of loss, are performing their duties as such for the service of the Insured.

This coverage operates in excess of the limits agreed in the automobile insurance Policy under the coverage "Liability of the vehicle insured". Lack of said automobile insurance or of coverage of the damage by said insurance due to any cause whatsoever shall result in the application of this coverage for claims exceeding **15,000 DGMSFMC** at the time of loss for automobiles and **18,000 DGMSFMC** at the time of loss for load vehicles, trucks or pick-ups.

**This coverage shall in no case cover or refer to:**

- a) Damage to the vehicle itself or to any person on board thereof or property transported thereby.**
- b) Any damage caused by the insured vehicle when said vehicle has been used for any activity other than that related to line of business insured.**
- c) Liability for damage caused to third parties by the cargo of the insured vehicle, if the accident occurs when the vehicle is off-duty or performing loading and unloading operations.**
- d) Damage caused by or to the vehicles when being driven by a person who at that time is under the influence of alcoholic beverages or drugs not prescribed by a physician, unless fault, unskillfulness or gross negligence may not be imputed to the driver.**
- e) Any pecuniary loss, consequential damage, indirect loss or damage and/or Personal Injury related to this coverage.**
- f) Damage sustained or caused by the vehicles when being driven by persons who do not hold a driving license in force, issued by a competent authority when this contributes directly to the occurrence of the loss.**

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**g) Damage caused when the driver is not performing his/her duties as such for the service of the Insured.**

**h) Loss or damage caused by the vehicle when traveling off-road or through impassable roads.**

**g) Parking Lot Liability. Additional Risk**

This coverage applies to any business which main activity is other than parking lot or repair shop operations, for damage to vehicles owned by third parties in the custody, control or liability of the Insured or his employees caused by the following perils:

- fire and/or explosion
- total theft of the vehicle.
- the use of any elevator or ramp.

For parking lots providing valet parking services, the Insured's liability shall be covered in connection with:

- collisions or overturns while driving the vehicle inside the premises
- breakage of windshields and/or glass of the vehicle, any cause whatsoever.

The perils above mentioned shall be covered within a radius not exceeding 5 kilometers from the location of the parking lot providing valet parking services; provided that vehicles are transported for safe-guarding purposes.

This coverage is subject to

- the Insured's strict control of entries and exits of the vehicles, by means of the respective ticket or receipt.
- the existence of walls, planters, fences for protecting or enclosing the premises and for limiting the entrance and exits of the vehicles exclusively to the areas intended for such purpose.
- the possession by the car-parking attendant or driver of appropriate driving licenses or permits issued by a competent authority.

**Regarding this coverage, the following liabilities are excluded:**

- a) where arising from breach of contracts or agreements, when failure to comply therewith has not caused death or health impairment of third parties or deterioration or destruction of property of said third parties**
- b) For damage caused by or to vehicles owned by the Insured or any employee and worker of the insured parking lot.**
- c) For damage sustained by the vehicles in the Insured's care or custody or held on consignment by the Insured for selling purposes.**
- d) For damage sustained by the vehicles when being driven by the Insured or his/her workers, who do not hold the proper type of driver's license issued by the competent authority for driving the vehicle, unless fault, unskillfulness or gross negligence in the occurrence of the loss cannot be imputed to the driver. For the purpose of this Policy, driving permits are deemed as driver's licenses.**
- e) For damage caused by or to the vehicles when being driven by a person under the influence of alcoholic beverages or drugs not medically prescribed, unless fault, unskillfulness or gross negligence cannot be imputed to the driver.**
- f) For loss of or damage to merchandise, money, clothes, Personal Effects, tools, spare parts or any other object inside the vehicle, even if said loss or damage is a**

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consequence of total theft or even though they have been delivered to the Insured or his employees.

- g) For partial theft of any component part of the vehicle.
- h) For damage sustained by the vehicles due to additional services provided by the parking lot personnel, such as but not limited to washing or waxing, as well as due to products used for the purpose of carrying out such types of work.
- i) For damage to the repaired vehicle once delivered to the owner, as well as to other property or persons where caused by any repair work or service not carried out properly and by products provided or used in connection with such works.
- j) For damage to vehicles or damage caused by vehicles to persons or property outside the premises or area occupied by the parking lot, if valet parking services are provided or if exceeding the operating area stipulated for parking lots providing valet parking services.
- k) For damage to, theft or loss of vehicles as a result of breach of trust by the insured personnel.
- l) For any expense resulting from loss of use of vehicles that have been damaged or stolen.
- m) For damage from earthquake and/or volcanic eruption or penetration of rainwater or Flood.
- n) For damage to tires and inner tubes as a result of their own blowout, puncture or deflation.
- o) For damage to or theft of motorcycles, scooters, bicycles or the like.

## 5. General Exclusions applying to all coverages of the Liability Section

### Perils not covered by the Contract

In addition to the perils excluded in Clause 2. Excluded Perils of the general conditions of this Policy and to those exclusions named in each additional coverage, it is understood and agreed that this section in no case shall cover or refer to:

- a) Liability arising from breach of contracts or agreements, when failure to comply therewith has not caused death or health impairment of third parties or deterioration or destruction of property of said third parties
- b) Liability deriving from gross and inexcusable negligence of the victim.
- c) Liability for replacement services due to non-fulfillment of contracts or agreements.
- d) Liability derived from the use, ownership or possession of vessels, aircraft and land motor vehicles, unless the latter are intended for exclusive use within the Insured's premises and do not require license plates for their use in public places.
- e) Payment of premiums for judicial bonds provided as a bail so that the Insured may obtain parole, probation or release on bail during a criminal proceeding.
- f) Liability deriving from the operation of ports, airports or railroad terminals.
- g) Liability deriving from Acts of God or Force Majeure.
- h) Liability deriving from storage or use of explosive material.
- i) Liability deriving from damage caused by Malicious Intent or Bad Faith.
- j) Claims for accidents sustained by the Insured himself, his/her representatives or attorneys or any other person collaborating with them in the management and

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surveillance of the Company or family members of any of the persons referred above. Family members shall be understood as the spouse, parents, blood children, brothers and sisters, foster children or stepchildren who are financially dependent on the Insured and/or who live permanently with him.

- k) Liability imputed to the Insured in accordance with the Federal Labor Law, the Social Security Law or other complementary provisions to such laws, except for coverage provided under the coverage "Accidents to Employees".
- l) Liability for damage caused by:
  - 1. Instability, subsidence or settlement of soil or sub-soil.
  - 2. Lack or insufficiency of consolidation works to prevent loss of support necessary to the soil or sub-soil of adjacent premises.
- m) Professional liability, except for liability of physicians and nurses who are employees of the insured which is provided under the coverage "First Aid within the Insured Premises".
- n) Fines, penalties, punishments, sanctions, taxes, fiscal credits, privileges and liens deriving from administrative, fiscal, criminal and mercantile proceedings or any administrative or judicial proceeding.
- o) Liability for damage caused by contamination or other harmful alterations to water, atmosphere, soil or subsoil, or else by noise.
- p) Liability for damage to property of third parties:
  - 1. in possession of the Insured, under lease, gratuitous loan, deposit, or by order of the authorities, except for leasing of real property.
  - 2. by the ordinary activities of the Insured (manufacture, handling, transformation, repair, testing, and the like) concerning such property.

With respect to real property, this exclusion shall be effective when such activities have been performed in said property or a part thereof.

In like manner, liability shall not be covered if the provisions stipulated in paragraphs 1 and 2 above should involve an employee or representative of the Insured during the performance of his/her duties as such.

- q) Liability for damage occurred abroad or suits from foreign countries.
- r) Liability as a consequence of misplacement of property, except for provisions mentioned in the Checkroom, Laundry and Ironing, Baggage of Guests and Cash and Securities coverages.
- s) Legal claims filed for sexual abuse and harassment.
- t) Liability for loss, damage to property or persons or any other damage directly or indirectly deriving from or in connection with internet activities.

Likewise, coverage is not provided against damage to property or persons deriving from advertising or information in the electronic site of the Insured other than that corresponding to his/her activities.

Internet activities shall be understood as:

- 1. The use of e-mail systems by employees of the Insured, including half-time and temporary employees as well as members of the Insured's Company.
- 2. Access to a World Wide Web or a Public Internet website via the computer network of the Insured by personnel of the Insured, including half-time and temporary employees, as well as members of the Insured's Company.

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3. Access to the Insured's intranet available via World Wide Web for customers of the Insured or other external third parties. Intranet shall mean internal data and information technology of the Insured's Company.
  4. Operation and Maintenance of the Insured's website. This exclusion shall not apply to damage to property or persons deriving from any material the manufacturer has published to support his/her product, including but not limited to directions for use of the product or safety measures or warnings and material published also in website of the manufacturer.
- u) Any impairment in the state of health of third parties arising from infections, epidemics or related to any infectious illness caused by sexual or viral transmission.
  - v) Liability deriving from non-compliance with safety measures that must be met or are ordered by any competent government agency or entity.
  - w) Liability arising from the use of artificial fireworks or from exceeding the space capacity allowed at the place of the show.
  - x) Liability deriving from quarrels, fights or riots.
  - y) Liability deriving from intellectual property and/or advertising or defamation.
  - z) Liability deriving from events or amateur or professional activities related to parachuting, motorcycling, cycling, power boating, scuba diving, fishing, horse racing, skating, alpinism, free flight, practice of any type of wrestle, fight or martial art, skiing, horse riding (charrería), hunting, bullfighting, as well as the use of mountain vehicles, any kind of air sports, aquatic sports, submarine navigation and/or any other high-risk sports or hobbies.
  - aa) Races or speed or endurance tests on any kind of vehicles.
  - bb) Genetic damage to persons or animals.
  - cc) Injuries made with a knife or firearm.
  - dd) Liability arising from damage caused by the use, manufacturing, commercialization or exposure to toxic mould, electromagnetic fields, products and organisms modified genetically, asbestos, silicosis, asbestos fibers, tobacco, dioxins, dimethyl isocyanates, polychlorinated biphenyls, askarels, chlorofluorocarbons, chlorophenols, PBC's, PCNB's, malathion, parathion, genetic damage to persons, animals or plants, contraceptive methods and human fertility treatment, diethylstibestrol (DES), oxyquinoline, swine and avian flu, urea formaldehyde foam, chlorinated hydrocarbons, lead and heavy metals, aflatoxins and mycotoxins, latex or latex by-products.
  - ee) Liability deriving from damage caused by works under construction, survey works, progress control or reception of said works as well as liabilities assumed by the Insured in which the original obligor is an Independent Contractor.
  - ff) Liability deriving from providing self-driven working machinery to third parties and to supply electric or pneumatic force.
  - gg) Liability deriving from collapsing and demolition works of premises.

## **6. Sum Insured**

The sums insured specified in the Policy represent only the Maximum Liability of the Company fixed by the Insured and shall apply as single limit for damage caused to third parties, per event and/or total thereof likely to occur during the policy period.

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In case maximum sub-limits of liability have been stipulated for certain coverages stipulated in the Policy, said limits shall be deemed included in the sums insured established for said coverages and shall represent the maximum amount payable therefor. These sub-limits shall in no case represent additional sums insured or an increase in the sum insured of said coverages.

## 7. Indemnity

Every indemnity payment under this section will be made according to Clauses 4. Proportional Rule, 5. Agreed Amount and 15. Indemnity of the General Policy Conditions and as provisions set forth below:

**In respect of Baggage and Personal Effects of Guests, Reception of Cash and Securities**, the Maximum liability of the Company shall, in the event of theft, be stipulated in accordance with the original invoice value, if any. For depreciable objects, indemnity payment shall correspond to the difference of the original value minus depreciation.

### Regarding Parking lots and repair shops

The Maximum Liability of the Company in case of total loss or theft shall be stipulated in accordance with the market value on the date of theft or loss not exceeding the sub-limit per vehicle shown in the Policy.

Market value shall be understood as the vehicle's sales value to the public in the Mexican Automotive Industry in accordance with the average of the **EBC** and **AUTOMETRICA** guides, among other sources, in force at the time of loss. For border vehicles, the market value shall correspond to the market value of the vehicle in the country of origin in force at the time of loss according to the average of several guides, such as **Kelley Blue Book and N.A.D.A.** (Official Older Used Car Guide). Since the premium of this coverage has been determined based on the Insured's declaration of the maximum capacity of vehicles of the insured parking lot or repair shop, it is hereby understood that if upon the occurrence of a loss it is proven that the capacity declared has been exceeded, the Company shall indemnify damage in the proportion the maximum capacity declared bears to the actual capacity of the parking lot or repair shop.

### Procedure in the Event of Loss

The following shall apply in addition to provisions set forth in Clauses 9. Notice of loss and 10. Safeguarding or Recovery Measures of the general conditions of this policy:

#### a) Notice of loss

It shall be binding on the Insured to notify immediately to the Company upon having knowledge of any claim or suit received by the Insured or his/her representatives and to send such claim or suit or copies thereof to the Company, and it shall be binding on the Company to advise immediately in writing to the Insured that they will not undertake the conduct of the proceedings, should this be their decision.

If said notification is not delivered as aforementioned, it shall be understood that the Company has undertaken the conduct of the suits brought against the Insured and thus it will be binding on the Insured to cooperate with the Company in the terms of the following paragraphs of this Clause.

Should the Company decide not to conduct the proceedings, the Insured shall be advanced the amount that the Company has assumed to pay for this concept so that the Insured may cover his defense costs with due diligence.

#### b) Cooperation and assistance of the Insured required by the Company.

In all proceedings brought against the Insured by reason of the liability covered by this insurance, it shall be binding on the Insured to:

- provide essential data and proofs requested by the Company for his/her defense, should said defense be necessary or where the Insured is not able to appear in court.
- exercise and enforce the actions and defense to which the Insured is entitled.
- appear in all proceedings.
- empower lawyers named by the Company to represent him/her in the aforementioned proceedings, in case the Insured is not able to intervene directly in all formalities related to said proceedings. All

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expenses incurred by the Insured to comply with said obligations shall be borne with a charge against the sum insured for defense costs.

Should the Company act negligently where determining or conducting the defense, the liability related to the amount of the costs of said defense shall be subject to no limit.

**c) Claims and Suits**

The Company shall be empowered to pay judicial or extrajudicial claims, to conduct legal proceedings or pleadings before the relevant authority and to enter into agreements.

Any acknowledgement of debt, transaction, agreement or other legal act implying assumption of liability by the Insured shall not be enforceable against the Company, where agreed upon without consent of the Company for the purpose of simulating a liability that otherwise would not exist or be less than the actual liability. The Insured's admission of the facts will not be deemed as acknowledgement of liability.

**d) Insurance Beneficiary**

This Insurance Contract confers right of indemnity directly to the injured third party, who shall be deemed as Beneficiary from the time of loss.

**e) Reimbursement**

Should the third party be indemnified in whole or in part by the Insured, the Company shall refund the Insured proportionally.

## Section V. Transportation Of Merchandise

### 1. Insured Property

Shipment of merchandise proper to the line of business insured, provided always said merchandise is named in the Policy.

### 2. Scope of Coverage

For land or air conveyances, this coverage shall become effective from the time the vehicle or aircraft loaded with the property begins transit of shipment within Mexico, and shall continue during the ordinary course of transit, ending with the delivery of the property to the consignee or when unloading property for storage, assignment, distribution, dispatch, reshipment or during a period of 48 (forty-eight) hours on business days after arrival of the property to the point or airport of destination within Mexico.

For sea conveyances, this coverage shall become effective from the time the property is in charge of marine carriers at the port of origin for transportation thereof within Mexico and shall continue during the ordinary course of transit, ending when unloading said property on the wharves at the port of destination within Mexico.

### 3. Insured Perils

**Only shipments in transit within Mexico are covered under the perils named below:**

**a) Ordinary Risks of Transit:**

- **Land and/or air transportation or both**

For this type of transport, only loss or property damage directly caused to the property insured by fire, lightning and explosion shall be covered under this peril, as well as falling of aircraft, derailment of railroad carts, collision or overturn of the vehicle or transport used, including breakage or settlement of bridges or sinking of vessels which are essential to complement the land transit.

The means of conveyances authorized by the Company for this coverage are: railways, vehicles and aircraft owned or leased by the Insured for his/her service, motor carriers or commercial or load airlines. The federal public means of conveyances traveling in the Mexico must have the authorization and registration in force by the corresponding authority.

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- **Marine Transportation**

For this type of transport, loss or property damage directly caused to the property insured by fire, lightning, explosion, stranding, sinking or collision of the carrier vessel shall be covered under this peril.

Likewise, in-bulk loss is covered during loading and unloading operations, transshipment or discharge.

This coverage applies only to property and/or interests being transported under deck by steel hull vessels mechanically self-propelled up to 15 (fifteen) years old, classed and not bearing flag of convenience. Closed containers may be transported on deck, if so authorized by marine statutes.

- b) **Theft**

- Property insured is covered against total or partial failure of delivery as a consequence of violent theft and/or robbery committed by persons who leave visible signs of violence on the packages and/or means of conveyances, by using moral or physical force on the persons in charge of the transport or custody of the property.
- Total theft of the shipment is covered.
- Misplacement or theft of the property insured is covered when using vehicles owned by third parties that are not in the custody of the Insured.

When this Policy covers shipments of imported property and it only covers transit within Mexico and not from the place of origin, coverage shall be limited to insure only Ordinary Risks of Transit.

#### **4. Excluded Perils**

**In addition to the perils excluded in Clause 2. Excluded Perils of the general conditions of this Policy, the Company shall in no case be liable for any loss, damage and/or expenses caused by:**

- a) Breach by the Insured his/her employees or whose interests he/she represents of any law, rules or regulations issued by any national, federal, state, municipal or any other type of authority, where said breach contributes to the occurrence of the loss.**
- b) The right of appropriation of property by persons entitled to the possession thereof.**
- c) Loss of property due to their own perishable nature or by inherent vice thereof.**
- d) Delay even though it is caused by an insured peril.**
- e) Theft or shortage discovered at the time of taking stock, or any damage detected after delivery of the property to the warehouse at its final destination or where coverage has ended in accordance with provisions set forth in the section of insured perils.**
- f) Abandonment of property by the Insured or whose interests he/she represents, provided that the Company has authorized so.**
- g) Ordinary loss of weight or volume of the property insured or shortages attributed to the own features of said property.**
- h) Lack of brands or symbology internationally accepted indicating the fragile nature or safety measures for transportation of property if contributing directly to the occurrence of the loss.**
- i) The use of inappropriate means of conveyances under the knowledge of the Insured, his officers, partners, dependents, employees or agents.**
- j) Excess of weight and/or maximum cargo size authorized by relevant authority for the carrier unit and/or property being transported.**
- k) Loss of quality by the influence of environmental conditions manifested otherwise than as described in the perils covered by this Policy.**

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- l) Strikers or persons taking part in lockouts, labor disturbances, mutiny or riots.**
  - m) Theft of used, rebuilt and/or waste property.**

## **5. Sum Insured**

The Company's maximum limit of liability for one single shipment or on a same vehicle for one single time at a single place has been fixed by the insured; however, it is not proof of the value or of the existence of the property insured, it only stipulates in case of damage thereto the maximum liability the Company shall be obliged to pay for a shipment. The sum insured specified in the Policy for this section represents the maximum liability the Company shall be obliged to pay for a shipment and it is shown in the Policy.

The Company's maximum liability in relation to this coverage for all losses occurring during the policy period shall be equal to three times the maximum limit per shipment fixed by the Insured and shown in the face of the Policy.

## **6. Indemnity**

Every indemnity payment under this section will be made according to Clauses 4. Proportional Rule, 5. Agreed Amount and 15. Indemnity of the General Policy Conditions and as provisions set forth below:

### **a) Purchase shipments:**

Invoice value of the property plus expenses inherent to transportation thereof, such as freights, hauling, and in addition thereto, expenses, if any, for import taxes and customs expenses.

### **b) Sales shipments and shipments among affiliates, stores or warehouses:**

Production and/or acquisition costs of the property plus expenses inherent to transportation thereof, such as freights, hauling, and in addition thereto, expenses, if any, for import or export taxes, where applicable, and customs expenses.

### **c) In-bond shipments:**

#### **• Trip of products in process of manufacturing and/or raw materials:**

Production and/or acquisition costs of raw materials plus expenses inherent to transportation thereof, such as freights, hauling and in addition thereto, expenses, if any, for import or export taxes and customs expenses.

#### **• Trip of finished products:**

Production and/or acquisition costs of raw materials plus the cost of the processes undergone by the property insured and expenses inherent to transportation thereof, such as freights, hauling and in addition thereto, expenses, if any, for import or export taxes and customs expenses.

Should the loss or damage payable **affects any part of a unit** which is complete for sale or use and consists of several parts, the Company shall only be liable for the value of the part or parts sustaining loss or damage in the same proportion the sum insured bears to the value of the property as stipulated in paragraphs a), b) and c) of this section.

Where damage is caused directly by any of the insured perils and it affects only **labels, wrappings or packing** of the property, the Company shall be liable only for replacing said labels, wrappings or packing, and, if applicable, of relabeling the goods by paying from the cost thereof the proportion the sum insured bears to the value of the property as stipulated in paragraphs a), b) and c) of this section.

### **Procedure in the event of loss:**

The following shall apply in addition to provisions set forth in Clauses 9. Notice of loss and 10. Safeguarding or Recovery Measures of the general conditions of this Policy:

#### **a) The Insured, his/her representatives or attorneys must:**

- File claim in writing directly to the carrier (messenger) within the period stipulated under the contract of affreightment, waybill, air waybill or bill of lading and comply with all requirements stipulated in the agreement or contract to safeguard his/her rights. The Insured or his/her representatives must provide written record of the damage before receipt of property.

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- Appeal to the average surveyor of the Company, if any, at the place where such survey is required; otherwise, to the surveying firm in the locality which has been stipulated by the Company or in the absence thereof, to a Notary Public, judicial authority or, as the case may be, postal authority and finally, to the local political authority. The right to indemnity for the loss or damage sustained is specifically subject to performance of average survey within five calendar days after the Insured or his/her representative become aware of the loss.

Prompt notice and information provided to the Company by the Insured or his/her representatives as well as assistance provided by the Company to the Insured to assess the loss shall in no case be construed as acceptance of liability by the Company.

- b) It shall be binding on the Insured to prove the accuracy of the claim. The Company shall have the right to request to the Insured or Beneficiary all kind of information of the facts related to the loss which may determine the circumstances of the occurrence and the consequences thereof.

The Insured must submit to the Company the following documents:

- Proof of claim before the carriers (messengers) mentioned in Section I, paragraph a) of this clause and the original reply of said carriers (messengers).
- Evidence or certificate of average obtained pursuant to Section I, paragraph b) of this clause.
- Detailed and accurate schedule of the property insured destroyed or damaged, as well as the condition and estimated value of the damages caused by the loss based on the value thereof immediately prior to the loss.
- Official proof or bill of lading on behalf of the Insured specifying therein not only the Insured's taxpayer data but also the place and date of issuance as well as the amount and type of property.
- Submission of import or export permits, if applicable, and evidencing documents of customs expenses incurred.
- Contract of affreightment, bill of lading, waybill or air waybill.
- Original unloading certificates.
- Certified copy of the protest of the master of the vessel, as the case may be.
- Declaration of the existence of other insurances for the same property insured acknowledged.

## IV. Articles Referred Above

Insurance and Bonding Institutions Law	
<p>Procedures the Insurance Companies must follow to register the technical notes and contractual documentation of the products to be sold.</p>	<p>Art. 200, Art. 201, Art. 202, Art. 203, Art. 204</p>
<p>Should an Insurance Institution fail to comply with the obligations assumed in the Insurance Contract within the legal periods of compliance stipulated, it shall pay to the creditor an indemnity for default in accordance with the following:</p> <p>I. The obligations entered into in Mexican Currency shall be denominated in Investment Units at the value thereof on the due date of the periods referred to in the initial part of this article and payment thereof shall be made in Mexican Currency at the value of the Investment Units on the date of such payment, in accordance with provisions set forth in the second paragraph of section VIII of this article. In addition thereto, the Insurance Institution shall pay an interest in arrears on the obligations denominated in Investment Units pursuant to provisions set forth in the above paragraph, which shall be capitalized on a monthly basis, at a rate equivalent to 1.25 times the average cost of term deposits of liabilities denominated in Investment Units of the multiple banking institutions of the country, published by the Bank of Mexico in the Official Journal of the Federation (Diario Oficial de la Federación) for each month of default.</p> <p>II. When the main obligation is denominated in foreign currency, in addition to the payment of said obligation, the Insurance Institution shall also be bound to pay an interest in arrears capitalized on a monthly basis and computed by adding to the amount of said obligation, the percentage resulting from multiplying by 1.25 the average cost of term deposits of liabilities denominated in U.S. Dollars of the multiple banking institutions of the country, published by the Bank of Mexico in the Official Journal of the Federation for each month of default.</p> <p>III. If at the time of making the calculus, the reference rates used to calculate interest in arrears named in sections I and II of this article have not been published, the rate of the immediately prior month shall apply and if said rates are not published, the interest in arrears shall be calculated by multiplying by 1.25 the rate substituting said reference rates, pursuant to the applicable provisions.</p> <p>IV. The interests in arrears referred to in this article shall accrue on a daily basis from the due date of the periods referred to in the initial part of this article to the date on which payment stipulated in in the second paragraph of section VIII of this article is paid. For the calculation thereof, the reference rates referred to in this article must be divided by three hundred and sixty-five and by multiplying the quotient by the number of days corresponding to the months of default.</p> <p>V. If the damaged property is repaired or replaced, indemnity for default will consist only in paying the corresponding interest in the currency stipulated for the main obligation pursuant to sections I and II of this article and it shall be calculated on the cost of such repair or replacement.</p> <p>VI. The creditor shall not waive his/her rights to the compensatory benefits provided for in this article. Any agreement intending to terminate or reduce such rights shall not become legally effective. Such rights will arise only on expiration of the term established by Law for payment of the main obligation, even if said main obligation is not liquid at that time.</p> <p>Once the amount of the main obligation has been established, as agreed upon between the parties or according to the final resolution pronounced during the legal proceeding before the judge or arbitrator, the compensatory benefits set forth in this article must be covered by the Insurance Institution on the amount of the main obligation so determined.</p> <p>VII. If the claim is legal according to the legal proceeding, even if payment of indemnity for default stipulated in this article has not been claimed, the judge or arbitrator, in addition to the main obligation, shall order the debtor to pay such benefits in accordance with the previous sections.</p>	<p>Art. 276</p>

<p>VIII. The indemnity for default based on the updating system and interests referred to in sections I, II, III and IV of this article shall apply to all type of insurance, except for bonding insurances which guarantee indemnity related to non-payment of tax credits, in which case, provisions set forth in the Fiscal Code of the Federation will apply.</p> <p>The Insurance Institution shall make a single payment which includes total settlement of the following:</p> <p>a) Interests in arrears;</p> <p>b) updating referred to in the first paragraph of section I of this article, and</p> <p>c) the main obligation</p> <p>Should the Insurance Institution fail to make a single payment for the full amounts of the obligations assumed in the Insurance Contract and for the indemnity for default, payments made shall apply to the above concepts in the order shown in the above paragraph. Therefore, indemnity for default shall continue to accrue, in the terms of this article, on the amount of the outstanding main obligation until full payment.</p> <p>Where the Insurance Institution imposes a means of defense which suspends the enforcement proceedings provided for in this law and the final judgment is pronounced by way of which the imposed acts remain in effect, the corresponding payment or collection shall include the accrued indemnity for default by reason of the main obligation , and</p> <p>IX. If the Insurance Institutions do not make indemnity payment for default within the legal periods and terms, the judge or the National Commission for the Protection and Defense of Users of Financial Services, as the case may be, will impose a fine of 1000 to 15000 days of salary.</p> <p>Regarding administrative enforcement proceedings pursuant to article 278 of this Law, if the Insurance Institution does not make the indemnity payment for default within the legal periods or terms, the Condusef will impose to the Insurance Institution the fine stipulated in this section at the request of the respective Executory Authority pursuant to section II of said article.</p>	
<b>Law for Protection and Defense of Users of Financial Services</b>	
<p>The Financial Institutions must inform the location, assistance schedules and person(s) responsible for the Company Customer Complaints Unit by placing notices in visible places in all branches, The Users may at their option submit their inquiry or claim before the respective Company Customer Complaints Unit of the Financial Institution or before the Condusef.</p>	Art. 50 Bis
<p>The Condusef shall receive the written claims submitted by the Insureds which must comply with the requirements stipulated by law. The Condusef shall be entitled to make up the deficiency of the claims for the benefit of the Insured. Claims may be filed together by the Insureds having common problems with one or several insurance companies by choosing one or several formal common representatives.</p>	Art. 63
<p>Period for filing claims. Claims must be filed within a period of 2 (two) years counted as of occurrence of the event giving rise to such complaint or, if applicable, as of denial of the Financial Institution to satisfy the allegations of the User. At the Insured's option, the claim may be filed in writing or by any other means at the head office or at any branch office of the Condusef or at the respective Financial Institution's Company Customer Complaints Unit, referred to in article 50 Bis of this Law.</p>	Art. 65
<p>The claim meeting all requirements stipulated shall, by the sole fact of being filed, interrupt the statute of limitation of the corresponding legal actions until the proceeding is concluded.</p>	Art. 66
<p>The Condusef shall exhaust the conciliation procedure.</p>	Art. 68
<b>Monetary Law</b>	
<p>The obligations of payment in foreign currency assumed inside or outside Mexico shall be released by paying the equivalent amount in Mexican Currency at the rate of exchange in force at the place and on the date where such payment must be made. The rate of exchange shall be determined in accordance with the provisions issued by the Bank of Mexico.</p>	Art. 8
<b>Insurance Contract Law</b>	
<p>It shall be binding on the proposer to declare in writing to the Insurance Company, in accordance with the relevant questionnaire, all material facts that may affect the conditions agreed upon and which are necessary to assess the risk, as they are known or should be known by said proposer at the time of executing this contract.</p>	Art. 8
<p>If the contract is executed by a representative of the Insured, all material facts as known or as should be known by the representative or represented party must be declared.</p>	Art. 9

When an insurance is proposed by another party, the proposer must declare all material facts known or as should be known by the Insured third party or his/her Intermediary.	Art. 10
In respect of Life, accident and illness insurances as well as P&C insurance, the premium may be paid in installments covering equal periods of time. If the Insured chooses to pay the premium in installments, such installment payments will be due on the commencement of each agreed period	Art. 37
If installment payment of premium is agreed, each period of equal duration referred to in the above paragraph may not be less than a month	Art. 38
Should the premium or the first installment of premium, in case of installment payments, not be paid within the agreed period, the effects of the contract shall cease automatically at twelve hours on the last day of such period. If said period has not been agreed, a thirty calendar day period shall apply following the due date. Unless otherwise agreed hereon, the period provided in the paragraph above shall not be applicable to mandatory insurances referred to in article 150 Bis of this law.	Art. 40
If the General Conditions of contracts of the same kind are modified during the term of insurance, the Insured shall be entitled to the application of the new conditions; but if these new conditions imply that higher benefits must be provided by the Company, it shall be binding on the Contracting Party to cover the corresponding proportion.	Art. 65
The Insurance Company shall be entitled to require from the Insured or Beneficiary all kind of information about facts related to the Loss by way of which the circumstance of the occurrence of the loss and its consequences may be determined.	Art. 69
The credit resulting from the Insurance Contract shall become due thirty days following the date on which the Insurance Company received the documentation and information necessary for understanding the basis of the claim. The clause on which it is agreed that the credit may be claimed only until it has been acknowledged by the Insurance Company or proven during trial shall become null.	Art. 71
If the Insured does not comply with the obligation to prevent or minimize damage or to keep conditions unaltered, the Insurance Company shall be entitled to reduce indemnity up to the value it would amount had such obligation been fulfilled. The Insured's rights to take legal action against the Company shall cease in case of fraudulent breach of said obligation by the Insured.	Art. 115
Revocation of appointment of Beneficiaries. The right to revoke the appointment of the Beneficiary shall cease only when the Insured waives such right and gives notice thereof to the Beneficiary and the Insurance Company.	Art. 176

## V. Registry

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of February 1, 2012 under registry No. PPAQ-S0048-0007-2012/CONDUSEF 001526-01.

This translation into English is a professional courtesy only. In case of controversy, the original wording shall prevail.

Clave: DV-375 abril 2016

Traducción\Repositorio\CG Daños\Plan Protege Daños CG DV-375 abril 2016-ing

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DV-375 • NOVIEMBRE 2018

# Basic Rights of an Insured of a P&C Insurance

Know your rights as Contracting Party, Insured or Beneficiary

## When purchasing your insurance, you may:



Ask the intermediary offering you the insurance to identify himself.



Know the commission or compensation amount received by the intermediary for the sale of the insurance. .



Receive complete information on the terms, conditions and exclusions of your insurance, on how to keep and terminate coverage and on the policy period.

## In the event of loss:



You should receive the benefits agreed in your policy for events occurring within the grace period, even though you have not paid the premium during said period. This is subject to the general conditions.



In case of delay in the payment of Sum Insured, you may receive indemnity in accordance with the legislation in force.



Regarding P&C insurance, every indemnity you have been paid will reduce the sum insured in the same proportion. You may request reinstatement of sum insured, subject to prior acceptance by the Insurer, in this case you must pay the corresponding premium.



In case of disagreement with respect to the processing of your loss, you may file a claim free of charge against AXA through the Customer Complaints Unit (UNE) or the National Commission for Protection and Defense of the Financial Service Users (Condusef), at any branch offices.

In case you have filed a complaint with the CONDUSEF and the parties hereto do not submit to arbitration, you may ask the CONDUSEF for a technical opinion.

## For any complaint

### Contact the Customer Complaint Unit (UNE):

Telephone: 5169 2746 (option 1) or 01 800 737 7663 (option 1) Félix Cuevas 366, piso 6, Col. Tlacoquemécatl, Del. Benito Juárez, 03200, Mexico, Mexico City, at the Integral Customer Service Counter of AXA, service hours from Monday to Thursday from 8:00 to 17:30 hours and Fridays from 8:00 to 16:00 hours.

Write us to: [axasoluciones@axa.com.mx](mailto:axasoluciones@axa.com.mx)

In compliance with provisions set forth in article 202 of the Insurance and Bonding Institutions Law (Ley de Instituciones de Seguros y de Fianzas), the contractual documentation and technical note forming part of this insurance product are registered before the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas) as of December 8, 2017 under registry No. CGEN-S0048-0167-2017/CONDUSEF-G-00471-002.