

APPROVED BY

Board of Directors of "SIL Insurance" ICJSC

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Chairman of the Board:

E. Sukiasyan_____




«SIL INSURANCE» ICJSC CARGO INSURANCE TERMS

Project	Name/Surname	Title	Date	Signature
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1. GENERAL PROVISIONS

- 1.1. The document "Cargo Insurance Terms of SIL Insurance IJSC" aims to define the insurance object, insurance event, insurance compensation and other terms for each field of application of the Terms, as well as to regulate the expenses covered by the Insurer, non-covered expenses, required documents for compensation, and the actions of the Parties in case of an insurance event.
- 1.2. The Terms are developed in accordance with the Civil Code of the Republic of Armenia, the RA Law "Insurance and Insurance Activities" (hereinafter referred to as the Law), and other legal acts (hereinafter collectively referred to as RA Legislation). The Terms also include the Additional Conditions of the Institute Cargo Clauses (ICC) of the London Institute of Underwriters (hereinafter referred to as Clauses) according to the Appendix.
- 1.3. The Company conducts Cargo (transported property) insurance under the 7th class of non-life insurance as provided by the Law.
- 1.4. This document complies with the ISO 9001:2015 QMS and ISO 27001:2013 ISMS standards.
- 1.5. The Terms come into force on July 01, 2024. From the moment the Terms come into force, the "Cargo Insurance Terms of SIL Insurance IJSC" approved by Protocol No. 10 of the Board of SIL Insurance JSC on 01.10.2009 are considered void.
- 1.6. Changes and/or additions to the Terms are made in cases defined by the Terms and RA Legislation and are approved by the decision of the Company's Board.
- 1.7. The Terms are a public document and may be posted on the Company's official website (www.silinsurance.am).


2. TERMINOLOGY

- 2.1. Terms and Definitions.
 - 2.1.1. Company - "SIL Insurance" ICJSC.
 - 2.1.2. Terms - "Cargo Insurance Terms of SIL Insurance" ICJSC.
 - 2.1.3. Insurance Contract/Policy (hereinafter referred to as the Policy) - An agreement concluded based on the requirements of the Terms between the Insurer and the Policyholder, under which the Insurer is obligated to compensate the Policyholder or the Beneficiary for damage or part of the damage caused by an insured event


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within the limits of the insurance amount, except for expenses specified as non-compensable in the Terms, while the Policyholder is obligated to pay the insurance premium specified in the Policy in the manner and terms specified therein.

- 2.1.4. Master Policy - Periodic insurance of different batches of a homogeneous insurance object under uniform conditions for a certain period based on one insurance policy:
- 2.1.5. Insurer - “SIL Insurance” ICJSC, conducting insurance activities under a license issued by the authorized body.
- 2.1.6. Policyholder - Any legal entity of any organizational-legal form, competent individual, or non-resident organization provided by RA legislation, which has concluded a Policy with the Insurer.
- 2.1.7. Parties - The Insurer and the Policyholder together.
- 2.1.8. Beneficiary - A person specified by the Policyholder in the Policy who has the right to receive insurance compensation.
- 2.1.9. Interested Party - The Policyholder, Beneficiary, or their representatives, any physical or legal entity engaged in contractual relations (including employment, service provision, cargo transportation, transportation delivery, etc.) related to the transportation of Cargo.
- 2.1.10. Insurance Territory - The countries specified in the Policy through which the Cargo transportation route will pass.
- 2.1.11. Insurance Risk - A possible event or circumstance subject to insurance that may occur during the validity of the Policy, sudden and accidental in nature, and not dependent on the will of the Parties or the Beneficiary.
- 2.1.12. Insurance Event - An event or circumstance specified in the Policy occurring during the validity of the Policy and within the Insurance Territory, resulting in the obligation of the Insurer to pay insurance compensation to the Policyholder and/or Beneficiary according to the Terms and the Policy, considering the exceptions and grounds for refusal specified therein.
- 2.1.13. Insurance Amount - The maximum amount of possible insurance compensation payable by the Insurer in case of insured events during the validity of the Policy.
- 2.1.14. Insurance Premium - The amount to be paid by the Policyholder to the Insurer in return for the possible insurance compensation, in the amount and terms specified in the Policy.
- 2.1.15. Insurance Rate - The rate of the insurance premium relative to the insurance amount.
- 2.1.16. Insurance Compensation (hereinafter referred to as Compensation) - The amount payable in monetary terms as a result of the occurrence of an insured event, according to the Policy and the Terms.

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- 2.1.17. Deductible - The amount specified in the Policy as a percentage or absolute amount of the insurance amount, for which the Insurer is relieved from compensation liability if the damage amount does not exceed this amount; otherwise, the deductible is not considered when determining the amount of insurance compensation.
- 2.1.18. Non-conditional Deductible - The amount specified in the Policy as a percentage or absolute amount of the insurance amount, for which the Insurer is relieved from compensation liability regardless of the total amount of damage or loss.
- 2.1.19. Cargo (transported property) - Property specified in the Policy intended for transportation.
- 2.1.20. Cargo Receiver - The Policyholder (Beneficiary) or a person authorized by them.
- 2.1.21. Dangerous Cargo - Any material, product, waste from industrial and other activities, which due to its properties may create danger to human life and health, cause environmental damage, or lead to the damage or destruction of material values during transportation.
- 2.1.22. Highly Dangerous Cargo - Cargo containing materials with highly dangerous physical-chemical properties according to GOST 19433-88 or other international norms and/or standards, requiring special precautionary measures during transportation. Particularly dangerous cargos include explosive materials, gases, flammable liquids and solids, spontaneously combustible materials, oxidizing materials, organic peroxides, toxic and infectious materials, radioactive materials, caustic and corrosive materials.
- 2.1.23. Collision of Vessels - The approach of vessels causing damage to the vessels, their belongings, cargo, crew, and/or passengers. A collision is equated to cases where no actual approach occurs, but due to the wrong actions of one vessel (maritime), damage is caused to another vessel, its cargo, property, or people.
- 2.1.24. Abandonment - The right of the Policyholder to abandon their rights to the insured property in favor of the Insurer to receive compensation in the full amount of the Insurance Sum.
- 2.1.25. Carrier - A legal entity or individual entrepreneur transporting Cargo by any means of transport, providing services for the transportation of luggage, cargo, and mail.
- 2.1.26. Means of Transport - Any means of transport, including land (automobile), air, water, rail, and pipeline, by which Cargo is transported or moved.
- 2.1.27. Clauses - Additional conditions of the Institute Cargo Clauses (ICC) of the London Institute of Underwriters according to the Appendix.
- 2.2. Abbreviations:
- 2.2.1. RA – Republic of Armenia.

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2.2.2. QMS – Quality Management System in accordance with ISO 9001 standard.


2.2.3. ISMS – Information Security Management System in accordance with ISO 27001 standard.

3. INSURANCE OBJECT

- 3.1. The objects of insurance are considered to be: the property interests of the Policyholder (Beneficiary) related to the possession, use, and disposal of the Cargo, which do not contradict RA legislation. The additional expenses incurred as a result of an insured event and covered by the Policy (clause 5.3 of the Terms).
- 3.2. All types of property are eligible for insurance if they are subject to transportation and storage by land, rail, air, sea/inland water, and pipeline transport, including loading and/or unloading, reloading, transshipment or relocation, temporary storage, as well as display and/or use at public events and various types of exhibitions.
- 3.3. Cargo transported through the territories of the countries specified directly in the Policy and its route are considered insured.

4. INSURANCE RISK AND INSURED EVENT


- 4.1. The Policy covers the damage to the Cargo that occurs during transportation as a result of an insured event.
- 4.2. Cargo insurance can be provided based on any of the following conditions (risk groups): **Risk Group A: "All Risks Coverage"**. If this risk group is provided for in the Policy, an insured event is considered any destruction, loss, or damage of the entire Cargo or part of it due to any cause and accidental nature, except for cases listed in clauses 4.3.1 and 4.3.2 and Sections 14 and 15 of the Terms.
 - 4.2.2. **Risk Group B: "Named Risks Coverage"**. If this risk group is provided for in the Policy, an insured event is considered the destruction, loss, or damage (except for cases listed in Sections 14 and 15 of the Terms) of the Cargo or part of it due to:
 - 4.2.2.1. Fire or explosion on the transport vehicle, as well as actions taken to extinguish the fire.
 - 4.2.2.2. Collision, grounding, sinking, or stranding of the vessel carrying the Cargo.
 - 4.2.2.3. Traffic accident, collision, overturning, or derailling of the land transport vehicle carrying the Cargo.
 - 4.2.2.4. Collision of the vessel with the shore or any external object (except water).
 - 4.2.2.5. Unloading of the Cargo at a refuge port due to an accident of the vessel.
 - 4.2.2.6. Lightning, earthquake, or volcanic eruption.
 - 4.2.2.7. Sacrifice of the Cargo to save the Cargo.
 - 4.2.2.8. Falling of the Cargo into the water or being washed overboard during sea transportation.

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- 4.2.2.9. Infiltration of river, lake, sea water, or fuel into the ship's hold, container, or Cargo placement area.
- 4.2.2.10. Total loss of any unit of Cargo (box, crate, container) due to dropping during loading, unloading, or transportation.
- 4.2.3. **Risk Group C: "Named Risks Coverage".** If this risk group is provided for in the Policy, an insured event is considered the destruction, loss (except for cases listed in Sections 14 and 15 of the Terms) of the Cargo due to:
- 4.2.3.1. Fire or explosion on the transport vehicle, as well as actions taken to extinguish the fire.
- 4.2.3.2. Collision, grounding, sinking, or stranding of the vessel carrying the Cargo.
- 4.2.3.3. Traffic accident, collision, overturning, or derailing of the land transport vehicle carrying the Cargo.
- 4.2.3.4. Collision of the vessel with the shore or any external object (except water).
- 4.2.3.5. Unloading of the Cargo at a refuge port due to an accident of the vessel.
- 4.2.3.6. Sacrifice of the Cargo to save the Cargo.
- 4.3. **Additional Insurable Risks.** If specified in the Policy and an additional insurance premium is paid, the following risks are also insurable:
- 4.3.1. General Average Coverage. Expenses related to the voluntary sacrifice of the ship or part of the Cargo to save the ship or part of the Cargo are compensated proportionally to the value of the Cargo.
- 4.3.2. "Both to Blame Collision" Coverage. This coverage applies when a vessel collides with another vessel and fault cannot be determined. In this case, the owners of both vessels share the damages from the collision proportionally to their property interests and the value of the damaged Cargo. According to this clause, if a claim is made against the Policyholder by carriers, the Policyholder agrees to inform the Insurer, who then has the right to defend the Policyholder against such a claim at its own expense, except for cases listed in Sections 14 and 15 of the Terms.
- 4.3.3. Risks specified in the Clauses according to the Appendix.
- 4.4. Additional risks are not subject to separate insurance but are insured only together with the main transportation risks of the Cargo. Additional risks can be applied to each risk group separately.


5. INSURANCE AMOUNT, DEDUCTIBLE, INSURANCE PREMIUM

- 5.1. When calculating the insurance amount for the Cargo, the Insurer may rely on the actual costs incurred to purchase the Cargo at its actual location at the time of concluding the Policy (invoice, contract, etc.), or on evaluation reports and

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conclusions provided by authorized persons and/or organizations, or evaluate it independently.

- 5.2. Unless otherwise provided by the Policy, the insurance amount for the Cargo should correspond to the invoice value of the Cargo.
- 5.3. With the agreement of the Policyholder and for an additional insurance premium, the following additional expenses may also be insured:
 - 5.3.1. The insurance amount of the Cargo can be set at 110% of the insurance value of the Cargo, within which the 10% exceeding the insurance value can include:
 - 5.3.1.1. Costs for customs clearance services, specifically:
 - 5.3.1.1.1. Preparation of customs declarations for import, export, and transit.
 - 5.3.1.1.2. Preparation of documents required for the export and import of goods.
 - 5.3.1.1.3. Package preparation, inspection, and consultation for export and import document packages.
 - 5.3.1.1.4. Cost calculation for preliminary assessment of the cost of goods and customs duties.
 - 5.3.1.1.5. Cargo inspection.
 - 5.3.1.2. Documented expenses for temporary storage, preservation, and/or security, loading, unloading, reloading, commission, and brokerage expenses of the Cargo.
 - 5.3.2. A separate insurance amount may also be set for transportation costs, specifically:
 - 5.3.2.1. Documented transportation costs of the Cargo, freight charges, and other necessary and justified transport costs (invoice, freight release, charter, etc.).
 - 5.3.2.2. Transportation costs to the repair and/or restoration site for damaged Cargo and return after repair/restoration, as well as travel expenses for specialists for repair and/or restoration if there is no service center and/or specialist at the destination for repair of the parts.
- 5.4. The expenses specified in Clause 5.3.1 are included in the insurance amount to the extent of the actual expenses incurred, which will be confirmed by appropriate documents. These expenses cannot include customs duties, taxes, fees, and other mandatory financial obligations, penalties, and fines.
- 5.5. Unless otherwise specified by the Policy, after each insurance compensation payment, the insurance amount is reduced by the amount of the compensation paid. The Policyholder has the right to restore the initial insurance amount by paying an additional insurance premium, in which case an addendum will be issued to the existing Policy.
- 5.6. If the actual (market) value of the Cargo is greater than the insurance amount specified in the Policy, the damage to the Cargo will be compensated proportionally to


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the ratio of the insurance amount to the actual (market) value of the Cargo, according to the Policy and the Terms.


- 5.7. The Policy may provide for a deductible or non-deductible amount, expressed in monetary terms or as a percentage of the insurance amount.
- 5.8. When calculating the compensation amount, the deductible is applied to each insured event, but if the damages are caused by interconnected events, the deductible is applied only once.
- 5.9. The amount of the insurance premium is determined by the Policy, either as a fixed amount or by applying the corresponding insurance rate to the insurance amount, which is calculated by the Insurer.
- 5.10. The Insurer may apply adjustment factors (increase/decrease) to the insurance rates depending on the risk chosen by the Policyholder, characteristics of the Cargo, specifics of the Cargo transportation, duration of the Policy, and other circumstances that may affect the degree of risk.
- 5.11. By agreement of the Parties, the insurance premium may be paid as a lump sum or in installments, with the amount, procedure, and terms of payment specified in the Policy.
- 5.12. If the Policyholder does not pay the lump sum or the first installment of the Insurance premium within 5 days from the effective date of the Policy, the Insurer has the right to unilaterally terminate the Policy starting from the 3rd day following the period specified in this clause (unless otherwise specified by the Policy).
- 5.13. If the Policy provides for the installment payment of the insurance premium and the Policyholder does not pay the next installment within the specified terms, the Insurer has the right to unilaterally terminate the Policy 3 days after the deadline for the payment of the insurance premium.
- 5.14. If the Policy provides for the installment payment of the insurance premium, the Insurer, when providing compensation, may reduce the compensation amount by the total unpaid insurance premium, regardless of the payment terms of the insurance premium specified by the Policy.

6. CONCLUSION AND DURATION OF THE INSURANCE POLICY


- 6.1. The Policy can be concluded either for a specific one-time transportation of the Cargo or for the periodic insurance of homogeneous or different batches of Cargo over a certain period and under uniform conditions, based on a Master Policy.
- 6.2. The basis for concluding the Policy is the application-questionnaire provided by the Insurer and completed by the Policyholder, or any information regarding the Cargo to be insured provided by the Policyholder through electronic means, including:

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- 6.2.1. The exact name, description, type of packaging, quantity, and weight of the Cargo.
- 6.2.2. The type of transport vehicle(s) used for transportation.
- 6.2.3. The type of dispatching and transporting the Cargo, the type of packaging (in containers, bulk, in piles, in lading, in the hold, or on deck, etc.).
- 6.2.4. Points of dispatch, reloading, storage, and delivery of the Cargo.
- 6.2.5. Number of shipments and transportation periods.
- 6.2.6. Characteristics and ownership of the warehouse, storage method, start and end dates of storage.
- 6.2.7. Actual value of the Cargo and the required insurance amount.
- 6.2.8. Conditions for ensuring the safety of the Cargo, presence of guards (escorts).
- 6.2.9. List of required insurance risks.
- 6.3. When concluding the Policy, the Insurer may request additional documents and/or information characterizing the degree of risk.
- 6.4. The Policy is concluded in written form through the signing of a single document by the Parties or by exchanging signed documents by mail, or electronically through email or other communication means specified in the Policy, including electronic platforms (website, electronic application, or similar means), which have the same legal significance as a handwritten policy.
- 6.5. The Terms are an integral part of the Policy. Certificates and appendices issued with the Policy are also an integral part of the Policy.
- 6.6. Depending on the characteristics of the Cargo, type of transportation, route, and other specific conditions and situations, the Parties may agree to supplement the terms of the Policy with Clauses specified in the Appendix. Corresponding amendments are made to the Policy, with mandatory reference to the relevant Clause(s) in the Appendix.
- 6.7. In case of loss, damage, or destruction of the Policy, the Insurer shall provide the Policyholder or the Insured Person with a duplicate of the Policy within 3 working days upon request.
- 6.8. The Policy enters into force within the periods specified in the Policy but no later than the moment the Cargo is handed over to the Carrier at the warehouse, port, railway station, departure airport (hereinafter referred to as the point of departure) and continues throughout the entire transportation, including reloading, and temporary storage points, and ends at the moment the Cargo is handed over by the Carrier to the receiver at the warehouse, port, railway station, destination airport (hereinafter referred to as the destination).
- 6.9. A one-time Policy can be concluded for any period agreed by the Parties but not exceeding 90 days, unless otherwise specified in the Policy.

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- 6.10. The Master Policy can be concluded for a period of up to 1 year as agreed by the Parties.
- 6.11. Under the Master Policy, the Insurer is liable to compensate for all damages resulting from insured events occurring with the Cargo whose insurance period started during the validity of the Policy and which were declared to the Insurer within the terms and conditions set by the Master Policy.
- 6.12. Under the Master Policy for transported Cargo, the Insurer issues a Policy for each batch of transported Cargo or a bordereau signed by the Parties for the reporting period, whose terms take precedence over the Master Policy unless otherwise specified by the Master Policy.
- 6.13. Unless otherwise specified in the Policy, the Insurer's obligations commence from the moment the Cargo is accepted for transportation at the point of departure specified in the Policy and continue throughout the entire transportation, including reloading and relocation, and storage at agreed storage points during the agreed period, if specified in the Policy.
- 6.14. The Policyholder is obligated to immediately, but no later than one working day, notify the Insurer through the communication means specified in the Policy of any significant changes in the information provided to the Insurer that may lead to an increase in the degree of risk (directly affect the likelihood of an event occurring or the extent of possible damage) after the Policy comes into force. Significant changes include changes in the Cargo transportation route, dispatch periods (deviation of more than 3 days), leaving the Cargo for long-term (more than 3 months) wintering not provided for in the Policy, packaging, transport vehicle, value of the Cargo, intermediate ports, warehouses, temporary storage locations, final delivery points and periods.
- 6.15. After being notified of significant changes described in Clause 6.14, the Insurer has the right to:
- 6.15.1. Amend the terms, periods, and/or increase the insurance premium.
 - 6.15.2. Terminate the Policy if the Policyholder (Beneficiary) does not agree to the changes in the Policy terms and/or the additional increase in the insurance premium.
- 6.16. If an insured event occurs after the significant changes described in Clause 6.14 but before the final agreement on the new terms of the Policy described in Clause 6.15.1, the insurance coverage will be provided only with the Insurer's consent and decision, provided that the said coverage would have been available to the Policyholder under the Insurer's specified premium and terms.

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- 6.17. If the Policyholder does not notify the Insurer of significant changes described in Clause 6.14 within the specified periods, the Insurer has the right to terminate the Policy with the consequences provided in Clause 7.1.10.
- 6.18. If the Cargo is insured not for the entire route but only for a part of it, starting from an intermediate point (port, warehouse, location, etc.), it can be insured only with the Insurer's consent after presenting the inspection report or conclusion of the Cargo at the intermediate point, documenting the Cargo details at the time of concluding the Policy (exact name, description, type of packaging, quantity, and weight, storage and securing conditions, physical condition of the Cargo, etc.).
- 6.19. The storage period of Cargo cannot exceed 60 days. For sea and/or land transportation, storage exceeding 60 days or for air transportation exceeding 30 days, the Policy can operate only with an additional insurance premium with the Insurer's consent, or the storage risks must also be insured under property insurance.
- 6.20. Unless otherwise specified in the Policy, the Policy is valid worldwide, except in:
- 6.20.1. Countries in a state of war, military operations, or martial law (including regions listed in the Joint War Risk Committee) regardless of whether the war (martial law) is declared or not.
- 6.20.2. Territories subject to economic and/or military sanctions by the EU, USA, UK, UN, and/or other international organizations.
- 6.20.3. Territories where epidemic outbreaks have been identified and recorded/recognized before or after the Policy comes into force.
- 6.21. The expiration of the insurance period does not release the Insurer from the obligation to pay compensation for insured events occurring during the insurance period.
- 6.22. Concluding the Policy in favor of the Beneficiary does not release the Policyholder from the obligations specified in the Policy unless otherwise specified in the Policy or if the Policyholder's obligations are fulfilled by the Beneficiary.

7. TERMINATION OF THE INSURANCE POLICY

- 7.1. The Policy is terminated if:
- 7.1.1. The term of the Policy has expired.
- 7.1.2. The recipient has received the Cargo.
- 7.1.3. The Cargo is completely damaged or lost due to reasons other than an insured event.
- 7.1.4. According to the legislation of the Republic of Armenia, the ownership rights to the Cargo have been transferred to another person, except in cases where a change in ownership has been previously reflected in the Policy.

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- 7.1.5. The Policyholder, who is a legal entity, has been dissolved or declared bankrupt, or the Policyholder, who is an individual, has died, except in cases where the Beneficiary is another person.
- 7.1.6. The Insurer has fulfilled all its obligations towards the Policyholder or the Beneficiary.
- 7.1.7. The likelihood of an insured event occurring has ceased and/or the existence of the insured risk has ceased due to circumstances other than an insured event.
- 7.1.8. There is a mutual agreement between the Insurer and the Policyholder.
- 7.1.9. At the initiative of the Policyholder or the Insurer before the start of the Cargo transportation.
- 7.1.10. At the initiative of the Policyholder or the Insurer if the other Party has committed a material breach of the Policy and Terms from the moment the breach occurred. The Policy may be terminated on this basis if the breach is discovered within three months. Moreover, such an initiative by the Policyholder does not relieve the Insurer from liability for the Cargo in transit until the termination of the Policy.
- 7.1.11. In the case of disagreement by the Policyholder with the changes provided for in Clause 6.15.2 of the Terms.
- 7.1.12. In other cases provided by the Policy, the Terms, and the legislation of the Republic of Armenia.
- 7.2. In cases of termination based on Clauses 7.1.1 to 7.1.3, 7.1.5 to 7.1.7, and 7.1.11, the insurance premium is not refunded to the Policyholder.
- 7.3. In cases of termination based on Clauses 7.1.4, 7.1.8, and 7.1.9 (at the Policyholder's initiative), the insurance premium is refunded to the Policyholder according to the following formula:
- $$RP=0.8 \times IP$$
- where:
- RP - Insurance premium to be refunded to the Policyholder.
- IP - Insurance premium specified by the Policy.
- 7.4. In case of early termination of the Policy at the Policyholder's initiative due to the Insurer's failure to fulfill its obligations and/or breach of the Policy, the Insurer must refund the received insurance premium if the non-fulfillment and/or breach is proven by the Policyholder.
- 7.5. In case of early termination of the Policy at the Insurer's initiative due to the Policyholder's failure to fulfill its obligations and/or breach of the Policy, the insurance premium is not refunded to the Policyholder.
- 7.6. In cases of termination based on Clause 7.1.12, the amount of the refunded insurance premium is determined by mutual agreement of the Parties.

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8. RIGHTS AND OBLIGATIONS OF THE PARTIES

8.1. The Policyholder has the right to:


- 8.1.1. Conduct their relations with the Insurer through an insurance intermediary.
- 8.1.2. Request from the Insurer documents confirming the right of insurance activity (such as a license to operate).
- 8.1.3. Receive insurance compensation in accordance with the procedure established by the Policy and the Terms.
- 8.1.4. Terminate the Policy early in accordance with the procedure established by the Terms.
- 8.1.5. Indicate the recipient of the insurance compensation (the Beneficiary) when concluding the Policy, while retaining the right to replace the Beneficiary with another person as per the procedure established by the legislation of the Republic of Armenia.
- 8.1.6. Obtain a duplicate or a certified copy of the Policy marked "Identical to the Original" from the Insurer in case of loss or destruction of the original.
- 8.1.7. Apply to the Financial System Mediator in case of disagreements/disputes with the Insurer, in accordance with the procedure and cases established by the Law of the Republic of Armenia "On Financial System Mediator".
- 8.1.8. Perform other actions as provided by the Terms.

8.2. The Policyholder is obligated to:


- 8.2.1. Pay the insurance premium within the terms and conditions specified in the Policy.
- 8.2.2. At the time of concluding the Policy and during its validity, notify the Insurer using the communication means specified in the Policy of any information known to them that is significant for the assessment of the insurance risk and increases the risk of the insurance object. The Policyholder is responsible for the accuracy and completeness of the information provided about the Cargo and its transportation conditions.
- 8.2.3. Inform the Insurer if the Cargo is insured under other policies.
- 8.2.4. In the case of insurance under a Master Policy, notify the Insurer of all necessary information for each shipment within the period specified in the Master Policy, or immediately after receiving the information if no period is specified in the Policy. The Policyholder is not released from this obligation even if they received the shipment information after the Cargo was delivered intact.
- 8.2.5. Ensure that the Insurer has the opportunity to inspect the Cargo and the transport vehicle, as well as the storage locations and warehouses of the Cargo.
- 8.2.6. Promptly provide, upon the Insurer's request, copies of:

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- 8.2.6.1. Documents confirming ownership and value of the specific transported Cargo.
- 8.2.6.2. Transportation documents of the specific transported Cargo.
- 8.2.6.3. Bill of lading of the specific transported Cargo.
- 8.2.6.4. Other necessary documents of the specific transported Cargo.
- 8.2.7. Within their responsibility and authority, take reasonable measures to eliminate circumstances leading to an increase in the insurance risk.
- 8.2.8. Notify the Insurer of the occurrence of an insured event within the time and manner specified in the Policy and the Terms.
- 8.2.9. Provide, upon the Insurer's request, documents and information directly related to the occurred event or important for substantiating the causes of the occurred event and/or the extent of the damage.
- 8.2.10. Take measures and complete necessary formalities to ensure the Insurer's right to subrogate claims against the person responsible for the compensated damages (carrier, forwarder, other third parties).
- 8.2.11. Inform the Insurer about any compensation received from third parties for the damages.
- 8.2.12. Properly fulfill the obligations assumed under the Policy and the Terms.
- 8.3. The Insurer has the right to:
 - 8.3.1. Verify the accuracy and completeness of the information and data provided by the Policyholder and/or Beneficiary, as well as the compliance of the Policyholder's actions with the requirements and terms of the Policy, by any means accessible to them that do not contradict the legislation of the Republic of Armenia.
 - 8.3.2. Inspect the Cargo at any time, check the presence and condition of the transport vehicle and the Cargo packaging, ensure the proper fulfillment of the Cargo transportation and intermediate storage conditions by the Policyholder (Beneficiary), as well as verify the accuracy and completeness of the information provided by the Policyholder regarding the Cargo and transportation conditions. A representative of the Company or an authorized specialist/organization may draw up and sign an inspection report, which is an integral part of the Policy.
 - 8.3.3. Unilaterally terminate the Policy if the Policyholder (Beneficiary) fails to properly fulfill, does not fulfill, or breaches the Terms and conditions of the Policy, by notifying the Policyholder at least two working days in advance.
 - 8.3.4. Unilaterally terminate the Policy starting from the 5th day following the due date if the Policyholder fails to pay the insurance premium within the terms and conditions specified in the Policy (unless another term is specified in the Policy) without prior notice to the Policyholder.


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- 8.3.5. When issuing appendices/agreements to the Policy, demand additional insurance premium from the Policyholder if necessary, based on the amount calculated in the appendix/agreement.
- 8.3.6. If necessary, request additional information from the Policyholder (Beneficiary) to assess the degree of risk and, after learning about circumstances increasing the insurance risk, demand the payment of an additional insurance premium proportional to the increased risk. If the Policyholder fails to meet this requirement, the Insurer applies the legal consequence provided in Clause 6.15.2 of the Terms.
- 8.3.7. Participate in measures to save and preserve the Cargo, as well as issue written instructions to reduce damage, which are binding on the Policyholder (Beneficiary). However, these actions cannot be considered as proof that the Insurer recognizes the event as insured.
- 8.3.8. Investigate the circumstances of the insured event and/or request additional information from the Policyholder, Beneficiary, or independently make inquiries to the relevant competent authorities and other organizations possessing information about the insured event, as well as independently determine the causes and circumstances of the insured event.
- 8.3.9. For final decision-making, request necessary additional documents from the claimant and personally or through a representative investigate the circumstances of the insured event or involve other persons.
- 8.3.10. Engage experts to identify the causes of the event or ascertain the extent of the damage and base the determination of the insurance compensation amount on their conclusions.
- 8.3.11. Suspend the insurance compensation process, including the decision-making period for compensation, to obtain additional information necessary for making the decision, verify the accuracy, authenticity, or validity of the documents provided by the Policyholder, to obtain the results of additional expertise appointed at the initiative of the Policyholder (Beneficiary) or the Insurer to clarify the circumstances of the incident and/or determine the extent of the damage, and perform other actions in cases provided by the legislation of the Republic of Armenia and the Terms.
- 8.3.12. Request from the Policyholder written information that may directly or indirectly affect the Insurer's determination of the likelihood of the insured event occurring and the potential extent of damage, as well as other documents and information necessary for accurately assessing the insurance risk and concluding the Policy.
- 8.3.13. Process the personal data of the Policyholder (Beneficiary) for the purpose of concluding the Policy, providing information or making proposals about

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insurance services to the Policyholder (Beneficiary), as well as for other purposes not prohibited by the legislation of the Republic of Armenia.

- 8.3.14. Appoint an examination to determine the cause of the event and/or assess the damage to the Cargo and make a decision on insurance compensation/rejection based on its results.
- 8.3.15. Perform other actions as provided by the Terms.
- 8.4. The Insurer is obligated to:
- 8.4.1. Ensure that the Policyholder has the opportunity to fully and accessibly familiarize themselves with the Terms when concluding the Policy.
- 8.4.2. Provide the Policyholder with a copy of the Policy and the Terms when concluding the Policy and make a note of it in the Policy.
- 8.4.3. Ensure the confidentiality and security of personal data provided by the Policyholder (Beneficiary) or obtained from sources not prohibited by law during the contractual relationship, taking into account the cases provided by the legislation of the Republic of Armenia.
- 8.4.4. In the case of insurance under a Master Policy, provide Policies for separate shipments of Cargo upon the request of the Policyholder.
- 8.4.5. In the event of an insured event, make the insurance compensation payment in accordance with the procedure established by the Terms and the Policy.
- 8.5. When receiving the Cargo, the Policyholder or an authorized person (the receiver of the Cargo) is obligated to conduct an external inspection of the Cargo, including the cargo compartment, seals, and packaging, in the presence of the Carrier to identify/exclude possible damages and losses. They must prepare and sign an act of acceptance or another document certifying the acceptance of the Cargo. In the case of discovering hidden or internal losses or damages, they must notify the Carrier within seven working days after receiving the Cargo.
- 8.6. If the receiver of the Cargo does not provide written observations regarding noticeable losses or damages to the Cargo or part of it in the act of acceptance or another document certifying the acceptance of the Cargo, or does not notify the Carrier within seven working days about the general nature of hidden or internal losses or damages after receiving the Cargo, it is considered that the receiver has received the Cargo in proper condition as specified in the invoice and/or other accompanying documents, unless proven otherwise by the receiver.
- 8.7. The obligations of the Policyholder equally extend to the Beneficiary. When the Beneficiary submits a claim for compensation, the Insurer has the right to require the fulfillment of the obligations not performed by the Policyholder. The Beneficiary also bears the risk of non-performance or improper performance of the obligations to be fulfilled.


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8.8. The Parties and the Beneficiary are obligated not to disclose, reveal, and/or provide to third parties any financial and insurance secrets and/or any type of information containing such secrets known to them, except in cases provided by the legislation of the Republic of Armenia. They must not use the information known to them for their own and/or third-party interests or to harm each other's economic position.

9. ACTIONS OF THE PARTIES IN CASE OF AN INSURED EVENT

9.1. In the case of an insured event, the Policyholder (their representative) and/or the Beneficiary have to:

- 9.1.1. Inform the Insurer about the event immediately, but no later than 48 hours from the occurrence of the event, using the communication means specified in the Policy.
- 9.1.2. Depending on the nature of the event, notify the relevant competent authority (authorities) (police, law enforcement agencies, etc.) immediately, but no later than three hours, and obtain all necessary documents confirming the fact of the damage, its causes, and the extent of the damage (if available).
- 9.1.3. Immediately upon becoming aware of the event, take reasonable and accessible measures under the given circumstances to save and preserve the damaged Cargo, as well as prevent further damage to the Cargo and eliminate causes contributing to the occurrence of additional damages.
- 9.1.4. Preserve the damaged Cargo in its unchanged condition and provide the Insurer or the surveyor appointed by the Insurer the opportunity to inspect the damaged Cargo.
- 9.1.5. Properly follow and act in accordance with the instructions/orders and/or guidelines of the Insurer and any person providing services related to the event.
- 9.1.6. Ensure proper protection of their rights and interests in relations with other parties involved in the processes related to the insured event.
- 9.1.7. Within the limits of possibility, take actions to determine the identity (name, surname, address, phone number, etc.) of other parties and witnesses (if available) involved in the event.
- 9.2. No work to bring the damaged Cargo to a condition suitable for transportation should begin until the Insurer or the surveyor appointed by the Insurer completes the inspection, except in cases where these measures are taken with the consent of the Insurer and/or for safety reasons and/or the necessity to prevent further damage. Otherwise, the Insurer is not responsible for repeated damage to the Cargo.
- 9.3. If the obligations provided in Clause 9.1 of the Terms are not fulfilled, the Insurer has the right not to pay the insurance compensation unless the Policyholder or Beneficiary proves that the Insurer knew about the insured event in time, or if the

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Policyholder or Beneficiary proves the impossibility of notifying. In the latter case, the Policyholder (Beneficiary) has to fulfill the above obligations immediately after the circumstances causing the impossibility are eliminated.

10. PROCEDURE FOR SETTLING INSURANCE CLAIMS

- 10.1. Within 4 working days from the date of the event, the Policyholder, the Beneficiary, or their authorized representative has to submit a claim application in accordance with the Policy and the Terms.
- 10.2. Within 3 (three) months from the date of submitting the written claim to the Insurer, the Policyholder (Beneficiary) has to provide the following documents:
 - 10.2.1. The original Policy (if required by the Insurer).
 - 10.2.2. A document confirming the identity of the Policyholder (Beneficiary), social card or certificate of SSN allocation (if available) (in case of a legal entity, the state registration certificate, TIN).

Documents confirming the occurrence of an insured event in case of transportation by water transport:


- 10.2.3. Extract from the ship's log.
- 10.2.4. Ship's act-accident certificate.
- 10.2.5. General average adjustment act, and other official documents equivalent to them, indicating the causes of the insured event.

In case of rail transportation:

- 10.2.6. Commercial act drawn up by a railway representative at the station regarding damage, theft, or seal damage of the Cargo.
- 10.2.7. Commercial act drawn up at the destination regarding the shortage of the Cargo, signed by the receiver, the guard, and the railway representative.
- 10.2.8. General form act or other equivalent act validated by the carrier's seal indicating the amount of damage.
- 10.2.9. Certificate drawn up by the head of the railway division where the accident (derailment, bridge collapse, etc.) and as a result of which an Insured event occurred.
- 10.2.10. Railway bill with a note about the damage.

In case of motor transportation:

- 10.2.11. Act regarding the shortage (for any reason) of the Cargo drawn up at the destination by the receiver, the carrier (freight company/driver), the guard, and the customs representative (if available).
- 10.2.12. Roadpolice report in case of a traffic accident.
- 10.2.13. Decision by the investigation body, investigator, or prosecutor to initiate a criminal case in case of theft or destruction of the Cargo.

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10.2.14. Copy of the waybill indicating the time and date of receipt, the quality condition of the Cargo, and the time of dispatch and arrival at the parking place.

10.2.15. Driver's license.

10.2.16. Driver's explanatory note on the circumstances that caused the damage to the Cargo.

In case of air transportation:

10.2.17. Commercial act certified by the air carrier's stamp or seal indicating the amount of damage.

10.2.18. Commercial act about theft or damage of the Cargo indicating the amount of damage, certified by the air carrier and/or representatives of the destination airport and the customs stamp or seal of the receiver (if available).

10.2.19. Certificate of the aircraft accident issued by the airline management.

In case of transportation by any other means:

10.2.20. Cargo inspection acts by the authorized representative of the Policyholder.

10.2.21. Examination and evaluation acts and other similar documents drawn up in accordance with the laws of the territory where the damage was discovered.

10.2.22. Documents confirming the expenses incurred for saving the Cargo.

Documents confirming the property interest in the Cargo:

10.2.23. Cargo documents (bills of lading, railway bills, or other transportation documents, packing lists, sale-purchase contracts, other contracts confirming the property interest of the Policyholder (Beneficiary), invoices, and other bills indicating the Policyholder (Beneficiary) had disposal rights over the Cargo at the time of the event).

Documents confirming the dispatch of the Cargo:

10.2.24. Depending on the type of transport, bill of lading, land, rail, and air transport documents, invoices, or other documents in accordance with the applicable legislation confirming the dispatch of the Cargo and containing notes about the damage to the Cargo.


10.2.25. Transportation, freight, or forwarding service contracts, transportation contracts, other equivalent transportation documents, charter parties, and bills of lading in the case of insurance of Cargo transported by sea.

10.2.26. Photographs of the damaged Cargo if required by the Insurer.

10.2.27. Other necessary documents as required by the Insurer.

Documents necessary for exercising the right of subrogation:


10.2.28. Copies of demand letters addressed to the responsible party (carrier, forwarder, or other responsible persons) with a note of their receipt or copies of postal receipts for sending them, copies of responses from the responsible party, and

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other documents and evidence necessary for exercising the subrogation right by the Insurer.

In case of unknown loss of the transport vehicle:

- 10.2.29. Evidence provided by the competent authority confirming the departure time of the transport vehicle, as well as the fact that the transport vehicle did not reach the destination or the appropriate place specified in the Policy.
- 10.3. The transport vehicle is considered lost if it has not reached its destination during transportation, and efforts to find it have been unsuccessful within 60 days from the start of its disappearance (in the case of military operations, this period may be extended to six months), or if the search has been officially terminated before that period. The date of the beginning of its disappearance is considered to be the date and time of the last contact with the transportation coordinator (freight forwarder and/or operator and/or any participant in the entire transportation process) or the date when the vehicle's location was last known and recorded.
- 10.4. The Policyholder (Beneficiary) is also obligated to provide the Insurer, upon request, with documents and information directly related to the occurred event or important for substantiating the causes and/or extent of the damage.
- 10.5. If the Policyholder (Beneficiary) presents a written petition to extend the specified period for submitting documents due to obstacles or other reasons, the Insurer may, considering the circumstances of the case, extend the period specified in Clause 10.2 of the Terms.
- 10.6. Within 20 (twenty) working days after the submission of the claim by the Policyholder (Beneficiary), along with all necessary documents specified in the Terms, the Insurer makes a decision to satisfy or reject the insurance claim (except for Clause 10.7 of the Terms) and within 5 (five) working days after decision making Insurer informs/notifies the Policyholder and/or the applicant mentioned in this clause.
- 10.7. If it is necessary to obtain additional information and documents from state bodies and officials conducting criminal proceedings, as well as from judicial and/or other competent authorities, the deadlines for making the insurance compensation decision are suspended until the receipt of the mentioned information and documents. The Insurer sends the corresponding notification to the applicant using the communication means specified in the Policy or mutually provided in writing.
- 10.8. If a civil, administrative, or criminal proceeding has been initiated concerning the event, or if the same event is being considered by the Financial System Mediator, and the payment of insurance compensation depends on the outcome of that proceeding, the decision-making and/or payment periods for the compensation are suspended until the date when the judicial act resolving the case on the merits enters


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into legal force or until the decision of the Financial System Mediator becomes binding for the parties.


- 10.9. If a decision is made to satisfy the Insurance claim, the Insurer pays the insurance compensation within 20 (twenty) working days.
- 10.10. If the Policyholder (Beneficiary) does not submit the necessary documents within the period specified in the Terms or does not submit any written petition for an extension of the period, the Insurer may refuse to pay the insurance compensation after the expiration of the period specified in the Terms.
- 10.11. The Policyholder (Beneficiary) bears all legal consequences for the authenticity, accuracy, and non-fraudulence of the documents (including copies) submitted to the Insurer.

11. CALCULATION OF INSURANCE COMPENSATION


- 11.1. In the case of full insurance coverage of the Cargo, for total loss/destruction (if the Cargo has completely and irreversibly lost its consumer properties and cannot be used for its intended purpose (actual loss) or if the repair cost exceeds its insured value (constructive total loss)), the Insurer determines the amount of compensation by one of the following methods:
 - 11.1.1. The entire insured amount of the Cargo, less the residual value of the Cargo suitable for use.
 - 11.1.2. The entire insured amount of the Cargo, with the Policyholder transferring the rights to the residual value to the Insurer in accordance with the abandonment agreement or declaration.
 - 11.1.3. By other agreement between the Parties.
- 11.2. In the case of full insurance coverage of the Cargo, for partial damage, the Insurer determines the amount of compensation by one of the following methods:
 - 11.2.1. Based on the expert conclusion obtained by the Insurer or by agreement of the Parties, as the difference between the value of the Cargo before and after the occurrence of the insured event (lost value).
 - 11.2.2. The cost of restoring (repairing) the damaged Cargo to the condition it was in before the insured event. These costs include expenses for materials, spare parts, transportation, and repair work, but not exceeding the actual value of the Cargo unit at the time of concluding the Policy. Only those costs that have arisen directly as a result of the insured event are considered. Customs duties are deducted from these costs if they were not included in the insured amount.
 - 11.2.3. By other agreement between the Parties.

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- 11.3. In the case of partial insurance coverage of the Cargo, the Insurer compensates the damage in proportion to the ratio of the Insured amount to the Insured value.
- 11.4. Insurance compensation is paid considering the amount of any deductible (if applicable).
- 11.5. If the Policyholder disagrees with the expert conclusion obtained by the Insurer regarding the cause of the event and/or the assessment of the damage to the Cargo, they have the right to challenge the results of the expert conclusion in accordance with the law.
- 11.6. If there is another insurance policy covering the same Cargo (except for the carrier's liability insurance policy) that compensates the same damage and/or loss, the Insurer's compensation is calculated in proportion to the insured amount specified in the Policy and the total insured amount under all other insurance policies covering the same Cargo.
- 11.7. If there is also a carrier's liability insurance policy covering the same damage and/or loss, the Insurer compensates the Policyholder the difference between the amount payable under the Policy and the amount compensated by the insurance company holding the carrier's liability insurance policy.
- 11.8. In case of maritime transport, the Insurer compensates the general average losses and expenses if the "General Average" additional risk is covered by the Policy. The expenses subject to compensation under the general average are covered by the Insurer regardless of whether they, together with the damage compensation, exceed the insured amount specified in the Policy.
- 11.9. If the Policy also covers expenses related to the transportation of the Cargo (transportation costs, customs duties, and other expenses), the Insurer compensates the additional expenses within the Insurance amount specified in the Policy in case of total destruction of the Cargo or part of these expenses in case of damaged Cargo according to the sub-clauses of Clause 5.3 of the Terms.
- 11.10. The Insurer also compensates the following expenses provided they were incurred under the Insurer's instructions:
 - 11.10.1. Documented expenses related to saving the Cargo and preventing further damage, even if the corresponding measures were unsuccessful.
 - 11.10.2. Expenses paid to experts for assessing the damage.
- 11.11. Measures taken by the Policyholder or the Insurer (representative) to save, preserve, or restore the Cargo should not be considered a waiver of the right to claim, agreement to abandonment, or limitation of any rights of the Parties.
- 11.12. If no additional expense compensation claim arises as a result of the insured event, the sub-limit related to additional expenses is not considered in the total insured amount when determining the amount of damage.

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- 11.13. Repacking expenses may be compensated at the Insurer's discretion, but not exceeding 15% of the Insured amount.
- 11.14. Compensation for damage to equipment containing computer programs (equipment/machinery/computers, devices with software and electronic circuits) is carried out as follows:
- 11.14.1. In the case of physical damage and/or loss of the equipment within the Insured amount.
- 11.14.2. If hidden damage such as software malfunction occurred due to the insured event, the cost of restoring the software as documented by the manufacturer and/or expert, but not exceeding 5% of the Insured amount for the specific damaged equipment.
- 11.15. If, during the transportation of collective Cargo of non-homogeneous batches (Cargo with different physicochemical properties and physical conditions), damage to one group of Cargo resulting from an insured event leads to damage or destruction of other groups of Cargo that were not directly damaged by the event, such damages are subject to compensation by the Insurer.
- 11.16. If, as a result of transportation, labels affixed to the Cargo unit are significantly damaged (worn), leading to distortion of the product appearance and a decrease in the Cargo value, the label damage is compensated to the extent of the cost of acquiring similar labels and the cost of affixing them.
- 11.17. If, as a result of transportation, the consumer packaging of the Cargo unit (without which the product is not sold and which contains marks, inscriptions, etc., related to the packaged product and/or information intended for the consumer) is damaged without damaging or losing the Cargo itself, leading to a decrease in the Cargo value, the damage and/or loss of the consumer packaging of the Cargo is subject to compensation up to a maximum of 1% of the value of the damaged Cargo unit. Damage to consumer packaging will be compensated only if substantiated documentary evidence of the packaging cost is provided by the Policyholder/Cargo owner (e.g., product manufacturer/seller) or if the cost information can be obtained from another source.
- 11.18. Unless otherwise specified in the Policy, all expenses for saving and preserving the Cargo, as well as preventing its further damage, are borne by the Policyholder (Beneficiary).
- 11.19. If the Policyholder (Beneficiary) has received compensation for the damages from third parties, the Insurer pays only the difference between the amount payable under the Policy and the amount paid (or payable) by the third party to the Policyholder.
- 11.20. If the Cargo is found after the payment of the Insurance compensation, the Insurer may require the Policyholder (Beneficiary) to return the Insurance compensation

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amount, retaining the Cargo and deducting the amount of damage caused by partial damage or destruction of the Cargo if such damage has occurred.

12. ABANDONMEN

- 12.1. The abandonment provision applies only if it is specified in the Policy.
- 12.2. Abandonment is allowed only when the insured object (including the transport vehicle carrying the Cargo) cannot be confidently considered lost or when the costs of repairing the damage to the Cargo are economically unfeasible.
- 12.3. The Policyholder (Beneficiary) transfers their rights to the Insurer through a notice of abandonment in the following cases:
 - 12.3.1. If the Cargo is lost along with the transport vehicle.
 - 12.3.2. If the Cargo is completely destroyed and is no longer fit for further use.
 - 12.3.3. If it is impractical to repair the damage to the Cargo (when the repair costs exceed 75% of the insured amount) or if transporting the Cargo to its destination is no longer economically feasible.
 - 12.3.4. If the Cargo is confiscated as a result of civil unrest or terrorist acts, provided that the Cargo is insured against such risks, and the confiscation lasts for more than 60 days.
- 12.4. The notice of abandonment can be given to the Insurer within 6 (six) months following the start of the events mentioned in sub-clauses 12.3.1-12.3.4. The notice of abandonment cannot be subsequently withdrawn by the Policyholder (Beneficiary).
- 12.5. In the case of abandonment, the Insurer has the right but is not obligated to pay the full insured amount.

13. SUBROGATION

- 13.1. As a result of an insured event, the right of the Policyholder (or Beneficiary) to claim compensation from the party (parties) responsible for the damage (including the carrier and the carrier's liability insurer(s)) passes to the Insurer to the extent of the compensation paid by the Insurer.
- 13.2. The Policyholder (Beneficiary) is obliged to provide the Insurer with all documents and other evidence confirming their right to claim and to disclose all necessary information for the Insurer to exercise the right of subrogation. If the Policyholder (Beneficiary) hinders the Insurer's right to subrogation, refuses in writing to transfer the right to claim against the party responsible for the damage compensated by the Insurer, or if this right cannot be exercised due to the fault of the Policyholder (Beneficiary), the Insurer is fully or partially released from the


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obligation to pay Insurance compensation or has the right to demand the return of the already paid compensation amount.


- 13.3. The Insurer exercises the right to claim transferred to them in accordance with the rules governing the relationship between the Policyholder and the party (parties) responsible for the damage.

14. EXCLUSIONS

- 14.1. The following is not considered an insured event and is not subject to compensation by the Insurer for the damage, loss, or destruction of the Cargo that occurred due to:
- 14.1.1. The inherent and natural properties of the Cargo (including fermentation, dusting, decay, corrosion, normal and/or internal spoilage, drying, rotting, etc.), as well as the natural wear and tear of weight or volume within normative standards, leakage, or loss.
 - 14.1.2. The natural and/or factory and/or production defects or characteristics of the Cargo, and also defects that were known to the Policyholder (Beneficiary) before the conclusion of the Policy.
 - 14.1.3. Inadequate or non-compliant packaging, storage, placement, and shipping of the insured object to withstand damage inherent to the type of cargo transportation, in violation of international standards and norms (International Maritime Organization (IMO), International Labour Organization (ILO), and United Nations Economic Commission for Europe (UNECE) CTU Code (Code of Practice for Packing of Cargo Transport Unit), ISO 21067-1:2016 standard, and other international standards and norms regulating cargo transportation).
 - 14.1.4. Delay in the Cargo's transportation beyond the scheduled time and the resulting decrease in the Cargo's market value, even if the delay was caused by an insured risk (except for expenses incurred for the salvage or sacrifice of the Cargo under the "General Average" condition).
 - 14.1.5. Bankruptcy or insolvency of the Carrier (owner, lessee, operator of the transport vehicle and/or any participant in the entire transportation process), provided the Policyholder, Beneficiary, or their representative was aware or should have been aware that such circumstances might affect the successful transportation of the Cargo at the time of loading or storage (the burden of proof of unawareness lies with the Policyholder). This exclusion does not apply if the party specified in the contract has bona fide purchased or agreed to purchase the Cargo under a mandatory contract.

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- 14.1.6. Nuclear explosion, radiation, radioactive contamination, electromagnetic, chemical, biological, biochemical, or microbiological impact.
- 14.1.7. Strikes, labor disturbances, employer actions barring employees from entering the workplace, labor shortages, forced downtime of employees, and actions of individuals involved in strikes.
- 14.1.8. Mass disorder, riots, civil unrest, revolution, rebellion, civil war, and their direct or indirect impact.
- 14.1.9. War (declared or undeclared), military actions, hostile actions of any party against or by a belligerent, maneuvers and their direct or indirect impact.
- 14.1.10. Neglected mines, mine-carrying ships, bombs, or other military weapons and materials.
- 14.1.11. Events classified as terrorism by competent state authorities and the direct or indirect impact of anti-terrorist actions.
- 14.1.12. Actions of any person driven by political, ideological, religious, or illegal motives.
- 14.1.13. Unexplained loss/shortage of the Cargo (e.g., intact seals, lack of evidence of tampering or damage to the Cargo, etc.), except when proven that the loss/shortage occurred due to illegal entry into the transport vehicle by a third party during the validity of the Policy and/or through the use of force or coercion against the Policyholder (Beneficiary) and/or Carrier.
- 14.1.14. Seizure, confiscation, detention, restriction or arrest of rights, expropriation, nationalization (except for piracy under the "Risk Group A" insurance in Clause 4.2.1) and their consequences.
- 14.1.15. Mold or fungi.
- 14.1.16. Worms, rodents, insects, larvae, birds, and their secretions.
- 14.1.17. Any computer, computer program, erroneous programming, malicious code, computer virus or process, or any other electronic system's direct or indirect use or operation.
- 14.1.18. Malfunction of the transport vehicle carrying the Cargo or the inadequacy of the transport vehicle, container, or warehouse for the safe transportation/storage of the Cargo, if the Policyholder, Beneficiary, or their representative was aware or should have been aware of such malfunction or inadequacy at the time of loading or the beginning of storage.
- 14.2. Unless otherwise explicitly provided in the Policy, damage caused to the environment and/or to the life, health, and property of third parties during the transportation of Goods is not considered an insured event.
- 14.3. Damage, loss, destruction, or expense directly or indirectly associated with, resulting from, or arising from an infectious disease and/or fear or threat of it (actual or presumed) is not considered an insured event and is not subject to


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compensation by the Insurer, regardless of any concurrent or subsequent contributing cause or event. For the purposes of these Conditions, an infectious disease means any disease that can be transmitted from one organism to another through a substance or agent, where:


- 14.3.1. The substance or agent includes (but is not limited to) any virus, bacteria, parasite, or other organism or any variation thereof, whether living or not; and
- 14.3.2. The direct or indirect means of transmission includes (but is not limited to) transmission between organisms through the air, bodily fluid, or any solid, liquid, or gaseous surface or object; and
- 14.3.3. The disease, substance, or agent may pose a threat or cause bodily injury, illness, deterioration of health, and damage to wellbeing or property. The disease, substance, or agent may pose a threat or cause bodily injury, illness, deterioration of health, and damage to property.

15. REASONS FOR DENIAL OF INSURANCE

- 15.1. The Insurer has the right to refuse payment of insurance compensation if:
 - 15.1.1. The damage occurred due to actions or inactions of the Interested Party, whose negative impact on the Cargo was known or should have been known to them in their official capacity.
 - 15.1.2. The damage occurred because the Interested Party did not take reasonable and available measures to avoid or reduce possible damage.
 - 15.1.3. The Interested Party committed intentional and/or illegal actions that were aimed at or contributed to the occurrence of the insured event or the increase in the extent of the damage caused.
 - 15.1.4. The damage occurred as a result of storing the Cargo (including transit storage) for more than 60 days in total, unless otherwise provided by the Policy.
 - 15.1.5. The Policyholder, Beneficiary, and/or their representative did not inform the Insurer about the event, their initiated actions, and/or their incurred expenses within the timeframes and/or manner specified in the Terms and Policy.
 - 15.1.6. The Policyholder (Beneficiary) did not submit or submitted incomplete documents required to receive compensation.
 - 15.1.7. The Policyholder (Beneficiary) did not grant permission for the Insurer or their appointed expert to inspect the Cargo within 5 business days after the Insurer made the appropriate request.
 - 15.1.8. The Policyholder (Beneficiary) and/or their representative obstructed the Insurer's process of determining the causes of the event and the extent of the damage, including conducting examinations and inquiries.

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- 15.1.9. The Policyholder (Beneficiary) has not adhered to the necessary and proper actions for the transportation, installation, and other measures previously specified by them.
- 15.1.10. During the conclusion of the Policy and/or its validity period, the Policyholder (Beneficiary) provided the Insurer with false, misleading, inaccurate, or incomplete information and/or evidence regarding the circumstances of the insured event, submitted documents containing information that did not correspond to reality, were falsified or incomplete, or presented documents to the Insurer that did not comply with the requirements of RA legislation.
- 15.1.11. At the time of the occurrence of the insured event, the Policyholder has overdue obligations regarding the insurance premium towards the Insurer.
- 15.1.12. The Policyholder (Beneficiary) has submitted a claim for compensation for damages that occurred outside the Insurance Territory.
- 15.1.13. The risk arose after the expiration of the Contract period.
- 15.1.14. The transportation was carried out in violation of the standards established by international standards (for marine transportation: requirements of clause CL. 354 dated 01.01.2001) or by such a transport means that does not have a valid certificate from international conventions and/or international safety management bodies for transportation (for marine transportation: a certificate according to the ISM code) or is not intended for such Cargo transportation, or the Carrier and/or operators do not have a document conforming to the international safety management regulations for transportation.
- 15.1.15. The transported goods are prohibited by legal acts regulating transportation, the established norms and conditions, as well as the health and/or sanitary and veterinary authorities of the importing country and/or the intermediate port or point.
- 15.1.16. The Cargo was transported to or from countries or through countries or neutral territories that are under economic sanctions of the EU, UK, USA, UN, and/or other international organizations and/or are subject to trade embargo.
- 15.1.17. The Cargo was transported on a non-seaworthy vessel or ocean tug.
- 15.1.18. During the implementation of special size and heavy cargo transportation:
- 15.1.18.1. The transportation route is not pre-approved by the appropriate road services or competent authority.
- 15.1.18.2. The conditions of securing the Cargo in the transport vehicle, loading and unloading with cranes, and transportation do not meet or are not sufficient for the nature of the Cargo.
- 15.1.18.3. The necessary flooring for fastening the Cargo is missing or insufficient.

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- 15.1.18.4. The infrastructure elements' capacities do not correspond to the size and weight of the Cargo (both according to documents and factually).
- 15.2. The Terms do not cover any associated and/or consequential damage and/or loss, including all types of breaches of contractual obligations, import and/or export prohibitions, invalidation of the contract, currency exchange fluctuations, profit, income, taxes, penalties, fines, guarantees, warranties, credit obligations, any other financial losses and/or damages, including missed opportunities.
- 15.3. The Insurer has the right to refuse the payment of indemnity in other cases provided for by the Policy and the Terms.
- 15.4. The Insurer may refuse the payment of indemnity if it leads to the Insurer and/or the corresponding risk reinsurer violating economic sanctions imposed by the EU, UK, USA, UN, and/or other international organizations according to their resolutions, laws, regulations, directives, and other normative acts.
- 15.5. Non-fulfillment and/or improper fulfillment of the requirements defined by clauses 8.2. and 8.3. (including all sub-clauses), 8.5, and 8.7, chapters 9, 10, 13 of the Terms, and/or non-fulfillment and/or improper fulfillment of the requirements defined in the Policy may be grounds for the refusal of the insurance indemnity.


16. OTHER PROVISIONS

- 16.1. By the power of signing the Contract, the Policyholder gives their consent that the Insurer, from the moment of signing the Contract, may process, including collect, record, enter, systematize, organize, store, use, modify, restore, transfer, correct, block, destroy, or perform other actions with the personal data related to the Policyholder provided for the signing of the Contract, or perform other actions not prohibited by the legislation of the Republic of Armenia, including making relevant inquiries about personal data in accordance with the legislation of the Republic of Armenia, for the purpose of providing services under any type of insurance in the future. This consent can be withdrawn by the Policyholder at any time based on an application, including electronically, which can be sent from the email address specified in the Contract.
- 16.2. The insurance indemnity is carried out in the currency of the Republic of Armenia, except in cases provided by the legislation of the Republic of Armenia. Expenses presented to the Company in foreign currency are compensated to the Policyholder (Beneficiary) in the equivalent amount of AMD calculated at the exchange rate set by the Central Bank of Armenia on the date of the decision on insurance indemnity unless otherwise provided by the Contract.
- 16.3. If the documents submitted by the Policyholder (Beneficiary) for receiving compensation are in a foreign language, they must be accompanied by translations

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performed by a qualified translator and, upon the Insurer's request, notarized copies of them.

- 16.4. The Insurer may, in writing, exempt the Policyholder and/or Beneficiary from submitting certain documents or performing certain actions specified by the Terms.
- 16.5. The days specified by the Terms are considered calendar days, except when a specific provision of the Terms mentions working/business days.
- 16.6. The concept of the territory of the Republic of Armenia is defined by the Law of the Republic of Armenia "On the State Border."
- 16.7. All notifications, decisions, and letters (hereinafter collectively referred to as Notifications) sent by the Insurer to the Policyholder (Beneficiary) are considered duly notified (delivered) if carried out in any of the following ways:
 - 16.7.1. The Notification was sent by postal mail to the address specified in the Contract or claim application.
 - 16.7.2. The Notification was sent by mobile message to the phone number specified in the Contract or in another document (claim application, statement, etc.) provided by the Policyholder (their authorized person) and/or Beneficiary.
 - 16.7.3. The Notification was sent by email to the address specified in the Contract or claim application.
- 16.8. In case of changes to the addresses and/or data (address, phone number, bank details, etc.) of the Parties specified in the Contract, the Policyholder (Beneficiary) is obliged to inform the Insurer about it. If the Insurer is not informed about the mentioned changes, all Notifications sent to the last known address of the Policyholder (Beneficiary) are considered duly delivered (handed), and the Policyholder (Beneficiary) is considered duly notified, regardless of the fact of actual notification. In such a case, the starting date of the Notification is considered to be the date of its dispatch.
- 16.9. During the validity of the Contract, the Parties may amend and/or supplement the provisions of the Contract by signing a bilateral agreement, and certain provisions of the Terms may be partially applied, not applied, reformulated, or added. Such changes are noted in the Contract (Master Contract) or attached agreements and form an integral part of the Contract.
- 16.10. All disputes arising from the Contract and the Terms are subject to resolution in accordance with the procedure specified in the Contract and the legislation of the Republic of Armenia.
- 16.11. The legal relations arising from the Contract and the Terms are regulated by the legislation of the Republic of Armenia.
- 16.12. In the event of a discrepancy between the Contract and the Terms, the Contract and the Master Contract, as well as the Contract and the Clauses, the Contract prevails.

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In the event of a contradiction between the Terms and the Clauses, the Clauses prevail.

16.13. In case of discrepancies between the Terms and their translations, the Armenian version prevails.

17. FORCE MAJEURE

- 17.1. The Parties are exempt from liability for full or partial non-performance of their obligations under the Contract if this is due to the effect of force majeure that arose after the conclusion of the Contract, which the Parties could not foresee or prevent, and which directly resulted in the impossibility of fully or partially fulfilling the contractual obligations. Such situations include earthquakes, floods, fires, the declaration of martial law and a state of emergency, war, civil unrest, strikes, suspension of communication facilities, acts of state authorities, etc., which make it impossible to fulfill the obligations under the Contract.
- 17.2. If the effect of force majeure continues for more than 3 (three) months, either Party has the right to unilaterally terminate the Contract early by notifying the other Party at least 15 days in advance.
- 17.3. The Party whose obligations are hindered by the effect of force majeure is obliged to prove the impact of such force majeure on the implementation of their obligations under the Contract.


18. DISPUTE SETTLEMENT

- 18.1. Disputes arising within the framework of or in connection with the Contract shall be resolved through negotiations. If an agreement is not reached within 30 business days from the start of negotiations, the disputes shall be resolved in accordance with the procedures established by the legislation of the Republic of Armenia.

APPENDIX

Additional Clauses of the London Institute of Insurance (ICC)

The appendix is not a publicly accessible document, it is provided upon request.

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