

«Approved»

CEO of JSIC “INGO”

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RULES OF
VOLUNTARY GOODS AND BAGGAGE INSURANCE
(UPDATED VERSION)

*Registered by the Resolution of Committee on Supervision and Regulation of Non-Banking
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1. GENERAL CONDITIONS

- 1.1. These Rules are drawn up on the basis and in compliance with the requirements of the current legislation of Ukraine, Law of Ukraine On Insurance.
- 1.2. Based on these Rules the Joint-Stock Company "Insurance Company "INGO" concludes the Voluntary Goods and Luggage Insurance Contracts (hereinafter – Insurance Contract).
- 1.3. The Insureds shall have the right, when concluding the Insurance Contracts, to appoint the citizens or legal entities (Beneficiaries), who may sustain losses as a result of the Insurance Indemnity as well as replace them prior to occurrence of the Insured Event unless otherwise set forth in the Insurance Contract.
- 1.4. The Insureds shall have the right to conclude with the Insurer the Third-Party Property Interests Insurance Contracts only upon their consent except as stipulated by the current legislation. The Insured Persons may acquire the rights and obligations of the Insured according to the Insurance Contract.

2. DEFINITIONS

The definitions used in these Rules and Insurance Contract shall have the following meanings:

- 2.1. Goods (baggage) - goods or property (including the baggage) that is carried / transported by any mode of transport or stored before / during carriage / transportation or after its completion.
- 2.2. Goods place - final product of the packaging operation in the form, in which it is prepared for transportation and consists of its own packaging and goods, which are in it. The term "goods place" includes all devices used for packaging.
- 2.3. Explosion - sudden and rapid release of large amounts of energy from the expansion of gases or vapors.
- 2.4. Beneficiary - a physical or legal person who may suffer losses as a result of the Insured Event and is appointed by the Insured to receive the Insurance Indemnity.
- 2.5. Loss of goods - the Goods are considered lost if they were not delivered to the consignee (or another person entitled to receive the goods) within 30 days from expiration of the delivery period. The loss of goods is also the fact of non-delivery of Goods due to the reasons provided by the terms of insurance (burglary, robbery or plunder, etc.).
- 2.6. Robbery - open theft of the Goods, combined with violence that is not dangerous to life or health, or with the threat of such violence against the Insured or the persons who have employment relationships or are connected by any contracts with the Insured or other participants of transportation.
- 2.7. Insurance Contract - written agreement between the Insured and the Insurer, according to which the Insurer undertakes to pay the Insurance Indemnity to the Insured or the Beneficiary in case of the Insured Event, and the Insured undertakes to pay the Insurance Premium in due time and fulfill other conditions of the Insurance Contract.
- 2.8. General average statement - document drawn up by the average adjuster, which confirms the presence of a general average and contains a calculation of its distribution.
- 2.9. Average adjuster - authorized person who determines the presence of general average and makes its calculation as per its general average statement.
- 2.10. Additional costs - costs associated with the transportation or storage of the Goods, including freight, transportation fees, amount of duties, customs duties, taxes and statutory charges payable on import / export of the Goods to / from the customs territory of the country; other additional costs for transportation / storage of the Goods, if such costs are not included in the price / cost of the Goods.
- 2.11. General average – losses resulting from the intentionally and reasonably incurred extraordinary expenses or donations in order to salvage a ship, freight and goods carried on a ship from the general danger to them. The general average is distributed among the ship, freight and goods in proportion to their value. The average is considered general in case of the presence of four signs: the presence of general danger to the ship, goods and freight, the presence of intent, rationality and emergency actions, costs and donations. The losses resulting from the general average are distributed according to the general average statement.
- 2.12. Insured Person - a person whose property interests are insured under the Insurance Contract. Unless otherwise stipulated by the Insurance Contract, the Insured Persons acquire the rights and obligations of the Insured under the Insurance Contract.
- 2.13. Remains of the Goods - damaged or usable part of the Goods, the value of which is determined minus all types of wear.

2.14. Vehicle disappearance:

- Disappearance of sea and river ships - a ship is considered missing if no information has been received from the ship (about the ship) during the period that is twice as long as is normally required to move from the place from which the last message was obtained from the ship (about the ship) to the port of destination. The period required to declare a ship missing may not be less than one month and more than three months from the date of receipt of the last notification from the ship (about the ship), amid the hostilities - it may not be less than six months;

- Disappearance of aircraft - aircraft is considered missing if the location of wrecked aircraft or its wreckage has not been identified and its search has been officially terminated;

- Disappearance of railroad vehicle - a vehicle is considered missing if no information has been received from it (about it) within 60 days from the date of expected arrival of the vehicle at the destination specified in the Insurance Contract.

2.15. Competent authorities - authorized state bodies, whose competence includes the elimination of consequences of insured events, investigation into their causes, issuance of official explanations on the issues related to the Insured Event (e.g. police, fire service, hydrometeorological service, relevant authorities of other states).

2.16. Loss and damage claim - a document confirming the fact of loss, death, shortage, damage or destruction of the goods during their delivery to the consignee (the relevant entity) to the destination, or to the point where such a fact was established.

2.17. Container - transport equipment that is designed to transport the Goods.

2.18. Burglary - secret theft of the Goods by committing one or more of the following actions and the presence of signs of their commission:

- 1) breaking doors, windows, locks, seals, etc., or causing damage to structural elements of buildings, premises, vehicles or containers;
- 2) entry into the buildings, premises, vehicles or containers through the use of skeleton keys, other technical means, forged keys or owner's keys (original or duplicate keys) stolen during the theft, robbery or burglary;
- 3) breakage of items used as the goods storage (safes, etc.) or their opening through the use of skeleton keys, forged keys or other technical means;
- 4) penetration into the place where the goods is located, through the openings that are not intended in normal conditions for penetration of people (ventilation hole, emergency exit, etc.)
- 5) leaving the premises or vehicles or containers, where the perpetrator entered easily and secretly remained in them until their closure in order to commit theft, using one of the methods specified in paragraphs 1-4 of this definition.

For the purposes of this definition, the forged keys are considered to be made on behalf of the persons who do not have the right to dispose of original keys. The keys made by their owners or other persons on behalf of the owner, based on the original keys, are not considered forged.

2.19. Sea protest is a statement by the ship's captain to the competent state body, which sets out the most important circumstances of sea accident and the measures taken by the ship command staff to prevent it or to eliminate its adverse consequences in whole or in part.

2.20. Seaworthiness of the ship is a set of properties of the ship that ensure its operation for its intended purpose in accordance with the norms, criteria and requirements established by the classification society that carries out technical supervision over the ship;

2.21. Shortage rate - the difference between the mass (volume, quantity) of the goods specified in the transport and / or consignment document at the point of departure, and the mass (volume, quantity) of the goods specified at the destination, which does not exceed the rate of natural weight loss (volume, quantity) or the rate of breakage and marginal difference in the determination of net weight.

2.22. Preparation of the goods for carriage / transportation - a set of measures aimed at ensuring safe transportation and storage of the goods such as: packaging, securing goods; fixing the moving parts of the goods against the stationary parts of the goods; additional equipping of the goods with fastening devices; goods marking; goods fumigation; other measures and / or technological process, the composition of which is determined by law.

2.23. Fire (including arson) - the action of fire, capable of spreading independently and uncontrollably outside the places specially designed for its starting and stoking; the effect of combustion products as well as the effect of fire-fighting measures taken to extinguish or prevent the further spread of fire. The term "fire" does not include natural fire that is recognized as the natural disaster.

2.24. Damage to the Goods:

1) partial damage - mechanical or physico-chemical changes of all or part of the Goods (its properties), which caused the impossibility of using the Goods for its intended purpose without its restoration;

2) total damage (destruction, death) - mechanical or physico-chemical changes of the Goods (its properties), which caused the impossibility of its use and the impossibility of restoring the Goods or its individual parts, assemblies and units. Depending on the type of transport, legislation, customs of business practice, the above facts may be marked with the words "destruction", "spoiling", "damage" and so on.

2.25. Direct losses - current value of the costs of reproduction, replacement or reimbursement of the actual value of the Goods without taking into account future benefits.

2.26. Insurance period - a period of calendar time within the period of validity of the Insurance Contract, during which the insurance coverage applies to the insured property specified in the Insurance Contract (except for special cases provided by the Insurance Contract).

2.27. Interim (warehouse) storage - storage of the Goods on the territory of the warehouse, customs, port or other places intended for storage of the Goods, in the period between its unloading from one Vehicle and loading on another Vehicle for continuation of transportation to the destination in the Insurance Contract (Certificate) or Annexes to it. In any case, during the Interim (warehouse) storage, the Goods are considered insured only if there is controlled or limited access to the place of the Intermediate (warehouse) storage.

2.28. Plunder - attack for the purpose of taking possession of the Goods, combined with violence dangerous to life or health, or with the threat of such violence against the Insured or persons having employment relationships or bound by any contracts with the Insured or other participants of transportation.

2.29. Insurer – Joint Stock Insurance Company “INGO”, which is a party to the Insurance Contract.

2.30. Insured - legal entities (enterprises, organizations and institutions regardless of their form ownership) and individuals (business entities, able-bodied citizens) who have entered into the insurance contract with the Insurer.

2.31. Natural disaster - dangerous geological, meteorological, hydrological phenomena, degradation of soils or mineral resources, changes in the state of air basin, which include:

earthquake – shocks and oscillations of the earth's surface of greater or lesser force, resulting from sudden displacements and ruptures in the earth's crust and upper mantle, which are transmitted over long distances in the form of elastic oscillations;

storm, hurricane, storm, gust - the movement of air masses caused by weather conditions with a wind speed of 20 m/s and more, which led to the loss or damage to the goods directly due to the mechanical action of wind speed resulting from the hurricane, tempest, storm, gust; or collisions with any materials, objects, debris that are picked up and transported and (or) move and (or) fall under the influence of high-speed wind pressure, excluding any damage due to the indirect effects of such phenomena.

landslide - a slow downward movement of a significant amount of soil (rocks, sand, etc.) down the slope, due to the gravity.

mudflow - a mass movement of soil, water and other components that came into motion as a result of natural exposure to water.

soil subsidence – natural subsidence of the soil over natural cavities (depressions, cracks in the rock).

rockslide, rockfall – separation and fall of rock masses in the area caused by natural forces.

toe of avalanche – the toe of a huge mass of snow falling from the mountain slope and moving down at high speed. Together with the losses resulting from the mechanical effect of snow and ice masses, the losses resulting from the air pressure that accompanies the avalanche are indemnified.

flood - a phase of water regime of the river, which is characterized by the highest water content and a significant, relatively long rise in water level (exceeding the critical value of water level of stagnant or flowing water reservoir) resulting from the spring snowmelt (spring floods) or extreme precipitations, including that can cause the break of dykes (dams, sluices, etc.) with the formation of breaking floods and return water caused by these phenomena, except for any damage caused by the indirect impact of such phenomena.

hail – precipitation in the form of dense ice particles, which fall mainly in the warm seasons from thick cumulus rain clouds, often during the thunderstorm or with the downpour.

downpour - precipitation in the amount of 30 mm and more for a period not exceeding 1 hour

2.32. Sum Insured (and / or Coverage Limit) – the sum of money, to the extent of which the Insurer, under the terms of the Insurance Contract, undertakes to pay the Insurance Indemnity in case of the Insured Event.

2.33. Sublimit – the amount or percentage of the Sum Insured (Coverage Limit), specified in the Insurance Contract, which means the limitation of coverage for the specific Insured Event, subject matter of the Insurance Contract, additional costs, etc.

2.34. Insurance Indemnity – the sum of money paid by the Insurer within the Sum Insured in accordance with the terms of the Insurance Contract upon occurrence of the Insured Event. The insurance indemnity may not exceed the amount of direct losses sustained by the Insured. The indirect losses (lost profit) are considered insured if it is stipulated by the Insurance Contract.

2.35. Insurance Risk – a certain event in case of which the insurance is provided and which has the signs of likelihood and eventuality.

2.36. Insured Event – the event stipulated by the Insurance Contract, which took place and upon the occurrence of which the Insurer's obligation to pay the Insurance Indemnity to the Insured, Insured Person or Beneficiary arises.

2.37. Insurance Premium - the insurance fee that the Insured is obliged to pay to the Insurer in accordance with the Insurance Contract.

2.38. Insurance Rate - the rate of insurance premium per unit of the sum insured for a certain period of insurance.

2.39. Claim Report - a document that confirms the Insurer's decision on the recognition of the Insured Event and regulates the amount and procedure for payment of Insurance Indemnity. The claim report must be executed within the terms stipulated by these Rules or the Insurance Contract and signed by the Insurer.

2.40. Vehicle:

1) ship - self-propelled or non-self-propelled floating structure used for: transportation of goods, passengers, luggage and mail; exploration and extraction of minerals; towing of other vessels and floating objects; carrying out hydraulic works or lifting property that has sunk in the sea (sea vessel, river vessel, barge (including non-self-propelled), mobile sea (drilling) installation, ferry, etc.);

2) a motor road vehicle, as well as any trailer intended for towing by a motor road vehicle (truck, trailer, semi-trailer, tractor, etc.);

3) railway car (gondola, platform, hopper, tank, refrigerator, isotherm, etc.);

4) aircraft (airplane, helicopter, etc.).

2.41. Packaging - a set of technical means that protect the Goods from the damage and loss, environmental impact and pollution. The Packaging is considered as the consumer, industrial packaging and transport packaging;

2.42. Lightning stroke - direct hit of the discharge of atmospheric electricity in the Goods and / or the vehicle carrying the Goods and / or the place of Interim (warehouse) storage of the Goods. The damage caused by a lightning strike shall be understood as the damage caused to the Goods as a result of direct thermal impact (combustion) and mechanical impact (dents, etc.) on it by the lightning. It is not the insured event and the Insurer shall not indemnify for the damage caused to the Goods by the indirect impact of lightning. The indirect impact of lightning shall be understood as the indirect effect of atmospheric electricity on the Failed Goods, melted under the influence of the force of electric induction caused by atmospheric discharge, the fact of which is confirmed by the meteorological authorities.

2.43. Deductible - a part of the losses that is not indemnified by the Insurer in accordance with the Insurance Contract. There are conditional and unconditional franchises. Conditional Franchise - independent indemnification of losses by the Insured, if their amount does not exceed the amount of the Franchise, and full indemnification by the Insurer, if the amount of losses is higher than the Franchise. Unconditional Franchise - in all cases, the amount of Franchise is deducted from the amount of loss. The deductible may be set in the form of a certain percentage of the sum insured (the value of subject matter of the insurance contract, etc.), a certain absolute amount or otherwise.

2.44. Chartering - providing a vehicle or part thereof for the carriage of goods for a certain fee (freight).

The insurance contract may provide for other definitions, if it does not contradict the law and regulations.

3. SUBJECT MATTER OF INSURANCE CONTRACT

3.1. The subject matter of the Insurance Contract shall be the property interests not contradicting the law and relating to the possession, use and disposal of the Goods and baggage (shipped baggage) transported by the any mode of transport.

3.2. The Insurance Contract provides for the Insurer's obligation to pay the Insurance Indemnity under the terms of the Insurance Contract for the fee set by the Insurance Contract (insurance fee, insurance payment, insurance premium) by indemnifying to the Insured or another person specified by the Insured in the Insurance Contract (Beneficiary) for the losses incurred by them in connection with damage, destruction or loss of the insured Goods and baggage (shipped baggage) or its part during transportation by any means of transport and, if provided by the Rules and the Insurance Contract, during its Interim (warehouse) storage.

3.3. Unless otherwise provided by the Insurance Contract, the following groups of Goods are not insured:

3.3.1. money, cash in any currency, payment cards, payment instruments in any form, shares, bonds and other securities, reports, certificates of ownership or monetary obligations, excise stamps, etc.;

3.3.2. precious metals in ingots and precious stones, precious metals wares, precious and semiprecious stones, jewelry, ornaments and similar property;

3.3.3. works of art, architectural monuments, antiques, collections, collector's pieces, stamps, coins, banknotes, drawings, paintings, sculptures, antique vehicles, etc. ;

3.3.4. animals, birds, fish and other living beings.

4. PROCEDURE FOR ITS DETERMINATION OF SUM INSURED

4.1. The amount of the sum insured is determined by agreement of the parties to the Insurance Contract.

4.2. The sum insured may be set for the individual Insured Event, a group of insured events, the Insurance Contract as a whole, for one shipment of the Goods, for one Vehicle on which the Goods are transported, etc.

4.3. The basis for determining the Sum Insured for each subject of the Insurance Contract on the effective date of the Insurance Contract is the actual value of the Goods. The insurance contract, by agreement of the Parties, may provide for another basis for determining the sum insured.

4.4. The actual value is defined as the value of the Goods at the manufacturer's and / or supplier's price, specified in the agreement, contract, consignment note, invoice, other shipping documents or other documents confirming its value.

4.5. If stipulated by the terms of the Insurance Contract, the Additional Expenses may also be included in the Sum Insured;

4.6. If the Sum insured specified in the Insurance Contract is less than the actual value of the Insured Goods at the time of the Insured Event, the Insurance Indemnity is paid in proportion to the ratio of the Sum Insured to the actual value of the Goods, unless otherwise provided by the Insurance Contract. The conformity of the Sum Insured with the actual value is determined separately for each insured Goods or a set of Goods specified in the Insurance Contract.

4.7. After payment of the Insurance Indemnity, the Sum Insured is reduced by the amount of the paid Insurance Indemnity. The Sum Insured is reduced from the date of the Insured Event. The total amount of Insurance Indemnity for one or more Insured Events may not exceed the amount of the Sum Insured (Coverage Limit) under the Insurance Contract.

5. INSURANCE RISKS

5.1. Under this Insurance Contract concluded according to these Rules, the Insurer shall indemnify for the losses on the following terms:

5.1.1. **«With Coverage of All Risks»**

On these terms, the Insurer shall indemnify for the losses resulting from destruction, damage or loss of the Goods or its part due to any reason, except for the exclusions specified in Section 6 of these Conditions;

5.1.2. **«With Coverage of Group of Risks»**

On these terms, the Insurer shall indemnify for the losses resulting from destruction, damage or loss of the Goods or its part due to any risks specified below, except for the exclusions specified in Section 6 of these Conditions:

- a) fire, lightning stroke, explosion;
- b) stranding, casting ashore, sinking or overturning of the ship;
- c) overturning or derailment of the land vehicle carrying the Goods;
- d) collision of the vehicle with any foreign object (including the road accident), except for water;
- e) washing of the Goods by a wave or throwing the deck Goods overboard for the salvage of ship;

f) penetration of sea, river or lake water into the hold or other Goods space of the ship, other vehicle, container or other place for storage of the Goods;

g) total loss of the entire Goods space during the unloading or loading.

5.1.3. **«Minimum Coverage».**

On these terms, the Insurer shall indemnify for the losses resulting from destruction, damage or loss of the Goods or its part due to any risks specified below, except for the exclusions specified in Section 6 of these Conditions:

a) fire, lightning stroke, explosion;

b) stranding, casting ashore, sinking or overturning of the ship;

c) overturning or derailment of the land vehicle carrying the Goods

d) collision of the vehicle with any foreign object (including the road accident), except for water;

e) total loss of the entire Goods space during the unloading or loading.

5.1.4. **«With Coverage of Agreed Risks»**

On these terms, the Insurer shall indemnify for the losses resulting from destruction, damage or loss of the Goods or its part due to any risks (one, several and all, depending on what is specified in the Insurance Contract) specified below, except for the exclusions specified in Section 6 of these Rules and/ or Insurance Contract.

a) Fire;

b) Explosion;

c) Natural Disasters;

d) Lightning Stroke;

e) collision of the vehicle with any foreign object (including the road accident, air or railroad accident), stranding of the ship, casting ashore, sinking or overturning of the ship, overturning or derailment of the land vehicle carrying the Goods;

f) penetration of sea, river or lake water into the hold or other Goods space of the ship, other vehicle, container or other place for storage of the Goods;

g) mechanical damage of the Goods during the loading and unloading process;

h) Burglaries;

i) Robbery;

j) Vehicle going missing (except for motor transport) with the Goods (under par. 2.14 of the Rules).

5.1.5. **“With Coverage of Interim (Warehouse) Storage”**

On these terms, the Insurer shall indemnify for the losses resulting from destruction, damage or loss of the Goods or its part due to any risks insured under the Insurance Contract, however, provided that such risks occurred during the Interim (Warehouse)Storage of the Goods.

5.2. The Insured has the right to choose any of the insurance conditions specified in paragraphs 5.1.1. - 5.1.5. of these Rules, to supplement the list of risks in coordination with the Insurer or to insure the Goods against specific (agreed) risks.

5.3. The Insurance Contract (by agreement of the Parties) may provide for other probable and accidental events that may cause damage to the insured Goods, and which correspond to the subject matter of the Insurance Contract under these Rules.

5.4. Unless otherwise provided by the Insurance Contract, the Insurer shall also indemnify for the losses, expenses and contributions for the General Average, except for the cases of insurance under the conditions specified in paragraph 5.1.4. (With coverage of agreed risks) of these Rules.

5.5. The specific list of Insurance Risks and Insured Events is agreed by the Insurer and Insured at the conclusion of Insurance Contract and is specified in the Insurance Contract.

6. INSURANCE EXCLUSIONS AND LIMITS

6.1. Unless otherwise stipulated by the Insurance Contract, the Insurer shall not indemnify for the losses or expenses resulting from:

6.1.1. war, invasion, hostile acts of foreign enemy, military actions or military operations (whether war be declared or not), military risks, civil war, revolution, revolt, strike / riot, civil unrest amounting to or reaching the proportions of a popular uprising, blockade, military coup, seizure of power, imposition of martial law or state of siege, sabotage, diversion, confiscation, nationalization, requisition, arrest, expropriation, forcible seizure or temporary seizure, destruction or damage of the Goods by the order of the government or any state or local authority, whether lawful or not;

6.1.2. any riot, strike or civil unrest, or any act or activity which is considered or which results in a riot, strike or civil commotion (the term "civil commotions" also includes labor disturbances and lockouts), looting, civil and mass disturbances, which mean the organization or active participation in disturbances accompanied by violence against a person, pogroms, arson, destruction of the Goods, seizure of buildings or structures, forced eviction of citizens, resistance to government officials using weapons or other objects used as weapons, regardless of whether they be recognized as military operations or not;

6.1.3. act of terrorism, i.e. the use of weapon, commission of explosion, arson or other acts endangering the human life or health or inflicting major material damage or other serious consequences, if such acts were committed to violate the public safety, intimidate the population, provoke the military conflict, international complication, or to influence the decision-making or execution or non-execution of certain acts by the public authorities or local self-government authorities, officials of these authorities, associations of citizens, legal entities, or raising public awareness about the certain political, religious or other views of the perpetrator (terrorist).

6.1.4. any measures taken to control, prevent or stop the events specified above, in par. 6.1.1 – 6.1.3. of these Conditions;

6.1.5. exposure to nuclear energy in any form, ionizing radiation;

6.1.6. radioactive, chemical, biological or toxic pollution or contamination, use of explosives;

6.1.7. willful acts aimed at occurrence of the insured event and / or loss or the gross negligence of the Insured / Beneficiary, as well as violation of the rules and regulations of transportation, shipment and storage of the Goods. Unless otherwise stipulated by this Contract, the gross negligence of the Parties shall mean the actions that a person committed unintentionally, although he foresaw the possibility of dangerous consequences of his actions or omission, but recklessly relied on their prevention, or did not foresee the possibility of such consequences, though he should and could have foreseen them;

6.1.8. natural (normative) reduction of weight or volume of the Goods, including due to leakage and seepage, natural loss (decrease, breakage, wear and tear, etc.) and the marginal difference in determining the Goods weight;

6.1.9. loss or damage of the Goods as a result of special qualities or natural properties of the Goods (mold, rot, fermentation, corrosion, spraying, erosion, oxidation, discoloration, spontaneous combustion, etc.);

6.1.10. loss of the Goods as a result of its delivery to a person who was not authorized to receive the Goods or loss of the Goods as a result of fraudulent actions, which are qualified as pre-trial fraud, whether a verdict be passed in the criminal case or not;

6.1.11. damage or destruction of the Goods due to its operation or use;

6.1.12. loss of freight or obligations to pay freight in case of freighter's refusal from the carriage contract;

6.1.13. incomplete or unsuitable for this type of Goods packaging, fastening, sealing or marking, violating the standards and / or technical conditions (including due to the carriage of goods in containers, wagons, car bodies, if the Goods or its packaging does not provide for it), shipment of the Goods in damaged condition;

6.1.14. exposure to temperature, humidity, bilge, storage or luggage air;

6.1.15. delays in the delivery of the Goods and reduction in the prices, even if such delay is caused by the Insured Event (except in cases where, under the terms of insurance, such losses are subject to compensation in line with the General Average);

6.1.16. insolvency or default of obligations (including financial) by owners, managers, freighters or operators of the vehicles;

6.1.17. non-seaworthiness of the vessel, unsuitability of the Vehicle or container for safe transportation of the Goods to the destination, if the Insured or his representatives knew and / or should have known about it before the transportation and / or loading of the Goods;

6.1.18. shortage of the Goods with the Package integrity;

6.1.19. partial or total loss of the Goods in the absence of any signs of damage to the seals, locks, locking and sealing devices or other protective means against illegal entry into the goods bay / container, Vehicle;

6.1.20. damage to the Goods by animals, worms, rodents, insects, as well as products of their vital activity;

6.1.21. any damage caused to the Goods during the Interim warehouse storage, if the Insurance Contract does not provide for insurance of the Goods during the Interim (Warehouse) Storage;

6.1.22. any damage caused to the Goods, which was exported / imported from / to the territory of Ukraine without the presence of properly executed documents in the customs authorities, etc. ;

6.1.23. motor vehicle going missing with the Goods, even if a motor vehicle is found. Within the framework and for the purposes of this exception, the motor vehicle going missing means the non-arrival of motor vehicle in which the Goods were loaded to the destination within 30 days from the date of its loading at the point of departure.

6.2. The insurance contract may provide for other losses and costs that are not indemnified, if it does not contradict the current legislation of Ukraine.

7. DURATION AND TERRITORY OF THE INSURANCE CONTRACT

7.1. The duration of the Contract shall be determined by agreement of the Parties to the Insurance Contract and specified in the Insurance Contract.

7.2. The Insurer's obligation under the Insurance Contract shall commence from the moment which occurred the latest of the below-listed (unless otherwise stipulated by the Insurance Contract):

a) 12:00 a.m. of the day following the due date for the Insured to pay the Insurance Premium;

b) 12:00 a.m. of the day following the inception of Insurance Period, specified in the Insurance Contract.

c) time of the beginning of loading of the Goods to the Vehicle for transporting to the dispatch point, including the clauses stipulated by paragraph 7.5.(a) of the Rules.

7.3. The Insurer's obligation shall expire from the moment which occurs the earliest of the below-listed (unless otherwise stipulated by the Insurance Contract):

a) 11:59 p.m. of the expiry date of Insurance Period, specified in the Insurance Contract;

b) moment, when the Goods are delivered and unloaded to the consignee's warehouse or other unloading point at the destination point specified in the Insurance Contract, including the clauses stipulated by paragraph 7.5 (c) of the Rules;

7.4. If specified in the Insurance Contract, the Insurance Contract shall extend to the transshipment and transloading, carried out during transportation of the Goods from the dispatch point to the destination point (specified in the Insurance Contract).

7.5. If it is separately specified in the Insurance Contract, under the Insurance Contract the Insurer shall indemnify for the losses and / or expenses incurred during:

a) storage of the Goods in the warehouse or in the place of storage while waiting for loading on the Vehicle (at the point of departure) for a period not exceeding 60 calendar days before the start of loading;

b) storage of the Goods in the warehouse or in storage place in transshipment and transloading points (Interim (Warehouse) Storage) for a period not exceeding 60 calendar days;

c) storage of the Goods in the warehouse or storage place at the destination point for a period not exceeding 60 calendar days from the date of delivery and / or unloading.

d) storage of the Goods in safes, lockers or other specially designated places for a period not exceeding 60 calendar days;

7.6. The territory of the Insurance Contract is the territory (country, city, route, place of storage, etc.) specified in the Insurance Contract.

The insurance contract may provide for restrictions on the certain routes of transportation or on the duration of the Goods in certain territories, or on the exclusion of certain risks in such territories (routes).

The deviation from the route is not considered as the violation of the Insurance Contract, if it is done to save people, transport, Goods, as well as to ensure further flight.

8. PROCEDURE FOR CONCLUDING INSURANCE CONTRACT

8.1. The insurance contract is concluded on the basis of a written or otherwise made application of the Insured. When concluding the Insurance Contract, the Insurer has the right to request all necessary documents on the subject matter of the Insurance Contract and other information required for determining the risk degree and concluding the Insurance Contract. After concluding the Insurance Contract, the application and other information and statements made by the Insured or on his behalf shall be considered the integral

part of the Insurance Contract.

8.2. Prior to the conclusion of the Insurance Contract, the Insured is obliged to notify the Insurer of all known circumstances and facts that are essential for determining the risk degree in relation to the Goods accepted for insurance. The Insured is also obliged to give honest replies to all questions asked by the Insurer, which are relevant to determining the risk degree in relation to the subject matter of the Insurance Contract.

8.3. The insurance contract may be concluded both for one-time transportation of the Goods and for transportation of the Goods within the specified term stipulated by the Insurance Contract.

8.4. The fact of concluding the insurance contract may be certified by the insurance policy, insurance certificate, which is a form of insurance contract.

8.5. The Insurance Contract, the Rules of Insurance (or extracts from them that apply to the terms of the particular insurance contract), the Annexes and Supplementary Agreements should be considered together as one contract.

8.6. In accordance with international insurance systems or international insurance programs that require the application of uniform insurance conditions, the Insurance Contracts are concluded in accordance with such insurance conditions, taking into account the requirements of current legislation of Ukraine, the Law of Ukraine On Insurance.

9. RIGHTS AND OBLIGATIONS OF THE PARTIES

9.1. The Insured shall be obliged to:

9.1.1. pay the Insurance Premium under the terms and in the amount stipulated by the Contract;

9.1.2. prior to conclusion of the Insurance Contract, provide the Insurer with information on all known circumstances and facts that are essential for assessing the risk degree. The Insured shall also be obliged to give honest replies to all questions put by the Insurer, which are relevant to determination of the degree of risk in relation to the subject matter of the Insurance Contract;

9.1.3. throughout the currency of the Insurance Contract, to notify the Insurer of all significant changes in the degree of risk on the subject matter of the Insurance Contract accepted for insurance in accordance with Section 10 of these Rules;

9.1.4. inform the Insurer about other known Insurance Contracts concerning the subject matter of the Insurance Contract;

9.1.5. take measures to prevent and reduce losses caused by occurrence of the event that has the signs of the insured event;

9.1.6. in case of occurrence of the event that has the signs of the Insured Event, to act in accordance with the terms of Section 11 of these Rules;

9.1.7. receive the Insurance Indemnity, submit to the Insurer a written application for payment of the Insurance Indemnity and the necessary documents to clarify the amount of damage, causes and nature of the Insured Event, specified in Section 12 of these Conditions;

9.1.8. return the received Insurance Indemnity (or its respective part) to the Insurer, if after receiving the amount of insurance indemnity from the Insurer, the Insured's losses will be indemnified to other persons in the amount exceeding the amount of the deductible;

9.1.9. ensure to the Insurer, in accordance with the current legislation and within the limits of actual costs, the transfer of the right of recourse to the persons guilty of causing damages in case of payment of insurance indemnity by the Insurer;

9.1.10. return to the Insurer the received insurance indemnity in the respective amount if the Insured without the Insurer's consent waives the right of recourse against the person responsible for the caused losses or if the Insurer's exercise of the right to recourse becomes impossible because of the Insured;

9.1.11. return the received Insurance Indemnity, if the Goods are found and returned to the Insured in undamaged condition (Beneficiary) or the circumstances which according to the law or conditions of the Insurance Contract deprive the Insured (Beneficiary) of the right to receive the Insurance indemnity, are found out;

9.1.12. after receipt of the Insurance Indemnity in the amount of the full value of the Insured Goods or any part thereof, at the Insurer's request to transfer ownership of the damaged Goods (its relevant part) or the remains of such Goods to the Insurer or the person specified by the Insurer;

9.1.13. The terms of Insurance Contract may provide for other obligations of the Insured unless they contradict the current legislation of Ukraine.

9.2. The Insured shall have the right to:

- 9.2.1. receive the Insurance Indemnity in case of occurrence of the Insured Event;
- 9.2.2. early terminate the Insurance Contract in accordance with these Rules or Insurance Contract;
- 9.2.3. appoint the Beneficiary to receive the Insurance Indemnity;
- 9.2.4. appeal, in the manner prescribed by law, the Insurer's denial to pay the Insurance Indemnity or the amount of the Insurance Indemnity paid by the Insurer.
- 9.2.5. The terms of Insurance Contract may provide for other rights of the Insured unless they contradict the current legislation of Ukraine.

9.3. The Insurer shall be obliged to:

- 9.3.1. familiarize the Insured with the Insurance Rules;
- 9.3.2. within 2 (two) working days, as soon as it becomes known about the occurrence of the Insured Event, take measures to draw up all the necessary documents for timely payment of the Insurance Indemnity to the Insured;
- 9.3.3. in case of occurrence of the Insured Event, to pay the Insurance Indemnity within the term provided by these Conditions;
- 9.3.4. indemnify for the costs incurred by the Insured upon occurrence of the Insured Event in order to prevent or reduce losses if it is stipulated by the Insurance Contract;
- 9.3.5. upon the Insured's application in case of implementation of the measures that have reduced the Insurance Risk, or in case of increase of the Goods value to make appropriate amendments to the Insurance Contract by concluding the Supplementary Agreement;
- 9.3.6. not to disclose information about the Insured and his property status, except in cases established by law;
- 9.3.7. The terms of Insurance Contract may provide for other obligations of the Insured unless they contradict the current legislation of Ukraine.

9.4. The Insurer has the right to:

- 9.4.1. check the accuracy of information and documents provided by the Insured;
- 9.4.2. inspect the Goods and the Vehicle intended for transportation of the Goods or the place of storage of the Goods;
- 9.4.3. independently find out the reasons, circumstances of the Insured Event and the amount of damages, send inquiries to the competent authorities in order to obtain appropriate conclusions, appoint or authorize persons (experts, surveyors, etc.) to determine the causes, circumstances and amount of damages;
- 9.4.4. postpone the decision on payment or denial to pay the Insurance Indemnity, for the period specified in these Conditions, in case of doubt about the causes, circumstances of the Insured Event and the amount of losses;
- 9.4.5. deny paying the Insurance Indemnity or reduce its amount if the Insured fails to fulfill any of the obligations listed in the Insurance Contract (Rules);
- 9.4.6. appoint the independent examination at his own expense, surveyor's inspection of the Goods and / or the Vehicle intended for carriage of the Goods, or the place of storage of the Goods;
- 9.4.7. in case of increase of the degree of insurance risk to carry out necessary actions according to paragraph 10.3 of these Rules;
- 9.4.8. early terminate the Insurance Contract in accordance with the Rules and Insurance Contract;
- 9.4.9. claim the refund of the Insurance Indemnity in the cases specified by these Rules or Insurance Contract;
- 9.4.10. The terms of Insurance Contract may provide for other rights of the Insured unless they contradict the current legislation of Ukraine.

10. CHANGE IN RISK DEGREE

10.1. Unless otherwise stipulated by the Insurance Contract, a change in the risk degree under these Rules is considered to be:

- delay in delivery and / or transportation of the Goods for a long period (more than 3 days);
- deviation from the route of transportation specified in the Contract;
- changes in the point of reloading, transshipment, interim (warehouse) storage or unloading (destination) of the Goods;
- transshipment to another vehicle (ship), not provided for in the Insurance Contract;
- changes in the mode (automobile, water, air) of the Goods transportation;
- if there are any material changes in the risk that increase the possibility of losses;
- placement of the Goods on the ship deck or its transportation on the open platform or trailer / semi-trailer, if it was not provided by the Contract.

10.2. Unless otherwise stipulated by the Insurance Contract, the Insured shall be obliged to notify the Insurer in writing immediately, but not later than within 2 (two) working days, as soon as he becomes aware or should have become aware of the change in the risk degree. The Insured has no right to initiate or perform any acts that change the risk degree without coordination of such actions with the Insurer.

10.3. Unless otherwise stipulated by the Insurance Contract, in case of receipt of notice of the change in the risk degree, the Insurer, within 5 (five) working days from the date of receipt of such notice, shall make a decision and notify the Insured in writing of:

10.3.1. approval of a change in the risk degree without changing the terms of the Insurance Contract, or

10.3.2. making amendments to the Insurance Contract in accordance with the change in the risk degree, or

10.3.3. early termination of the Insurance Contract in accordance with paragraph 10.4. of these Rules, unless otherwise stipulated by the Insurance Contract,.

10.4. If the Insured does not agree to enter into Supplementary Agreement to the Insurance Contract on the terms proposed by the Insurer in accordance with paragraph 10.3.2. of these Rules, the Insurer shall have the right to early terminate the Insurance Contract. In this case, the Insurer returns to the Insured the Insurance Premium for the period remaining until expiration of the Contract, deducting the administrative expenses for the case, determined when calculating the insurance rate, the actual insurance indemnity payments made under this Insurance Contract.

10.5. If the increase in the risk degree, about which the Insurer has not been notified by the Insured in accordance with paragraph 10.2. of these Rules, leads to occurrence of the Insured Event or increase in the amount of loss, the Insurer shall have the right to deny paying the Insurance Indemnity for such Insured event or to reduce the amount of Insurance Indemnity accordingly.

11. INSURED'S ACTIONS IN CASE OF OCCURRENCE

11.1. Unless otherwise stipulated by the Insurance Contract, in case of occurrence of the Insured Event (-s) that has the signs of the Insured Event, the Insured shall be obliged to:

11.1.1. immediately, as soon as it becomes known, but in any case not later than 2 (two) calendar days after he found out or should have found out about occurrence of the Insured Event (or circumstances that have signs of the Insured Event), notify the Insurer or its representative by phones, specified in the Insurance Contract and provide written notice about the Insured Event (as per the form set by the Insurer) to the Insurer by sending it by mail, courier, email (in the form of scanned copy) etc. not later than in 3 (three) working days from the date when the Insured found out or should have found out about occurrence of the Insured Event (or circumstances, which have the signs of the Insured Event).

Such notice should contain accurate and reliable information regarding the reasons, circumstances, place of occurrence, consequences of the event (circumstances), amount of expected losses and list of damaged and lost Goods, location of the Goods, number of the Insurance Contract;

11.1.2. take all possible and reasonable measures to prevent or reduce damage and salvage the insured Goods;

11.1.3. provide the Insurer or its representatives with the opportunity to conduct inspection and examination of the damaged Goods and the scene, investigate into the causes and circumstances of the average and the amount of damage, participate in activities to reduce the amount of damage and salvage the insured Goods;

11.1.4. take measures to document the circumstances that may be the basis for material liability of the carrier / freight forwarder or custodian of the Goods and belong to the documentation in accordance with the legislation (make a note in the consignment note or bill of lading; apply for and obtain a commercial report; require the drawing up and obtain the report of general form, the goods shortage report, the goods damage report, the container damage report, seals damage report, etc.). In case of denial or evasion of authorized persons from proper documentation of such circumstances, the Insured must keep written evidence of the request for documentation of such circumstances and draw up these circumstances with the participation of third parties (representatives of the Chamber of Commerce, Surveyor Organization, etc.) ;

11.1.5. preserve the damaged Goods in the form in which it appeared after the Insured Event until its inspection by the Insurer or its representatives. The Insured has the right to change the loss pattern only when it is due to safety requirements, reduction of the amount of damage, with the Insurer's consent or after 5 (five) calendar days after notification of the Insurer about occurrence of the Insured Event. The Insured must keep all damaged or replaced locks and seals for inspection by the adjuster, expert or representative of the Insurer;

11.1.6. upon occurrence of the insured event, the Insured is obliged to immediately notify the competent authorities about the incident and obtain a document certifying the fact, causes and consequences of such event (fire, traffic accident, natural disaster, theft, robbery, burglary, non-arrival of the ship to the port of destination, etc.);

11.1.7. provide all necessary documents and perform all necessary actions to transfer to the Insurer the right to claim indemnification for damages to the person guilty of causing such damages;

11.1.8. if the Insured becomes aware of the location of the Goods lost as a result of theft or illegal seizure of the vehicle in which it was transported, the Insured shall immediately notify the Insurer.

11.2. If the Insured fails to fulfill any of the above obligations, the Insurer has the right to deny paying the Insurance Indemnity or reduce its amount.

11.3. The Insurer and its representatives have the right to participate in the salvage and preservation of the insured Goods, taking and indicating the necessary measures. However, such actions of the Insurer or its representatives cannot be considered as a recognition of its obligation to pay insurance indemnity. If the Insured prevents it, the Insurance Indemnity is reduced to the extent that it has led to the increase of damage.

11.4. Unless otherwise stipulated by the Insurance Contract, all expenses for salvage and preservation of the Goods as well as prevention of its further damages are paid by the Insured. The expenses which are indemnified according to the terms of insurance, are paid by the Insurer when paying the Insurance Indemnity.

12. LIST OF DOCUMENTS CONFIRMING THE OCCURRENCE OF INSURED EVENT AND AMOUNT OF LOSSES

12.1. For payment of the Insurance Indemnity, the Insured must prove with documents to the Insurer:

12.1.1. property interest in respect of the insured Goods of the person entitled to indemnification;

12.1.2. fact of occurrence of the Insured Event;

12.1.3. amount of the loss caused by occurrence of the Insured Event.

12.2. Unless otherwise stipulated by the Insurance Contract, in case of occurrence of insured event that has the signs of the Insured Event, the Insured must provide the Insurer with the following documents:

12.2.1. Insured's application about occurrence of the event that has the signs of the insured event;

12.2.2. original or duly certified copy of the Insurance Contract (insurance policy, insurance certificate);

12.2.3. copy of the passport of the Insured (Beneficiary) – physical person, and a copy of TIN certificate to the Insured (Beneficiary) – physical person; certificate from the Unified State Register of Enterprises and Organizations of Ukraine (USREOU) regarding the legal entity, taxpayer registration certificate, as well as the document confirming the authority of the representative of the Insured (Beneficiary) - the legal entity to act on behalf of these persons, while the person representing the Insured - non-resident of Ukraine presents the documents legalized in the prescribed manner;

12.2.4. documents certifying the right of the Insured (Beneficiary) to own, use and dispose of the Goods - agreement (contract, treaty, etc.) of purchase and sale of the Goods with all its annexes; invoice, specification; packing list, order for the supply of goods, bill of lading (for the release of goods, for the movement of goods, etc.); consignment note, invoice for payment to a third party in favor of the seller of goods; bank documents confirming payment of the value of the goods or receipt of payment for the goods, warehouse documents (warehouse receipt, warehouse certificate, etc.);

12.2.5. in case of damage or destruction of the Goods as a result of collision of the Vehicle with any foreign object (including the road accident) - documents of the authorized competent bodies which confirm the fact of road accident, accident or catastrophe of the Vehicle and identify the person responsible for its occurrence;

12.2.6. in case of loss, damage or destruction of the Goods due to the Burglary, Robbery, intentional damage to the Goods due to wrongful acts of third parties - a document on the initiation of criminal investigation or the closure of criminal proceedings and other materials and / or other document of state law enforcement agencies on the territory of which the event occurred, fact of the crime and / or the results of its investigation;

12.2.7. in case of damage or destruction of the Goods due to fire, natural disaster - the relevant report of fire brigade, certificate of the hydrometeorological service, etc;

12.2.8. document confirming the fact of spoiling, loss or damage to the Goods, drawn up in the form and in the manner prescribed by law, the commercial report; the report act of general form; the container damage report; the Goods or packaging damage report; certificate of non-conformity between the name, weight and number of spaces for the Goods in kind and the data specified in the consignment note; report on the violation or absence of seals in the body of the Vehicle or container, etc. ;

12.2.9. transport document (consignment note, bill of lading, etc.) with a mark of shortage or damage to the Goods or the mark on drawing up the report;

12.2.10. documents confirming the value of the insured Goods and other components of the Sum Insured, as of the effective date of this Contract;

12.2.11. documents confirming the value of the damaged Goods - invoice, specification, calculation of the manufacturing company, sale and purchase agreement, etc. ;

12.2.12. documents confirming the transportation and / or freight forwarding or storage of goods – railroad bill of lading, consignment note, air waybill, road transport consignment note, freight baggage receipt, goods carriage contract with all its annexes, freight forwarding contract, storage contract;

12.2.13. documents required for the exercise of the right of recourse to the person responsible for the damage (at the request of the Insurer), documents (written evidence) confirming the fact of filing a claim against the carrier / forwarder / custodian and a copy of such claim and all documents attached to it, etc. ;

12.2.14. documents confirming the fact and amount of compensation received by the Insured (Beneficiary) from third parties in any form (in cash, in the form of works performed or obligations to perform them, provision of services or obligations to provide them, etc.);

12.2.15 for confirming the fact of occurrence of the insured event, the amount of damages, costs and fees for the General Average: maritime protest (notarized maritime protest report); extract from the ship's logbook; general average adjuster report; general average adjustment calculation; adjuster's certified copies of materials on the basis of which the adjustment was compiled; adjuster's certificate that the average adjustment has not been canceled or changed by the court; other documents drawn up in accordance with the legislation of the state in whose port the ship ended the voyage after the event that caused the general average, or in accordance with the legislation provided by the agreement of the parties to the carriage (carriage contract);

12.2.16 in case of the sea, river, aircraft or railway vehicle carrying the Goods, going missing - documents containing reliable information about the time of departure of the vehicle from the departure point, as well as the non-arrival of the vehicle to its destination within the period established by the Insurance Rules for declaring these vehicles missing; documents that contain reliable information, which was received during the movement of the above vehicles; documents drawn up by the competent authorities on the search or investigation of the disappearance of the above-mentioned vehicles, etc. ;

12.2.17. inspection report of the damaged Goods or a document drawn up / issued by a person (surveyor, chamber of commerce, expert, etc.) agreed with the Insurer, survey report, report of the chamber of commerce or similar organization, conclusion / report of examination, etc. (if necessary);

12.2.18. documents confirming the expenses of the Insured (Beneficiary) for transportation of the Goods: charter agreement (chartering); carriage / forwarding contract; transportation document; consignment note; bank documents confirming the payment of freight or the cost of the carrier / forwarder's services, etc.;

12.2.19. for confirming the amount of costs for salvage, preservation and prevention of further damage to the Goods - documents confirming the fact of such actions and the amount of such costs;

12.2.20. application of the Insured (Beneficiary) for payment of the Insurance indemnity;

12.2.21. other documents relating to the causes and circumstances of the Insured Event and the amount of losses.

12.3. The Insurer shall reserve the right to additionally demand from the Insured (Beneficiary) other documents on the causes, circumstances of the Insured Event and / or the amount of losses, if taking into account the specific circumstances the absence of such documents makes it impossible to establish the fact or reasons for the Insured Event and / or determine the losses.

12.4. The above documents shall be provided by the Insured in the form of original documents or duly certified copies in accordance with the requirements of applicable law, provided that the Insurer has the opportunity to reconcile these copies with the original documents, unless otherwise stipulated by the Insurance Contract.

12.5. At the Insurer's request, in case if the documents are drawn up in a language other than Ukrainian or Russian, the Insured (Beneficiary) together with such documents must provide their translation into Ukrainian. These documents must be legalized in the manner prescribed by the legislation of Ukraine.

13. PROCEDURE FOR DETERMINATION AND TERMS OF INSURANCE INDEMNITY PAYMENT

13.1. Unless otherwise stipulated by the Insurance Contract, the amount of losses incurred by the Insured (Beneficiary) in case of the insured event due to the loss or damage to the insured Goods shall be determined by the Insurer as follows:

13.1.1. in case of total loss of all or part of the Goods - in the amount of actual value of the entire Goods, or in the amount of the actual value of the part of the Goods that has been lost, deducting the value of the Remains of the insured Goods suitable for further use or sale.

13.1.2. in case of partial damage to all or part of the Goods - in the amount specified in subparagraphs a) or b) of this paragraph, deducting the value of the Remains of the insured Goods (the smallest value is used):

a) in the amount of the difference between the actual value of the Goods before damage and the actual value of the damaged Goods after damage; or

b) in the amount of the repair of the damaged Goods.

The repair costs for the damaged Goods shall include the costs for purchasing materials, spare parts for repair, payment for repair works, delivery of the Goods to the place of repair works and delivery of spare parts and materials. The cost of the remains suitable for further use or sale (spare parts, parts, etc.) to be replaced during the repair shall be deducted from the replacement value of the Goods;

13.1.3. in case of the loss (theft, non-delivery) of all or part of the Goods (the smallest value is used):

a) in the amount of actual value of the Goods or the lost part of it; or

b) in the amount of costs for acquisition (replacement) of all or part of the Goods, similar to the lost one.

13.2. The calculation of the amount of damage to the Goods that was in use is made with deducting the wear and tear, which is determined on the basis of expert opinion, drawn up by a specialized organization (certified expert) appointed by the Insurer.

13.3. Unless stipulated by the Insurance Contract, in case of the Insured Event pursuant to the terms of the Insurance Contract, the Insurer shall indemnify to the extent of the Sum Insured specified in the Insurance Contract:

13.3.1. losses incurred by the Insured (Beneficiary) as a result of the loss or damage to the insured Goods;

13.3.2. if the Insurer should indemnify for the losses, costs and fees for the General Average: the amount of insurance indemnity shall be equal to the amount to be indemnified according to the Average Adjustment (calculation substantiated by the documents) in the amount of paid costs and fees of the Insured (Beneficiary) in the amounts in which they were distributed (accrued);

13.3.3. if the Sum Insured included the costs for carriage, storage, freight, customs expenses, fees and other elements of the value of the Goods, the amount of the Insurance Indemnity includes such part of these costs that is proportional to the amount of loss;

13.3.4. all necessary, expediently incurred expenses incurred as a result of the Insured's (Beneficiary's) measures to salvage the Goods and to prevent or reduce the amount of damages, provided that such expenses are documented. The Insurance Contract may provide for the limitations as to the maximum amount of such expenses covered by the Insurance Contract.

If due to the Insured's fault, the measures to prevent or reduce losses have not been taken, and the amount of losses has increased, the Insurer has the right to unilaterally reduce the amount of Insurance Indemnity for the Insured Event.

13.4. In addition to the expenses specified in paragraph 13.3 of these Rules, the Insurance Contract may provide for indemnification for the expenses paid for transshipment, warehousing and further transportation of the Goods after the Insured Event.

13.5. The Insured (Beneficiary) shall have no right to refuse from the Remains of the Goods, including damaged.

13.6. The respective deductible specified in the Insurance Contract shall be deducted from the amount of Insurance Indemnity.

13.7. After payment of the Insurance Indemnity, the Insurer, upon his consent, to the extent of the amount of the paid Insurance Indemnity, obtains the rights of recourse to third parties responsible for the caused damages.

13.8. Unless otherwise stipulated by the Insurance Contract, if in case of the loss resulting from the Insured Event, the Goods are:

- returned to the Insured in undamaged condition or found in undamaged condition by law enforcement agencies, but not returned to the Insured (according to the requirements of current legislation) prior to payment by the Insurer of the Insurance Indemnity, the Insurance Indemnity shall not be paid.

- returned to the Insured in undamaged condition after payment of the Insurance Indemnity by the Insurer, the Insured shall be obliged to return the received Insurance Indemnity to the Insurer;

- returned to the Insured in the damaged condition for payment of the Insurance Indemnity by the Insurer - the Insurer pays the Insurance Indemnity in accordance with the provisions of this section;

- returned to the Insured in the damaged condition after payment by the Insurer of the Insurance Indemnity, the Insurer shall recalculate the amount of loss and the amount of the Insurance Indemnity in accordance with the provisions of this section. The Insurer shall notify the Insured in writing (in the form of a claim) about recalculation of the amount of the Insurance Indemnity. The Insured shall be obliged to return the amount of difference between the Insurance Indemnity paid by the Insurer and the Insurance Indemnity, which was to be paid after the recalculation by the Insurer, within 5 (five) working days from the date of receipt of Insurer's claim for returning the difference of the amount of Insurance Indemnity.

13.9. If the Insured has received indemnification for the loss from third parties, the Insurer shall pay only the difference between the amount payable under the terms of the Insurance Contract and the amount received from third parties. The Insured shall be obliged to immediately notify the Insurer of the receipt of such amounts. If the indemnity from third parties is received later than the indemnity from the Insurer, the Insured shall be obliged to refund to the Insurer the amount of indemnity received from third parties within 5 (five) working days from the receipt of such indemnity.

13.10. The Insured shall be obliged to refund to the Insurer the received Insurance Indemnity (or its respective part), if during the limitation periods provided by the current legislation of Ukraine such circumstances are found that existed at the time of payment of the Insurance Indemnity, which, according to the current legislation of Ukraine, fully or partially deprive the Insured of the right to receive the insurance indemnity.

13.11. If the same Goods are insured with several insurers and the total Sum Insured exceeds its value, the Insurance Indemnity paid by all insurers in case of occurrence of the Insured Event may not exceed the value of these Goods. Meanwhile, the Insurer shall make payment in proportion to the amount of the Sum Insured specified in the Contract to the total Sum Insured for all Insurance Contracts.

13.12. If the Sum Insured constitutes the certain part of actual value of the insured Goods, including / excluding the Additional Costs, the Insurance Indemnity shall be paid in the same share from the losses and/or expenses determined for the Insured Event, unless otherwise stipulated by the Insurance Contract.

14. PERIOD FOR TAKING DECISION ON INDEMNITY PAYMENT OR DENIAL

14.1. Unless otherwise stipulated by the Insurance Contract, the period for taking decision on payment, postponement of decision on payment or denial to pay the Insurance Indemnity shall be 30 (thirty) calendar days from the date of submission by the Insured to the Insurer of the last of the required documents specified in these Rules or Insurance Contract.

14.1.1. The decision on payment of the Insurance Indemnity shall be made out by the Claim Report which shall be made as per the Insurer's form.

14.1.2. The decision on denial to pay or postponement of the decision on payment of the Insurance Indemnity shall be made by the Insurer in writing with justification of the reasons.

14.2. The Insurer shall have the right to postpone the decision on payment or denial to pay the insurance indemnity in case:

14.2.1. if he has doubts about the validity of the Insured's / Beneficiary's claims for insurance indemnity (reliability of the information and documents provided by the Insured / Beneficiary, right of the Insured or Beneficiary to receive the Insurance Indemnity, etc.) - to obtain the necessary documents (evidence), but not more than for 90 (ninety) calendar days from the date when the Insured provided the Insurer with the last of the required documents specified in Section 12 of the Rules and Insurance Contract;

14.2.2. if the prosecutor or investigator has initiated a pre-trial investigation (entered into the Unified Register of Pre-trial Investigations) against the Insured / Beneficiary and a pre-trial investigation of the circumstances that caused the event that may be recognized

as the Insured Event – until the Insurer receives from the Insured the prosecutor’s or investigator’s order on the closure of criminal proceedings or a court verdict that has entered into force;

14.2.3. if a pre-trial investigation has been initiated by the prosecutor or investigator upon occurrence of the Insured Event (the information has been entered into the Unified Register of Pre-trial Investigations), except for the cases specified in paragraph 14.2.2. of these Rules - until the Insurer receives from the Insured the prosecutor’s or investigator’s resolution on the closure of the criminal proceedings or a court verdict that has entered into force, but not more than 90 (ninety) calendar days from the date when the Insured provided the Insurer with the last necessary documents, specified in section 12 of the Rules or Insurance Contract;

14.2.4. If the examination is appointed to clarify the circumstances of the Insured Event and / or determine the amount of losses - until the results of such examination are received.

14.3. Unless otherwise stipulated by the Insurance Contract, the Insurance Indemnity shall be paid to the Insured (or the Beneficiary) within 30 (thirty) working days from the date of decision on payment of the Insurance Indemnity.

14.4. The day of payment of the Insurance Indemnity shall be considered to be the day of transfer of funds to the current account of the Insured (Beneficiary) or the day of written notification by the Insurer to the Insured (or Beneficiary) about the possibility of payment from the Insurer’s cash desk.

14.5. The Insurer shall be materially liable for untimely payment of the Insurance Indemnity by paying the Insured the penalty (fine, late charges), the amount of which is determined by the terms of Insurance Contract or law.

15. REASONS FOR INDEMNITY DENIAL

15.1. Unless stipulated by the Insurance Contract, the grounds for the Insurer's denial to pay the Insurance Indemnity shall be:

15.1.1. intentional acts of the Insured or the person in whose favor the Insurance Contract is concluded, aimed at occurrence of the Insured Event. This said norm does not apply to the acts related to the performance of such persons' civil or official duties, in state of necessary defense (without exceeding its limits) or protection of property, life, health, honor, dignity and business reputation. The qualification of these actions shall be determined in accordance with the current legislation of Ukraine.

15.1.2. untimely notification by the Insured of the occurrence of the event that led to the losses and may be recognized as the Insured Event, without valid reasons or creating obstacles to the Insurer in determining the circumstances, nature and amount of damage.

15.1.3. submission by the Insured of knowingly false information about the subject matter of the Insurance Contract (both at the time of conclusion of the Insurance Contract and during its validity) or about the fact of occurrence of the Insured Event (including, but not limited to the forgery, deception or fraud when determining the reasons and amount of the losses resulting from occurrence of the Insured Event).

15.1.4. commission of the intentional crime by the Insured or another person in whose favor the Insurance Contract has been concluded that led to the occurrence of the Insured Event.

15.1.5. receipt by the Insured / Beneficiary of full indemnification for the damages from third parties guilty of causing them;

15.1.6. Insured’s failure to fulfill any of the obligations assigned to him by these Rules and/or Insurance Contract;

15.1.7. creating impediments by the Insured by his actions or omission in Insurer’s exercise of the right of recourse to the persons guilty of causing damage;

15.1.8. other cases stipulated by the legislation.

16. TERMS OF AMENDMENT AND TERMINATION OF INSURANCE CONTRACT

16.1. Unless otherwise stipulated by the Insurance Contract, the Insurance Contract shall be terminated upon agreement of the Parties, as well as in the case of:

16.1.1. expiration of the Contract;

16.1.2. fulfillment by the Insurer of the obligations to the Insured in full;

16.1.3. Insured’s failure to pay the Insurance Premium in the amount and within the terms established in the Contract. In this case, the Insurance Contract (as well as the Insurer's obligation to pay the Insurance Indemnity upon occurrence of the Insured Event) shall be considered as early terminated

a) after 5 (five) calendar days from the last day before which the Insurance Premium (or its first installment) should be paid - if the Insurance Premium (or its first installment) has not been paid within the period stipulated by this Insurance Contract (the Insurance Contract shall be considered not to have been concluded).

b) after 20 (twenty) calendar days from the last day before which the next installment of the Insurance Premium should be paid – if the next installment of the Insurance Premium has not been paid within the period and to the extent stipulated by the Insurance Contract

The Insurer shall be released from the obligation to pay insurance indemnity for events, at the time of which there was overdue arrears in payment of the Insurance Premium. In this case, the Insured shall not be released from the obligation to pay the Insurance Premium (or its installment) in the period from the date of overdue debt to the date of early termination of the Insurance Contract. If the Insured repays overdue arrears in payment of the Insurance Premium before the date of early termination of the Insurance Contract, the Insurance Contract shall not be terminated and the Insurer's obligations to pay insurance indemnity shall be renewed from 00:00 a.m. of the day following the day of repayment of arrears.

In case of termination of the Insurance Contract, according to par. (b), the unused part of the Insurance Premium shall not be remitted or refunded.

16.1.4. liquidation of the Insurer in accordance with the procedure established by the current legislation of Ukraine;

16.1.5. liquidation of the Insured - a legal entity or death of the Insured - a citizen or loss of legal capacity by him, except for the cases provided by the current legislation of Ukraine;

16.1.6. adoption of the court decision to declare this insurance contract invalid;

16.1.7. in other cases provided by the current legislation of Ukraine.

16.2. This Insurance Contract may be early terminated at the request of the Insured or the Insurer. Any Party shall notify the other of the intention to terminate this Insurance Contract ahead of schedule no later than 10 (ten) working days before the desired date of termination of this Insurance Contract, unless otherwise agreed by the Parties or stipulated by the Insurance Contract.

16.3. In case of early termination of this Insurance Contract at the request of the Insured, the Insurer shall return the paid Insurance Premium for the period remaining until expiration of the Insurance Period, deducting the administrative costs, determined when calculating the Insurance Rate, actual insurance indemnity payments made under this Insurance Contract. If at the time of early termination of this Insurance Contract the Insured's claim for insurance indemnity as a result of the insured event is not settled, the insurance premium shall not be refunded until the payment or denial to pay the insurance indemnity. If the Insured's claim is caused by the Insurer's violation of the terms of this Insurance Contract, the latter shall refund the paid Insurance Premium to the Insured in full.

16.4. In case of early termination of this Insurance Contract at the Insurer's request, the Insured shall be refunded the paid Insurance Premium in full. If the Insurer's claim is due to the Insured's failure to comply with the terms of this Insurance Contract, the Insurer shall refund the paid insurance premium for the period remaining until expiration of the Insurance Period, deducting the administrative costs, determined when calculating the Insurance Rate, the actual Insurance Indemnity payments made under this Insurance Contract. If at the time of early termination of this Insurance Contract the Insured's claim for insurance indemnity due to the insured event is not settled, the insurance premium is not refunded until the payment or denial to pay the insurance indemnity.

16.5. The Insurance Contract shall be deemed invalid from time of its conclusion as provided by the Civil Code of Ukraine.

16.6. The Insurance Contract shall also be deemed invalid and unenforceable in case:

16.6.1. if it is concluded after the occurrence of the Insured Event;

16.6.2. if the subject matter of the Insurance Contract is the Goods, which is subject to confiscation according to the court decision that has entered into force, the alienation of the Goods by the Insured;

16.6.3. other cases provided by the current legislation of Ukraine.

16.7. The amendments to the Insurance Contract may be made only by mutual consent of the Parties in writing by signing the Supplementary Agreement to the Insurance Contract.

17. DISPUTE RESOLUTION PROCEDURE.

17.1. The disputes arising between the Parties to the Insurance Contract as for the observance of insurance terms shall be considered in the manner prescribed by the current legislation of Ukraine.