

LIABILITY INSURANCE

Particular Conditions for Commercial Operations

I. BASIC COVERAGE

The liability incurred by the Insured for damage to third parties, derived from the activities proper to the commercial establishments, mentioned in the schedule, remains covered within the policy conditions; for example, his liability:

1. The Insured's liability as owner or tenant of lands, buildings or premises that are used for the commercial purposes herein referred to. In order to insure the liability of the tenant for damage to leased property, an additional Tenant's Liability cover will be required.
2. Derived from the ownership and/or use of the loading and unloading installations, as well as of working machines.
3. Derived from the possession and/or maintenance of parking lots and gas stations in his service. In order to insure damage to vehicles of others (or the contents thereof) in possession of the Insured, the additional coverage, covering liability for garage or automobile parking lot is required.
4. Derived from the possession and/or maintenance of sanitary installations and apparatus recognized by medical science, in case of having a consulting office.
5. Derived from the possession and/or maintenance of security installations in his service (fire fighting system, guard dogs, alarm systems and similar installations).
6. Derived from the possession and/or maintenance of social service installations in his service (dining rooms, stores, orphanages, nurseries, schools, libraries and similar installations).
7. Derived from the use, permission and/or assignation of places and equipment for the practice of sports by the firm's personnel.
The personal liability of participants in sport activities is not covered hereunder.
8. Derived from excursions and/or festivities organized for his personnel.
9. Derived from the ownership and/or maintenance of advertising installations (signs, publicity posters or others) inside or outside the premises.
10. Derived from his participation on exhibitions and expositions.
11. Derived from the use of elevators, escalators and hoists.

12. The personal liability of his employees and workers against third parties, derived from the activity subject of this insurance, is also insured in accordance with the policy conditions. All liability for persons having no business in connection with the Insured is excluded hereunder.

The Insured's employees and workers may not be considered, in any case, as third parties, for the purpose of this insurance.

II. **ADDITIONAL COVERAGES**

By means of express agreement between the Insured and the Company and by means of the payment of the corresponding additional premium, the following liabilities may be covered:

1. **Explosives**

The liability incurred by the Insured is covered under this coverage, derived from the storage and use of explosive matters during the activity subject of this insurance.

2. **Loading and unloading operations**

Covered hereunder is the liability incurred by the Insured resulting from damage to third party land vehicles during loading and unloading operations or caused by cranes, winches and freight lifts. Also covered hereunder is damage to tanks, cisterns and containers, as the result of implosion during unloading operations.

3. **Products and/or Completed Operations Liability**

The liability incurred by the Insured as a consequence of damage to third parties caused by products manufactured, delivered, supplied or else due to operations carried out during the term of the insurance, remains covered (in accordance with stipulations in Clause 3, items c) and d) of the policy general conditions) provided such damage is caused within such term.

In case of insurance termination due to any cause, the coverage for damages occurring subsequently shall also cease, although products delivered may occasion these damages or operations carried out during the term of the policy.

All risks arising from delivery, supply or performance of operations effected before the attachment of the policy shall be covered by means of express agreement between the Insured and the Company and by means of the payment of the corresponding additional premium.

It is understood and agreed that this coverage, in addition to the exclusions mentioned in Clause 4 of the policy General Conditions, in no case shall cover or refer to liabilities due to:

- Damage sustained by the product itself, manufactured or supplied by the Insured, as well as the operation itself which has been carried out.
- Expenses or indemnities due to market recall, inspection, repair, replacement or loss of use of the products or operations of the Insured.
- Damage caused by experimental products or operations or by those with no permission of the corresponding authorities.
- Damage caused by non-compliance of consumption instructions or use of the products or operations.
- Claims derived from non-compliance of quality warranty or from any special agreement of warranty.
- Damage derived from manufacture or supply of aircraft or parts thereof.
- Genetic damage to persons or animals.

4. Environment Pollution Liability

The liability incurred by the Insured as a consequence of damage to third parties caused by harmful variations of waters, environment, soil, subsoil or else by noise, is covered (in accordance with the stipulations of Clause 3, item ch) of the General Policy Conditions, when indicated thereunder), provided they are the result of an occurrence taking place inside the premises in a sudden, accidental or unforeseen manner.

It is understood and agreed that this coverage, in addition to the exclusions mentioned in Clause 4 of the policy General Conditions, in no case shall cover or refer to liabilities due to:

- Damage produced from non-observance to written instructions or recommendations for the inspection, control or maintenance provided by the manufacturers of appliances or by installations related to pollution prevention or control of the environment.
- Damage for the omission of necessary repairs of the above-mentioned appliances or installations.
- Genetic damage to persons or animals.
- Damage originated by sewer water, refuse and residual substances.
- Gradual pollution.

5. Liability for Damages in Foreign Countries

In accordance with stipulations of Clause 3, items b) and c) of the General Conditions of the Policy, and item 3 of this Clause, and within the scope of both, the following liabilities are insured under this coverage:

a) Trips to foreign countries

The liability incurred by the Insured as a consequence of losses occurring in foreign countries, and resulting from trips or participation in fairs or exhibitions.

b) Work undertaken in foreign countries

The liability incurred in by the Insured as a consequence of losses occurring in foreign countries, and resulting from construction and installation work.

c) Exportation of Products

The liability incurred in by the Insured as a consequence of losses occurring in foreign countries, resulting from the Insured's exported products..

A list of foreign countries, subject of the coverages of this insurance, is indicated on the policy schedule.

It is understood and agreed that this coverage, in addition to the exclusions established in Clause 4 of the General Policy Conditions, and in Item 3 of this Clause, shall in no event cover or refer to the following:

- Indemnity in the form of fines, penalties, indemnities for punishment or, for example, the so-called punitive, vindictive, exemplary damages or others with similar terminology.
- Claims as a result of work accidents or sickness of the Insured's personnel or of other persons performing work for him.
- The Insured's liability originating from production centers, deposits, company branches or those domiciled in foreign countries.

6. Tenant's Liability (Fire Legal)

The liability for damages, which due to fire or explosion are caused to the real state mentioned on the policy schedule, (totally or partially) under lease for the uses stipulated thereunder, is covered hereunder (in accordance with Clause 3 item d) point 1 of the policy General Conditions), provided said damages are incurred by the Insured.

The Company's maximum limit of liability under this coverage, for each and every loss occurred during the insurance term, is the

insured sum contracted for in this coverage (within the total limit of liability insured), as shown on the Policy schedule.

7. Assumed Liability

The liability incurred by the Insured is covered when he assumes liability of others, by agreement or contract, binding himself to the substitution of the original obligor to repair or indemnify eventual or future bodily injury or property damage to third parties (in accordance with stipulations in Clause 3 item a) of the policy General Conditions).

It is a basic condition, in order this insurance remains in force, that the Company states in writing which are the agreements or contracts insured; therefore, the Insured shall supply a faithful copy of such agreements or contracts he wishes to remain insured, in order the Company may determine if the risk is accepted and may issue the corresponding evidence.

This coverage does not represent a guarantee in favor of the original obligors and, therefore, it shall not be deemed to be a guaranty, security, aval or any other personal or actual guaranty for the non-compliance of the agreements or contracts entered into by the original obligor.

The list of contracts or agreements, subject of this insurance, is attached to the Policy schedule.

8. Independent Contractors Liability

The liability incurred by the Insured when he carries out inspections, advance control or reception of works as owner of said construction works performed by independent contractors, is covered hereunder (in accordance with stipulations in Clause 3, item g) of the policy General Conditions.

The liability incurred by the Insured by agreement or contract, where the replacement of the original obligor contractor for extracontractual liability is stipulated to repair unintentional, eventual and future damages, for bodily injury or damage to property of third parties, for which the contractor may be liable as original obligor (in accordance

with stipulations in Clause 3, items a) and g) of the Policy General Conditions) is covered hereunder.

It is a basic condition of this insurance to become effective that the Company demonstrates in writing which of the agreements or contracts are to be included in the coverage. In order to accomplish the foregoing, it is necessary that the Insured provide the Company with true copies of the agreements or contracts that he wishes insured so that the Company may decide whether or not to accept the risk and provide the corresponding evidence of insurance.

This coverage does not represent a warranty for the independent contractor, nor can be incorporated to a bond, pledge, written guarantee or any personal or actual guarantee, due to non-compliance of the contracts or agreements entered into with the independent contractor.

The list of contracts or agreements, subject of this insurance, is attached to the policy schedule.

The coverages, limits, sublimits and deductibles considered as contracted are indicated on the schedule of the policy.

III. DEDUCTIBLE

In each loss affecting the basic coverage (according to Clause I, or else affecting any of the additional insured coverage, according to Clause II), the Insured shall always participate with an amount called DEDUCTIBLE, as shown in the schedule of this policy.

IMPORTANT NOTE:

This is only a sample courtesy translation of a policy form in Mexico. This sample should only be used for informational purposes, as it does not represent or constitute the actual terms & conditions of a given policy. Insurance companies in Mexico may use a modified or amended version of this coverage depending on a particular risk or Insured. For legal interpretation of this coverage, as well as the territory jurisdiction, please refer to the original Spanish version of the policy in the country of Mexico.