

LIABILITY INSURANCE

Particular Conditions for Industrial Operations

Basic Coverage

Coverage is provided within the scope of the policy conditions on the liability incurred by the Insured for third party damage, as a consequence of the activities usual and incidental to the industry mentioned in the policy schedule. Insurance is provided against liability derived from, for example:

- As owner or tenant of lands, buildings or premises utilized for the mentioned industry.
In order to cover the tenant's legal liability for damage to property under lease, the additional coverage for Tenant's Legal Liability is required.
- The possession and use of loading and unloading installations, as well as machinery.
- The possession and 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.
- The possession and maintenance of rest room installations and apparatus and installations recognized by the medical profession should the industrial risk provide a clinic.
- The possession and maintenance of security installations in the Insured's service (fire fighting service, guard dogs, alarm systems and similar installations).
- The possession and maintenance of social service facilities in the Insured's service (dining rooms, commercial establishments, orphanages, nursery schools, libraries and other similar installations).
- The use, permission, or assignation of places and equipment for sports practice by the firm's personnel.
- The personal liability of the participants in sports activities is not covered hereunder.
- Excursions and festivities organized for the personnel.
- The ownership or maintenance of advertising installations (signs, advertisement signs or others) inside or outside the premises.
- Participation in fairs and expositions.
- The use of elevators, escalators and cranes.
- The ownership, maintenance and use of railway cargo material, whether fixed or rolling, within the real property of the Insured.

- The personal legal 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.
For the purpose of this insurance, the Insured's employees and workers in no event shall be considered as third parties.

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

Covered hereunder is the legal liability incurred by the Insured resulting from the storage and use of explosive material during the activities, subject of this insurance.

2. Loading and Unloading Operations

Covered hereunder is the legal liability incurred by the Insured resulting from damage to third party land vehicles during loading and unloading operations or caused by cranes. 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 the policy term.

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

Insurance against those perils resulting from delivery, supply or operations performed and effected before the attachment date of the policy shall be provided only by means of express agreement between the Insured and the Company, and the obligation of paying the corresponding additional premium.

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

- 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 resulting from 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 those with no permission of the corresponding authorities.
- Damage caused by non-compliance of consumption instructions or use of the products or operations.
- Claims for non-compliance with the quality guarantee or any special agreement of guarantee.
- 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 there under) provided they are the result of an occurrence taking place inside the Insured 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 of written instructions or recommendations for the inspection, control or maintenance provided by the manufacturers for appliances or installations related to pollution prevention or control in the environment.
- Damage due to lack of immediate necessary repairs of the appliances or installations mentioned in the previous item.
- Genetic damage to persons or animals.
- Damage originating from sewer water, refuse and residual substances.
- Gradual pollution

5. Liability for Damage in Foreign Countries

In accordance with stipulations of Clause 3, items b) and c) of the general conditions of the policy Section III of these special conditions, the following remains insured, provided it is stipulated in the policy.

- Trips to foreign countries
The legal liability incurred by the Insured as a consequence of losses occurring in foreign countries, and resulting from trips or participation in fairs or exhibitions.
- Works undertaken in foreign countries
The legal liability incurred by the Insured as a consequence of losses occurring in foreign countries, and resulting from construction and installation work.

6. Exportation of Products

The legal liability incurred by the Insured as a consequence to loss occurring in foreign countries, and resulting from the Insured's exported products.

A list of foreign countries, subject of the coverage's of this insurance, is included in the policy schedule.

It is understood and agreed that this coverage, in addition to the exclusions mentioned 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:**

- All indemnities having or representing a penalty, fine, punishment or example, as those called punitive damages, vindictive damages, exemplary damages or others with similar terminology.
- Claims derived from accidents, or occupational diseases of the Insured's personnel, or of other persons performing works therefore.
- The Insured's liability derived from production centers, deposits, branches, affiliates or others addressed abroad.

7. 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 there under, 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 maximum limit of liability of the Company, under this coverage, for one or more of the losses occurred during the policy term, is the insured sum contracted hereunder (within the total limit of liability insured), as shown on the Policy schedule.

8. 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 for 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 is not to be construed as a guarantee in favour of the original obligors and as a consequence may not be considered as a bond, pledge, endorsement or a guarantee, personal or real, for non-compliance of the agreements or contracts entered into by the original obligor.

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

9. Independent Contractors' Liability

The legal 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 extra contractual 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, is covered hereunder (in accordance with stipulations in Clause 3, items a) and g) 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 with independent contractors included in the coverage. Therefore, the Insured shall supply a faithful copy of the 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 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 listing of contracts or agreements, subject of this insurance, is attached to the policy schedule.

Coverage's, limits, sublimits and deductibles considered as contracted for shall be those indicated in the policy schedule.

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.