

INDUSTRIAL OR COMMERCIAL LIABILITY

CLAUSE 1. SUBJECT OF INSURANCE

The Company binds itself to pay the damage, including loss and consequential personal damage caused by the Insured to third parties, and for which he becomes liable, in accordance with the applicable law in force in the Republic of Mexico (or foreign law, in case the coverage has been agreed upon, in accordance with the individual conditions of the liability insurance for damage in foreign countries), as a result of non-fraudulent acts or omissions occurring during the term of this Policy, and causing death or health detriment of such third parties or deterioration of property owned thereby, as per Individual and General Conditions agreed upon in this insurance contract.

CLAUSE 2. SCOPE OF INSURANCE

2.1. The Company's obligation includes:

- 2.1.A. Payment of damage, loss and consequential personal damage for which the Insured may be liable, in accordance with provisions in the Individual and General Conditions of this Policy.
- 2.1.B. Payment of defense expenses of the Insured, within the conditions of this Policy. This coverage includes:
 - 2.1.B.1. Payment of premiums for judicial bonds granted by the Insured as a guaranty for the payment of the sums claims for the liability covered by this Policy. Therefore, **the premiums for bonds to be granted as a guaranty so the Insured may obtain his parole, petrial release or on license, during a criminal proceeding, are not included within the obligations assumed by the Company under this Policy.**

The above mentioned judicial bond shall not be issued by this company.

- 2.1.B.2. Payment of expenses, costs and legal interests that the Insured must pay for executed decision or arbitral award.
- 2.1.B.3. Payment of expenses incurred by the Insured due to procedure and settlement of claims.

2.2. Limitation of Insurance scope:

- 2.2.A The Company's maximum limit of liability for one or all loss that may occur during any insurance year is stated in the Specification of this Policy.
- 2.2.B The occurrence of several damages, during the Policy term, arising out the same or similar cause shall be considered as a single loss, and taking place when the first series of damage occurred.
- 2.2.C The payment of expenses referred to in paragraph 2.1.B of item 2.1 shall be covered in addition, but not exceeding a sum equal to 50% of the maximum limit of liability stated in the Specification of this Policy.

CLAUSE 3. BASIC COVERAGE

The legal liability incurred by the Insured for damage to third parties is insured, within the scope of the Individual and General Conditions of the policy, arising from the proper industrial or commercial activities or in any of the following assumptions:

The Insured's liability is covered:

- 3.1 As owner or tenant of lands, buildings or premises used for the mentioned industry.
For the purpose of covering the liability derived from damage caused to real property under lease, the additional coverage for Tenant's Liability shall be contracted.
- 3.2 Derived from the ownership and use of loading and unloading installations, including working machines
- 3.3 Derived from the possession and maintenance of parking lots and gas stations during activities for the Insured.
For the purpose of covering the liability for damage to vehicles of third parties (or the contents thereof) in possession of the Insured, the additional coverage for parking lot or garage liability is required.
- 3.4 Derived from the possession and maintenance of sanitary installations and apparatus and installations recognized by the medical science, in case of having a consultation office.
- 3.5 Derived from the possession and maintenance of security installations in the course of service with the Insured (Fire fighting brigades, watchdogs, alarm system and alike).
- 3.6 Derived from the possession and maintenance of social installations in the course of service with the Insured (dining rooms, stores, orphanages, nurseries, schools, libraries and similar installations).
- 3.7 Derived from the permission of use or assignation of places and apparatus for sports practice by the personnel of the Insured's firm.

PERSONAL LIABILITY OF PARTICIPANTS IN SPORT ACTIVITIES IS NOT COVERED HEREUNDER.

- 3.8 Derived from tours and festivities organized for his personnel.
- 3.9 Derived from the ownership and maintenance of advertising installations (signs, advertisement posters or others) inside or outside his premises.
- 3.10 Derived from his participation in fairs and exhibitions.
- 3.11 Derived from the use of elevators, escalators, and hoist engines
- 3.12 Derived from the possession, maintenance, and use of loading railroad material whether fixed or rolling stock inside his premises.
- 3.13 The personal legal liability of his employees and workers against third parties, derived from the business operations, subject of this insurance, is also covered in accordance with the Individual and General Conditions of the Policy.

THE LIABILITY OF PERSONS THAT HAVE NO WORKING RELATION WITH THE INSURED IS EXCLUDED HEREUNDER.

THE INSURED'S EMPLOYEES ARE NOT CONSIDERED AS THIRD PARTIES.

CLAUSE 4. ADDITIONAL COVERAGES

By Express agreement and by means of the obligation of payment of the corresponding additional premium, this Policy may be extended to cover the following concepts, which shall be indicated in the Specification thereof:

4.1 Products and Completed Operations Liability

4.2 Assumed liability

4.3 Liability for damage in foreign countries

4.4 Environmental Contamination Liability

4.5 Tenant's Legal Liability

4.6 Cross Liabilities

4.7 Independent Contractors' Liability

4.8 Vehicle parking lot or garage Liability

4.9 Liability for property damage caused to third parties, in the custody of the Insured, arising from the normal operations of the Insured (manufacturing, handling, transformation, repair, testing and alike).

IN CASE OF REAL PROPERTY, COVERAGE SHALL NOT BE PROVIDED WHEN SUCH PROPERTY OR PART THEREOF HAS BEEN DIRECT SUBJECT OF THE OPERATIONS MENTIONED IN PREVIOUS PARAGRAPH, OR LIABILITIES SHALL BE COVERED IF PROVISIONS MENTIONED IN ITEM 4.9 CAUSE BODILY INJURY TO AN INSURED'S EMPLOYEE OR PERSON IN CHARGE, DURING THE COURSE OF THEIR EMPLOYMENT.

4.10 Derived from the manufacture, storage and use of explosive matters.

4.11 Derived from damage to third party's land vehicles during loading and unloading operations caused by cranes, winches and hoist engines.

It also covers damage to third party's tanks, cisterns and containers, during the loading and unloading operations.

CLAUSE 5. EXCLUSIONS

IT IS UNDERSTOOD AND AGREED THAT IN NO CASE SHALL THIS INSURANCE COVER:

5.1. LIABILITY ARISING FROM NONCOMPLIANCE OF CONTRACTS OR AGREEMENTS WHEN SUCH NONCOMPLIANCE HAS NOT CAUSED THE DEATH OR HEALTH DETRIMENT OF THIRD PARTIES OR THE DETERIORATION OR DESTRUCTION OF PROPERTY OWNED BY THEM.

5.2. LIABILITY FOR SUBSTITUTE OR COMPENSATORY BENEFITS FROM BREACH OF CONTRACTS OR AGREEMENTS.

5.3. LIABILITY DERIVED FROM THE USE, OWNERSHIP OR POSSESSION OF SHIPMENTS, AIRCRAFT AND LAND MOTOR VEHICLES, UNLESS THESE ARE

USED EXCLUSIVELY WITHIN THE INSURED'S PREMISES, AND DO NOT REQUIRE LICENSE PLATES WHEN USE IN PUBLIC PLACES.

- 5.4. LIABILITY DERIVED FROM FRAUDULENT DAMAGE CAUSED BY THE INSURED OR IN COMPLICITY WITH HIM.**
- 5.5. WHEN THE INSURED IS AN INDIVIDUAL, THE LIABILITY DERIVED FROM DAMAGE SUSTAINED BY: SPOUSE, PARENT, CHILD, BROTHER OR SISTER, FATHER-IN-LAW/MOTHER-IN-LAW, BROTHER OR SISTER-IN-LAW, OR ANY OTHER RELATIVES OF THE INSURED LIVING PERMANENTLY WITH HIM.**

WHEN THE INSURED IS A CORPORATION, THE LIABILITY DERIVED FROM DAMAGE SUSTAINED BY: ADVISERS, DIRECTORS, PARTNERS, ADMINISTRATORS, MANAGERS, OR OTHER PERSONAS PERFORMING AN EXECUTIVE POSITION, INCLUDING THEIR SPOUSE OR RELATIVES LIVING PERMANENTLY WITH THEM, AS INDICATED IN PREVIOUS PARAGRAPH.

- 5.6. LIABILITY FOR DAMAGE CAUSED BY:**
 - 5.6.A. INSTABILITY, COLLAPSE OR SETTLEMENT OF SOIL OR SUB-SOIL.**
 - 5.6.B. LACK OR INSUFFICIENCY OF CONSOLIDATION WORK TO AVOID THE LOSS OF SUPPORT NECESSARY TO THE SOIL OR SUB-SOIL OF THE NEIGHBOURS PROPERTY.**
- 5.7. LIABILITY FOR DAMAGE CAUSED BY WAR OR OTHER WARLIKE ACTS, REVOLUTION, REBELLION, RIOTS, STRIKES OR DAMAGE ORIGINATING FROM PROVISIONS OF AUTHORITIES *DE JURE OR DE FACTO*.**
- 5.8. LIABILITY ATTRIBUTABLE TO THE INSURED, IN ACCORDANCE WITH THE FEDERAL LABOR LAW, THE SOCIAL SECURITY LAW OR ANY OTHER COMPLEMENTARY PROVISION TO SUCH LAWS.**
- 5.9. PROFESSIONAL LIABILITY.**
- 5.10. DAMAGE CAUSED BY ACTS OF TERRORISM.**
- 5.11. DAMAGE CAUSED BY ASBESTOS OR PRODUCTST THEREOF.**
- 5.12. ALL INDEMNITIES WHICH IMPLY OR REPRESENT A FINE, PENALTY, PUNISHMENT OR FOR EXAMPLE, THOSE CALLED "PUNITIVE DAMAGES", "VINDICTIVE DAMAGES", "EXEMPLARY DAMAGES" OR ANY OTHER WITH A SIMILAR TERMINOLOGY.**
- 5.13. DAMAGE CAUSED BY FUNGI, BACTERIA OR HARMFUL ORGANISMS, WHATEVER ORIGIN.**
- 5.14. GENETIC DAMAGE TO PERSONS OR ANIMALS.**

GENERAL CONDITIONS

CLAUSE 1. PREMIUM

- 1.1. The premium charged to the Insured becomes due at the time of issuing of the contract, and any subsequent agreement that may affect the Policy, which gives rise to the payment of any such additional premiums.
- 1.2. Should the Insured choose to make installment payments of the premium, the installments shall be payable in equal periods no less than a month, and the installments shall be due at the inception of each period thereto agreed upon. The financial rate of the premium shall be applied to the installment payment in force at the time of issuance or renewal of the Policy, which shall be made known to the Insured in writing.
- 1.3. The time for the payment of premium or any installment may not be greater than 30 (thirty) calendar days following the expiry date of the premium. The effects of this contract shall automatically end at the 12:00 (twelve) noon on the last day of this period. The hours shown in this item shall be the local official time in the place whereby the corresponding insurance policies are issued.
- 1.4. The agreed premium shall be paid in the Company's offices upon delivery of the corresponding receipt thereof.
- 1.5. In the event of loss, the Company shall deduct from the indemnity the total premium pending or outstanding installments not paid, until the total premium corresponding to the period of insurance contracted is completed.

CLAUSE 2. REINSTATEMENT

Notwithstanding the provisions in Clause 1 "Premium" of these General Conditions, the Insured may, within the 15 (fifteen) days following the last day of the aforementioned grace period, pay the premium for this insurance or the corresponding part should installment payments have been agreed upon. In this case, upon making such payment, the effects of this insurance shall be reinstated as of the hour and day shown in the payment voucher, and the Company shall refund at pro rata, at the time of receiving the payment, the corresponding premium to the period during which the effects of this insurance ended, in accordance with provisions in Article 40 of the Insurance Contract Law.

Moreover, if the Insured requests in writing at the time of making such payment, that the insurance term is to be extended, this shall be automatically accepted by the Company, and extended for a period equal to that comprised between the last day of such grace period and the hour and date in which such reinstatement becomes effective.

In the event that the hour is not clearly shown in the payment voucher, it shall be understood that the insurance is reinstated at midnight on the date of payment. The hours shown in this item shall be the official local time in the place whereby the corresponding insurance policies are issued

The reinstatement referred to in this Clause shall be registered by the Company on the receipt issued for the corresponding payment for administrative purposes, and in any subsequent document issued.

IN NO EVENT SHALL THE COMPANY BE LIABLE FOR LOSSES OCCURRED DURING THE PERIOD COMPRISED BETWEEN THE EXPIRY OF SUCH GRACE PERIOD AND THE HOUR AND DAY OF SUCH PAYMENT REFERRED TO IN THIS CLAUSE.

CLAUSE 3. INSURED'S PARTICIPATION

In the event of loss payable under this Policy, the Insured shall always pay the deductible as indicated in the specification thereof.

CLAUSE 4. ARBITRATION

In the event of dispute between the Insured and the Company as to the amount of any loss or damage, the matter shall be given over in writing to an Arbitrator of mutual agreement; however, in such cases where no single Arbitrator can be agreed upon, two such arbitrators shall be named; one for each party, within a period of 10 (ten) days from the date on which either of the parties has required the other to do so in writing. Moreover, before commencement of arbitration, the two arbitrators shall name an umpire in case of further disagreement.

If either of the parties shall refuse or simply neglect to designate his arbitrator at the request of the other, or if the arbitrators do not agree upon the umpire, then the judicial authority shall, at the request of either of the parties, make the appointment of the arbitrator or the umpire, or both if necessary.

The death of any party, if an individual; or the dissolution, if a corporation, during the arbitration process shall not cancel or affect the authority or powers of the arbitrator, or arbitrators or umpire, as the case may be; or in the event of the death of an arbitrator or umpire of either of the parties die before a decision is made, another shall be appointed by such respective (party, arbitrator, judicial Authority) as a substitution thereof.

Expenses and fees originated by the arbitration shall be divided equally between the Insured and the Company, but each party shall pay the fees of his own arbitrator.

The arbitration referred to in this Clause shall not be construed as an admission of liability by the Company; it shall only determine the amount of the loss which shall eventually be payable by the Company, and while giving both parties liberty to exercise the corresponding objections.

CLAUSE 5. PLACE AND PAYMENT OF INDEMNITY

The Company shall pay any indemnity at its office, within the 30 (thirty) days following the date of receipt of the documents and information, which are the fundamental base of the claim, in the terms of Clause 6 "Procedures in the Event of Loss" of the General Conditions of the Policy.

CLAUSE 6. PROCEDURES IN THE EVENT OF LOSS

- a) Notice of Claim: The Insured shall bind himself to notify the Company, as soon as having knowledge of all the claims or suits received by him or his representatives; therefore, he shall furnish the Company all documents or copy thereof, and the Company shall be obliged to state in writing, within a period of seventy two hours, that it declines to bring suit, if it so desires.

In case notice is not delivered as established, it shall be understood that the Company has accepted to bring suit in the name of the Insured, and he shall cooperate with the company in the terms of the following items of this clause:

If the Company decides not to conduct the suit, it shall pay the Insured in advance the sum established therefore so that the Insured may cover his defense expenses, which shall be effected with due diligence and in the terms agreed upon.

- b) Cooperation and assistance of the Insured to the Company: When the Company has assumed the defense, it shall be binding on the Insured with respect to all proceedings brought against him for liability covered by this insurance, to:

- Provide all information and evidence necessary required by the Company.
- Exercise and enforce the actions and defenses corresponding to him by law.
- Appear in court in all proceedings.
- Grant authority to the lawyers designated by the Company to represent him in said proceedings.

All expenses made by the Insured to comply with the above obligations shall be reimbursed or paid in advance on account of the amount for defense expenses.

- c) Claims and suits: The Company shall be empowered to settle judicial or extra judicial claims, to conduct suits or prosecutions before the authorities and to enter into agreements.

The Insured may not accept any debt, transaction, agreement or any other legal act that implies liability for him without the Company's consent. The admission of a fact by the Insured will not be considered as an acceptance of liability.

- d) Loss Payee of Insurance: This insurance contract grants the right of indemnity directly to the damaged third party, who shall be considered as the Insured's loss payee as from the time of loss.

- e) Refunds: Should the third party be indemnified totally or partially by the Insured, with the Company's written consent, this shall be refunded proportionally by the Company.

CLAUSE 7. REDUCTION AND REINSTATEMENT OF THE SUM INSURED IN THE EVENT OF LOSS

All partial indemnities paid by the Company, and in accordance with provisions in Clause 8 Total Loss of the Individual Conditions of this Policy, shall be reduced in the same amount as the Insured Sum; however, this may be reinstated upon previous acceptance of the Company, at the request of the Insured, who shall be obliged to pay the corresponding additional premium.

Should the Policy consist of various limits and sublimits, the reduction or reinstatement shall apply to such affected limits and sublimits.

CLAUSE 8. INCREASE OF HAZARD

When the premium has been fixed in accordance with the characteristics of the risk, described in this Policy, the Insured shall advise the Company of any essential increase of hazard during the validity of this insurance, within a period of 24 (twenty four) hours upon having such knowledge thereof. **SHOULD THE INSURED OMIT TO GIVE SUCH ADVICE OR PROVOKE AN ESSENTIAL INCREASE OF HAZARD, THE COMPANY'S OBLIGATIONS SHALL TERMINATE HEREINAFTER.**

CLAUSE 9. OTHER INSURANCE

If the covered property is insured, wholly or in part, by other insurance covering the same peril, whether acquired on the same date or another, the Insured is under the obligation to declare such immediately in writing to the Company and/or they should be mentioned in the Policy or enclosure thereto; indicating the name of the insurance companies and the sums insured.

Should the Insured intentionally omit to give such notice, or acquire other insurance in order to obtain an illicit gain, the Company shall be released from its obligations.

When the Company has been duly notified that the same covered interests by this Policy are insured by other companies, the Company is obliged to pay the full value of the damage sustained within the limits of the Sum Insured, and thereafter shall be repeated proportionally against other companies which have issued coverage for the amount insured.

CLAUSE 10. INSPECTION

The Company shall have at all times the right to inspect, during the term of this insurance, the property covered, at any working hours and by duly authorized persons thereby.

The Insured is obliged to furnish the Company's surveyor with all necessary details and information for the appraisal of the risk.

Should the inspection disclose an essential increase of hazard in any covered property, the Company shall request in writing to the Insured the elimination of such increase of hazard. If whereby the Insured fails to comply with these change notifications during a period stipulated therein, the Company shall not be liable for loss or damage caused by such increase of hazard, if such fact is a direct contribution to the occurrence of the loss.

CLAUSE 11. ADVANCE TERMINATION OF CONTRACT

Notwithstanding the term of the Policy, the parties agree that such Policy may be terminated by means of written notice.

When the Insured terminates the Policy, the Company shall have the right to retain that part of the premium corresponding to the time during which the insurance had been in force, in accordance with the following short term tariff (percentage of the annual premium):

SHORT TERM TARIFF	
Up to 7 days	10%
Up to 15 days	15%
Up to 1 month	25%
Up to 2 months	35%
Up to 3 months	45%
Up to 4 months	55%
Up to 5 months	65%
Up to 6 months	70%
Up to 7 months	75%
Up to 8 months	80%
Up to 9 months	85%
Up to 10 months	90%
Up to 11 months	95%
Up to 12 months	100%

When the Company requests the termination of the contract, such shall be by means of written notice to the Insured. The insurance termination shall become effective 15 (fifteen) days after the corresponding notice; and the Company shall return such part of the premium in proportion to the unexpired term, at the moment when giving such notice. Consequently, the cancellation shall not be effective without such herefore stated requirement.

CLAUSE 12. STATUTE OF LIMITATIONS

All actions derived from this insurance contract shall prescribe in **2 (two) years**, in the terms of Article 81 of the Insurance Contract Law, as of the date of the occurrence thereof, unless exceptions consigned in Article 82 of the same law.

The prescription shall be interrupted not only by ordinary causes, but also by those referred to in the **Ley de Proteccion y Defensa al Usuario de Servicios Financieros (CONDUSEF) Law of Protection and Defense of Financial Services Users**.

Article 81 and 82 of the Insurance Contract Law:

Article 81: All actions derived from an insurance contract shall prescribe in two years, as of the date of the occurrence giving rise thereto.

Article 82: The term referred to in the previous article shall not be effective in case of omission, false or inexact declarations of the risk. However, in such case, where loss has occurred it shall be effective when the interested parties have proven that they had no previous knowledge of such

loss occurrence taking place but on such date when the company has knowledge thereof. With respect to third party loss payees, they should also be aware of the vested rights in their favour.

CLAUSE 13.- COMPETENCE

The competence to file a complaint against the Insurance Company will be determined, at the choice of claimant, at the domicile of the Specialized Unit for the Attention of Consultations and Complaints referred to in Article 50 Bis of the Law for Protection and Defense of Users of Financial Services or before the National Commission for the Protection and Defense of Users of Financial Services in any of their branch offices.

In case of controversy, claimant will decide to go to the National Commission for the Protection and Defense of Users of Financial Services, whether in its headquarters, or to the branch offices of such Commission, or directly to the corresponding Courts pursuant to the facts established in Article 136 of the General Mutual Insurance Company and Institutions Law.

CLAUSE 14. ARREARS INTEREST

In the event that the Company, even though it has received the documents and information with reference to the basis for the claim made, does not fulfil the obligation of paying the indemnity, capital or rent, in the terms of Article 71 of the Insurance Contract Law, then, by fault of paying the legal interest applicable, the Company is obliged to pay the Insured, loss payee or third party sustaining damage, an arrears interest under the terms provided in Article 135 Bis of the General Law of Insurance Institutions and Mutual Societies, covering the delay period. Such interest shall be calculated as of the following day in which such obligation is so demanded.

CLAUSE 15. CURRENCY

Both the payment of the premium and indemnity, if any under this Policy, are payable according to the terms of the Monetary Law in force at the date of payment.

CLAUSE 16. NOTIFICATIONS

Any declaration or notification in respect to this contract shall be submitted in writing to the Company's registered address indicated in the Specification of this Policy.

In all such cases where the address of the offices of the Insurance Company is different from such indicated in the issued Policy, the Company shall advise the Insured the new address in the Republic of Mexico for all requests and notifications that should be sent to the Insurance Company for any legal effect.

The requirements and notifications that the Insurance Company shall make to the Insured or his assignees shall be valid to the last known address given to the Insurer.

CLAUSE 17. SUBROGATION OF RIGHTS

In all terms of Law, the Company shall be subrogated, up to the amount paid, to the Insured's rights, together with the corresponding actions against those liable or responsible for the loss. Should the Company so request, at its expense, the Insured shall place in record such subrogation in notarized documents. If due to acts or omissions of the Insured, such subrogation is inhibited, the Company shall be wholly or in part released from its obligations forthwith.

If only a part of the damage is paid, the Insured and the Company agree to exercise their rights in the same corresponding proportion.

There shall be no subrogation of rights in case the Insured has a marital or blood relationship or kinship up to the second degree with the person(s) that are known to have committed the damage or if the Insured may be civilly liable for the such person.

CLAUSE 18. FRAUD, DECEIT, BAD FAITH OR GROSS NEGLIGENCE

THE COMPANY'S OBLIGATIONS SHALL TERMINATE:

18.1 IF THE INSURED, LOSS PAYEE OR THEIR REPRESENTATIVES WITH THE OBJECT OF INDUCING THE COMPANY TO COMMIT AN ERROR, DISSIMULATE OR MAKE INEXACT DECLARATIONS, WHEREBY EXCLUDING OR RESTRICTING SUCH OBLIGATIONS.

18.2 MOREOVER, IF WITH THE SAME INTENTION THEY DO NOT FURNISH, IN DUE TIME, TO THE COMPANY THE DOCUMENTS NECESSARY FOR THE CORRECT PROCEDURE OF THE PAYMENT OF THE LOSS (BASED ON PROVISIONS IN CLAUSE 5 "PROCEDURE IN THE EVENT OF LOSS" OF THE GENERAL CONDITIONS OF THE POLICY).

18.3 DECEIT OR GROSS NEGLIGENCE ON THE PART OF THE Insured OR LOSS PAYEE OR ASSIGNEES or ATTORNEYS, HIS REPRESENTATIVES OR PERSONS LIABLE FOR THE TECHNICAL DIRECTION; IF AND WHEN SUCH ACT OR NEGLIGENCE IS DIRECTLY ATTRIBUTABLE TO SUCH PERSONS.

CLAUSE 19. INSURANCE TERRITORY

This Policy has been contracted in accordance with Mexican Laws and to cover damage and/or loss occurred within the territory of the Republic of Mexico. The territory limit may be extended by means of contracting the coverage of Liability for damage in foreign countries, and only in the coverages where applicable, in accordance with the individual conditions.

CLAUSE 20. ARTICLE 25 OF THE INSURANCE CONTRACT LAW

"Should the wording of the Policy or its amendments not agree with the offer, the Insured may request the necessary amendment within the 30 (thirty) days following receipt thereof. After expiry of this period, the provisions or amendments of the Policy shall be considered as accepted"