



GENERAL TERMS AND CONDITIONS OF CIVIL LIABILITY INSURANCE (GTC)

CLAIMS MADE version

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SECTION A SECTION A GENERAL PROVISIONS AND PUBLIC LIABILITY INSURANCE CONDITIONS

XL Insurance Company SE Austrian Branch – (further referred to as “XL”) commits itself, subject to payment of the insurance premium defined in the Insurance Contract, to pay the defined compensation/costs in case of an Insured Event as defined further in these General Terms and Conditions of Civil Liability Insurance (further referred to as “GTC”) and in the Insurance Contract.

DEFINITIONS

The following terms appearing in these GTC, in the Insurance Contract and in the endorsements shall have the meanings assigned to them below:

Insured

means the Insured named in the Insurance Contract and the additional Insured named in the Insurance Contract, being a natural or a legal person or a non-corporate entity having legal capacity. In the case of civil liability insurance of legal persons and non-corporate entities, insurance cover shall include damage caused by members of its governing bodies, its agents and Employees if such person is liable to Third Parties for his actions and omissions. Furthermore persons covered by the insurance are considered to be also present and past proxies, as well as present and past Employees of the Insured, in the range of damages caused in connection with execution of official duties on Insured behalf or duties contained in the authorization.

Policyholder

means the party who has concluded the Insurance Contract with XL on their own account and/or on the account of another party with its agreement.

Third Party

means any person not covered by the Insurance Contract.

Injured Party

means Third Party suffering the damage.

Employee

means a person employed by the Insured based on an employment contract, appointment, election, nomination or under a cooperative employment contract or performing work on the basis of a civil-law agreement, provided that the Insured, for whom such a person performs work, is the payer of social insurance contributions on behalf of this person. Furthermore such persons as trainee, volunteer, apprentice, temporary worker, commissioned by the Insured to perform specific tasks, works and services under supervision of the Insured shall also be considered as Employees.

Subcontractor

means legal entities or non-corporate entities entrusted by the Insured with performance of specific commissioned tasks, works or services.

Bodily Injury

means Third Party´s death, injury, illness or disease, and also death occurring as a result of such injury, illness or disease as well as the consequential financial loss from such an event including pecuniary compensation for pain and suffering due to the Injured Party and/or his/her relatives.

Property Damage

means damage to or loss of or destruction of the physical property belonging to any Third Party as well as the consequential financial loss resulting therefrom by the same Injured Party.

Pure Financial Loss

means a pecuniary loss, cost or expense being neither Bodily Injury nor Property Damage incurred by any Third Party.



Insured Operation

is described in the Insurance Contract. The insurance coverage extends to the liability from ancillary risk which are customary within the industry where the Insured is active such as: landlord liability, social institutions for Employees (e.g. cafeterias, recreation homes, Employees' children day care centers), even if these facilities are also used by external parties, organization of trade fairs and exhibitions, company fire brigades and paramedics and company events of any kind (e.g. office parties, staff outings, trainings, open days).

Insured Event

means a claim (written demand for indemnification) first made by Third Party against the Insured to indemnify Third Party for Property Damage, Bodily Injury or Pure Financial Loss which occurred on or after the Retroactive Date but not later than at the expiry date of Period of Insurance. If Property Damage, Bodily Injury or Pure Financial Loss resulted from continuous or repeated exposure to substantially the same general harmful conditions, the date when the loss / damage occurred would be considered the first time when being exposed to these harmful conditions.

It is agreed that this Insurance Contract only covers claims first made against the Insured during Period of Insurance and subject that such a claim was reported to the Insurer during the Period of Insurance or Extended Reporting Period.

Whenever the Insured has information relating to a circumstance which is reliably or reasonably expected to result in a claim (written demand for indemnification) covered by this Insurance Contract and reports such a circumstance within Period of Insurance in writing to the Insurer, then any such claim (written demand for indemnification) resulting from such a reported circumstance shall be deemed to have been first made against the Insured on the date upon which the written notice of such a circumstance was delivered to the Insurer subject that the Insured reports such a claim (written demand for indemnification) to the Insurer during the Period of Insurance or Extended Reporting Period.

Serial Loss

A series of claims arising from:

- the same cause, e.g. resulting from the same design error, production defect or error in instructions for the user,

or

- resulting from the delivery of a series of products having the same defects, regardless of the time of their actual occurrence and number of Injured Parties

shall be regarded as a single Insured Event made at the point in time when the first single claim (first written demand in respect of Property Damage, Bodily Injury or Pure Financial Loss) of the series was made (serial loss). The insurance covers all claims belonging to such serial loss, provided that the first claim was made against Insured according to definition of Insured Event above.

Retroactive Date

means a date specifically defined in the Insurance Contract. If Retroactive Date is not defined in the Insurance Contract then first day of Period of Insurance applies.

Period of Insurance

means a period for which the Insurance Contract is effective.

Extended Reporting Period

means a period specifically agreed in the Insurance Contract to extend the period when the claim might be reported to the Insurer. If the period is not defined in the Insurance Contract, then Extended Reporting Period equals 3 months from the expiration of Period of Insurance.

Deductible

means the amount defined in the Insurance Contract, by which XL reduces the compensation due. It does not reduce the total Limit of Liability available for the Period of Insurance as outlined in the Insurance Contract.

Product

means any movable objects, even objects constituting a component of another movable or immovable object, produced, supplied, sold, serviced, repaired, designed, tested, installed or processed by the Insured or on his behalf which was not under the Insured's possession at the moment when the Insured Event occurred. According to this definition energy and livestock shall also be considered as a Product.



Completed Operations

means services completed and supplied – works, services or other activities completed by the Insured and accepted by the ordering party, in accordance with the contract on provision of services; if any works, services or other activities require adjustment, repair or replacement, even if completed and accepted by the ordering party, they shall be considered as services completed and supplied.

Insurance Contract

means collectively the insurance contract consisting of these GTC, the agreed endorsements, the policy schedule and any other applicable addenda and annexes to the aforementioned documents.



§ 1 SCOPE OF COVER

1. The insurance covers the legal civil liability of the Insured in relation to an Insured Event which occurred during the Period of Insurance and within the Territorial Scope defined in the Insurance Contract and in conjunction with the Insured Operation.
2. Scope of cover includes the legal civil liability of the Insured in relation to an Insured Event which occurred during the Period of Insurance and within the Territorial Scope defined in the Insurance Contract arising as a consequence of not performed or faulty performed obligations arising out of concluded agreement in scope of the Insured Operation (contractual legal liability).
3. The Insurance Contract can be concluded for the benefit of a third person. All the terms and conditions of this GTC shall be applied respectively to the Insured, subject to payment of insurance premium.
4. XL may, in agreement with the Policyholder, include by endorsement provisions extending, limiting or modifying these GTC.

§ 2 COSTS AND DISBURSEMENTS

1. XL shall cover all costs and expenses incurred by the Insured with the written consent of XL for the purpose of ascertaining the liability of the Insured and the extent of loss, in particular court fees, costs of legal representation and other legal costs as well as remuneration of experts appointed by XL or in agreement with XL, to examine the circumstances of the Insured Event which has given rise to the claim against the Insured.
2. XL shall reimburse the costs of measures taken by the Insured after the occurrence of an Insured Event, aimed at reducing the extent of damage covered by the insurance, provided that they were appropriate, even if they proved ineffective in accordance with art. 826 of the Civil Code.
3. XL shall not be held liable for any additional costs resulting from the Insured's refusal to conclude a settlement with the claimant or settle the claim.
4. If as a consequence of an Insured Event, which has given rise to Insured's liability covered by this Insurance Contract there should be instituted penal and/or criminal proceedings against the Insured, XL shall cover the costs of defence, provided that XL has agreed to cover such costs in advance.

§ 3 LIMIT OF LIABILITY

1. Any indemnities or compensations that XL is obliged to pay in connection with a single Insured Event shall not exceed in total the limit defined in the Insurance Contract as the Limit of Liability per single Insured Event irrespectively of the number of claims originating from the same Insured Event.
2. Total XL liability by way of all events that would happen during the Period of Insurance shall not exceed the limit defined in the Insurance Contract as the Limit of Liability for all Insured Events.
3. In respect of the costs and expenses as outlined in § 2 XL shall cover them in addition to the Limit of Liability (cost in addition). Any costs as outlined in § 2 paragraph 2 (cost of mitigation according to art. 826 of the Civil Code) shall not exceed in total the Limit of Liability defined in the Insurance Contract.
4. In case when the total amount of claims resulting from the Insured Event is higher than the Limit of Liability per single Insured Event, XL shall cover these costs in the same proportion that the Limit of Liability bears to the amount of claim, independently of the number of instituted legal proceedings. Payment by XL of the Limit of Liability and of the part of the expenses calculated in accordance with the above principle shall relieve XL from the duty of further payments.
5. Sublimits may be defined in the Insurance Contract relating to specific risks. Sublimits are agreed within the Limit of Liability and not in addition to. Payments within these sublimits erode the Limit of Liability and sublimits.



6. During calculation of the compensation amount a Deductible defined in the Insurance Contract shall apply. The indemnity finally calculated shall be reduced by the Deductible specified in the Insurance Contract. The Deductible is a part of the Limit of Liability per Insured Event and XL only pays to the claimant the difference between the insured loss and the Deductible.
7. The Deductible does not apply to cost of defense against claims which the Insured is not liable for.

§ 4 PERIOD OF INSURANCE

1. The duration of the Insurance Contract is one year unless the Insurance Contract provides otherwise. The Insurance Contract will renew automatically for another year in case no contract party or authorized person cancels the Insurance Contract 3 months prior to the Insurance Contract expiry date. The notice of cancellation shall be legally valid if it is received by the other party in writing only.
2. Any Policyholder not being a businessman may renounce this Insurance Contract within 30 days as of conclusion thereof whereas the Policyholder being a businessman may renounce the contract within 7 days from the date of its conclusion. Any renouncement of the Insurance Contract is possible solely on the condition that the Insurance Contract has been concluded for a period exceeding 6 months.
3. Expiry, termination or renouncement of the Insurance Contract shall not release the Policyholder from his duty to pay the premium for the period during which XL provided its insurance cover.
4. Return premium shall be calculated as 1/365 of yearly premium for each full day of remaining Period of Insurance after cancellation date.

§ 5 TERRITORIAL SCOPE

1. Insurance Contract covers events occurring anywhere in the world except USA and Canada, their territories, possessions and Puerto Rico or claims made out of those territories, resulting from Insured Operation within these territorial limits. Jurisdiction is applied accordingly within the territory insured.
2. Coverage is extended to USA, Canadian jurisdiction for:
 - Losses caused by Employees of the Insured during business trips worldwide inclusive USA, Canada.
 - Products or services sold outside USA and Canada causing damages within the territory of USA, Canada, provided the Product was neither intended for export to USA/Canada by the Insured nor was he aware that the Product shall be re-exported to USA/Canada. (indirect export).

The insurance does not cover the liability of the Insured resulting from following losses occurring or brought to the court in USA and Canada:

- damages of a repressive nature, in particular punitive or exemplary damages;
- civil liability in connection with the possession or letting of premises to be used as representations, warehouses, exhibition grounds, manufacturing centers or the like;
- loss or damage connected with accidents at work or occupational diseases of Employees;

§ 6 GOVERNING LAW AND JURISDICTION

This Insurance Contract is governed by the law and exclusive jurisdiction of the Republic of Poland.

§ 7 EXCLUSIONS FROM THE SCOPE OF COVER

Unless amended by particular endorsements or otherwise agreed in the Insurance Contract the insurance will not apply in respect of liability directly and/or indirectly resulting from:



1. Wilfull misconduct

Any loss/damage/injury caused wilfully by the Insured –within the scope as defined in paragraphs 1.1 - 1.3 below. The insurance, however, shall cover Insured Events resulting from gross negligence.

1.1. Representatives

Exclusion of damage caused wilfully applies only to damages caused by the representatives of the Insured.

Depending on the legal form of the company representatives shall be:

- In public companies: the members of the board and/or proxies
- In limited liability companies: the members of the board and/or proxies
- In limited partnerships: partners
- In individual companies: the owner
- In foundations: the members of the board
- In associations: the members of the board
- In any other corporate body: any person in similar function as listed above.

1.2. Employee

However, losses caused intentionally by an Employee are covered by the Insurance Contract if the Insured can without any doubt prove that at the time this loss has happened all reasonably expected measures to prevent such a behaviour were adopted and active.

1.3. Product and Completed Operations

In the case of Product and Completed Operations Liability, providing products and services to the market whilst being aware of a defect of the Product or of the service performed, shall be regarded as a wilful misconduct.

2. Alcohol, drugs, intoxicating agents

Damage caused by the Insured or any persons for whom the Insured is responsible, occurring as a result of being under the influence of alcohol, drugs or other intoxicating agents.

3. Governing bodies

The Insured liability to persons being members of Policyholder's/Insured`s governing bodies.

4. Compulsory insurance

Damage that are or may be covered by compulsory insurance in force in the country concerned, or for which responsibility is adopted by any public authority or any other authority legally responsible for payment in such cases.

5. Motor vehicles

Losses in respect of use of any vehicle (or trailer attached thereto) for which compulsory insurance is required by any provisions of law. This exclusion does not apply if such a vehicle is being used outside of public roads for construction/operational activities where no compulsory insurance coverage is required or applicable. In any case there is no coverage for any kind of motor race.

6. Watercrafts, aircrafts or railways

Any liability relating to watercrafts, aircrafts or railways owned, rented, or operated by the Policyholder/Insured.



7. Aircrafts/Drones/ Spacecraft

Losses arising from:

- Planning, construction, manufacturing, delivering of aircrafts (incl. drones)/spacecraft or parts of aircrafts (incl. drones)/spacecraft or parts obviously intended for construction of or installation in aircrafts (incl. drones)spacecraft;
- Any activity (e.g. maintenance, inspection, servicing, repairing, transport) to aircrafts (incl. drones)/spacecrafts or parts of aircrafts (incl. drones)/spacecraft;
- Claims arising out of the ownership or operation of airfields for all kind of aircrafts (incl. drones)/spacecrafts.

The above exclusions apply to any damages/injuries to any aircraft (incl. drones)/ spacecraft, the passengers or goods conveyed with the aircraft (incl. drones)/ spacecraft and other damages/injuries caused by the aircraft (incl. drones)/spacecraft.

8. Damage to cargo

Damage to cargo, resulting from failure to perform or inadequate performance of any carriage or forwarding contract.

9. Private liability

Losses caused in the course of private life activities.

10. War/Terrorism

Losses arising from any form of military or warlike operations, acts of foreign enemy, any forms of martial law or state of emergency, occupation and their consequences including undeclared or civil war, the order of military or civil authorities acting de jure or de facto, or of any public authority, rebellion, riot, civil commotion, insurrection, plundering, revolution, strike, sabotage, terrorism, conspiracy, confiscation, lock out or persons acting as agents or on behalf of political organizations.

11. Radioactive pollution and electromagnetic field (EMF)

Losses caused directly or indirectly by nuclear energy, or electromagnetic field or any ionization, radiation, or pollution caused by nuclear waste from a nuclear power source, any nuclear materials, which have radioactive, poisonous, explosive or otherwise dangerous properties.

12. Firearms, ammunition and explosives

Losses connected to manufacturing, processing, storage, transportation, selling or using of firearms, ammunitions and explosives.

13. Asbestos and refractory ceramic fibers

Losses directly or indirectly associated with asbestos (asbestos products and/or asbestos containing products) or refractory ceramic fibers, or any materials containing asbestos or refractory ceramic fibers in whatever form or quantity.

14. GMO

Losses caused by genetically modified organism (GMO).

15. Dioxins and furans, polychlorinated biphenyls (PCBs), toxic mould, medical implants, blood and/or blood products

Losses connected with any loss directly or indirectly associated with Dioxins and furans, polychlorinated biphenyls (PCBs), toxic mould, medical implants, blood and/or blood products.



16. Tobacco and tobacco Products

Losses connected to manufacturing, processing, storage, transportation, selling or using of tobacco and tobacco products including any indirect effects.

17. Waste disposal

Any losses arising out of waste disposal.

18. Mining losses

Any losses arising from any mining activity or from geological works.

19. Computer viruses, attacks

Losses caused by all kinds of computer viruses, attacks or interference with any software and/or hardware.

20. Landslide, subsidence, vibration, noise, inundation

Losses resulting from vibration, noise, subsidence (including any structure erected thereon) and landslide or inundation by stagnant or flowing waters or back-flow of liquid from sewage pipes.

21. Fines and Punitive and exemplary damages

Claims generating obligation to pay liquidated damages, court and administrative fines and compensation of a penitentiary nature (punitive and exemplary damages) as well as other fines and pecuniary punitive measures, e.g. vindictive damages.

22. Transmission of Infectious diseases

Bodily Injury resulting from transmission of infectious diseases or Property Damage arising as a result of transmission of disease from animals owned, kept or sold by the Insured when he knew about the disease or should have known with due diligence.

23. Patent or trade mark rights, copyrights

Liability in respect of claims resulting from any infringement by the Insured of the patent or trade mark rights or copyrights of Third Parties.

24. Extension beyond statutory scope

Claims arising out of civil liability of the Insured if, as the result of a concluded contract or particular promises, the liability of the Insured extends beyond the scope of statutory civil liability of the Insured.

25. Contractual liability

The insurance coverage for contractual liabilities shall not be extended to losses:

- in connection with the fulfilment of a contract or substitute performance instead of the fulfilment of a contract;
- which Insured is obliged to compensate within product guarantee or warranty duties;
- resulting from non-compliance with time-schedules, non-delivery or partial delivery, exceeding of costs, non-compliance with payment terms;
- in respect of failure to achieve agreed aesthetic parameters e.g. form and/or colour.



26. Violation of personal rights

Claims arising from the violation of personal rights, also in connection with an employment relationship (Employment Practices Liability), especially claims due to resignation or dismissal, misrepresentation of work-related issues, breach of legal regulations in respect of the employment relationship, harassment at work, discrimination, defamation, humiliation, or refused employment or promotion.

27. Pure Financial Losses

Pure Financial Losses

28. Employers Liability

Claims originating from any employment contracts or relationships in respect of Bodily Injury or Property Damages suffered by Employees if such liability arises out of and in the course of employment by the Insured.

29. Pollution

Losses relating to any direct or indirect environmental damage or pollution of air, water or soil.

30. Environmental Liability Directive (ELD)

Losses regulated by the provisions of Directive 2004/35/EC of the European Parliament and the Council on environmental liability with regard to the prevention and remedying of environmental damage including in particular statute of 13.04.2007 on environmental loss prevention and remediation.

31. Cross Liability

Losses causing claims between the Insured under the same Insurance Contract as well as between the Insured and their Subcontractors.

32. Subcontractors

Losses caused to third parties by Subcontractors of the Insured.

33. Tenant's Liability

Property damages to Third party objects used by the Insured under contract of tenancy, rental, leasing or hire contract, or any other contract of similar nature.

34. Property being worked upon

Property Damage to any property while being processed, cleaned, repaired, serviced, packed or otherwise handled by the Insured.

35. Care, Custody and Control (CCC)

Property Damage to any property under the care, custody or control of the Insured.

36. Delivered energy

Any losses resulting from failure to deliver any energy including electric or thermal power, gas and water or resulting from delivering an energy having different parameters than agreed.

37. Loading/unloading losses

Property Damage to conveyances and cargo during loading and/or unloading operations.



38. Advertising liability

Losses due to misleading advertising or announcement.

39. Professional Liability

This Insurance Contract does not cover the professional civil liability of the Insured arising from the Insured's negligence in performing business operations involving specific professional license, in particular in connection with practicing the profession as: physician, architect and designer, security operative, teacher, geodesist, court enforcement officer, expert, real estate manager, financial agent, solicitor, attorney, notary, property administrator, real property appraiser, bailiff, insurance agent or broker as well as operations involving independent technical functions in construction business. Furthermore excluded are all professions for which compulsory insurance is required by any provisions of law.

40. Product liability/Completed Operations

These GTC Section A shall not cover liability for losses caused by a defective Product or resulting from Completed Operations as well as those resulting from improper advice regarding the use of the Product delivered and costs of recalling a product from the market, or other similar costs in connection with a faulty Product.

41. Trade or economic sanctions

XL shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose XL to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

§ 8 CLAIMS

1. Claim handling procedure and obligations associated therewith

1.1. Policyholder/Insured is obliged to notify XL of an Insured Event within 14 days from the date when Policyholder/Insured becomes aware of the Insured Event.

1.2. XL shall advise the Policyholder/Insured in writing or electronically what documents are essential for loss adjustment and Policyholder/Insured shall proceed with inquiries concerning the facts of the loss, legitimacy of the claims made and compensation amount.

1.3. In case of an occurrence of an Insured Event, the Policyholder/Insured shall be obliged to:

- a) use any available means in order to mitigate the loss,
- b) cooperate in any action and allow for taking up any justified steps to limit the loss extent and the costs incurred in association with such loss,
- c) allow XL experts or representatives to proceed with investigation with regard to the handling of the loss,
- d) the Insured shall be obliged to convey to XL during the claim handling procedure the exhaustive information compatible with his/her knowledge verbally or in writing.



- 1.4. If any court or administrative proceedings are instituted the Insured shall be obliged to promptly notify this fact to XL even if the loss has been notified by him before. The Insured will grant, at XL's request, a power of attorney ad litem to any person appointed by XL.
- 1.5. The Insured shall not admit or satisfy any claims in full or in part nor reach settlement with the claimant without prior XL's consent. XL shall be released from the obligation to pay indemnity, or may reduce the indemnification proportionally to the influence of the action of the Insured on obligation of the parties, unless in view of circumstances of the occurrence, the Insured could not have acted otherwise.
- 1.6. If the Insured fails to perform the duties defined in § 8 paragraph 1.3 due to his intentional fault or gross negligence, XL shall be exempted from any liability for the loss caused thereby.
- 1.7. The Insured is also obliged to comply with any written recommendations of XL regarding the handling of an individual claim.
2. Loss adjustment and indemnification
 - 2.1 XL shall, subject to the limitations, terms, conditions and exclusions set out in this Insurance Contract, indemnify the Insured for Ultimate Net Loss that the Insured pays on the basis of admission, a compromise or a legally valid court decision for compensation due to an Insured Event. Ultimate Net Loss means the total Limit of Liability which the Insured shall become legally obligated to pay as compensation on account of Bodily Injury, Property Damage and/or Pure Financial Loss which is covered under this Insurance Contract less any achieved salvages or recoveries.
 - 2.2 XL shall pay the compensation within 30 days from receipt of notification of an Insured Event. If XL fails to pay compensation within the time limits defined in this paragraph, it shall notify in writing the Insured about the reasons of its being unable to satisfy the claims in whole or in part, and shall pay the unquestionable part of compensation. Information from XL should include reference to the possibility of pursuing claims in court.

Where the clarification of circumstances necessary to determine XL's liability or the amount of compensation proved impossible within 30 days as of the date of notification of damage, the obligation should be fulfilled within 14 days of the day on which the clarification of such circumstances was possible if due diligence were exercised.
 - 2.3 XL shall pay indemnity at the amount corresponding to the extent of loss, within the scope defined in the Insurance Contract, however, not exceeding the Limit of Liability specified in the Insurance Contract and up to levels of sublimits indicated therein.
 - 2.4 XL shall be required to make available to the Policyholder and the Insured information and documents that have affected the determination of XL's liability and the amount of indemnity. Such persons shall have the right to inspect claim files and make, at their own expense, excerpts or photocopies of claim file documents, on the understanding that the making claim files available may not involve unreasonable difficulties to such persons, beyond needs.
 - 2.5 If criminal proceedings are initiated concerning a damage, the result of which may affect the determination of the compensation amount, XL shall pay the unquestionable part of the claim and the remaining part after the results of preparatory proceedings or court sentence have been obtained.
3. Subrogation claims
 - 3.1 If an Insured Event occurs, the Insured is obliged to secure the possibility of claims for compensation being brought against Third Parties liable for the damage.
 - 3.2 If the compensation due from XL covers only a part of the claim, the difference is due from the Insured.
 - 3.3 The Insured's claims against persons with whom the Insured lives in a common household or for which he is responsible, shall not pass to XL unless the perpetrator acted intentionally.
 - 3.4 The Insured shall be required to provide all assistance to XL in pursuing the claims mentioned in § 8 paragraph 3.1, supplying relevant information and documents necessary to ensure that such claims are pursued effectively.



- 3.5 If the Insured does not fulfil the above mentioned obligation according to § 8 paragraph 3 due to intentional fault or gross negligence, XL may refuse to pay Insured any indemnity in full or in part.
- 3.6 If the Insured has waived a claim against other party liable for damage or reduced his claims, XL may refuse to pay compensation or reduce it. If such waiver or reduction of a claim is disclosed after compensation has been paid, XL may ask the Insured to return the compensation paid in whole or in part.
- 4. Claiming under the contract of insurance
- 4.1 If the Policyholder and/or the Insured disagrees with the refusal to satisfy a claim or the agreed amount of compensation, he may, within 30 days of receipt of the decision on the matter, request XL to reconsider the matter through the party representing XL in claims handling procedure.

§ 9 INSURANCE CONTRACT

- 1. Application for insurance
- 1.1 The Policyholder shall be obliged to provide XL with information on any circumstances known to him which XL asked for in the offer form or prior to the contract's conclusion in other letters. If the Policyholder concludes the contract by a representative, such a duty shall burden the representative as well and it shall, moreover, comprise the circumstances known to him. Where the XL concludes the Insurance Contract despite the lack of answer to the respective questions, the circumstances which have been omitted shall be presumed to be irrelevant.
- 1.2 If it has been reserved in the Insurance Contract that in the course of its duration one shall report changes of circumstances set out in the preceding paragraph, the Policyholder/Insured shall be obliged to notify XL on these changes immediately after having received information of such changes.
- 1.3 In the case of concluding the Insurance Contract on somebody else's account the duties set out in the preceding paragraphs shall rest both on the Policyholder and the Insured, unless the Insured has not known of the conclusion of the contract on his account.
- 1.4 XL shall not be held liable for the consequences of the circumstances which have not been announced to him in violation of the preceding paragraphs. If the violation of the preceding paragraphs has been caused by intentional fault, in the case of doubt, it shall be deemed that an accident envisaged by the contract and its consequences are the results of the circumstances referred to in the preceding sentence.
- 1.5 In the case where a circumstance which entails a significant change in an accident's probability is being disclosed, either of the parties may demand an appropriate change of the premium's amount to commence from the moment when the circumstance occurred, however, no sooner than from the beginning of the current Period of Insurance. If such a demand is lodged, the other party may terminate the contract without notice within 14 days.

§ 10 INSURANCE PREMIUM, PREMIUM PAYMENT

- 1. The premium should be paid at the date defined in the Insurance Contract. In the case of non-cash transfers, the date of transfer shall be taken into consideration.
- 2. The premium shall be calculated based on the premium tariff applicable on the effective day of the Insurance Contract taking into account the Limit of Liability, territorial scope, claims history and other elements included in the premium tariff. In individual cases, the premium can be calculated otherwise, based on individual assessment of the risk.



3. Calculation of the premium is based on annual turnover or wages budget or another variable quantity. On the basis of declared values XL determines the minimum and deposit premium. If the premium is calculated on basis of annual turnover, wages budget or another variable quantity, after expiration of the Period of Insurance, XL shall calculate the final premium. For this purpose the Policyholder/Insured is obliged to inform XL, within 60 days after the expiration of the Period of Insurance, of real values achieved during the Period of Insurance for the purpose of final settlement of the premium.
4. If the final premium exceeds the minimum premium, the difference shall be paid by Policyholder/Insured to XL at its request within 15 days following the date of receipt of the request for payment otherwise XL is entitled to charge statutory interest for delay. Should the final premium be lower than the minimum premium, the balance shall not be reimbursed.
5. XL may calculate a flat premium, which would not be subject to settlement after termination of the Period of Insurance.
6. If the premium under this Insurance Contract is calculated on the basis of estimated values notified to the XL by the Policyholder/Insured, the Policyholder/Insured must maintain all books at the same location together with source documents of the data entered in the books. XL has the right to inspect the books any time, and Policyholder/Insured shall furnish relevant statement to XL after expiration of the Period of Insurance.
7. If the premium is to be paid in installments according to relevant arrangements, XL may demand that the entire premium calculated for the Period of Insurance be paid, if compensation has been paid.
8. The premium shall not be subject to indexation.
9. If XL would be liable even before payment of the premium or its first instalment and the premium or its first instalment failed to be paid within the date defined in the Insurance Contract, XL shall have the right to terminate the Insurance Contract with immediate effect by sending to the Policyholder relevant statement and require payment of the premium for the period when coverage was provided.
10. If premium is paid in instalments in case of any failure to pay any second and/or consecutive instalment within defined due dates, XL will notify the Policyholder that failure to pay within 7 days from receipt of the notice would cause termination of XL's liability.

§ 11 NOTIFICATIONS AND DECLARATIONS

1. The Policyholder's notifications and statements under the Insurance Contract shall be null and void unless made in writing and must be submitted against confirmation of receipt or by registered mail or by any other legally accepted written form of communication.
2. If the Policyholder and XL have changed their places of residence or addresses and failed to give notice thereof to one another, a letter sent to the Policyholder's/XL's last known address shall be effective from the moment it would have been delivered if the Policyholder/XL had not changed their residences.
3. In case of notifications or declarations sent by registered mail, the date of the postal stamp determines compliance with the deadlines specified in the Insurance Contract.

§ 12 FINAL PROVISIONS

1. Any additional or other provisions to these GTC can be agreed upon by the Policyholder and XL and applied as special provisions made in writing in order to be legally binding.
2. Any issues not covered by these GTC will be dealt with in compliance with the provisions of the Polish Law, in particular the Civil Code and The Insurance Business Act.



SECTION B PRODUCT LIABILITY AND COMPLETED OPERATIONS INSURANCE CONDITIONS

This Section B with special conditions must be used in conjunction with the conditions of Section A, General Provisions and Public Liability Insurance Conditions.

DEFINITIONS / CLARIFICATION

Product

means any movable objects, even objects constituting a component of another movable or immovable object, produced, supplied, sold, serviced, repaired, designed, tested, installed or processed by the Insured or on his behalf which was not under the Insured's possession at the moment when the Insured Event occurred. According to this definition energy and livestock shall also be considered as a Product.

Completed Operations

means services completed and supplied – works, services or other activities completed by the Insured and accepted by the ordering party, in accordance with the contract on provision of services; if any works, services or other activities require adjustment, repair or replacement, even if completed and accepted by the ordering party, they shall be considered as services completed and supplied.

Product Liability

legal liability for losses caused by a defective Product or resulting from Completed Operations as well as those resulting from improper advice regarding the use of the Product delivered.

Product delivery

means the actual delivery of the Product by the Insured to Third Party. In the case of doubts, the moment of delivery shall mean the moment when the Insured loses the actual right to dispose of the objects, i.e. the possibility to decide about the Product or its use.

§ 1 SCOPE OF COVER

XL will provide the indemnity up to the Limit of Liability in respect of legal civil liability arising out of an Insured Event during Period of Insurance in respect of

- Bodily Injury
- Property Damage

caused by the Insured arising out of defects of Products manufactured, sold, distributed, supplied, installed, erected, repaired, serviced, altered or treated by the Insured or Completed Operations rendered by the Insured.

§ 2 SPECIAL EXCLUSIONS FROM THE SCOPE OF COVER

Unless amended by particular endorsements or otherwise agreed in the Insurance Contract the insurance will not apply to liability directly and/or indirectly resulting from:

1. any losses which are excluded under Section A (§ 7 of these GTC);
2. damage to Product itself or the subject of work, service or specific task performed by the Insured, including persons acting on behalf of, or for the account of the Insured, which has to be repaired, replaced or compensated in the framework of guarantee, warranty or surety;
3. liability for loss or damage resulting from the Product not having legally required certificates or attestations;
4. claims against the Insured who has caused a loss through deliberately failing to comply with statutory or official regulations or with the purchaser's written instructions or conditions;



5. any losses resulting from Property Damage or Pure Financial Loss caused by Products which use or effects had not been adequately tested in accordance with the state of the art or in other suitable manner to verify their suitability for the specific purpose for which they were intended. This does not apply to damage to property not functionally related with the Products manufactured or supplied by the Insured and not affected by these Products in normal use;
6. claims for refund of the cost of troubleshooting;
7. any damage caused by a Product defect, which could not be detected at the time the Product was placed on the market due to the level of science and technology that time prevailing;
8. any damage arising in faulty Product or in other product with which the Product was mixed, blended or otherwise processed, or of which it formed an inseparable part, including related costs, costs of repair or costs of taking compensatory measures, and costs entailed in dismantling a faulty Product/ assembling a fault-free Product (including Third Party products containing the Insured's Products), testing, tracing, re-grading, disposal, removal; and damage arising as a result of fault in a product manufactured, machined or processed with mechanical equipment or other apparatus supplied by the Insured;
9. Costs of recalling a product from the market, or other similar costs in connection with a faulty Product.