

These terms and conditions of insurance stipulate the scope and conditions of cover, specified in the product liability insurance contract concluded between the policyholder and the insurer. In matters not regulated by the insurance contract the parties shall be governed by the Law of Obligations Act and other legislation.

1. TERMS AND CONDITIONS OF INSURANCE

1.1. These terms and conditions of insurance form a part of the insurance contract and the product liability insurance is covered with the insurance contract only if stated on the insurance policy.

1.2. These terms and conditions of insurance apply only together with the Compensa Vienna Insurance Group, ADB Estonian branch "Terms and conditions of third-party liability insurance 01.01.2017".

1.3. In matters not stipulated in these terms and conditions, the "Terms and conditions of third-party liability insurance 01.01.2017" shall apply.

1.4. In case of contradictions between these terms and conditions and the "Terms and conditions of third-party liability insurance 01.01.2017", these terms and conditions are deemed to be special terms and conditions and only these conditions shall be applied.

2. INSURED ITEM

Insured item is the civil liability of the insured person as the producer, resulting from unlawful damage caused to a third person (injured party).

3. INSURED EVENT

3.1. An insured event means unexpected and unforeseeable unlawful damage to a third person, which is in causal relationship with the defect of a product produced, sold or mediated by the insured person as the producer, as a result of which a statutory obligation to compensate for the damage (civil liability) has arisen to the producer and which event/damage is not excluded in clause 4 of the third-party liability insurance and/or clause 4 of these terms and conditions.

3.2. An insured person is considered a producer, if it:

3.2.1 has manufactured a finished product, raw material or part of a product;

3.2.2 claims to be the manufacturer of a product and indicates its name, trade mark or other distinctive mark on the product;

3.2.3 has brought a product into Estonia or into a member state of the European Union in the course of its economic activities with the objective of selling, leasing or marketing of the product in any other manner.

3.2 A product is deemed to be a movable produced, sold or mediated by the insured person in the course of its economic activity even if it constitutes a part of another movable or if the movable has become a part of an immovable.

3.3. A product is defective unless it is safe to an extent which corresponds to a person's legitimate expectations.

3.4. All claims resulting from the same circumstance or event are considered as one insured event. One limit of Indemnity and one deductible apply to claims resulting from the same insured event. The time of occurrence of an insured event is considered to be the time of occurrence of the first insured event.

4. EXEMPTIONS

In addition to the exemptions specified in the "Terms and conditions of third-party liability insurance 01.01.2017" (except for clause 4.7), Compensa shall not reimburse the following claims or damage:

4.1. damage caused by the policyholder with its general economic activity (except for product liability);

4.2. damage arising from the defect of a product that was known or should have been known to the policyholder and/or the insured person before the conclusion of the insurance contract;

4.3. damage caused before launching a defective product (such as damage caused during product tests or trials);

4.4. damage caused to a defective product as well as damage caused to the product itself as a result of devaluation or destruction due to the product defect (scrap);

4.5. damage due to the change of price, sabotage or recalling from the market or removing from the sale of the defective product;

4.6. damage due to repair of a defective product, compensation for its value, removing the defect and replacement;

4.7. damage and claims due to expiry of the "use by" date;

4.8. damage caused to the final product or parts of the final product by components manufactured or delivered by the insured person;

4.9. damage in connection with incorrect or unskilled use of the product or neglecting the manufacturer's instructions;

4.10. damage in connection with lack of permitted impact;

4.11. damage, arising from harmful impact of the product on genes;

4.12. damage resulting from deficiencies of hard- or software;

4.13. damage, if the product was delivered in another territory/covered location of insurance than specified in the insurance contract;

4.14. claims, resulting from an event that occurred in another territory/covered location of insurance than specified in the insurance contract;

4.15. claims presented by the parent company, subsidiary or affiliate of the policyholder or the insured person;

4.16. claims presented on the basis of the law of another territory/covered location of insurance than specified in the insurance contract;

4.17. claims, which are resolved in a court of another territory/covered location of insurance than specified in the insurance contract;

damage related to the following products or where the product manufactured by the insured person forms a part of the damage:

4.18. claims related to car industry, aviation, shipping, underwater or aerospace engineering;

4.19. claims related to the parts of railway or infrastructure;

4.20. claims related to explosive substances (incl. fireworks, pressurised gases, ammunition);

4.21. claims related to medical products (incl. blood bank, electronic treatment apparatuses, medical devices and implants, drugs, vaccines, hormonal products and contraceptives, orthopaedic aids);

4.22. claims related to alcohol and tobacco products;

4.23. claims related to chemicals (incl. paints, cosmetics, beauty products, chemicals used in agriculture);

4.24. fodder;

4.25. electricity and claims related to electronic control devices;

4.26. claims related to raw materials used in building structures (cement, concrete, bitumen, etc.).

5. VALIDITY PERIOD OF INSURANCE COVER, COVERED LOCATION AND SCOPE

5.1. The insurance period is the period of time agreed in the insurance contract.

5.2. The covered location is the territory or area agreed in the insurance contract, where the insured event must take place in order for the insurer to have the respective obligation of the performance of the insurance contract. If the covered location has not been

stated in the insurance contract, the covered location is the Republic of Estonia.

5.3. The insurance cover extends to claims which are filed against the insured person within two years after the end of the insurance period, however where the event that served as basis to it occurred during the insurance period.