TERMS AND CONDITIONS
GENERAL THIRD PARTY LIABILITY INSURANCE INCL. PRODUCTS LIABILITY
Liability Policy

Relationship of the insurer, the policyholder and the insured in connection with liability insurance is governed by the insurance contract and by this policy that represents its integral part.

Please, read this insurance policy carefully, above all the provisions that may restrict the insurance coverage. Words and phrases that appear in bold print in this policy have special meanings defined in Article 3. Definitions.

1. Insurance risk, Insured event

The insured event for the purposes of this insurance shall mean arising of a legal liability of the insured for damages caused to a third party in connection with business of the insured, provided that such damages occurred during the policy period and within the territorial limits, unless stated otherwise in the relevant provision.

In case of the insured event pursuant to the paragraph above, the insurer will pay to the insured the indemnity in the amount of damages and costs and expenses under the conditions of the relevant insurance contract and this insurance policy, up to the limits of liability.

2. Extensions

If so stated in the insurance contract, in case of the insured event specified in the preceding Article the insurer will pay the indemnity also in the amount of damages pursuant to the extensions below.

Provisions of other parts of this policy including exclusions also apply to the insurance cover under the extensions below (including situations when the employee or the principal or any other person is the insured under such insurance).

The insurer will pay the indemnity under the extensions below up to the sublimit applicable to one and all insured events from this insurance, provided that the amount of such sublimit is specified in the insurance contract.

2.1 Cross Liabilities

Where more than one party comprises the insured, the insurer will provide the indemnity to each of the insured in the same extent and under the same conditions as if each of such insureds concluded separate insurance contract; this also applies to any claim by one insured against any other insured, except of personal and advertising injury (i.e. no indemnity will be provided in case of liability of one insured against other insured for the person and advertising injury).

2.2 Damage to Leased or Rented Premises

Notwithstanding 4.5 of this policy, the insurer will pay the indemnity in the amount of material damage caused to the premises (including fixtures and fittings) leased or rented to the insured in connection with the business of the insured, provided that the insured is liable for such material damage.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any material damage to any such premises if the insured is entitled to indemnity in respect of such material damage from any other insurance, including property insurance.

2.3 Damage to Personal Effects of the Employees, Directors and Visitors of the Insured

Notwithstanding 4.5 of this policy, the insurer will pay the indemnity in the amount of material damage caused to the property personal effects (including motor vehicles) belonging to the employees, statutory body of the insured, members of statutory and control bodies of the insured and visitors of the insured, provided that such material damage is caused in connection with business of the insured and the insured is liable for such material damage.

2.4 Data Protection Act

The insurer will pay the indemnity in the amount of damages for which the insured is liable as a result of handling of personal data by third parties in violation of applicable laws, particularly Act Number 101/2000 Coll., on the Protection of Personal Data and Amending Certain Laws, as amended, committed during the
policy period and within the territorial limits and arising in connection with the business of the insured. By this extension, the definition of person and advertising injury is therefore amended to include such damages.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any:

a) costs and expenses of rectifying or erasing personal data including any fines and penalties, even if imposed on a third party that seeks compensation from the insured;

b) any damage arising from fraud or any other intentional wilful act or omission or in connection therewith;

c) any damage arising from any agreement to store, process or supply personal data for a fee or by reciprocal arrangement omission or in connection therewith.

2.5 Legal Defence Costs
The insurer will pay to insured or at the request of the insured to any employee or principal of the insured the indemnity in the amount of costs incurred by such persons with the prior written consent of the insurer for the defence of any criminal proceedings (including appeal proceedings) against such persons brought for bodily injury caused as result of breach of health and safety at work regulations that is the insured event under this insurance. In case of the appeal proceedings, the indemnity under this extension will be paid only provided that the appeal is not apparently unsuccessful.

Except for the general exclusions in Article 4 below, insurance under this extension does not apply to proceedings consequent upon any deliberate act or omission.

2.6 Personal Liability Overseas
The insurer will pay the insured and at the request of the insured to any employee or principal of the insured or spouse of any such person (including person in registered partnership pursuant to relevant legal regulations) the indemnity in the amount of damages in respect of bodily injury or material damage occurred while temporarily outside the territorial limits in connection with the business provided that such persons caused and are liable for such damage; such persons shall be considered insureds for the purposes of this extension.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any bodily injury or material damage:

a) on any real property owned, leased or rented by the insured or his close person or a person who is a member of the business group with the insured;

b) insured by any other policy of insurance;

c) any manual work outside the territory of the European Union member states.

2.7 Vendors Indemnity
The insurer will pay at the request of the insured to any person or organisation specified in the insurance contract (herein referred to as “vendor”) indemnity in the amount of bodily injury or material damage arising out of the insured’s products distributed or sold in the regular course of the vendor’s business; such persons shall be considered insureds for the purposes of this extension.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover any bodily injury or material damage in connection with:

a) any express warranty unauthorised by the insured;

b) any physical or chemical change in the form of the products made intentionally by vendor or any other person than the insured;

c) repacking unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from the insured and then repacked in the original container;

d) demonstration, installation, servicing or repair operations except demonstration performed at the vendor’s premises in connection with the sale of the products;

e) products which after distribution or sale by the insured have been labelled or re-labelled or
used as a container part or ingredient of any other thing or substance by or for the vendor.

This extension shall not apply to any person or organisation from whom or which the **insured** has acquired such **products** or any ingredient part or container entering into accompanying or containing such **products**.

### 2.8 Subrogation Claims of the Health Insurers in Connection with Employees

Notwithstanding 4.4 of this policy, the **insurer** will pay the indemnity in the amount of the claim of:

a) health insurer against the **insured** for payment of costs of the health care provided to the **insured’s employee** that suffered a work injury or an occupational disease as a result of a wrongful act caused by the **insured** in connection with **business** of the **insured**; and

b) health insurance authority against the **insured** for payment of health insurance benefits paid to the **insured** for the reason described in the previous paragraph.

### 2.9 Products Recall Expense

Notwithstanding 4.6 of this policy, the **insurer** will pay the indemnity in the amount of below mentioned costs incurred by the **insured** with the prior written consent of the **insurer** or by a third party provided that the **insured** is liable for such costs, as a result of defect of the **product**, of which the **insured** first became aware and which was first reported in writing to the **insurer** during the **policy period** and the defect of the **product** is a result of one or more of the following events:

a) the accidental omission by the **insured** of a substance or component in the **products**, which is generally part of such **product**;

b) the accidental introduction or the accidental substitution by the **insured** of a deleterious substance or of a defective component in the **products**;

c) an unintentional error or deficiency in the manufacture, design, blending, mixing, compounding, packaging or labelling of the **products** by the **insured** but only if such error or deficiency is known or recognised as such in the industry at the time such error or deficiency occurred.

A recall by order of a government, federal, state, or other regulatory body or official shall also be an insured event provided that any such recall is a result of an event specified in sub-paragraphs a), b) or c) above.

The indemnity under this extension shall be provided in connection with reasonable and necessary costs and expenses incurred in connection with recall of the **products** from the buyer, distributor or the user and/or their disposal, provided that use, consumption or storage of such **products** has caused or could cause **bodily injury** of third parties or **material damage** to property of third parties, for:

a) publication of the **product**’s defect in newspaper, magazine, radio and television announcements, correspondence and other communications;

b) the transportation of the **products** from any purchaser, distributor or user to the place or places designated by the **insured**;

c) the hire of additional persons who are not existing **employees** of the **insured** and increased remuneration costs (including compensation of overtime);

d) expenses incurred by the **insured’s employees** for transportation and accommodation;

e) the cost of the rent or hire of additional warehouse or storage space;

f) the extra costs incurred to properly dispose of any recalled **products** and/or packaging materials that cannot be re-used.

The indemnity under this extension shall be provided in the amount of the above-described costs and expenses after making proper deduction for all recoveries and salvages collectible.

For the avoidance of doubt, the **insurer** will pay the indemnity under this extension up to the sublimit specified in the insurance contract for **product** recall. For the purposes of such sublimit and its application, all costs and expenses in connection with **product** recall incurred for different types, series or models of one product are
considered costs and expenses resulting from one insured event.

Notwithstanding the Article 1 paragraph 1 of this policy, insurance under this extension is claims made and applies solely to liability for damage claims first made against the insured during the policy period (and that notification shall be considered a moment of insured event’s occurrence) and notified to the insurer during the policy period or within 30 days of expiry thereof.

A retroactive date specified in the insurance contract shall apply to insurance under this extension, i.e. this insurance applies solely to recall of products that were sold or distributed after such retroactive date.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

a) recall of:
   i) products which are similar to the products giving rise to an insured event under this extension;
   ii) products being of the same trade or brand name but of different batches than that which has been determined as being a likely cause of loss under this extension, if the products are identifiable by batch, code, or other means;

b) inherent deterioration, decomposition or transformation of the products, or the products reaching the end of the period within which use or consumption or storage is recommended;

c) loss of customer faith or approval or any costs incurred to regain customer faith or approval or other consequential loss arising therefrom;

d) changes in the condition of the products or any part thereof if such changes are caused by the act or omission of any person other than the insured and whether occurring before or after the release of such products by the insured and circumstances arising from any deliberate act or omission by the insured;

e) any pre-existing condition of the products which could possibly become a cause of loss under this extension and of which the insured had or should have had prior knowledge;

f) any occurrence arising from products which were sold or supplied prior to the retroactive date shown in the insurance contract;

g) withdrawal of any product without the reasonably held belief that its use or consumption or storage would or could result in either bodily injury or material damage;

h) use of materials after they have been banned or declared unsafe by any authorised governmental entity;

i) acts or omissions of any of the insured’s employees and of which any of statutory body of the insured or its member, member of supervisory or management board of the Insured or of any control body or managing employee (vedoucí zaměstnanec) had or should have had prior knowledge;

j) the express conditions of any contract or agreement entered into by the insured which imposes costs or expenses for the recall or replacement of the products which would not have been incurred in the absence of such contract or agreement.

2.10 Environmental Liability

Notwithstanding 4.12 of this policy, the insurer will pay to the insured the indemnity in the amount of the remediation costs and regulatory authority costs incurred by the insured in connection with pollution on, at, under or migrating from any property owned or leased by the insured where such remediation costs and regulatory authority costs result from regulatory action first imposed on the insured during the policy period and notified to the insurer during the same policy period or within 60 days of expiry thereof, provided that such pollution occurred:

A. Remediation of new pollution

after the reverse retroactive date specified in the insurance contract;

B. Remediation of unknown historic pollution

before the reverse retroactive date specified in the insurance contract, provided that the insured (or its responsible official) did not know or could not have known about such
pollution. Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

a) lead or lead-containing materials, on or in structures;
b) arising from any pollution discovered in the course of replacement, repair or capital improvement activities at any property owned or leased by the insured;
c) any change in ownership or a material change in use of any property owned or leased by the insured;
d) in respect of loss of damage to loss of use of or diminishment in value of property belonging to the insured or in the custody or control of the insured or any employee or agent of the insured other than in respect of remediation costs;
e) in respect of bodily injury sustained by any employee or former employee arising out of and in the course of employment by the insured in the business;
f) intentional disregard of or knowing wilful or deliberate non-compliance with any statute, regulation or decision or instruction of any public authority, judicial body or any similar authority or any responsible official;
g) any of which are the subject of indemnity under any other provision of this policy or would be but for the limit of liability applicable thereto or any other insurance issued by the insurer, including property or contractor’s insurance;
h) any pollution on at under or migrating from any property or structure owned, leased, operated or controlled by the insured which is situated offshore;
i) any permission, obligation or condition required by any competent authority in connection with building or planning permit a/or pursuant to the Act Number 183/2006 Coll., on Territorial Planning and Building Code (Building Act), as amended;
j) anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the insured including containers, packaging or labelling and which is not in the possession of the insured at the time of the occurrence;
k) any pollution discovered during or as a result of any site investigation or associated activities undertaken for the purpose of an application of a regulatory action by the insured;
i) to obtain or maintain a permit to operate an installation, facility or equipment at any property owned or leased by the insured;
(ii) to develop or undertake construction activity at any property owned or leased by the insured;
l) any pollution which emanates from any tank or associated piping and appurtenance which tank has more than 10% of its volume below ground the presence of which was known to a responsible official prior to the commencement of the reverse retroactive date.

2.11 Pure Financial Loss

Notwithstanding 4.18 of this policy, the insurer will pay the indemnity in the amount of pure financial loss, i.e. loss that does not constitute bodily injury or material damage (including any financial losses directly stemming from them).

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

a) financial loss arising out of:
(i) delay non-performance or non-completion in carrying out a contract;
(ii) strikes, labour disturbances, insolvency, financial default, any act of fraud or dishonesty deceit, conspiracy, breach of contract, breach of anti-trust laws;
(iii) libel, slander or other intervention into dignity, honour, esteem and privacy or infringement of any industrial right including patents, copyrights, trade-marks or trade names or other object of industrial property with the exception of damages specified in article 3.16 f) of this policy;
(iv) breach of trust, breach of warranty of authority or breach of duty owed to...
shareholders, investors or partners by any director or officer of the insured;
(v) the sale or supply of any investment or financial product or service or the provision of or failure to provide any instruction advice information or professional service whether or not rendered in return for a fee;
(vi) circumstances known to the insured prior to the commencement date of this extension;
(vii) any agreement to store process or supply computer data (including supply of information derived from such computer data) for a fee or by reciprocal arrangement;

b) any costs for removing of the defective product and mantling of the product free of defect;

c) liability arising from any interaction between a computer or computer system:
(i) belonging to the insured, or
(ii) for which the insured is responsible, or
(iii) which is being operated on behalf of the insured
and a computer or computer system of a third party.

2.12 Dismantling and Mantling Costs
Notwithstanding 4.18 of this policy, the insurer will pay the indemnity in the amount of pure financial loss, i.e. loss that does not constitute bodily injury or material damage (including any financial losses directly stemming from them), occurred to the third party in connection with incurred costs for dismantling of the defective products supplied by the insured, their removal and mantling of products free of defects.

Except for the general exclusions in Article 4 below, insurance under this extension does not cover:

a) situation when the insured on its own or its own behalf and on own responsibility installs or mantles defective products for products free of defects;

b) costs in connection with purchase of the products free of defects including any costs for transportation to the injured party;

c) any products that are part of the airplanes or vessels.

In cases where the removal of defective products is not feasible, economically justified and purposeful, the insurer will provide indemnity in the amount of costs incurred by a third party to another remedy, which is intended to prevent the consequences arising from the existence of defects before the replacement of faulty products, however, in the maximum amount which would have been granted if the replacement of defective products occurred. If the defect of the supplied product can be removed in its installed state and the exchange is not required, any measures to eliminate such defect are not considered a remedy, which is covered by insurance under this provision.

2.13 Claims made basis optional
The insurance contract may set out that this insurance is claims made. In such case the insurer shall provide the indemnity solely in respect of liability for damage claims first made against the insured during the policy period (and that notification shall be considered a moment of insured event’s occurrence) and notified to the insurer during the policy period or within 30 days of expiry thereof or from the day the insured learns about such claim.

The following conditions shall apply in respect of the claims made insurance:

a) Retroactive date
Insurance cover applies exclusively to liability of the insured for damage based on a wrongful act or other relevant legal fact underlying to the liability, which has occurred after the retroactive date, indicated as such in the insurance contract, and before the expiry of the policy period. If no date is set out in the insurance contract as retroactive date, the date of inception of the insurance shall be considered the retroactive date.

b) Discovery period
Discovery period means the period of 12 months (or any other period agreed in the insurance contract) immediately after expiry of the policy period during which the insured may, subject to further provisions of this clause, the conditions and the insurance contract, notify claims made in that period regarding liability of the insured for damage, based on a wrongful act or other relevant legal fact underlying to the liability, which has occurred prior to the expiry of the policy period.
The **policyholder's** right to purchase the discovery period cover as set out above must be exercised by notice to the **insurer** within 10 days of expiration of the **policy period**, and is only effective upon full payment of the additional premium.

The cover shall be extended to apply for the discovery period only in the following situations:

(i) If the **insurer** refuses to renew the insurance contract, by payment of an additional premium set out in the contract for such case; the **insurer's** offer of renewal terms, conditions, indemnity limits or premium different from those of the expiring insurance contract shall not constitute a refusal to renew;

(ii) If the **policyholder** refuses to renew the insurance contract, by payment of an additional premium set out in the contract for such case.

2.14 Care, custody and control

Notwithstanding 4.5 of this policy, the **insurer** will pay the indemnity in the amount of **material damage** to property which the **insured** lawfully uses, looks after, stores, transports or for other reason has under control for purpose of performing its contractual obligations relating to that property.

3. Definitions

3.1 **Principal** means statutory body of the **insured** or its member, member of administrative board or any control board or shareholder of the **insured**.

3.2 **Fungi** means any type or form of fungus including mould or mildew and any mycotoxins spores scents or by-products produced or released by fungi;

3.3 **Limit of Liability** means the maximum amount as stated in the insurance contract which the **insurer** shall be liable to pay in respect of one and all insured event from this insurance occurred during each year of existence of this insurance, unless otherwise stated in the insurance contract, while all circumstances arising directly or indirectly from one source or original cause are considered one insured event.

3.4 **Remediation costs** mean reasonable expenses incurred with the written consent of the **insurer** in the investigation, quantification, monitoring, abatement, removal, disposal, treatment, neutralisation or immobilisation of **pollution** to the extent required by relevant legislation on environmental protection; except in the event of an imminent and substantial threat to human health or the environment.

3.5 **Costs and expenses** means:

a) costs and expenses recoverable by any claimant from the **insured** in connection with the insured event;

b) costs for legal representation incurred with the written consent of the **insurer** in connection with court proceedings (including preliminary criminal proceedings);

c) compensation to the **insured** at the following rates for each day on which any of the following persons attend court as a witness at the request of the **insurer**

(i) any statutory body of the **insured** or its member, member of administrative board or any control body of the **insured** or shareholder of the **insured**: CZK 10,000 per day

(ii) any **employee** of the **insured**: CZK 5,000 per day

3.6 **Civil code** means Act Number 89/2012 Coll., the Civil Code.

3.7 **Personal and Advertising Injury** means injury other than **bodily injury** occurring as a direct result of any of the following offences:

a) false arrest, detention or imprisonment or malicious prosecution;

b) wrongful entry or eviction which interferes with the right of private occupancy;

c) oral or written publication of material in any **insured's advertisement** which constitutes slander or libel or disparages goods, products or services;

d) oral or written publication of material which...
violates the right of privacy of a person;
e) misappropriation of advertising ideas in any
   insured’s advertisement;
f) infringement of copyright, trade dress or slogan
   in any insured's advertisement.

In the event of a series of offences leading to personal
and advertising injury:
  a) all offences of such series are considered one
      offence and shall be treated as though they
      were committed on the date of the first of such
      offences committed during the policy period;
  b) no indemnity shall be provided hereunder in
      respect of any offences committed prior to the
      policy period;
  c) no indemnity shall be provided hereunder in
      respect of any offences committed after the
      expiry of the policy period.

Personal and advertising injury does not mean any
loss in connection with the protection of personal data
(including any cost of repair or removal of personal data)
nor fines or penalties imposed by the Office for Personal
Data Protection, or other similar institution, even if they
are imposed to a third person who exercises the right to
compensation against the insured.

3.8 Regulatory authority costs mean any costs and
expenses recoverable as a result of regulatory action
from the insured and costs and expenses incurred with
the written consent of the insurer.

3.9 Business means the business of the insured
described in the insurance contract and includes:
  a) in connection with such business:
     (i) the sale or supply of food and/or drink
         to employees or others;
     (ii) the provision of fire first aid security
         and ambulance services by the
         insured and maintenance of the
         insured’s premises;
  b) the provision by the insured of sports social and
     welfare organisations primarily for employees of
     the insured.

3.10 Insurer means ACE European Group Ltd,
a company having its registered office at ACE Building
100, Leadenhall Street, London EC3A 3BP, United
Kingdom, acting through its branch ACE European Group
Ltd, organizační složka, having its registered office at
Pobřežní 620/3, 186 00 Prague 8, Czech Republic,
identification number 278 93 723, registered in the
Commercial Register kept with the Municipal Court in
Prague, section A, insert 57233.

3.11 Policyholder means a natural person or a legal
entity specified as a policyholder in the insurance
contract, who concluded the insurance contract with the
insurer and is obliged to pay the premium.

3.12 Policy Period means the period stated in the
insurance contract for which this insurance is concluded
or any shorter period if this insurance is prematurely
terminated.

3.13 Insurance risk means the probability of the
insured event caused by an insured peril.

3.14 Insurable interest means a legitimate need for
protection against the consequences of an insured event.

3.15 Insured means the policyholder or other entity
described as such in the insurance contract as the
insured.

3.16 Territorial limits means territory specified in the
insurance contract.

3.17 Responsible official means any employee or
former employee of the insured or any officer director or
partner of the insured who is or was responsible for
environment matters control or compliance at any
property owned or leased by the insured.

3.18 Trade dress means any right relating to the
overall visual appearance of a business and its products
and/or services and the manner in which they are
packaged and/or presented.
3.19 Advertisement means a notice which is broadcast or published to the general public or specific market segments about the insured’s products or services for the purpose of attracting customers or supporters.

3.20 Reverse retroactive date means the date specified in the insurance contract.

3.21 Damages mean:
   a) bodily injury and material damage including financial loss directly stemming from them;
   b) trespass nuisance or obstruction;
   c) personal and advertising injury.

3.22 Bodily Injury means bodily injury to any person and includes:
   a) death, illness and disease;
   b) mental injury anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury, death, illness or disease.

3.23 Regulatory action means any action taken or any liability imposed by any public authority pursuant to the relevant legislation on environmental protection.

3.24 Trespass Nuisance or Obstruction means obstruction or interference with any easement of water, easement of way or as a result of light or air pollutants pursuant to the Section 1013 of the civil code.

3.25 Material damage means destruction, physical damage or loss of tangible property.

3.26 Products means any tangible object that is sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the insured including containers, packaging or labelling and which is not in the possession of the insured at the time of the insured event.

3.27 Employee means any person in employment relationship with the insured. Employee also includes the following while working for the insured in connection with the business:
   a) agency employees or employees of another employer temporarily allocated to the insured;
   b) any self-employed person performing work for the insured of a kind ordinarily performed in employment relationship;
   c) any work experience student or trainee working for the insured.

3.28 Pollution condition means the discharge, dispersal, release, escape, migration or seepage of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant including smoke, soot, vapours, fumes, acids, alkalis, chemicals, fungi, hazardous substances, hazardous materials and waste materials into or upon land or buildings or structures thereon the atmosphere, surface, water or groundwater.

4. Exclusions

This insurance shall not cover (and the insurer is not obliged to provide indemnity) in respect of the following cases:

4.1 Wilful or malicious causation, gross negligence or arbitrariness

Any loss event caused wilfully, maliciously, with gross negligence or with arbitrariness by act of the policyholder, the insured or the beneficiary or by any person upon initiative of any of them. For avoidance of doubts, it is stipulated that any compensation for price of special favour under Section 2969(2) of the civil code and for personal misfortune under Section 2971 of the civil code are specifically excluded from this insurance. This insurance also does not cover any costs and expenses in connection of defence against any intentional criminal offence.

4.2 Radioactive Contamination

a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
4.3 Contractual Liability
Liability assumed under any contract or otherwise above the scope set out by applicable legal regulations, unless such liability would have attached (in the same or larger extent) in the absence of such contract or other assumption of the liability.

4.4 Employees Bodily Injury
Liability for bodily injury (in particular accident at work and professional disease) sustained by any employee when performing work tasks for the insured or in direct connection with it.

4.5 Care, Custody and Control
Liability for material damage to property which the insured or any employee or agent of the insured uses, looks after, stores, transports or for other reason has under control.

4.6 Damage to Products
Loss of or damage to products or any costs or expenses or return of purchase price claimed or incurred for repair, removal, replacement, recall, disposal or loss of use of any products out of which the damage arises or in which the material damage consists in, and any other claims falling under liability for defects.

4.7 Aircraft Products
Liability arising from products knowingly supplied for use or installation in or on any aircraft or aerospatial device which could affect the navigation flying capabilities or safety of such aircraft or device.

4.8 Fines and Penalties
Liability for fines and penalties (including any fines and penalties imposed by court or any authority in criminal proceedings) or other contractual, administrative or criminal sanctions or other payments of repressive or preventive nature.

4.9 Advice
Liability arising out of the provision of or failure to provide any instruction, advice, information or professional service in return for a fee.

4.10 Aircraft and Watercraft
Liability in connection with any aerospatial device or any airborne or waterborne craft or vessel (other than manually propelled waterborne craft) or operation, loading or unloading of such craft or vessel.

4.11 Vehicles
Liability arising from or caused by the ownership, possession, control or use of any motor vehicle, rail vehicle, mechanically propelled on-track vehicle or trailer attached thereto, for which it is compulsory in accordance with the relevant legislation to conclude liability insurance.

4.12 Pollution
Liability arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water; but this exclusion does not apply to bodily injury or material damage if such discharge dispersal release or escape is sudden and accidental.

4.13 Personal and Advertising Injury
Liability for personal and advertising injury in connection with or arising out of:

a) oral or written publication of any material or documents:
   (i) if the first oral or written publication of the same or similar material or documents took place prior to the commencement date of this insurance, or
   (ii) which the insured knew or should have known is false;

b) arising out of a breach of contract other than misappropriation of advertising ideas under an implied contract;

c) arising out of the failure of goods products or services to conform with advertised quality or
4.14 War
Liability arising directly or indirectly occasioned by happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

4.15 Asbestos
Liability for any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

4.16 Obligatory Insurance
Liability in respect of cases, activities or property where applicable legal regulations set out (i) a requirement for an insurance contract covering liability of the insured to be concluded (“obligatory insurance”) or (ii) that the liability insurance cover arises by virtue of law without an insurance contract being concluded (“statutory insurance”); in respect of activities, property or insured events occurring outside the Czech Republic or where Czech law is not governing, it is sufficient for this exclusion to apply that it would apply if that activity were carried out, property situated or insured event occurred in the Czech Republic or Czech law were governing or any other relevant aspect of the liability were connected with the Czech Republic.

4.17 USA / Canada
In respect of insured event occurred or legal proceedings brought or originating in the United States of America or Canada or in any other territory within the jurisdiction of either such country, this insurance does not cover any:

a) any punitive or exemplary damages;
b) any liability arising out of the discharge, dispersal, release or escape of smoke, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water;
c) any cost or expense arising out of any governmental demand or request that an insured test for assess, monitor, clean-up, remove, contain, treat, de-toxify or neutralise any irritants contaminants or pollutants;

d) arising out of the wrong description of the price of goods, products or services;
e) committed by an insured whose business is advertising broadcasting publishing or telecasting;
f) any fraudulent or other intentional acts or omissions;
g) use of personal data of any person, unless the exclusion 2.4 is concluded (in such case this exclusion does not apply).

4.18 Pure Financial Damage
Liability for damage not being bodily injury, material damage (including any financial losses directly stemming from them), personal and advertising injury or trespass nuisance or obstruction.

4.19 Terrorism
Liability in respect of any damage arising out of or related in any way to any acts of terrorism.

4.19.1 Pending or prior litigation
If the insurance is agreed as claims made, any liability based on, arising from or attributable to any pending or prior litigation or other proceedings (including but not limited to civil, criminal, regulatory and administrative proceedings or official investigations) involving the insured and issued or otherwise begun before the date shown as "pending or prior litigation date" in the contract (or, if that date is not specifically set out in the contract, prior to the date of inception of the insurance) or alleging or derived from the same or substantially the same facts or circumstances alleged in the pending or prior litigation or proceedings.

4.20 Prior notification
If the insurance is agreed as claims made, any liability based on, arising from or attributable to any fact, circumstance, act, omission, claim, wrongful act or other matter of which notice has been given under any insurance

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contract existing or expired before or on the inception date of the policy period of this insurance contract.

5. **General Provisions**

A. **Policy Limit**

The **insurer** will provide indemnity for the policy period in the maximum amount of limit of liability specified in the insurance contract that applies regardless number of insured events, amounts claims, number of **insureds** who claim or when such claims have arisen. Some types of indemnity may be further limited by sublimit specified in the insurance contract. Any sublimit specified in the insurance contract shall be the insurer’s maximum aggregate liability for policy period in connection with such type of indemnity, regardless of the number of insured events, amounts claims, number of **insureds** who claim or when such claims have arisen. Any sublimit is part of and not in addition to the limit of liability specified in the insurance contract.

Unless agreed otherwise, the salvage costs shall be limited to CZK 10,000, respectively to 30% of the limit of liability in case of rescue of life or protection of people’s health.

B. **Excess**

The **insurer** shall pay indemnity in relation to each insured event only in the extent exceeding excess as set out in the insurance contract. The amount of excess is borne by the **insured**.

C. **Obligations of the Insured**

The **insured** is obligated to:

a) properly use all efforts to ensure that the insured event does not occur, that the insurance risk does not increase and that negative consequences (damage for which it would be liable) arising or potentially arising from an insured event (threatening in general or directly or already occurring or having occurred) are reduced to a maximum extent possible, in particular by remediing any defect or danger upon discovery thereof and taking such additional precautions as the circumstances may require;

b) not to violate duties set by regulations (legal of any kind, norms, other standards like generally accepted codes of practice or any requirements or recommendations of public authorities) aimed at averting occurrence of an insured event or reducing the damage arising thereof, such as in particular those with regard to the protection of persons and property, fire protection regulations, construction and technical maintenance regulations;

c) prevent, to a maximum extent which may reasonably be required, violation of the regulations under (b) by its employees or by any other person acting of which could be considered being acting on behalf of the **insured**, and carefully select its employees, subcontractors or any other persons acting on its behalf;

d) notify the **insurer** without undue delay of any changes in circumstances which could affect the insurance risk and/or severity of consequences of an insured event, in particular all changes in matters of fact communicated to the **insurer** when entering into or amending the contract;

e) observe all recommendations and requirements indicated of the **insurer**;

f) enable to the **insurer** (and its staff and any agents) to access the premises of the **insured** or any other place where its business activities are performed, in order to inspect them, and submit to it all business documentation; as a rule, the **insurer** shall use this right upon preliminary approval of the **insured** and in a manner not affecting ordinary course of its business; exercise of the right of the **insurer** or any of its findings do not mean that the property is secured and in compliance with applicable laws and regulations;

g) report to the **insurer** immediately existence of any other insurance contract which might give rise to multiple insurance in the future, i.e. any contract the insurance cover of which fully or in part overlaps with that of this insurance;

h) inform without undue delay the **insurer** about any change of delivery address.
D. Claims Procedure

The **insured** shall give immediate written notice of any loss event to the **insurer** to the address specified in the insurance contract, including its basic description (as to likely cause and extent), the injured party claiming (in writing, by initiating any proceedings or otherwise) its compensation or initiating any other proceedings relating thereto and affecting or potentially affecting the **insured**, without undue delay, however within 10 working days at a maximum.

The **insured** is further obligated to:

a) provide the **insurer** with any explanations, furnish any available information required to determine the circumstances of the insured event, scope of damage, status and/or prospects of any threatening or pending litigation and enable the **insurer** to conduct any explanatory procedure;

b) enable the **insurer** at any time to manage and supervise defence and/or legal representation of the insured or conduct negotiations on his behalf on settlement of the claim, and adhere to the instructions of the **insurer** as to its own conduct in respect of that (including for instance by acknowledging the claim in order not to further increase costs and expenses of both sides and the penalty interest). The **insurer**, however, is not obliged to perform such tasks or to perform them permanently;

c) without previous consent of the **insurer**, not to:

   i) take any step by which it would admit its liability or would make any other issue in that respect undisputed or to inform or otherwise make aware the injured party that it might successfully claim more under applicable regulations than it actually claims;

   ii) to acknowledge or settle any claim;

   d) use all legal remedies available for defence against the claim, both substantive law (in particular raising objection of statutory bar) and regular procedural ones (such as appeals); in addition, it is obliged to inform the **insurer** good time in advance before lapse or relevant period for employing relevant procedural remedy, so that the **insurer** could instruct it either (i) not to employ regular procedural remedy or (ii) to employ extraordinary procedural remedy;

e) duly cooperate with the **insurer** with all further assistance including when negotiating with the injured party conditions under which it might accept provision of the indemnity in form of a one-time payment rather than a term or life annuity.

If the **insured** learns during the **policy period** about any circumstances that may give rise to the insured event under this insurance and notifies the **insurer** about such circumstances, any such later insured event against the **insured** shall be considered insured event occurred during the **policy period**.

E. Subrogation

If any payment is made by the **insurer** from this insurance, the **insurer** will be subrogated to all rights of indemnity, contribution or recovery of the **insured** in relation to that payment.

The **insured** will take all reasonable steps to preserve such rights and co-operate with the **insurer** including providing the **insurer** with all relevant written documentation and undertaking all necessary acts. The **insured** may not surrender any right, or settle any claim for indemnity, contribution or recovery, without the prior written consent of the **insurer**.

F. Assignment

The **insured** may not transfer any legal right or obligation under this policy or assign the insurance contract without the prior written consent of the **insurer**.

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G. Headings
In this policy headings are merely descriptive and not to aid interpretation.

H. Form of payment
The insurer shall not be obliged to provide insurance benefits in any other form than by provision of financial compensation irrespective of whether the civil code enables non-monetary compensation of loss.

I. Fraudulent Claims
If the insured makes a claim for indemnity under this insurance knowing the same to be false or fraudulent as regards the amount or otherwise, the insurer has right to refuse to provide insurance benefits. The policyholder does not have right to return of any premium paid. By refusal of the insurance benefits, this insurance is not terminated.

J. Insurable Interest
The insurance can be concluded only provided that the policyholder has an insurable interest.

If the policyholder knowingly insures a non-existent insurable interest without the insurer’s knowledge, the insurance contract is invalid; in such a case the insurer has a right for premium until the date it learns about invalidity of the insurance contract.

The policyholder and the insured shall inform the insurer in writing without undue delay about any change or termination of the insurance risk which occurred during the policy period.

If the insurance risk is increased during the policy period, the insurer has right to propose amendment to the insurance contract or to terminate the insurance contract in accordance with relevant statutory provisions. If the insurance risk is substantially reduced during the policy period, the insurer shall reduce the premium proportionally with effect from the day it learns about such reduction.

L. Period of Insurance and Cancellation
The insurance contract is concluded for a definite policy period as stated in the insurance contract. This insurance shall cease or be terminated in cases set out in the civil code, particularly:

a) by elapsing of the policy period;
b) by expiry of an additional period for payment of premium as set out in the insurer’s notice providing the overdue premium is not paid;
c) by agreement of the parties;
d) with eight days’ notice period within 2 months after conclusion of the insurance contract;
e) with one month notice period within 3 months from the receipt of the notification on any insured event; and
f) by withdrawal.

M. Premium
The premium shall be a lump sum premium unless otherwise set out in the insurance contract. The premium is payable within the period specified in the insurance contract. The premium shall be considered as paid on the date it is credited to the insurer’s account as set out in the insurance contract or if the insurance contract does not set out such an account to other account duly notified to the policyholder. In case of delayed payment of premium, the insurance shall not be interrupted.
N. Decisive Law and Dispute Resolution
This policy of insurance shall be governed by Czech Law. Any dispute arising from or otherwise relating to this insurance shall be decided by the relevant court in the Czech Republic.

O. Written Form and Amendments
The insurance contract and other legal acts relating to this insurance shall be made in a written form. The insurance contract may only be amended by a written agreement of the parties.

P. Delivery
The policyholder and the insured shall notify the insurer without undue delay about any change of their delivery address.

Communications in writing sent under this policy shall be delivered to the address of a party set out in the insurance contract or otherwise duly communicated to the sender. The addressee is obliged to ensure that a duly addressed communication is accepted within three working days after first due attempt to deliver. If the addressee makes the delivery impossible (e.g. due to failure to notify the change of delivery address or new delivery address), such shipment is considered to be delivered on the third working day after its posting (or at the fifteenth day after the posting in case the delivery address is outside the Czech Republic).

Q. Severability
Any information provided to the insurer by the insured shall not be imputed to any other insured to determine whether cover is available for that other insured.

Only statements made in the proposal including any communication prior to conclusion of the insurance contract and knowledge possessed by an insured who is the subject of a claim under this policy shall be imputed to the policyholder for the sole purposes of determining if cover is available for loss with respect to such insured.

R. Exclusions of Certain Statutory Provisions
Section 1740 paragraph 3 of the civil code regarding acceptance of an offer with supplements or variations shall not apply.

Section 1743 of the civil code regarding late oral acceptance of an offer or acceptance of an offer by behaviour in accordance with the offer shall not apply.

Sections 1799 and 1800 of the civil code regarding contracts concluded adhesively shall not apply.

S. Sanctions Limitation
The insurer shall not provide cover and we 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 us 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.

T. Personal Data Protection
Personal data of the policyholder and the insured are processed by the insurer while any rights and obligations under the insurance contract exist, the scope of the processed data includes particularly the name, surname, birth certificate number or date of birth and other personal data for the purpose of fulfilment of rights and obligations under the insurance contract, including: (i) administration of the insurance including settlement of claims for insurance benefits, (ii) decision whether insurance may be provided, (iii) prevention and investigation of possible criminal activity, including fraud and money laundering activities, and (iv) compliance with the requirements of supervisory authorities.

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The **insurer** is authorized to use these personal data also for marketing purposes, unless the **policyholder** or the **insured** notifies the **insurer** of its disapproval with such use of the data.

For the above described reasons the personal data may be provided to the necessary extent to the companies in the **insurer’s** group, to any service providers and agents or persons where required by law. For the above reasons, the **insurer** may transfer the personal data, including electronic storage, outside the European Union (European Economic Area).

The **policyholder** and the **insured** have a right to access their personal data and a right for correction of such personal data. Should the **insurer** process inaccurate personal data or should the **policyholder** and the **insured** have other doubts regarding violation of their privacy and personal life or violation of other obligations according to the relevant legislation on personal data protection, he/she may request an explanation from the **insurer** and request rectification steps to be taken. The **policyholder** or the **insured** may request particularly blocking, correction, addition or disposal of such personal data. If the **insurer** fails to comply with such request, the **policyholder** and the **insured** may refer this matter to the Office for Personal Data Protection. They may also contact the Office for Personal Data Protection directly.

### U. Complaints

In case of any complaints or enquiries regarding this insurance, please contact the insurance intermediary through which the insurance contract was concluded or the **insurer** on the address stated in the insurance contract.

If you are not satisfied, you are entitled to refer this matter to the regulatory authority, which is the Czech National Bank. The address of the Czech National Bank is:

**Czech National Bank**

Na Příkopě 28

115 03 Prague 1

tel.: +420 224 411 111