

COMPREHENSIVE GENERAL LIABILITY INSURANCE ENDORSEMENT WORDINGS

72 Hours Basis - Sudden and Accidental Pollution

1. It is hereby declared and agreed that exclusion (4.1.14) is replaced with the following:

any Damages arising out of or in connection with or related to the discharge, dispersal, "Release" or escape of smoke, vapors, soot, fumes, acid, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants into or upon land, the atmosphere or any water course of body of water, but this exclusion does not apply if such discharge, dispersal, "Release" or escape meets all five (5) of the following conditions:

(i) The discharge, dispersal, "Release" or escape must be neither expected nor intended by the Insured and

(ii) The beginning of the discharge, dispersal, "Release" or escape must take place during the Policy Period and

(iii) The discharge, dispersal, "Release" or escape must be physically evident to the Insured or other parties within 72 hours of the beginning of the discharge, dispersal, "Release" or escape and

(iv) The initial bodily injury or Property Damage caused by the discharge, dispersal, "Release" or escape must ensue within 72 hours of the beginning of the discharge, dispersal, "Release" or escape.

(v) Insured's duties in the event of Occurrence, **Claim** or lawsuit or any other policy conditions, all **Claims** made against the Insured under this coverage must be reported to the Insurer immediately but not later than 30 days of any Occurrence.

2. For the purpose of this Endorsement, the following additional definition applies: "Release" includes, but is not limited to any spilling, leaking, pumping, pouring, emitting, emptying, injecting, dumping, or disposing.

3. For the purpose of this Endorsement, the following additional condition applies:

If the Insured and the Insurer should disagree with regards to when a discharge, dispersal, "Release" or escape begins or becomes evident, the burden of proving that all five (5) enumerated above conditions are met rests with the Insured, at the Insured's own expense. Until such proof is accepted by the Insurer, the Insurer may, at its discretion defend any **Claim**.

4. Notwithstanding anything contained herein to the contrary of the Policy, it is hereby declared and agreed that this insurance does not apply to any expense incurred by the Insured of whatsoever nature directly or indirectly involving:

(i) the cost of removing, nullifying or cleaning-up seeping, discharged, dispersed, released, escaped, polluting or contaminating substances.

(ii) fines, penalties, punitive or exemplary damages. Subject otherwise to the terms and conditions of this Policy.

Subject otherwise to the terms and conditions of this Policy.

Acts of God Extension

It is hereby declared and agreed that the policy shall cover third party Damages at the Insured's premises arising out of AOG Perils namely Storm, Typhoon, Flood and Inundation, Earthquake and others only.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Acts of Terrorism Extension

It is understood and agreed that Exclusion 3.18 shall not apply to Acts of Terrorism.

This Extension is subject to a sub-limit of INR XXX each and every Occurrence and in the annual aggregate.

Territory/Jurisdiction – India / Worldwide / India / Worldwide

Subject otherwise to the terms, conditions and exclusions of this Policy.

Additional Insured Endorsement

For the purposes of the main Insuring Clause but not the extensions, the definition of “Insured” shall be amended to include as an additional insured any person, entity or organization with whom the Insured has agreed in a written contract to be added as an additional insured on its Public and/or Products Liability Insurance, provided such written contract is fully executed and effective prior to the Occurrence(s) that give rise to liability for which indemnity is sought under this policy.

The insurance extended to the Additional Insured does not apply to:

- (i) Damages for which the Additional Insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement, provided that this exclusion does not apply to liability for damages that the Additional Insured would have in the absence of such contract or agreement;
- (ii) Any express warranty unauthorized by the Insured;
- (iii) Any physical or chemical change in the Insured Product made intentionally by the Additional Insured;
- (iv) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the Insured, and then repackaged in the original container;
- (v) Any failure to make such inspections, adjustments, tests or servicing as the Additional Insured has agreed to make or normally undertakes to make in the usual course of business or in connection with the distribution or sale of Insured Product;
- (vi) Insured Product which, after distribution or sale by Insured, have been labelled or relabelled by or for the Additional Insured and liability arises in connection with such labelling
- (vii) Damages arising out of the negligence or acts or omissions of the Additional Insured or those of its employees or anyone else acting on its behalf.

The **Insurers** waive any rights of recovery that they may have against such additional insureds in respect of their work in connection with the **Business**.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Advertising Injury & Personal Injury

It is hereby declared and agreed that this Policy is extended to cover the Insured's legal liability in respect of any **Claim** against the Insured seeking damages arising out of, in connection with or in any way related to Advertising Injury and Personal Injury.

This insurance does not apply to Advertising Injury and Personal Injury:

- 1) arising out of an offence, publication or utterance of a libel or slander, or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy, if the first such publication or utterance is related to any publication or utterance made prior to the commencement of this Policy;
- 2) which the Insured is in the business of advertising, broadcasting, publishing or telecasting;
- 3) which the Insured is obligated to pay by reason of the assumption, in a contract or agreement, of liability which would otherwise not attach;
- 4) with respect to any injury arising out of any act committed by the Insured with actual malice;
- 5) arising out of the wilful violation of a penal statute or ordinance committed by or with the knowledge or consent of the Insured;
- 6) arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the Insured with knowledge of the falsity thereof;
- 7) arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in the schedule of the Policy as an Insured;
- 8) arising out of :
 - (i) Breach of contract, other than misappropriation of advertising ideas under an implied contract
 - (ii) infringement of trademark, service mark or trade name by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or
 - (iii) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised; or
 - (iv) the failure of goods, products or services to conform with advertised quality or performance.

For the purpose of this Endorsement the following additional Definition applies:

Advertising Injury means injury arising out of an offense committed during the Period of Insurance occurring in the course of advertising Insured's goods, products or services, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy or unfair competition.

Personal injury means injury, other than "bodily injury," arising out of one or more of the following offenses:

- (i) false arrest, detention, false imprisonment, malicious prosecution or humiliation;
- (ii) wrongful entry or wrongful eviction or other invasion of the right to private occupancy;
- (iii) assault and battery not committed by or at the direction of the Insured unless committed for the purpose of preventing or eliminating danger to persons or property;
- (iv) the publication or utterance of libel or slander, or of other defamatory or derogatory material, or a publication or utterance in violation of any individual's rights of privacy except:
 - (a) when the first such publication or utterance is related to any publication or utterance made prior to the commencement of this Policy; or

(b) when any of such publication or utterance is made in the course of or is related to advertising, broadcasting, telecasting or publishing activities conducted by or on behalf of the Insured.

It is further noted and agreed that the coverage provided by this Section is sub-limited to INR XXX each and every Occurrence and In the aggregate.

Subject otherwise to the terms, exclusions and Conditions of this Policy.

Automatic Cover for New Subsidiaries (Non USA/Canada Domiciled Operations)

The term Insured shall include any organisation which is acquired or formed by the Insured and over which the Insured maintains ownership or majority interest (other than a joint venture), subject to declaration to Insurers within **XX** days from incorporation, provided this Insurance does not apply to Damages with respect to which such new organization under this Policy is also an Insured under any such policy but for the exhaustion of its limits of liability.

Insurers reserve the right to establish a separate premium and terms, or to deny coverage, in respect of such organisation(s) beyond the expiry of the said 30- day period.

Subject otherwise to the terms, exclusions and Conditions of this Policy.

Batch Clause

It is hereby declared and agreed that the insurance provided under this policy with respect to Damages resulting from the Insured's products is modified as follows:

Should a batch of merchandise or products from one prepared or acquired lot or processing method after being sold, cause bodily injury or property damage to more than one person, all such Damages resulting from such batch or lot, shall be considered as resulting from one common occurrence, and the date in which the Insured receives the first indication or knowledge of the **Claim**, will be indicator of the policy year to bear the loss. It is further agreed that the term processing method shall mean any method or methods, the object of which is to produce a product with the same constituents in identical proportions.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Car Park Facilities Endorsement

It is hereby declared and agreed that this Policy is extended to cover the legal liability of the Insured in respect of loss of or damage to vehicles under the control of the Insured or the Insured's Parking Attendants whilst in the Car Park of the Insured.

Provided always that:

- i. The Insurer shall not be liable for any such loss or damage insofar as such loss or damage is covered by any other insurance.
- ii. The liability of the Insurer under this Endorsement in respect of any such loss or damage and under the Policy in respect of any bodily injury or damage to property shall not in any case exceed the Limit of Indemnity specified in this Policy.
- iii. Disclaimer notices shall be permanently displayed in prominent positions at each entrance to the parking area.

Construction / Erection Liability Extension

This Policy is hereby extended to include legal liability of the Insured for Damages arising out of an accident directly caused by construction or erection related activities conducted by the Insured.

Provided that the coverage granted by this Extension shall always apply in excess of the liability section of underlying Erection All Risks/Construction All Risks policies effected by the Insured, subject to a minimum attachment of INR XXX for each and every **Claim**.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Consumer Protection Act and Food Safety Acts Legal Defence Costs

The Insurer shall indemnify the Insured and, at the written request of the Insured, any director or business partner of the Insured, or any Employee in respect of legal costs and expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought in respect of a breach of Consumer Protection legislation (as may be amended from time to time) and Food Safety legislation (as may be amended from time to time) or in an appeal against conviction arising from such proceedings, provided that the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business.

The Insurer shall not be liable to indemnify the Insured or any director or business partner of the Insured, or any Employee under this Extension in respect of any liability or **Claim** arising out of, caused by, and resulting from or in any way involving any of the following:

- (i) Any fines or penalties of any kind;
- (ii) Any liability for which the Insured or any director or business partner of the Insured, or any Employee is entitled to indemnify under any other insurance or would be so entitled but for the existence of this Policy;
- (iii) Any proceedings consequent upon any deliberate act or omission.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Contingent Motor Liability

Notwithstanding Exclusion 4.1.1 of the policy, the Insurer shall indemnify the Insured against legal liability arising out of the use in the course of the Business of any motor vehicle not the property of, nor provided by, the Insured.

Coverage as per Endorsement subject to:

- (i) Sub-Limited to INR XXXX Crores Any One Occurrence and in the Aggregate
- (ii) It is a condition precedent to liability that a valid motor vehicle insurance under the applicable Motor Vehicle Act or similar law be maintained at all times and this extension will operate in excess of such statutory cover
- (iii) Territory and Jurisdiction: **XXXXXXXX**

The Insurer shall not be liable to indemnify the Insured under this extension in respect of any liability or **Claim** arising out of, caused by and/or resulting from or in any way involving any of the following:

- (i) Any Property Damage to any such vehicle or to property conveyed therein;
- (ii) Any liability for which the Insured is entitled to indemnity under any other insurance or would be so entitled, but for the existence of this Policy;

(iii) Any use of any motor vehicle outside registered country.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Contractors and Subcontractors

Within the framework of the conditions of this contract, cover extends to the Legal Liability that may be incurred by the Policyholder and/or Insured where they are deemed jointly or vicariously liable for the hiring of contractors, subcontractors or self-employed personnel, provided that:

(i) The personal injury or material damage was caused by the contractors, subcontractors or self-employed personnel, or those legally dependent on the same, and for whom, given their legally binding or contractual relationship, the Policyholder and/or Insured may be deemed jointly or vicariously liable.

(ii) No insurance has been taken out by the contractors, subcontractors or self-employed personnel to cover the loss, or insurance has been taken out by the contractors, subcontractors or self-employed personnel but the insured sum is insufficient, in which case this policy takes effect in excess of the limits established in the policy or policies of the contractor, subcontractor or self-employed personnel.

(iii) Where the contractor, subcontractor or self-employed personnel should be obliged to take out compulsory insurance for carrying out their activity, this Policy shall take effect in excess of the limit required; should the compulsory insurance policy not be in effect or not have been taken out, the cover provided by this Policy shall take effect in excess of the limit of the compulsory insurance.

Exclusions:

- a) The personal liability of the contractors, subcontractors or self-employed personnel when not acting on behalf of the Insured or on its premises.
- b) The damage caused by contractors, subcontractors and self-employed personnel whenever the Insured has waived their right of recourse against them.
- c) The material damage caused by the Insured and by contractors, subcontractors and self-employed personnel to the executed works themselves, the jobs undertaken or services rendered, as well as to the equipment and machines used by them in the performance of their work.

Control Group Notification

It is hereby agreed that under section 5 condition 5.2.1a is deleted in it's entirely and replaced with:

- a) give written notice as soon as possible of any **Occurrence** giving rise to or which may give rise to a **Claim** under this Policy including full particulars of the **Occurrence** as soon as the Company General Counsel or Corporate Risk Manager (or equivalent position) first becomes aware of such Claim.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Court Attendants Costs

The Insurers shall indemnify the Insured against costs and expenses incurred in attending any court proceedings concerning any claim or liability in respect of which the Insured is entitled to indemnity

under this Policy. This extension shall be subject to a sub-limit of INR 30,000 in respect of all proceedings arising out of any one claim or any one series of claims attributable to one source or original cause, which sum shall be part of and not in addition to the Limit of Liability.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Cross Liability/Separation of Insured

Exclusion for Cross Liability 4.2.3 is deleted and replaced with the following:

Each of the parties comprising the Insured as stated in the policy schedule is considered a separate legal entity and the word "Insured" applies to each party as if a separate policy has been issued to each of the said parties but nothing contained in this clause will operate to increase the Insurer's liability under this policy.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Damage to Leased or Rented Premises

Exclusion 4.2.2 of policy shall not apply to Property Damage to premises (and/or fixtures and fittings thereof) leased or rented to the Insured, provided that the Insurer shall not be liable to indemnify any Insured in respect of any liability or **Claim** arising out of, caused by resulting from or in any way involving any of the following:

- (i) Any liability which attaches solely by virtue of a contract and/or government and which would not otherwise have attached;
- (ii) The first INR 15,000 of the liability of the Insured in respect of each and every Occurrence caused otherwise than by fire or explosion;
- (iii) Any Property Damage to any such premises which are insured under any property or fire insurance policy arranged by the Insured or under any other insurance in respect of which the Insured is entitled to indemnity in relation to such Property Damage or would be so entitled, but for the existence of this Policy.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Designated Premises Endorsement

It is agreed that with respect to coverage, subject to all Policy terms, conditions and exclusions, this insurance applies only to bodily injury, property damage, personal and advertising injury and medical expenses arising out of the ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises mentioned below:

Refer to annexure of Insured Location.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Designated Product Endorsement

Notwithstanding anything contained in this policy to the contrary, the coverage under this policy shall only be limited to the products of the Insured, mentioned below:

Refer to annexure of Insured Products

Subject otherwise to the terms, conditions and exclusions of this Policy.

Employers' Liability Extension

Notwithstanding anything to the contrary contained in Exclusions 4.2.4, the Insurer shall indemnify the Insured against:

- (1) legal liability for damages in respect of Bodily Injury to any Employee caused by an Occurrence happening during the Period of Insurance within the Policy Territory and in the course of employment by the Insured in connection with the Business;
- (2) legal liability pursuant to any subrogated rights exercised against the Insured by any State or Social Security or similar scheme in respect of Bodily Injury to any Employee caused by an Occurrence happening during the Period of Insurance within the Policy Territory and in the course of employment by the Insured in connection with the Business;
- (3) legal liability for claimants' costs and expenses in connection with paragraphs (1) and (2) above;
- (4) legal Defence Costs arising from a Claim for which there is cover under paragraphs (1) or (2) above.

The Insurer shall not be liable to indemnify the Insured under this extension in respect of any liability, claim or loss arising out of, caused by, resulting from, in consequence of, in connection with or in any way involving any Bodily Injury to any Employee:

- (a) who is employed in India, the United States of America, Canada or the United Kingdom.
- (b) arising out of and in the course of employment offshore or whilst travelling to or from any offshore installation.
- (c) as is or is normally insured by an Employers' Liability and / or Worker's Compensation Policy in the country in which the Person Employed is employed.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Excess Employers' Liability Extension

Exclusions and 4.2.5 shall not apply to any excess beyond the limit of indemnity for Employers' Liability cover provided by a policy effected by or on behalf of the **Insured** locally (hereinafter called the "**Local Policy**"), provided that:

- (1) a valid and collectable **Local Policy** with a minimum limit of indemnity of the local Compulsory Statutory Limits is maintained in force throughout the currency of this **Policy** in each territory in respect of any **Employee** in circumstances where the **Insured** is obliged to arrange a compulsory **Local Policy**.
- (2) the indemnity afforded by this extension shall be limited to the scope of cover granted by the **Local Policy** and shall not apply:
 - (a) to any deductible or excess applicable to the **Local Policy**;
 - (b) unless and until the insurers of the **Local Policy** have paid, or have been held liable to pay, the full amount of their limit of indemnity.
- (3) the maximum liability of the Insurer under this extension shall be the difference between the limit of indemnity under the applicable **Local Policy** and the Sub Limit for this extension stated in the Schedule. .
- (4) the Insurer shall not be liable to indemnify the **Insured** under this extension in respect of any liability, claim or loss arising out of, caused by, resulting from, in consequence

of, in connection with or in any way involving any **Bodily Injury** to any **Person Employed**:

- (a) who is employed in United States of America, Canada or **the United Kingdom**.
- (b) arising out of and in the course of employment offshore or whilst travelling to or from any offshore installation.
- (c) as is or is normally insured by an Employers' Liability and / or Workman's Compensation Policy in the country in which the **Employee** is employed.

Food and Beverages Extension

It is hereby understood and agreed that this policy covers liability in respect of poisoning of any kind arising from food or beverages provided by the Insured to any third party at the Insured's premises.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Health and Safety at Work – Legal Defence Costs

The Insurer, shall indemnify the Insured and, at the written request of the Insured, any director or business partner of the Insured or any Employee in the respect of legal costs and expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought in respect of a breach of Health and Safety at Works etc. regulations (as may be amended from time to time) or in an appeal against conviction arising from such proceedings, provided that:

- (a) the proceedings related to
 - (i) the health safety and welfare of any person other than a Person Employed and
 - (ii) an offence alleged to have been committed during the Period of Insurance and in the course of the Insured's Business.
- (b) the Insurer shall not be liable to indemnify the Insured or any director or business partner of the Insured or any Employee under this extension in respect of any liability or **Claim** arising out of, caused by, resulting from or in any way involving any of the following:
 - (i) Any fines or penalties of any kind
 - (ii) any liability for which the Insured or any director or business partner of the Insured or any Employee is entitled to indemnity under any other insurance or would be so entitled, but for the existence of this Policy
 - (iii) any proceedings consequent upon any deliberate act or omission.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Indemnity to Principal

As Far as is necessary to meet the requirements of any contract or agreement entered into by the Insured with any principal the Insurer shall, at the written request of the Insured, treat that principal as though he were also the Insured but only in respect of any Insured liability arising out of the performance of such contract or agreement by the Insured in connection with the Business provided that the principal shall observe, fulfil and be subject to the terms of this Policy insofar as they apply.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Joint Venture Restriction Clause

It is agreed that when this policy extends to indemnify the Insured in respect of their interest in any joint venture

- (i) this Policy shall only apply to any **Claim** which by virtue of exclusions in cover is not recoverable under any other valid policy applicable to such joint venture but which would not be excluded by the terms of this Policy
- (ii) the Limits of Insurance in the schedule or any endorsement under this Policy shall be restricted to the percentage interest of the Insured in such joint venture

Where that percentage interest is not stated in writing the percentage to be applied shall be that which would be imposed by law at the inception of the joint venture. Such percentage shall not be increased by the insolvency of others interested in such joint venture.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Lift Liability

It is hereby understood and agreed that this policy covers liability in connection or arising from lifts, escalators, elevators hoists or cranes or any such equipment operated or maintained by the insured within the Territorial Limits specified in the Schedule provided that the Insurer shall not be liable in respect of injury or damage caused whilst any lift is carrying a load in excess of the capacity specified by the manufacturer.

Warranted that Annual Maintenance Contract is in place.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Liquor Liability

It is understood and agreed that the following stands excluded from the Policy:

Bodily Injury or Property Damage for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if the insured is in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Medical Payments

It is understood and agreed that this Policy extends to all reasonable medical expense for each person who sustains Bodily Injury.

Coverage applies to reasonable medical expenses incurred within one year from the date of the accident (including prosthetic devices, and necessary ambulance, hospital, professional nursing, funeral services and repatriation expenses), provided such Bodily Injury.

(i) arises out of an accident taking place during the Period of Insurance and first reported to Insurers during the Period of Insurance.

(ii) arises out of a condition in the Insured's premises or

(iii) arises out of operations with respect to which the Insured is afforded coverage for Bodily Injury under the Policy.

The coverage provided by this Extension is sub-limited to INR XXX per person.

Subject otherwise to the terms, exclusions and Conditions of this Policy.

Nuclear Damages inside nuclear power plants Extension

It is hereby agreed and declared that this Policy is extended to provide coverage for property damages to nuclear power plants and the equipment as part of nuclear power plants caused by products delivered by or service activities of the named insured. This coverage extension also includes costs for decontamination in connection with property damages inside the nuclear power plant, but only to the extent that the decontamination costs are not commonly paid by the operator of the nuclear power plant.

It is furthermore agreed and declared that this policy provides coverage only for bodily injury caused by radiation inside a nuclear power plant located outside of the territories of Germany in connection with products delivered by or service activities of the named insured. Coverage as described above is provided subsidiary to other coverage in place for the named insured (e.g. EAR / CAR, property insurance, coverage for business interruption, Workers Compensation, Employers Liability, social security insurances, insurance pools for nuclear damages and/ or radiation).

Coverage is only provided for legal liability of the named insured. No coverage is provided for damages caused by radiation outside a nuclear power plant. This Clause is subject otherwise to the terms, conditions and exclusions of this Policy.

Sum insured for this coverage extension provided under this policy is INR XXXXXXXX single limit and in the aggregate.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Overseas Personal Liability

It is hereby declared and agreed that this Policy is extended to cover Insured's legal liability arising out of, in connection with or in any way related to Damages caused by the fault and negligence of the Insured's employees or directors whilst engaged in Insured Business anywhere in the world including United States of America or Canada and all its territories, possessions and any state of political subdivision thereof.

Provided always that coverage under this Endorsement shall not apply to manual works and offshore works.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Products Liability Exclusion

It is hereby declared and agreed that this Policy does not apply to or include any liability in respect of Damages caused by or in connection with or arising from any commodity, article, product or thing sold, supplied, repaired, altered or treated by or to the order of the Insured.

Extended Products Liability Coverage

1 SCOPE OF COVERAGE

The Insurer shall provide coverage to the Insured for Third party liability claims against the Insured arising from events occurring during the policy term, and which result in pure financial losses, for which the property damages limit shall apply, provided such losses arise from the manufacture or supply of actual or allegedly defective products or services, including the erroneous supply of products after the performance of the services or the completion of the work in question, and provided that such losses relate to:

- 1.1 Damages of Third parties due to actual or alleged defects of products caused by the mixing of or manufacture with the Insured's supplied products with other products, more specifically:
 - 1.1.1 damage to or destruction of the other product;
 - 1.1.2 actual expenses for the manufacture or mixing of the final products, excluding the costs for the actual or alleged defective product supplied by or on behalf of the Insured;
 - 1.1.3 actual expenses due to corrective action, which is legally or economically required with respect to the final product or any other repair of the damage to the final product. The Insurer shall not be responsible for that portion of the expenses in the ratio of the original price of the supplied product to the Third party's sale price of the final product;
 - 1.1.4 financial disadvantage, if the final product cannot be sold or can be sold only with a reduction in price. The Insurer shall not be responsible for that portion of the damages in the ratio of the original price of the supplied product to the Third party's sale price, which it could reasonably have realized for the final product had it been free of such actual or alleged defect;
 - 1.1.5 costs of the Insured's customer for its interruption of production directly caused by and related to the Insured's allegedly defective product.
- 1.2 Costs of Third parties for further work or processing of an actual or allegedly defective product, if there has been no mixing, assembly, or processing together with other products, and if the manufactured or processed product cannot be sold, but only to the extent that these costs do not arise from the removal of the actual or alleged defect of the supplied product or otherwise are in the nature of a subsequent improvement.

Covered costs within this Section 1.2 are the manufacturing or assembly costs of the Third party, excluding the price of the actual or allegedly defective product of the insured.

If the actual or alleged defect in the products supplied by the Insured leads to a reduction in price for the final product, the Insurer will cover the reduced proceeds of the Third party caused by the reduced price. Of that amount the Insured will be responsible for that portion which corresponds to the ratio of the price for the originally supplied product to the Third party's sale price which would have been realized had the final product been supplied without such actual or alleged defect.

- 1.3 Expenses to Third parties for the removal, dismantling, taking-off, or uncovering of actual or allegedly defective products and for installation, attachment, and positioning of replacement products.

Excluded from coverage under this Section 1.3 are the costs for replacement products, including any transportation costs thereof.

This coverage also does not apply:

- a) if the actual or alleged defective products are installed on or assembled to the final product by the Insured or if such products were installed or assembled pursuant to the Insured's direction or account.

The foregoing does not apply if the installation or assembly of the Insured's product to the final product was performed by the Insured's customer or a subcontractor of its customer and if the Insured acted merely in a supervisory or consulting capacity and not as the primary installer or assembler, and if by clear and convincing evidence it is shown that the actual or alleged defect resulted from the manufacture or supply of the Insured's product and not from any faulty installation or assembly or from supervision or advice of the Insured with respect to the supplied product's installation or assembly into the final product; or

- b) for any expenses of Third parties for parts, accessories or equipment of aircraft or water vehicles.
- 1.4 Damages of Third parties due to actual or alleged defective products manufactured, processed, or worked on by machines or equipment supplied, installed, maintained or repaired by the Insured, more specifically:
- 1.4.1 damage to or destruction of the products manufactured or worked on or processed by such machines or equipment;
 - 1.4.2 wasted cost for the manufacture or work on or processing of the Third party's products;
 - 1.4.3 actual expenses due to corrective action, which is legally or economically required with respect to the products which have been manufactured or worked on or processed by such machines or equipment, or any other repair of the damage to such products;
 - 1.4.4 financial disadvantage if the products manufactured or worked on or processed by the machines or equipment cannot be sold or can be sold with a reduction in price; and
 - 1.4.5 costs of the insured's customer for its interruption of production directly caused by and related to such manufactured or worked on or processed products.
- 1.5 Damages of Third parties due to actual or alleged defective products manufactured, processed or worked on by machines and to the extent that these machines are operated, controlled or influenced in another way by products manufactured, supplied, installed, maintained or repaired by the Insured, more specifically:
- 1.5.1 damage to or destruction of the products manufactured or worked on or processed by such machines or equipment;
 - 1.5.2 wasted cost for the manufacture or work on or processing of the Third party's products;
 - 1.5.3 actual expenses due to corrective action, which is legally or economically required with respect to the products which have been manufactured or worked on or processed by such machines or equipment, or any other repair of the damage to such products;
 - 1.5.4 financial disadvantage if the products manufactured or worked on or processed by the machines or equipment cannot be sold or can be sold with a reduction in price; and
 - 1.5.5 costs of the Insured's customer for its interruption of production directly caused by and related to such manufactured or worked on or processed products.

2 EXCLUSIONS

There is no coverage in Section 1 above for claims for:

- 2.1 Costs associated with any exchange, price reduction, improvement, or new or replacement supplied products.
- 2.2 Late delivery costs

- 2.3 Non-performance of contracts, insofar as coverage does not expressly extend to losses resulting from the consequences of actual or alleged defectiveness of the Insured's product.
- 2.4 Legal assumption of risks for incidental destruction and incidental deterioration.
- 2.5 Expenses in expectation of complete performance (e.g. wasted capital investment).
- 2.6 Consequential damages (e.g. interruption of business or loss of production, except to the extent that pursuant to Sections 1.1.5, 1.4.5 or 1.5.5 such costs are not otherwise expressly covered).
- 2.7 Violation or breach of an intellectual property right (e.g. damages arising from the violation of patents, protected commercial rights, rights of authorship, antitrust and advertising).
- 2.8 Damage to work or services rendered or products manufactured or supplied by the Insured (or by Third parties subcontracted by the insured or working for its account), if the actual cause of such damage is connected with the manufacture or supply of such works or products.
- 2.9 Independent express warranties and/or contractual liability or substituted performance, unless arising out of the following:
 - 2.9.1 contractual conditions, which the other contracting party applies on a wide basis with contract parties in similar circumstances or contractual conditions which are fixed by the other party in a printed or otherwise standardized form;
 - 2.9.2 any waiver of rights or contractual indemnification regarding contributory negligence of the contracting party; and
 - 2.9.3 contractual extension of warranty periods or other time limits the Insured could have, in the absence of such contractual extension, invoked as a defence.
- 2.10 Financial losses, in the event any officer, director or plant manager of the Insured willfully violates an established governmental rule, order or standard or any written specification of the Insured's customer.
- 2.11 Financial losses which arises or allegedly arises from the Insured's products which, regarding its originally intended use was not tested according to reasonable standards of technology. Such standards shall have been prevailing at the time the Insured's products entered the stream of commerce.
- 2.12 The design, construction, manufacture or supply of products for air and/or space vehicles, but only to the extent that such products are clearly meant for incorporation into air and/or space vehicles.
- 2.13 Product services supplied by the Insured (e.g. assembly, maintenance, inspection, overhauling, repair, and transportation) with respect to air and/or space vehicles or products for air and/or space vehicles.

3. Batch clause

Any two or more occurrences - occurrence in respect to the product recall insurance means the recall – taking place during the policy period and which are attributable directly, indirectly or allegedly to the same actual or alleged event, condition, cause, defect, hazard and/or failure to warn shall be combined and treated as one occurrence ("batch"), which is deemed, irrespective of the actual occurrence dates, to have occurred at the earliest date any one occurrence of the batch has occurred.

This Policy only applies to those batches where the respective first occurrence takes place during the policy period. In that case all subsequent occurrences resulting from one of those batches are included within the limit of liability of this Policy.

If the coverage under this Policy is subject to a deductible for certain Insureds or risks which is applicable to each occurrence, then all occurrences combined into one batch are deemed to be one occurrence, subject to one deductible.

Products Recall Coverage

1. Scope of coverage

The Insurer shall provide coverage to the Insured in respect of any Claim arising solely by reason of a Recall within the Policy Territory in connection with the Business of any Product (Product means only components manufactured by or on behalf of the Insured).

This Policy shall cover the legal liability of the Insured in respect of pure financial losses

- due to detected or based on objective facts, presumed defects in products manufactured, supplied or distributed by the Insured, or
- due to an order by a competent public authority

following a recall which is necessary to avoid the Insured's legal liability for accidental Bodily Injury or accidental Property Damage arising out of the failure of such Product to perform correctly its intended function for which recourse is taken to the Insured.

Recall shall mean the request of a Third party to prevail upon products owners and/or contract dealers to return the Products to the manufacturer or dealer in order to be inspected or repaired. Coverage is only provided for the following costs caused by a Third Party recall:

- (a) costs of correspondence newspapers and magazine advertisements radio and television announcements
- (b) transportation costs for the return of a Product to the Insured or a nominated agent. This includes costs reasonably incurred in the packaging of the said Product
- (c) examination and labour costs for the necessary removal and replacement of the defective Product which has been delivered to the Insured
Such costs are also covered in respect of components that are fitted into Products in the possession of and not yet delivered by the Third party manufacturer
- (d) costs incurred for suitable alternative measures to replacement but limited to the costs that would have been incurred if the otherwise covered replacement had been effected
- (e) the transport and re-delivery of such non-defective Products but limited to the same transportation costs incurred in returning the Product

2. Exclusions

The Insurer shall not be liable

1. for any Recall directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - 1.2 the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - 1.3 the furnishing by the Insured of service materials parts or equipment in connection with planning construction maintenance or use of any nuclear facility including any nuclear reactor or device designed or used for

- 1.3.1 separating the isotopes of uranium plutonium
- 1.3.2 processing or utilising spent fuel or
- 2.3.3 handling processing or packaging nuclear waste

2. for any Recall that is not intended to prevent Bodily Injury or Property Damage
3. for costs of obtaining or producing additional non-defective Products
4.
 - 4.1 for fines
 - 4.2 in respect of independent warranties or contractual liabilities or penalty clauses or liquidated damages except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties
5. for any Recall due to a defect in the Product which was caused by the intentional deviation by the Insured or the Insured's employees from legal or official regulations or deviations from written instructions conditions or specifications of the manufacturer of the Product
6. for any Recall arising out of or in connection with
 - 6.1 advice
 - 6.2 design
 - 6.3 specification
 provided for a fee only and not in connection with supply of a Product.
7. for any Recall arising from any Products which to the knowledge of the Insured are for use in or incorporation into any aircraft or other aerial device
8. for any Claim arising from a Recall the circumstances of which the Insured were aware prior to the inception of this Policy
9. for any Recall where the circumstances giving rise to such Recall occurred before the Inception Date of this policy
10. for any Recall ordered by any government or other authority and which would not have been covered hereunder but for such order
11. for any Recall arising from any Products (including components manufactured by or on behalf of the Insured) where the manufacture suitability use or effect of such Products had not been thoroughly tested as regards their use in accordance with the state of the art or science recognised at the time of putting into circulation
12. for any Recall due to sole contractual obligations
13. for any Recall due to malicious product tampering.

3. Batch clause

Any two or more occurrences - occurrence in respect to the product recall insurance means the recall – taking place during the policy period and which are attributable directly, indirectly or allegedly to the same actual or alleged event, condition, cause, defect, hazard and/or failure to warn shall be combined and treated as one occurrence ("batch"), which is deemed, irrespective of the actual occurrence dates, to have occurred at the earliest date any one occurrence of the batch has occurred.

This Policy only applies to those batches where the respective first occurrence takes place during the policy period. In that case all subsequent occurrences resulting from one of those batches are included within the limit of liability of this Policy.

If the coverage under this Policy is subject to a deductible for certain Insureds or risks which is applicable to each occurrence, then all occurrences combined into one batch are deemed to be one occurrence, subject to one deductible.

Product Recall Expenses

It is agreed that the Policy is extended to include Products Recall Expense as follows:

The Insurer will reimburse the Insured for costs which the Insured shall have:

- a) Paid as **Products Recall Expense** arising out of a **Covered Incident** if the initial written notice to the Insurer of the Covered Incident takes place during the **Policy Period**, and the **Covered Incident** takes place in the **Policy Territory**.
- b) Become legally liable to pay as **Products Recall Expense** arising out of a **Covered Incident** if the initial written notice to the Insurer of the Covered Incident takes place during the **Policy Period**, and the **Covered Incident** takes place in the **Policy Territory** and the responsibility to pay **Damages** and **Defense Cost** under the **Product Recall Expense Liability** is determined in a suit on the merits in the **Policy Territory**.

For the purpose of determining the limit of the Insurer's liability **Products Recall Expense** incurred in the simultaneous recall of any types of the same Product shall be considered as arising out of one Occurrence.

The Insurer shall not be liable for Claims arising out of Products which were manufactured sold handed or distributed prior to the Retroactive Date specified in the Schedule.

It is further agreed for the purpose of this endorsement that:

- a) The Insurer shall only be liable for the sum actually paid in the settlement or satisfaction of **Products Recall Expense** incurred by the Insured for the recall of a Product after making proper deduction for all recoveries and salvages collectible.
- b) The Insurer's liability during any **Period of Insurance** shall not exceed **INR XXX**
- c) The Insurer shall not be liable for the first **INR XXX** of each and every **Claim** hereunder

Additional Definitions Where used in this Memorandum

"Products Recall Expense" means the reasonable and necessary costs incurred by the Insured during the 12 month period commencing on the first day such costs are incurred by reason of a Covered Incident, if such costs are incurred exclusively for the recall, removal, recovery of possession or control, or disposal of **Insured's Product(s)**. These costs are limited to the following:

- a) Communications including radio announcements and printed advertisements
- b) The cost of shipping the Insured's Products from any purchaser distributor or user to the place or places designated by the Insured, but excluding any expenses directly or indirectly arising out of , based upon, or attributable to the dismantling, dismounting, disassembling or installation, mounting or assembling **Insured's Product**
- c) The cost of hire of necessary additional persons other than the regular employees of the Insured
- d) Remuneration paid to regular hourly employees (other than salaried employees) of the Insured at basic rates for necessary straight time or overtime if required
- e) Expenses incurred by employees for transportation and accommodation
- f) The extra expense for rent or hire of additional warehouse or storage space
- g) The extra expense incurred to properly dispose of the recalled Product and packaging materials that cannot be reused, but only to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid Bodily Injury or Property Damage as a result of such disposal

"Covered Incident" means the ascertainment that the use or consumption of the Insured's Products has resulted or may result in **Bodily Injury** or **Property Damage** as defined in the Policy

which results in the necessity to recover possession or control of the Insured's Products from any purchaser distributor or user or the destruction of such Products but only because of

- a) The accidental omission of a substance in the manufacture of the Insured's Products or
- b) The accidental introduction or the accidental substitution of a deleterious substance in the manufacture of the Insured's Products or
- c) Error or deficiency in the manufacture design blending mixing compounding or labelling of the Insured's Products but only if such error or deficiency is known or recognized as such in the industry

It is specifically agreed that recall by ruling of a federal state governmental or other regulatory body or official is also included in the definition of Occurrence but the reason for such ruling must meet the requirements of (a) (b) or (c) under the "**Covered Incident**" definition.

Exclusions

The indemnity provided by this Memorandum does not apply to expenses incurred by the Insured for the recall of a Product by reason of

- 1
 - a) Their being kindred Products of the Insured
 - b) Their being of the same trade or brand name but of different batches than the batch which has been determined to possibly or likely become a cause of loss under this Memorandum if the Insured has informed the Insurer at the time of application for this indemnity that the Products are identifiable by batch code or other means or
- 2 Failure of the Insured's Products to accomplish their intended purpose including any breach of warranty of fitness quality efficacy or efficiency or
- 3 Inherent deterioration decomposition or transformation of the Insured's Products or
- 4 Loss of customer faith or approbation or any costs incurred to regain customer approval or other consequential loss or
- 5 Changes in quality of the Product or any part thereof after packaging or
- 6 Prior knowledge by
 - a) The Insured named in the Schedule
 - b) Any Insured defined herein as respects their participation in this Policy at inception of this Policy of any pre-existing condition of the Products likely or possibly becoming a cause of loss under this Memorandum or
- 7 Circumstances which are a result of an arbitrary and capricious act by the Insured or by any regulatory official or
- 8 Mislabeling through use of existing label inventories which are placed on containers or packages after the final date of a reasonable "**use interval**" authorised by an agency of government in promulgating modified labelling regulations or
- 9 Recall of a Product without knowledge that the use or consumption of the Product will result in Bodily Injury or Property Damage or
- 10 Parts, accessories or fittings which are intended for installation in Aircraft or Watercraft; or
- 11 A decrease in sales due to changes in population customer tastes economic conditions seasonal sales variations competitive environment or removal of the Insured's Product for reasons unrelated to a Product defect or
- 12 Continued use by the Insured of materials that have been banned or declared unsafe by any authorized governmental entity or

- 13** Acts errors or omissions of any of the Insured's employees with the prior knowledge of any of the Insured's officers or directors
- 14** the cost or expense to repair, recondition, decontaminate or otherwise treat the recalled products so as to render them marketable

All other terms and conditions remain unaltered.

Specific Pharmaceuticals Exclusion List

This policy does not cover liability arising directly or indirectly out of, caused by or in connection with substances/ products described below:

1. Alosetron Hydrochloride
2. Antipsychotics
3. Aprotinin (Bovine Pancreatic Trypsin Inhibitor)
4. Bupropion
5. Canthaxanthin
6. Cerivastatin and/or any other Statins and/or Fibrates
7. Cisapride
8. Contraceptives (including Birth Control Pills), Fertility Drugs and products specifically designed and marketed for use during and in connection with Pregnancy
9. Cox-2 Inhibitors
10. Danthron
11. Debendox
12. Dicyclomine (when given to children under 4 years of age)
13. Diethylstilbestrol (DES) or Stilbestrol
14. Doxazosin
15. Drugs used to treat Erectile Dysfunction
16. Ephedrine Ma Huang Pseudoephedrin Chinese Ephedra Mahuang Extract Ephedra Ephedra Sinica Ephedra Extract Ephedra Herb Powder or Epitonin Fenfluramine (whether individually or in combination with Phentermine)
17. Germanium
18. Hormone Replacement Therapies (HRT's)
19. Kava or Kava Kava
20. L-tryptophan
21. Leflunomide
22. Lymerix
23. Methylphenidate
24. Monoclonal Antibodies
25. Metoclopramide
26. Nefazodone
27. Pertussis Vaccine
28. Phenylpropanolamine (PPA)
29. Primodos / Amenorone Forte
30. Retinoic Acid (e.g. Tretinoin, Isotretinoin)
31. Selective Serotonin Reuptake Inhibitors (e.g. Fluoxetine, Paroxetine)
32. Serotonin Norepinephrine Reuptake Inhibitors
33. Skin Whitening or Lightening Agents
34. Tacrolimus
35. Thalidomide
36. Thimerosal and/or Thiomersal™
37. Thiazolidinediones (e.g. Rosiglitazone)
38. Vigabatrin
39. Any Product that does not have the appropriate regulatory approval
40. Alendronate
41. Finasteride

This exclusion applies to any other drug which has the same chemical formula, is a derivative of or has a similar formula, structure or function as any of the substances in the above list.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Technical Collaborators Inclusion

It is agreed that this policy is extended to include the legal liability of _____ (hereunder referred to as the Collaborator) with respect to the Technical Collaboration Agreement between the named Insured and the Collaborator. The declarations, insuring agreements, all definitions, exclusions, terms, conditions and limit of indemnity of this policy otherwise remain unchanged.

Transportation Legal Liability

It is hereby understood and agreed that this Policy shall extend to include legal liability of the Insured for Damages occurring during the Period of Insurance out of an accident directly caused by materials of the Insured whilst being transported by rail/road/pipeline, but only to the extent that the Insured is not obliged to effect a policy of compulsory insurance.

It is expressly agreed and understood that the cover granted under the endorsement shall not include pollution risk, howsoever caused unless specifically covered by attaching an appropriate clause.

Provided always that the statutory provisions as may be in force from time to time for carriage of dangerous / hazardous substances are complied with.

Territory/Jurisdiction – India / Worldwide / India / Worldwide

Subject always to the Limit of Insurance and Deductible specified in the Schedule.

Subject otherwise to the terms, conditions and exclusions of this Policy.

United States of America/Canada Extension

Notwithstanding anything to the contrary contained in this Policy:

as far as concerns legal liability arising from any claim

(i) which is made in any Specified Territory

(ii) in respect of which action or litigation is brought in a court of law within any Specified Territory or where action or litigation is brought in a court of law outside such Territory to enforce a judgment therein

(1) The Insurers shall not be liable for punitive or exemplary damages

(2) The Limits of Indemnity specified in the Schedule are each deemed to be inclusive of all Legal Costs

(3) This Policy does not cover any liability for:

(a) Bodily Injury Property Damage or Other Contingencies directly or indirectly caused by seepage pollution or contamination

(b) The cost of removing nullifying or cleaning-up seeping polluting or contaminating substances

(c) Fines or penalties

(d) Uninsured Motorists coverage Underinsured Motorists coverage or any obligation of the Insured under "No-Fault" state law

(4) A Deductible of INR XXXXX each and every claim shall apply

For the purposes of this Memorandum "Specified Territory" shall mean the United States of America or Canada and any territory within the jurisdiction thereof.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Unnamed Vendors Liability Extension

It is understood and agreed that the Insured is extended to include any person or organization which the Insured is obligated by virtue of a written contract to provide insurance such as is offered by this Extension (hereinafter referred to as the " Unnamed Vendor" but only with respect to the distribution or sale in the regular course of the Vendor's business of the Insured's Products, subject to the following additional provisions:

The Extension with respect to the Vendor does not apply to:

1. any expressed warranty or any distribution or sale for a purpose unauthorized by the Insured
2. Damages arising out of:
 - (i) any act of the Vendor which changes the condition of the Insured's Product
 - (ii) any failure to maintain the Insured's Product in merchantable condition
 - (iii) any failure to make such inspections, adjustments, tests or servicing as the Vendor has agreed to make or normally undertakes to make in the usual course of the business, in connection with the distribution or sale of the Insured's Products, or
 - (iv) Insured's Products which, after distribution or sale by the Insured, has been labelled or relabelled or used as a container, part or ingredient of any other thing or substance by or for the Vendor
 - (v) any fittings and/or manual work additions and alterations of whatsoever nature carried out to the Insured's Product by the Vendor
3. Bodily Injury or Property Damage occurring within the vendor's premises
4. any person or organisation, as insured from whom the Insured has acquired such Insured's Products or any ingredient, part or container, entering into, accompanying or containing such Insured's Products.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Waiver of Subrogation

In the event of any payment under this Policy, the Insurer waives its rights of recovery against the Additional Insured viz., XXXXX where such waiver has been included as part of a contractual undertaking by the insured, but this waiver shall apply only in respect to the specific contract entered into prior to the date of loss, existing between the Insured and such Additional Insured, and shall not

be construed to be a waiver in respect to other operations of such Additional Insured in which the Insured has no contractual interest.

Subject otherwise to the terms, conditions and exclusions of this Policy.

Work away from Premises Clause

It is hereby agreed that this Policy is extended to cover the legal liability of the Insured in respect of accidents arising in connection with the engagement of the actual progress of work undertaken by the Insured or any person in the service of the Insured in the course of business within the Policy territory but away from the Insured's premises.

Subject otherwise to the terms, conditions and exclusions of this Policy.

