

PRODUCT LIABILITY POLICY

Policy Number: 7470376

Insured & Address: ER-HA MÜH.MAK.SAN.İMALAT VE Tİ C.LTD.ŞTİ

Additional Insured: Following Principals/ Clients for their respective rights and interests:

SERTECHNIK-GMBH

Eichenstraße 24 · 86504 Merching · Germany

Management: Erwin Seefried

Registergericht Augsburg HRB 32760

Tel +49 8233 2171662 · Fax +49 8233 2171663 · TAX ID

102/137/30628 · VAT ID DE319783688

Description of Operation: Manufacturing following machineries & spare parts:

- Pneumatic Industrial Manipulators
- PM Industrial Manipulators
- BPM Industrial Manipulators
- Dosing Machines and Spare Parts
- Safety Valve Equipment
- Tank Protection Equipment
- Packing Machines for cement industry
- Steel Work
- Casting parts
- Welded Products

Wording :

Product Liability: Claims-made coverage given with respect to Product Liability General Conditions item (A.1.b) and Munich Re Public & Product Liability Wording – (Product Liability section) only and below stated special conditions.

Claims made coverage: Only claims arising after the retroactive date and reported during the policy period and (if applicable) extended reporting period are covered)

Insurance Period: 22.03.2022 – 22.03.2023

Retroactive Date: 22.03.2019 (claims arising after this date and reported during the policy period and extended reporting period (if applicable) are covered

Estimated Turnover: EUR 3,000,000 (Excluding sanctioned countries)

Territory: Worldwide (excluding USA/Canada)

Jurisdiction: Worldwide (excluding USA/Canada)

Limit of Liability:

Combined single limit of EUR 3,000,000 per occurrence and in the aggregate for Bodily Injury and Property Damage

Conditions:

In addition to the conditions stated in Turkish General Conditions and attached Munich Re Wording Product Liability section and attached Product Recall wording:

1. Premium Payment: 25% at inception and rest in 5 equal installments.
2. Defence costs and other costs included within limits (only for Product Liability)
3. Cover is only for products stated above for Product Liability
4. Insurer has a right of subrogation against suppliers/contractors for their liability regarding the loss for Product Liability
5. Warranted that packaging, labelling and all warnings on the products are as per Buyer conditions
6. Moral indemnities arising out of third party property damage and/or bodily injury arising out of an occurrence covered by the policy are included (only for Product Liability)
7. Batch clause
8. IMPORTANT CUSTOMERS
 - Unitherm Cemcon Feuerungsanlagen G.m.b.H.
 - FLSmidth Ventomatic S.p.A.
 - FLSmidth Pfister GmbH
 - BAUER Maschinen GmbH
 - SCHACHTBAU NORDHAUSEN GMBH
 - Innova S.R.L

Exclusions:

In addition to the exclusions stated in Turkish General Conditions and attached Munich Re Wording Product Liability section:

- Terrorism as per Swiss Re wording
- Asbestos Exclusion
- Any loss or disease (including cancer) arising out of existence, manufacturing, use, processing, sales and distribution of genetically modified organisms (GMO)
- Radioactive Contamination Exclusion
- Employers' Liability, Directors & Officers Liability, Employer's Practice Liability, Occupational Diseases,
- Pure Financial losses (losses that do not arise as a consequence of property damage and bodily injury)
- Consequential losses (loss of rent, loss of profit, loss of use and loss of value)
- Product Recall (if not included explicitly in the Schedule section of the policy)
- Products Guarantee and Warranty
- SRCC, revolution, rebellion, malicious acts and war.
- Absolute Pollution (Sudden, Accidental and Gradual) and Seepage
- Damage to the insured products
- Failure to supply
- Parts used for aviation and space products
- Products used in marine industry
- Losses arising out of pharmaceuticals, medical and dental implants
- Damages arising out of use of products disregarding specifications, intended use and user manual
- Third Party Liability claims that do not arise out of insured products
- Punitive & exemplary damages
- Losses arising out of processing done by third parties after the product is sold by the insured
- Contractual liability
- EMF and EMR exclusion
- Waiver of subrogation
- Paints, explosive chemicals, cosmetics, beauty products, pesticides, fertilizers, herbicides, disinfectants, animal feed
- Losses arising out of assembly and disassembly of the insured products to another product/place
- Losses that do not arise from defects in the insured products.
- Cost of damage to insured products

- SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union

- Additional exclusions for USA/Canada if coverage is given for these countries:

- LGT397 – Domiciled operations in USA and/or Canada (sale and/or distribution offices for products manufactured outside of USA and/or Canada and temporary visits are not included in this exclusion)
-LGT 388 – All expenses and costs are included within limits for claims in USA and/or Canada. Payments exceeding the limit of liability stated in the policy are excluded
- LGT 399 Punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages from the multiplication of compensatory damages against an original insured in respect of any claims or any judgement award or settlement made within the legal jurisdiction of the USA and/or Canada or to any order made anywhere in the world to enforce such judgement award or settlement in whole or in part shall be excluded.

Deductible:

EUR 7,500 each and every claim including costs and expenses

GROSS PREMIUM:

EUR 6,000

PREMIUM PAYMENT TERMS

01/04/2022	EUR 1,500.00
01/05/2022	EUR 900.00
01/06/2022	EUR 900.00
01/07/2022	EUR 900.00
01/08/2022	EUR 900.00
01/09/2022	EUR 900.00

This policy, consisting of 8 pages, has been issued as free translation in two copies and signed in Istanbul on 01.04.2022 upon request from the insured. This is a free translation. In case of conflict or discrepancy, Turkish policy will be valid and taken into consideration

INSURED

ER-HA MÜHENDİSLİK MAKİNE SAN.
İMALAT İHR. LTD. ŞTİ.

INSURER

DUBAI STARR SİGORTA A.Ş.


DUBAI SİGORTA A.Ş.
GENEL MÜDÜRLÜK
Altunizade Mah. Kısıklı Cad. Sarkuysan Ak İş
Merkezi 4/B K:1 D:7 34662 Üsküdar / İSTANBUL
Tel: (0216) 559 19 00 / Faks: (0216) 559 19 90
Büyük Mükellefler V.D.: 3130548291 / Tic. Sic. No: 665248
Mersis No: 0313054829100017
www.dubaisigorta.com.tr

Public and Products Liability Policy Wording

I. Insuring Agreement

Subject to the terms, limits, exclusions and other conditions contained in this policy and schedule, and in consideration of the Insured having paid or agreed to pay the premium Dubai Starr Sigorta A.Ş. (hereafter called "the Insurer") agrees to indemnify the Insured against

1. all sums which the Insured shall become legally liable to pay for compensation and claimants' costs and expenses in respect of any insured occurrence to which this policy applies and within the limits of indemnity hereunder as stated and in connection with the business as described in the schedule including premises owned by leased or rented to the insured
2. all costs and expenses of litigation incurred with the written prior consent of the Insurer in respect of a claim against the Insured to which the indemnity expressed in this policy applies

II. Insured Occurrences

(Applicable as stated in the schedule)

1. Public Liability

- a) Bodily injury (including death to or illness or disease) of or to any person
- b) Loss of or physical damage to tangible property happening during the period of indemnity insured by this policy but excluding products liability described hereunder and having been reported to the during this period of indemnity.

2. Products Liability

- a) Bodily injury (including death to or illness or disease) of or to any person
- b) Loss of or physical damage to tangible property caused by any commodity or goods manufactured sold supplied installed erected repaired altered or treated by the Insured and happening during the period of indemnity insured by this policy elsewhere than at the Insured's premises and having been reported to the Insurer during this period of indemnity.

III. Limits of Indemnity

1. Any one Occurrence

The liability of the Insurer for all compensation costs and expenses payable to any claimant or number of claimants in respect of any one occurrence shall not exceed the sum stated in the schedule as the limit of indemnity for any one occurrence

Claims Series Clause

For purposes of determining the limit of the Insurer's liability in respect of Insured occurrences as defined in

II.1. (Public Liability)

all losses arising out of continuous or repeated exposure to substantially the same harmful conditions

II.2. (Products Liability)

all losses occurring during the validity of the insurance and arising

- from the same cause, e.g. from the same fault in design manufacture instructions for use or labelling
- or attributable to the supply of the same products or to products showing the same defect

shall be deemed as **one** occurrence and as having occurred during that period of indemnity in which the first loss occurred.

2. Aggregate Limit

The liability of the Insurer for all compensation costs and expenses payable in respect of all occurrences happening during any one period of indemnity shall not exceed the sum stated in the schedule as the aggregate limit.

IV. Territorial Limits/Jurisdiction

The policy territory means Turkey (the country where the Insurer is domiciled). The policy is governed by the law/jurisdiction of Turkish courts.

However, the geographical scope is

1. worldwide in respect of temporary stays for business purposes of any person specified in definition V. 1 a) and 1 b) of the policy and
2. worldwide except USA and Canada and their territories and possessions in respect of goods sold or supplied by the Insured unless otherwise agreed and stated in the schedule.

V. Definitions and Extensions

1. Additional Persons Insured

If requested by the Insured and specified in the schedule, the "Insured" shall include

- a) any director or partner of the Insured in his respective capacity as such
- b) any person employed by the Insured under a contract of service or apprenticeship in his respective capacity as such
- c) any officer member or employee of the Insured's social sports or welfare organizations or first aid fire or ambulance services in his respective capacity as such.

2. Sports and Welfare Activities and Maintenance of Insured's Premises

The business shall include the provision and management of canteen social sports or welfare organizations for the benefit of the Insured's employees first aid fire and ambulance services and maintenance of the Insured's premises.

VI. Exclusions

This policy shall not apply to:

1. liability in respect of injury to or illness or disease of any person under a contract of employment service or apprenticeship with the Insured if such liability is in respect of injury or illness arising out of and in the course of his employment;
2. liability in respect of
 - a) any vehicle (or trailer attached thereto) licensed for public road use or for which compulsory insurance is required by any road traffic legislation if such vehicle is owned leased hired borrowed or driven by the Insured specified in the schedule or by the person seeking indemnity
 - b) the loading or unloading by or of any vehicle or trailer;
3. liability in respect of
 - a) any vessel or craft (other than hand propelled boats) made or intended to float on or in or travel through water or air or space if such vessel or craft is owned leased hired borrowed or operated by the Insured
 - b) the loading or unloading by or of any vessel, water craft or aircraft;
4. any remedial professional or other advice or service or treatment given, administered or omitted by the insured (Professional Indemnity);
5. liability for any financial loss not resulting from property damage or bodily injury as defined in II (pure financial loss);
6. any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from pollution of air, water or soil;
7. liability in respect of loss of or damage to property
 - a) belonging to the Insured
 - b) worked upon by or in the care, custody or control of the Insured or any person employed by or working for the Insured;

8. liability for loss of or damage to property arising from fire, lightning or explosion on the Insured's premises;
9. claims as far as the delayed performance or fulfilment and the compensation substituting the fulfilment of contracts are concerned;
10. claims for damages to work or goods produced or supplied by the insured (or by third parties under his order or for his account) due to a cause inherent in the manufacture or supply;
11. liability in respect of recalling removing repairing replacing reinstating or the cost of or reduction in value of any commodity or good supplied installed or erected by the Insured if such liability arises from any defect therein or the harmful nature or unsuitability thereof;
12. liability in respect of any commodity or good supplied installed or erected by the Insured for aviation or spacecraft purposes or the automobile industry (including any spare parts and components) purposes;
13. liability in respect of any occurrence which results from a deliberate dishonest or intentional act or omission of the Insured and which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission;
14. liability assumed by the Insured by contract or any other agreement unless such liability would have attached to the Insured in the absence of such contract or agreement;
15. any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - 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
 - c) asbestosis or any related disease (including cancer) resulting from the existence production handling processing manufacture sale distribution storage deposit or use of asbestos asbestos products and/or products containing asbestos;
16. liability for any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power terrorism vandalism malicious mischief or sabotage;
17. fines penalties punitive or exemplary damages;
18. claims filed by the Insureds under this policy against each other or filed by any party
 - which is directly or indirectly owned, controlled, operated or managed by the Insured,
 - which owns, controls, operates or manages the Insured,
 - in which the Insured is a partner, consultant or employee or relative (incl. spouse).

VII. Conditions

This policy any endorsement hereon the schedule and the special conditions shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this policy or the schedule or the special conditions shall bear that meaning wherever it may appear.

1. The Insured shall take all reasonable precautions to prevent or minimize injury, illness, loss or damage which may give rise to a claim under this policy.
2. Any occurrence which might give rise to a claim under the policy shall be reported in writing to the Insurer as soon as possible. As far as practicable no alteration or repair shall be carried out until the Insurer has had an opportunity of investigating. The Insured shall give immediate notice of any impending prosecution inquest fatal injury or civil proceedings in connection with the occurrence and shall send to the Insurer immediately every relevant document.
3. The Insured shall not admit liability or settle or make or promise any payment in respect of any claim which may be the subject of indemnity hereunder, or incur any costs or expenses in connection therewith, without the written consent of the Insurer which shall be entitled to take over and conduct in the name of the Insured the defence and/or settlement of any such claim, for which purpose the Insured shall give all the information and assistance that the Insurer may reasonably require.

The Insurer will not settle any claim without the consent of the Insured. If, however, the

- Insured refuses to consent to any settlement recommended by the Insurer and elects to contest or continue any legal proceedings then the liability of the Insurer shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred with their consent up to the date of such refusal.
4. The Insurer may pay to the Insured the maximum sum payable under this policy in respect of any occurrence or any lesser sum for which the claim or claims arising from such occurrence can be settled and the Insurer shall not be under any further liability in respect of that occurrence except for the payment of costs and expenses of litigation incurred prior to such payment.
 5. If at the time of any occurrence or claim there is or but for the existence of this policy would be any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such occurrence or claim the Insurer shall not be liable under this policy to indemnify the Insured in respect of such occurrence or claim except as far as concerns any excess beyond the amount which would be payable under such other indemnity or insurance had this policy not been effected.
 6. If the premium for this policy has been calculated on any estimates given by the Insured, the Insured shall keep an accurate record containing all relevant particulars and shall at any reasonable time allow the Insurer to inspect such record and, following the expiry of each period of indemnity, shall supply to the Insurer a correct statement so that the premium for that period shall be calculated and the difference paid by or allowed to the Insured as the case may be.
 7. The Insurer may at any reasonable time inspect any property and, in the event of any defect or danger being apparent, the Insurer may give written notice to the Insured when all liability of the Insurer arising from such defect or danger shall be suspended.
 8. If at any time anything shall occur materially affecting the risk insured, the Insured shall within seven days give notice in writing to the Insurer.
 9. The Insured shall at all times
 - a) give to the Insurer or their duly appointed representatives such information, assistance and signed statements as the Insurer may require, and
 - b) assist in the defence of any claim without charge to the Insurer;
 10. The due observance and fulfilment of the terms, provisions and conditions so far as they relate to anything to be done or complied with by the Insured and the truth of the statements in the proposal made by him (which shall be the basis of this contract and held to be incorporated herein) shall be conditions precedent to any liability of the Insurer.
 11. In the event of any dispute arising between the Insured and the Insurer, this insurance shall be governed by the law of the country specified in the schedule, whose courts only shall have jurisdiction in any dispute arising hereunder.
 12. It is hereby agreed that if any payment is made under this insurance in respect of a claim, the Insurer is thereupon subrogated to all the Insured's rights of recovery in relation thereto.
 13. If the Insured makes any claim knowing the same to be fraudulent or false, as regards amount or otherwise, this Insurance shall become void and all claims thereunder shall be forfeited.
 14. This insurance shall not be called upon in contribution and shall only pay such loss if and so far as it is not recoverable under any other insurance.
 15. The indemnity provided by this policy is restricted to apply in respect of
 - a) compensation resulting from judgement rendered by or obtained from a court of competent jurisdiction in the territory stated in the schedule
 - b) charges, expenses and legal costs incurred and recoverable in the territory stated in the schedule.
 16. In the absence of local legal regulation regarding cancellation, this insurance may be cancelled by the Insured at any time by giving written notice to the Insurer. This insurance may also be cancelled by or on behalf of the Insurer by registered, certified or other first class mail to the Insured's address as shown in this schedule, containing written notice about when, not less than 30 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.

17. If this insurance is cancelled by the Insured the Insurer shall refund the customary short rate proportion of the premium hereon.

If this insurance is cancelled by, or on behalf of, the Insurer for any reason other than non-payment of the premium or any breach of contract by the Insured, the Insurer shall refund the pro rata proportion of the premium hereon.

18. Payment or tender of any unearned premium by the Insurer shall not be a precondition for the validity of cancellation, but such payment shall be made as soon as practicable.
19. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

VIII. Period of Indemnity (Policy Period)

The period of indemnity is one year. The policy continues to apply and the premium shall be due for subsequent annual periods unless cancellation of this policy by written notice of one of the parties within three months prior to each anniversary date.

COMMUNICABLE DISEASE EXCLUSION

1. Notwithstanding any provision to the contrary within this reinsurance agreement, this reinsurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

2.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

2.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

2.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.