



PICC
中国人民保险

PRODUCTS LIABILITY INSURANCE POLICY



September, 2022

This policy is subject to Chinese, English version is for reference only

PRODUCTS LIABILITY INSURANCE POLICY

PRODUCTS LIABILITY INSURANCE POLICY

Policy No. : PZAI202237020000000083

WHEREAS THE INSURED named in the Schedule hereto has made to PICC Property and Casualty Company Limited (hereinafter called "the Company") a written Proposal which together with any other statements made by the Insured for the purpose of this Policy is deemed to be incorporated herein and has paid to the Company the premium stated in the Schedule.

NOW THIS POLICY OF INSURANCE WITNESSES that subject to the terms and conditions contained herein or endorsed hereon the Company shall indemnify the Insured for the legal liability incurred by the Insured during the period of insurance stated in the Schedule in the manner and to the extent hereinafter provided.

By PICC 中国人民财产保险股份有限公司青島市分公司
PICC PROPERTY AND CASUALTY COMPANY LIMITED

QINGDAO BRNCH

P.P.

Authorized Signature

Date of Issue: September 07, 2022

Place of Issue: Qingdao City, Shandong Province, China

This Policy comprises mainly the Schedule, Scope of Cover, Exclusions, Treatment of Claim, Insured's Obligations, General Conditions and Special Provisions, including also the Proposal of Insurance together with its attachments as well as any additions to be made, from time to time, by the Company in the form of Endorsement.

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6. Deductible (any one accident): USD2,000.00 OR 5% OF THE LOSS AMOUNT WHICH EVER IS HIGHER PER OCCURRENCE

7. Period of Insurance: 12 Months Total

From September 08, 2022, 00:00am to September 07, 2023, 24:00pm

8. Premium:

9.1 Premium Rate: 0.1167%

9.2 Premium: Deposit Premium/Minimum Premium: USD 7,000.00

9. Date of Payment: September 06, 2022

10. Jurisdiction: Worldwide (Including USA & Canada)

11. Retroactive Period:

From September 08, 2019, 00:00am to September 07, 2022, 24:00pm

12. Conditions:

— PICC P&C PROPERTY AND CASUALTY COMPANY LIMITED PRODUCTS

LIABILITY INSURANCE CLAUSES(1995 VERSION)

— Claim-Made

— Batch Clause.

— The Insured shall warrant the insured products meet respective Mandatory or Voluntary safety standards and other applicable regulations where the products are distributed to

— Except for the loss of vessel or aircraft

— Product Recall/Guarantee Exclusion

— Employees' Bodily Injury Exclusion

PICC PROPERTY AND CASUALTY COMPANY LIMITED
PRODUCTS LIABILITY INSURANCE CLAUSES
(1995 VERSION)

I . Contract Constitution

The Insurance Clauses, Proposal Form, Policy or Certificate, and Endorsements (if any) constitute this Insurance Contract. Any agreement related to this Insurance Contract shall be in written form.

II . Scope of Cover

1. The Insurer will indemnify the Insured in the manner and within the Limit of Indemnity as specified in the Schedule against such sum as the Insured shall become legally liable to pay in respect of claims made against the Insured arising from bodily injury to or illness or death of or loss of or damage to property of one or more persons using , consuming or handling the insured products or goods, or of any other persons consequent upon an occurrence taking place in the territory of coverage within the period of insurance caused by products or goods manufactured or sold by the Insured as stated in the Schedule.

2. In respect of any claim covered under this Policy, the Insurer shall in addition indemnify the Insured against the relevant litigation costs payable by the Insured and other expenses incurred in the above mentioned occurrence with the prior written consent of the Insurer.

The total sum payable by the Insurer for each occurrence under the above-mentioned item 1 and item 2 should not exceed the Limit of Indemnity for each occurrence as specified in the Schedule of the Policy. During the Period of Insurance, the total liability of the Insurer for the sums of compensation and the litigation costs and expenses shall not exceed the Aggregate Limit of Indemnity as specified in the Schedule of the Policy.

III. Exclusions

The Insurer shall not be liable for:

1. liability assumed in accordance with any agreement between the Insured and other parties, unless such legal liability would have been attached to the Insured notwithstanding such agreement;
2. Liability assumed by the Insured under any Labor Law or Workmen's Compensation Statute;
3. Liability of the Insured to employees which is based on the relationship of employer and employee;

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assistance as the Insurer may require.

2. The indemnity that shall be paid by the Insurer for each occurrence is subject to court award, arbitration award or settlement agreed by the Insured, the victim and the Insurer.
3. Bodily injury to or illness or death of or damage to property of more than one person arising from same lot of products or goods manufactured, sold due to the same cause shall be considered as resulting from one occurrence.
4. Upon receipt of a claim from the Insured, the Insurer shall confirm whether the Loss is covered by this Policy or not in a timely manner and notify the Insured of the decision. For complicated case, if the Insurer could not confirm whether the loss is covered by this Policy or not within 30 days counting from the date when the Insurer receives the indemnity request from the Insured, the Insurer shall consult with the Insured to set down a reasonable period according to actual situation, then make the decision and notify the Insured within the above period. The Insurer shall fulfill the obligation of payment within ten days after reaching an agreement with the Insured if the loss is covered under this Policy.

If the loss is not covered under this Policy, the Insurer shall issue a rejection letter and explain the reasons to the Insured within three days after the decision.

5. The Insurer shall allow an advance payment that can be determined by the available proofs or documents if the final settlement amount cannot be determined within sixty days after receipt of such claim and relevant documents, and pay the balance to the Insured after the final amount of indemnity is adjusted.
6. Upon an occurrence causing bodily injury or property damage to the victim by the insured products, the insurer shall not indemnify the insured until the insured indemnifies the victim.
7. The time limitation of action to claim for indemnity raised by the insured to the insurer under this Policy shall be two years counting from the date when the Insured has known or should have known the occurrence of the Accident.

V. Obligations of the Applicant and/or insured

The following Obligations shall be strictly fulfilled by the applicant, Insured and their representative:

1. While entering into an insurance contract, the Applicant shall make full and accurate representation and disclosure at the request and/or inquiry of the Insurer and complete the Proposal Form faithfully.

If the Applicant fails to fulfill the obligation of making full and accurate representation and disclosure as aforementioned due to his willful act and/or gross negligence, which may affect the Insurer's decision of whether to write the risk of the insurance and, if so, whether to raise the premium rate, the Insurer is entitled to cancel the Policy.

If the Applicant willfully fails to comply with the obligation of making full and accurate representation

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additional loss resulting from the Insured not providing the aforementioned notice or necessary assistance timely.

5. For making claims under the policy, the Insured shall submit the following proof and documentary materials:

5.1 the original policy;

5.2 the claim application filled in by the Insured or his representative;

5.3 the relevant claim documents provided by the victim against the Insured;

5.4 If the accident causes bodily injury to the victim, the Insured shall provide the original medical documents, such as medical record, diagnostic certificate, medical expenses certificate etc issued by the medical institution Grade II or higher; If the victim suffers disablement or disability, the Insured shall provide the certificate of disablement or disability issued by the disability appraisal institute or the qualified medical institution; If the victim suffers death, the Insured shall provide the certificate of death issued by the public security department or the medical institution;

5.5 If the accident causes loss of or damage to the property of victim, the Insured must provide the list of loss and expenses;

5.6 the relevant legal instruments(court award, arbitration award, judgments, mediation, etc.);

5.7 all other information and available documents or proofs concerning the verification of the nature, cause and extent of the loss that can be provided by the Applicant or Insured.

If the Applicant or Insured fails to fulfill their obligation of providing the proofs and documents as aforementioned, which makes the Insurer not able to verify the loss, the Insurer shall not indemnify the Insured in respect of the uncertain part.

If the Insurer believes that the proofs and documents provided by the Insured are not sufficient, the Insurer shall request the Applicant and/or the Insured to provide additional materials in time and once for all.

6. If discovery of a defect in any product or goods insured shall indicate or suggest that similar defect exists in other products or goods insured, the Insured shall, at his own expenses, investigate and rectify forthwith the defect in such other products or goods. Otherwise, all damages arising out of the said defect shall be borne by the Insured.

7. The Insured shall warrant the insured products meet respective Mandatory or Voluntary safety standards and other applicable regulations where the products are distributed to.

VI. General Conditions

1. Risk Change

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4 months	5 months	50% of the annual premium
5 months	6 months	60% of the annual premium
6 months	7 months	70% of the annual premium
7 months	8 months	80% of the annual premium
8 months	9 months	85% of the annual premium
9 months	10 months	90% of the annual premium
10 months	11 months	95% of the annual premium
11 months	12 months	100% of the annual premium

3. Forfeit of Benefit

If no accident occurs, but the Insured or the Beneficiary makes false claims and lodges compensation against the Insurer, the Insurer shall be entitled to cancel the Policy and no premium shall be refunded.

After the occurrence of an insured event, if the Applicant, Insured or Beneficiary forges or alters the relevant proofs, documents or other evidences, fabricates the false cause of accident or exaggerates the extent of loss, the Insurer shall not be liable nor pay the compensation for the false part.

4. Reasonable Inspection

The insured shall strictly observe the relevant Laws, bye-laws, and regulations related to fire prevention, safety, production operations and the use of special equipment, improve management, take reasonable preventive measures to ensure safety of the Property Insured and try to avoid and/or minimize the Loss.

The representative of the Company shall at any suitable time be entitled to attend the site and inspect or examine the risk exposure of the premises in order to observe the above clause. For this purpose, the Insured shall provide full assistance and all details and information required by the Company as may be necessary for the assessment of the risk. The above mentioned inspection or examination shall in no circumstances be held as any admission to the Insured by the Company. The Insured and the applicant should strictly perform the written suggestion from the Insurer regarding how to remove unsafe factor and hidden risk.

The insurer should not be liable for the loss due to the Insured or Applicant's failure to perform the above agreement; the insurer should also not be liable for the increased portion of the loss caused hereby.

5. Other Insurance

Should any loss, expenses or liability recoverable under the Policy be also covered by any other insurance, the Insurer shall only be liable to pay or contribute his proportion of the claim irrespective as

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a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your products" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project. Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
- (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

2. Efficacy Exclusion Clause

Notwithstanding anything to the contrary contained in this Policy, it is agreed that this Policy shall not apply to any liability for bodily injury, sickness, disease, occupational disease, disability, shock, mental anguish or mental injury, including death at any time resulting therefrom, sustained by an employee of the Insured, and arising out of and in the course of his employment by the Insured.

Subject otherwise to the terms, exceptions and conditions of the Policy.

3. Employees' Bodily Injury Exclusion

Notwithstanding anything to the contrary contained in this Policy, it is agreed that this Policy shall not apply to any liability for bodily injury, sickness, disease, occupational disease, disability, shock, mental

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mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;

(2) Resulting from the Hazardous Properties of Nuclear Material and with

respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the Insured is, or had this policy not been issued would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to

Bodily Injury resulting from the Hazardous Properties of Nuclear Material and arising out of the operation of a Nuclear Facility by any person or organization.

C. Under any Liability Coverage, to Bodily Injury or Property Damage resulting from the Hazardous Properties of Nuclear Material:

(1) The Nuclear Material (a) is at any Nuclear Facility owned by, or operated by or on behalf of, an Insured or (b) has been discharged or dispersed therefrom;

(2) The Nuclear Material is contained in Spent Fuel or Waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured, or

(3) The Bodily Injury or Property Damage arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any Nuclear Facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to Property Damage to such Nuclear Facility and any property thereat.

2. As used in this endorsement:

Hazardous Properties include radioactive, toxic or explosive properties.

Nuclear Material means Source Material, Special Nuclear Material or By-Product Material. Source Material, Special Nuclear Material and By-Product Material have the meanings given to them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

Spent Fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a Nuclear Reactor.

Waste means any waste material (a) containing By-Product Material other than the

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C.To any obligation to defend any suit or claim against the insured alleging personal injury, or property damage, if such suit or claim arises from personal injury or property damage resulting from or contributed to, by any and all manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers or asbestos dust.

Further, should the underlying limits become impaired or exhausted for claim(s) payment(s) and/or loss adjustments expense(s) excluded by this endorsement, coverage provided by this policy will not drop down over the impaired or exhausted underlying limits, however, the policy will continue to respond for covered claims in excess if the limits stated in the declaration page as underlying.

Subject otherwise to the terms, exceptions and conditions of this policy.

7. Absolute Pollution Exclusion

Notwithstanding anything to the contrary contained in this Policy, it is agreed that this policy shall not apply:

A.To any personal injury or property damage arising out of the actual or threatened discharge, dispersal, release or escape of pollutions, anywhere in the world;

B.To any loss, cost or expense arising out of any governmental direction or request that the insured, the company or any other person or organization test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollution.

C.To any loss, cost or expense, including but not limited to costs of investigation or attorney's fees, incurred by a government unit or any other person or organization to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutions.

"Pollutions" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste materials. Waste materials include materials which are intended to be or have been recycled reconditioned or reclaimed.

Further, should the underlying limits become impaired or exhausted for claim(s) payment(s) and/or loss adjustment expense(s) excluded by this endorsement, coverage provided by this policy will not drop down over the impaired or exhausted underlying limits, however, the policy will continue to respond for covered claims in excess of the limits stated in the declaration page as underlying.

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

8. Lead Exclusion

This insurance does not apply to any injury, damage, expense, cost, loss, liability or legal obligation

