Annex 7c: Draft Insurance policy wording

Content

ANNEX 7C: DRAFT INSURANCE POLICY WORDING 1

SECTION 1 2
ERECTION / CONSTRUCTION ALL RISKS 2
PROPERTY INSURED 2
PROPERTY INSURED - BASIS OF RECOVERY 2

SECTION 2 .DELAY IN START-UP 15
Insuring Clause: 15
Definitions: 15
Exclusions: 16

GENERAL CONDITIONS APPLICABLE TO SECTIONS 1 AND 2 20
1. Primary Policy 20
2. Adjustment of Premium 20
3. Reasonable Precautions 20
4. Access and Inspection 20
5. Electronic data endorsement 20

SECTION 3. THIRD PARTY LIABILITY 21
Insuring Agreement 21
2. Exclusions 22
3. Liability consequent upon 22

SECTION 4. OPTIONS 26

CONDITIONS APPLICABLE TO ALL SECTIONS 26
1. Fraudulent Claim Clause 26
2. Security Downgrade Clause 26
3. Several Liability Notice: LSW 1001 (Insurance) 26
4. Engineering Fees 26
5. Sanction Limitation and Exclusion Clause 26
6. Premium Payment Clause 27
7. Cancellation 27
8. Interpretation 27
9. Claims 28
10. Subrogation 29
11. Law and Jurisdiction 30
12. Dispute resolution 30
13. Material change in risk. 30
14. Permission for other insurance 31
15. Other insurance 31

SECTION 1

ERECTION / CONSTRUCTION ALL RISKS

Preamble:

Whereas, the Insureds named in the Risk Details has applied to the Insurers named in the Risk Details for the insurance hereinafter described .

In consideration of the payment of, or promise to, pay the Premium by the Policyholder and subject to the terms exclusions and conditions contained herein, or endorsed hereon, collectively referred to as "the Terms of this Policy" the Insurers will indemnify the Insured in the manner and to the extent hereinafter specified.
Capitalized terms not otherwise defined in this Policy shall have the meaning according to terms within the Construction Contracts or any other relevant contract or agreement specific to the Project.

Insurers and the Insureds shall be individually referred to as a Party and collectively as Parties.

Insuring Clause:

Cover is provided for all Insureds unless specifically provided otherwise.

The Insurers will indemnify the Insureds in respect of physical loss of, destruction, or damage (hereinafter referred to as "Loss") to the Property Insured occurring during the Period of Insurance arising from any cause whatsoever except as hereinafter excluded.

PROPERTY INSURED

Property belonging to, or in the availability of, the Insureds or in respect of which the Insureds have undertaken a contractual obligation to repair or replace, or to obtain insurance including but not limited to:

i) the permanent and/or Temporary Works and offsite works, materials, machinery, fuel, equipment, supplies, fixtures and facilities (including free issue materials) goods and any other property intended for use in connection with or, for incorporation in, the Insured Project (including but not limited to constructional equipment, construction camp and site offices) by the Insured to the extent that the values are incorporated within the estimated final contract value.

ii) whilst at the Project Location (including all project lay down areas) and within the Territorial Limits during the course of any transit including within the coastal waters (other than transit by air or ocean marine transit except within the reasonable confines of the Project Location or whilst on roll on - roll off ferries) place of storage and all loading and unloading.

Provided that the liability of the Insurers shall not exceed the Limit of Liability stated in the Risk Details for the Insured Project attaching other than as specifically provided for herein.

PROPERTY INSURED - BASIS OF RECOVERY .

The indemnity in respect of the Property Insured shall be on the basis of the actual cost of repair, reinstatement or replacement of such property in either case in a condition equal to but not better or more extensive than its condition when new.

In the event of total, or constructive total loss, or destruction of the Property Insured the work of reinstatement or replacement may be carried out in another location and in a manner suitable to the requirements of the Insured subject to the liability of the Insurers not being thereby increased.

Definitions:

COMMISSIONING

The process by which an Insured equipment, machinery, facility or plant which is installed, or is complete, or near completion is tested to verify its function in accordance to its design, objectives, specifications or training operational personnel.

HOT TESTING

Hot Testing means a start-up or other form of testing or hot testing including operational or performance tests, examination, trial of the Property Insured to prove their ability and function as a whole.

HYDROSTATIC TESTING .

The way which pressure vessels, equipment, pipelines, plumbing, and vessels are tested to verify proper installation, workmanship and absence of leaks. This testing can either be considered part of Commissioning or Hot Testing as above defined.

LOSS

It's the occurrence of an event resulting in physical loss of or damage to Property Insured during the Period of Insurance and of the type insured against under this policy.

SERIAL LOSS

A sequence of Losses arising out of the same cause. For the purpose of this Policy, a Serial Loss shall be treated as a single Loss provided that the date of occurrence of all events giving rise to a Serial Loss fall within the Period of Insurance.

PROJECT LOCATION

All construction sites which form part of the project works and such additional land either adjoining or nearby as provided for under the applicable project contract(s).

In respect of pipe-lay activities the definition of Project Location includes the pipeline right of way and areas used for storage of pipe materials.

TEMPORARY WORKS

shall mean all structures and their materials which are not intended to form part of the permanent works but which are intended to provide working access to the Contract Site or to the permanent works or which are intended to provide temporary support to the permanent works under construction but shall not mean

(a) site accommodation (other than accommodation which forms or is intended to form part of the permanent works) and contents.

structures or their materials intended for re-use after completion of the permanent works such as constructional machinery and equipment unless their full value has been declared in the sums insured.

Exclusions:

The Insurers shall not indemnify the Insured except as otherwise provided herein in respect of

1. Penalties and Consequential Loss

(a) penalties or liquidated damages for delay non-completion or non-compliance with the conditions of contract

(b) consequential loss of whatsoever nature except as otherwise specifically herein endorsed.

2. LEG 3/06 Defects Improvements.

All costs rendered necessary by defects of material, workmanship, design, plan, or specification and should damage (which for the purposes of this exclusion shall include any patent detrimental change in the physical condition of the Insured Property) occur to any portion of the Insured Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost incurred to improve the original material, workmanship, design, plan or specification.

For the purpose of the policy and not merely this exclusion it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material, workmanship, design, plan or specification".

3. Wear And Tear

the cost of rectifying wear tear corrosion or oxidation or gradual deterioration but this Exclusion shall be limited to the part or parts immediately affected if and only if any of the abovementioned perils are the sole and unique cause of Damage to the Property Insured and shall not apply to Loss to other Property Insured not suffering from such wear tear corrosion or oxidation or gradual deterioration as a consequence thereof.

4. Inventory

Loss of the Property Insured by disappearance or shortage revealed or found during normal stocktaking or inventory checking where the loss cannot be traced to an insured event

5. Deductibles

The amounts specified in the Risk Details as the Deductibles or as specifically agreed for the Insured Project

6. War

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss

war invasion acts of foreign enemies hostilities or warlike operations (whether war be declared or not) civil war rebellion revolution insurrection civil commotion assuming the proportions of or amounting to an uprising military or usurped power.

7. Money

Deeds bonds bills of exchange promissory notes cash postal or money orders bank notes cheques securities for money or stamps

8. Aircraft/Watercraft/Motor

Loss to

i) any aircraft or hovercraft

ii) any power driven marine or waterborne craft exceeding 15 metres in length and plant permanently mounted thereon

iii) any mechanically driven vehicle licensed for use on a public road or while operating in circumstances requiring insurance in accordance with local legislation, except where used on site as a tool of the trade.

9. Radiation

Damage liability or expense directly or indirectly caused by or contributed to by or arising from

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

b) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof

c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter The exclusion in this sub-clause does not extend to radioactive isotopes other than nuclear fuel when such isotopes are being prepared carried stored or used for commercial agricultural medical scientific or other similar peaceful purposes

10. Mold/Fungi

Damage directly or indirectly caused by or contributed to by or arising from any Pathogenic Organism For the purposes of this exclusion Pathogenic Organism shall include but not be limited to mold or fungi or its spores bacteria yeasts mildew algae mycotoxins or any other metabolic products enzymes or protein secreted by the above whether toxic or otherwise

11. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of resulting from or in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity

Memoranda:

The Memoranda shall be subject to the Terms of this Policy except where stated otherwise

1. This insurance extends to include

(a) Professional Fees

architects' surveyors' consulting engineers' and other professional fees necessarily incurred in connection with the reinstatement of Damage insured hereunder (but not for the preparation of any claim)

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(b) Plans and Documents

The necessarily incurred cost of rewriting or recreating plans, blueprints, drawings, renderings, patterns, designs, calculations, specifications, contract documents or other documents or data Lost.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(c) Debris Removal and Cost of Clean Up

Costs and expenses necessarily incurred by the Insured in connection with the

(i) removal and disposal of debris detritus and other materials including liquids gases or vapors and/or dismantling and/or demolition including temporary storage and/or protection of dismantled or demolished property following Loss.

(ii) shoring up propping underpinning dewatering and/or clearance of drains sewers and services and/or any other reasonable and necessary action following Loss.

(iii) marking and/or lighting and/or removal and/or destruction of the wreck of vessel craft plant equipment materials or other things for which the Insured has such responsibility

(iv) cost of removing and disposing of debris from the Project Location or areas adjacent thereto following the action of any insured peril to the nearest and available landfill or other disposal site, as applicable.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(d) Expediting Expenses

Additional expense necessarily incurred by or on behalf of the Insured in expediting the reinstatement replacement or repair of the Property Insured following insured Loss

Such additional expenses shall be deemed to include but not be limited to express carriage and other charges air freight travel costs overtime nightwork weekend and shift working bonus payments work on public holidays hire of plant and equipment hire of labour or services (whether professional or otherwise) administrative and overhead expenses

Provided that the Insurers shall not indemnify the Insured for costs incurred solely to expedite completion of any Insured Project at a faster rate than would have been the case had no Loss occurred

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(e) Preventative Measures

The Insured's liability for costs necessarily and reasonably incurred as a result of emergency action taken in order to prevent or minimize the severity of Loss .

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(f) Local Authorities Reinstatement

Such additional cost of reinstatement of the Property Insured that suffered a Loss as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any governmental legislation or laws of any local authority provided that

The amount recoverable under this Memorandum shall not include

a) the cost incurred in complying with any of the aforesaid regulations

i) in respect of loss or damage not insured by this Policy

ii) under which notice has been served on the Insured prior to the occurrence of Loss.

iii) for which there is a Policy which has to be implemented within a given period existing prior to the inception of this Policy.

iv) in respect of undamaged property or undamaged portions of property other than the foundations of that portion of the property sustaining Loss.

b) the amount of any tax, duty or other charge or assessment arising out of capital appreciation which may be payable in respect of the property by the owner thereof by reason of compliance with any of the aforesaid regulations.

c) the additional cost that would have been required to make good the Property Insured that suffered a Loss equal to its condition when new had the necessity to comply with the government statutory municipal and other binding regulations not arisen.

The work of reinstatement must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site subject to the liability of the Insurers under this Memorandum not being increased.

(g) Additional Costs

In the event of any Loss as may be admitted under this Policy or which would have been admitted but for the Deductibles an indemnity to the Insured against

(a) the amount by which the cost of completing the works uncommenced or incomplete at the date of the Loss shall exceed the cost of construction had the Loss not occurred

(b) additional expenditure necessarily and reasonably incurred for the sole purpose of expediting completion of the contract works but excluding expenditure incurred to accelerate completion at a faster rate than would have been the case had no Loss occurred

The amount payable under this Memorandum in respect of the Project shall not exceed the sub limit as specified in the Risk Details.

(h) Recovery of the Property Insured

The necessarily incurred expenditure to recover or relocate the Property Insured which in consequence of an indemnifiable event under this Policy is located or positioned other than its intended final location or position and which without such recovery or relocating would otherwise be lost.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(i) Temporary Repairs Clause

the costs of effecting temporary repairs following Loss in order that work may continue provided that the liability of the Insurers for the cost of such temporary repairs for the Insured Project shall not exceed 20% of the actual cost of the permanent replacement or repair

(j) Damage to Existing Property

Loss to property located on or adjacent to the site and belonging to or held in care custody or control by the Insured shall only be covered if occurring in direct connection with the erection, construction, Commissioning or Testing of the items insured under this Policy and during the Period of Insurance . This cover does not apply to construction/erection machinery and construction/erection plant and equipment

The amount payable under this Memorandum in respect of the Insured Project shall not exceed 110% of the sums insureds listed in the Policy Schedule under existing Property.

(k) Removal to Place of Safety

Such additional costs and expenses incurred for removal and storage of undamaged property to a place of safety following a Loss.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(l) Loss Mitigation

In case of actual or imminent Loss to the Property Insured expenses be necessarily and reasonably incurred by or on behalf of the Insured in an attempt to prevent or minimise further damage arising from such occurrence or to allow execution of the Insured Project works to continue, Insurers will indemnify the Insured in respect of such expenses but not exceeding, in the aggregate, the amount by which loss otherwise payable under this Section is thereby reduced.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(m) Hot Testing and Commissioning

Hot Testing and Commissioning and start up activities carried out during the Period of Insurance.

(n) Offsite and Temporary Storage and Transit

Loss to Property Insured within the Territorial Limits during the course of any transit including within the coastal waters (other than transit by air or ocean marine transit except within the reasonable confines of the Project Location or whilst on roll on roll off ferries), and at any place of storage including loading or unloading to the extent that such Lossis not recoverable under any other insurance

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(o) Offsite Works

Loss to Works on offsite fabrication sites / premises other than suppliers and manufacturers premises

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(p) Horizontal Directional Drilling

Loss occurring during horizontal directional drilling operations below rivers, railways, embankments, motorways and other structures only if a soil analysis (soil samples test borings sieve analyses and other appropriate tests) required for proper drilling operations in accordance with latest technical standards have been carried out prior to the commencement of work.

It is further agreed and understood that the Insurers shall not indemnify the Insured for Loss caused by or resulting from:

- missing the target point of the drilling deviations from the scheduled direction in the absence of any physical damage
- loss of or change in the drilling mud (eg. bentonite)
- damage to the outer lining of the pipeline in the area of horizontal directional drilling

The Limit of Liability for this Memorandum is the drilling costs + material value of pipeline to be drawn in + value of drilling equipment.

(q) Condition for Open Trenches

Loss due to storm, rain, flood, inundation such as sanding, silting up, mudding up, erosion, collapse and floating up of pipes, ducts or cables, sustained by completely or partly excavated open trenches and/or items laid therein, up to a maximum length of 5 km open section/trench per work front any one event and maximum of 50km per event from all work fronts affected.

In respect of flood zones 1 in 100 year return period, the maximum open section/trench per work front is 1 km and 2.5 km in the aggregate.

The Insured shall make sure that plugging facilities are available near the pipe ends for emergency purposes.

(r) Repeat Tests

Cost and expenses incurred whether or not in consequence of Loss covered under this Policy, to repeat any test or trial.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(s) Extended Maintenance Cover

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, this insurance shall be extended for the maintenance period of 24 months to cover Loss to the contract works

- caused by Contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract,

- occurring during the maintenance period provided such loss or damage was caused on the site during the erection period before the certificate of completion for the Lost section was issued.

(t) Service Charges

Regular service charges including but not limited to any government or authority charges incurred by the Insured as a result of Loss .

(u) Fire Brigade Charges and Extinguishing Expenses

The following reasonable and necessary charges:

(a) fire department firefighting charges and other extinguishing expenses imposed as a result of response to a fire in, on or exposing the Insured Property

(b) costs incurred of restoring and recharging fire protection systems following Loss.

(c) costs incurred for water and chemicals used for fighting a fire in, on or exposing the Insured Property

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(v) Seepage and/or Pollution and/or Contamination

Costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination directly or indirectly arising from Loss .

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(w) Demolition and Increased Cost of Construction

Should Loss cause the enforcement of any law, ordinance, governmental directive or standard regulating the construction, repair, use, or occupancy of property, the Insurers shall be liable for;

- the cost of demolition the undamaged property including the cost of clearing the site;
- the proportion that the value of the undamaged part of the property bore to the value of the entire property prior to Loss;

- increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site, limited to the cost that would have been incurred in order to comply with the requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on the same site. However, Insurers shall not be liable for any increased cost of construction unless the damaged property is actually rebuilt or replaced;

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(x) Extra Expense

The necessary Extra Expense incurred by the Insured in order to resume or continue as nearly as practicable the normal conduct of the Insured's business following a Loss.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(y) Accounts Receivable

Any shortage in the collection of accounts receivable, resulting from Loss to accounts receivable records while anywhere within the Territory stated in the Risk Details, including while in transit in such territory. Insurers will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such Loss . Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the recovery.

1. Loss to accounts receivable records, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.

2. The Insured agrees to use any suitable property or service owned or controlled by the Insured or obtainable from other sources
in reducing the consequences of Loss under this Additional Coverage.

3. This Policy covers any other necessary and reasonable costs incurred to reduce the consequences of Loss, to the extent of their actual reduction.

4. If it is possible to reconstruct accounts receivable records so that no shortage is sustained, Insurers will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, save for any costs covered by any other insurance.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(z) Claims Preparation Costs

The reasonable and necessary additional expenses incurred by the Insured which are directly related to the preparation, substantiation and / or documentation of any Loss recovery .

Insurers shall have no liability for any additional expense hereunder unless a Loss under this policy has been submitted to and the claim is accepted by the Insurers .

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(aa). Leak Search Costs

Insurers shall indemnify the Insured also for the following items under this Policy:

a. Leak or damage search costs following Hydrostatic Testing (including the cost of leasing special apparatus, cost of operation and transport of such apparatus and the cost of retesting);

b. Earthwork on a trench not damaged in itself, such earthwork becoming necessary in the search for and repair of leaks, eg.: excavation, uncovering, backfilling;

provided that

- the leak is attributable to faulty execution on or off the site (including at suppliers' and manufacturers'), and

- a significant sample of the welding seams have been X-rayed and any deficiencies discovered have been removed appropriately .

Additional costs caused by faulty repair of welding seams shall be excluded from the cover.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

(bb) Gas in pipeline.

In the event of Loss to the pipeline, cover is extended to loss of gas purchased for testing purposes whilst in the pipeline. The basis of recovery shall be the purchase price of gas at the time of Loss.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

2. Price Increase Clause

If, during the Period of Insurance, the actual reinstatement value of the Property Insured exceeds the Sum Insured stated in the Risk Details for the Insured Project then such Sum Insured shall be automatically increased by the amount of such excess up to a maximum of 125% of such Sum Insured.

3. Marine 50/50 Clause

The Insured hereby undertakes to examine each item of the Property Insured upon arrival at any Project Location as soon as practicable for possible damage sustained during transit. In the case of packed items which are to be left in their packaging until a later date the packaging is to be individually visually examined for signs of possible Damage and where such Damage is visible the items are to be unpacked and inspected and any Damage discovered reported to the marine cargo insurer.

Notwithstanding the above in the event of Loss being discovered after the risk has terminated under any marine cargo insurance policy or any subsequent period of discovery attaching thereto whichever shall be the later and after proper investigation it is not possible to ascertain whether the cause of such loss occurred prior to termination of the marine venture, or subsequently, it is understood and agreed that the Insurers hereon shall contribute 50% of the adjusted claim, any such settlement to be without prejudice to subsequent final apportionment of the claim as may be agreed between the Insurers hereon and the marine cargo insurers.

Should settlement as described within this Memorandum be made by Insurers, it is understood that the Deductible stated within the Risk Details shall be reduced proportionally to the contribution made by Insurers hereon under this Policy.

4. 72 Hour Clause

It is agreed that any Loss arising during any one period of 72 consecutive hours caused by named windstorm, flood or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the Deductibles provided for herein For the purpose of the foregoing the commencement of any such 72 hour period shall be decided at the discretion of the Insured providing that there shall be no overlapping in any two or more such 72 hour periods in the event of Loss occurring over a more extended period of time

5. Prior Use and Occupancy

This Insurance will continue in force in respect of permanent works during the construction period in the Insured's custody or control for which the Insured remains responsible notwithstanding such permanent works in the Insured's custody or control shall be occupied or taken into use in whole or in part until the completion of the Insured Project.

6. Automatic Reinstatement

Payment of any loss made by the Insurers under this Policy shall not reduce the Sum Insured stated in the Risk Details in respect of the Insured Project.

7. Multiple Insureds Clause

It is noted and agreed that if the Insured described in the Risk Details comprises more than one Insured each operating as a separate and distinct entity then (save as described in this Multiple Insureds Clause) cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each such Insured provided that the total liability of the Insurers to all of the Insureds collectively shall not exceed the sums insured and limits of indemnity including any inner limits set by memorandum or endorsement.

It is understood and agreed that any payment or payments by Insurers to any one or more such Insureds shall reduce to the extent of that payment Insurers' liability to all such parties arising from any one event giving rise to a claim under this Policy and (if applicable) in the aggregate.

It is further understood that the Insureds will at all times preserve the various contractual rights and agreements entered into by the Insureds and the contractual remedies of such parties in the event of loss or damage

It is further understood and agreed that Insurers shall be entitled to avoid liability to or (as may be appropriate) claim damages from any of the Insured parties in circumstances of fraud, breach of any warranty or condition of this policy each referred to in this clause as a vitiating act.

It is however agreed that (save as described in this Multiple Insureds Clause) a vitiating act committed by one insured party shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a vitiating act.

Insurers hereby agree to waive all rights of subrogation which they may have or acquire against any Insured except where the rights of subrogation or recourse are required in consequence of or otherwise following a vitiating act, in which circumstances, Insurers may enforce such rights notwithstanding the continuing or former status of the vitiating party as an Insured.

8. Strikes, riots, civil commotions, acts of terrorism and sabotage

It's hereby agreed that Insurers shall be liable for Loss arising on the occasion of strikes, riots, civil commotions, acts of terrorism and sabotage, whether organised or not, and lockouts. Loss arising from the occupation of construction sites is also indemnifiable.
Cover provided under this clause shall be considered applicable to all items contained in Section I of the Policy including, if insured, installations, fittings, machinery and construction site encampments.
Insurers retain the right to cancel cover under this clause by giving 30 days' prior written notice.
In the event of notice being given by the Insurers, at the expiry of a period of 30 days from the date of cancellation, the same shall make available to the Principal Insured the pro-rata net premium in respect of the unexpired period of cover.
The net premium rate applicable to this clause shall be [●] per mille.
In case of cancellation of cover by the Insured under this clause, the Insured undertakes to provide the Principal Insured a binding write-back quotation, within 10 days from the effective date of cancellation notice.

9. Duration extensions

In the event that period extensions of the Policy period become necessary, including the extended maintenance period, it is agreed that such extensions shall be granted at a rate of [●] per week and/or fraction of week for extensions in the policy period. The above rate shall be applied, for extensions in the erection period, with effect from the 3rd month from the programmed Handover for Use Date.

The above agreed rate shall be applicable only if the ratio between claims (paid and outstanding) and premiums (excluding taxes and levies) is equal to or less than 60%. Should such proportion be exceeded the premium rates for the policy extensions shall be subject to agreement between the Parties.

10. Suspension of works – static risks

It is noted and agreed that in the event of an interruption to the Project, the Insured may request that the insurance cover under this Policy – for the entire period of suspension of the project – be limited solely to static/silent risks, which is to say the insurance of loss or damage arising exclusively from perils not connected to the performance of the activities of erection and/or construction.

Consequently the final expiration date of the erection and/or testing cover shall be extended by a period equal to that of the above mentioned suspension without payment of any additional premium.

In respect of any such period of inactivity the Insured shall pay a premium calculated at the rate of [●] %o per week and /or fraction of week to be applied to the value of the works completed at the date of suspension of the project and to the value of the materials at that stage in the project.

The following are not considered to be suspension of work: festivities, summer holidays, bank holiday, weekends etc.

In the event of a suspension of work of more than 6 consecutive months, the terms and conditions for the continuation of this insurance shall be subject to agreement between the Parties.

Policy cover shall be considered automatically and fully re-activated from the time the project recommences, with the obligation on the part of the Insured to declare, subsequently if necessary, the date the project recommenced and to make available when requested by Company all documentation from which it is possible to refer back to the exact date of suspension and re-commencement of the project. In the event of termination of the project the relevant clause shall apply.

11. Termination of the Works

In the event that the project fails to reach completion or remains only partially completed by reason of exceptional circumstances or force majeure, the premium due from the Insured shall be calculated by applying 120% of the policy rate to the value of the works completed at the date of completion. Should the premium have already been paid, Company undertakes to reimburse the unearned part of net premium paid.

12. Excesses and deductibles
It is noted and agreed that, in the event of Loss affecting more than one of items insured under Section I of the Policy or in case of concurrent Losses caused by more than one peril, for the purposes of calculating indemnity due, the single highest excess or deductible shall be applied once.

SECTION 2 .DELAY IN START-UP

Insuring Clause:

The Insurers hereby agree that, if at any time during the Period of Insurance as stated in the Schedule to this Section, any or all of the items specified in the Schedule suffer a Loss under Section I of this Policy, unless specifically excluded in this Section, thereby causing an interference in the erection work and/or testing schedule resulting in Delay to the Handover for Use Date (commencement of the insured business), the Insurers shall in respect of the Insureds' interest under this Section indemnify the Insured in the manner and to the extent as hereinafter defined.

The cover provided under this Section shall be the Loss of Gross Profit due to the reduction in Turnover and Increased Cost of Working, and the amount payable as indemnity hereunder shall be:

- in respect of Loss of Gross Profit: the sum obtained by applying the Rate of Gross Profits to the amount by which the actual Turnover during the Period of Indemnity falls short of the Turnover which would have been achieved had the Delay not occurred;

in respect of Increased Cost of Working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, without such expenditure, would have taken place during the Period of Indemnity, but not exceeding the sum obtained by applying the Rate of Gross Profit to the amount of the reduction in Turnover thereby avoided.

Less any amount which is saved during the Period of Indemnity as may cease or be reduced or be recovered in consequence of Loss (including liquidated damages and penalties due to the Insured).

If the sum insured hereunder is less than the sum obtained by applying the Rate of Gross Profit to the Turnover, the amount payable shall be reduced proportionally.

Definitions:

Period of insurance: The period of insurance shall be the period stated in the Schedule of this Section, terminating on the date specified in the Schedule or on any other date when the Erection All Risks cover under Section I expires.

Scheduled date of commencement of the insured business: The date stated in the Schedule of this Section, save for variations, when the business would have been declared operational had the Delay not occurred.

Period of indemnity: That period stated in the Schedule of this Section.

Waiting Period: The time period stated in the Schedule of this Section for which the Insurer is not liable. If the aggregate Delay is less than or equal to the Waiting Period, the Insurer shall not be liable, however if the Delay is greater than the Waiting Period, the corresponding amount shall be calculated by multiplying the daily value of Loss of Gross Profit sustained during the Period of Indemnity by the number of days agreed upon as the Waiting Period, and such amount shall be deducted once from all indemnities due under this Section irrespective of the number of Loss events occurred.

Turnover: The amount of money (less discounts allowed) that would have been earned in the absence of the Insured Delay, paid or payable to the Insured for goods, products or services sold, delivered or rendered in the course of the insured business conducted at the Premises.

Annual Turnover: The Turnover which would have been achieved during the 12 months after the scheduled date of commencement of the insured business.

Sum Insured: The amount of Gross Profit calculated over the Period of Indemnity. This resulting figure represents the maximum liability of the Insurer.

Gross Profit: The contribution margin or the amount resulting from the difference between the value of the Turnover and the value of the variable costs.

Variable costs: any costs incurred for the acquisition of goods, raw materials or auxiliaries as well as for supplies (unless required for the upkeep of operations) and any costs for packaging, carriage, freight, intermediate storage, turnover tax, purchase tax, licence fees and royalties for inventors, etc., insofar as such costs are dependent on Turnover and can be suppressed in the event of the occurrence of a Loss insured against.

Rate of Gross Profit: The ratio between the Gross Profits and the Turnover, corrected with the Adjustment(s).
Adjustment(s): Coefficients calculated to take into account the general trend of the business and any other factors affecting the business so that the Rate of Gross Profits and Turnover / Annual Turnover represent those that, as closely as possible, would have been achieved during the Period of Indemnity had the Loss not occurred.

Delay: The period of time between the scheduled date of the Handover for Use Certificate of the Insured business and the actual date on which the insured business was or would have been able to commence operations resulting from the occurrence of Loss .

Handover for Use Date: the date at which the Handover for Use Certificate is issued.

Exclusions:

The Insurers shall not be liable for:

1. Fines

   financial loss due to fines or damages for breach of contract for late or non-completion of orders.

Non Availability of Funds

financial loss due to delay in the commencement of, or interruption, or interference with the Business solely resulting from non-availability of funds

Cancellation or Modifications

financial loss due to delay in the commencement of, or interruption, or interference with the Business solely resulting from cancellation, lapse, or suspension of, or modification to, the Project not consequent upon Loss.

Waiting Period

the Waiting Period which shall apply once only to the aggregate of all financial loss notwithstanding the number of events of Damage contributing thereto.

Memoranda:

The Memoranda shall be subject to the Terms of this Policy except where stated otherwise.

1. Professional Accountants

In addition to any claim payment the Insurers will pay reasonable charges of professional accountants incurred by the Insured in producing business accounts and other such information that may reasonably be required by the Insurers for the purpose of investigating or verifying any claim accepted by the Insurers under this Section of the Policy.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sublimit as specified in the Risk Details.

Contingent Delay in Start-Up.

This clause covers Loss of Gross Profits under the terms and conditions provided for by this Section of this Policy, resulting from Delay due to an interruption of, or an interference with the business of the Insured as a consequence of physical loss or damage at the location or to the property of any direct or indirect supplier, or customer or wholesalers, including utilities, provided that such physical loss or damage, had it occurred to insured property, would be covered pursuant to all the provisions stipulated in this Policy and therefore would qualify as a Loss covered hereunder.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sublimit as specified in the Risk Details.

(a) Suppliers: The site of any supplier, manufacturer, or service provider, of any tier (excluding the premises of any utility supply undertaking from which the Insured obtains electricity, water or telecommunications services). Namely: [●]

(b) Customers: The site of any customer, of any tier. Namely: [●]

(c) Utilities:

Property at or services to or from any:

generating station or sub-station of the electricity supply undertaking
land based site of the gas supply undertaking or of any natural gas producer linked directly therewith
water works or pumping stations of the water supply undertaking

land based site of telecommunications, voice and data undertakings

including cables, pipes and the like up to the terminal points at the Project Site. Namely: [●].

3. Denial of Access

Subject to the conditions of this Policy, any loss, as it would be insured by this Policy, resulting in interruption of, interference with or inaccessibility to the business, occurred at property within an 8-kilometer radius of the Premises, and such destruction of, or damage to, such property prevents or hinders the use of the Premises or the access to the Premises, irrespective of damage to such Premises, or by order of the authorities, or illegal occupation of property or rights of way shall be deemed to be Loss of Gross Profits resulting from Delay due to the occurrence of Loss to property of the Insured.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sublimit as specified in the Risk Details.

4. Additional Increase in Cost of Working

This Section of the Policy extends to provide an indemnity in respect of the additional expenditure (beyond the amount otherwise payable under this Section) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the delay in commencement of or interruption of or interference with the Business which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage.

The amount payable under this Memorandum in respect of the Insured Project shall not exceed the sub limit as specified in the Risk Details.

5. Specific Waivers of Subrogation Rights

Insurers agree to waive all rights of subrogation (including, for the avoidance of doubt, recourse to liquidated and ascertained damages payable under the construction contract) against the Insureds, howsoever acquired and wherever listed as Insureds under any section of this Policy, in respect of any claims settlement made by Insurers in accordance with this Section.

6. Reinstatement of Limit of Liability and Indemnity Period

In the event of Loss leading to an indemnity being provided under this Section, the Insurers agree to reinstate in full both the Limit of Liability and Indemnity Period for this Section in respect of any new occurrence of Loss during the residual Period of Insurance at terms and additional premium to be agreed with Insurers.

7. Duration extensions

An extension of the period of insurance under Section I of this Policy shall automatically lead to an equal period shift of the period of insurance stated in the Schedule to this Section.
It is further agreed that the such period shift shall be granted at the premium rates of [●] %o per week and /or fraction of week. The above rate shall be applied, with effect from the 3rd month from the programmed Handover for Use Date.
The above agreed rates shall be applicable only if the ratio between the reserved incurred claims and premiums (excluding taxes and duties) is equal to or less than 60%. Should such proportion be exceeded the premium rates for the policy extensions shall be subject to agreement between the Parties.

8. Excesses and/or deductibles under Section I

The insurance provided under this Section does not cover loss, destruction or damage which is not indemnifiable under Section I but this exclusion shall not apply to Loss which is not indemnifiable under Section I solely because it falls within the Section I excess(es) and/or deductibles.

9. Leeway clause

With reference to the sum insured as stated in the Policy Schedule, and notwithstanding the provisions of the Insuring Clause to this Section of the Policy, it is agreed between the Parties that if in the event of Loss the amount of which should have been insured proves higher than that declared in the Policy Schedule, the sum insured in the Policy Schedule shall automatically be increased to the correct amount, always provided that the Insured shall pay the additional premium due in the respect of the difference between the amount declared and the updated sum insured.
Such increase shall not exceed 25 % of the sum initially insured as indicated in the Policy Schedule.
As a consequence of the above, Insurers agree to waive the application of the rule of average provided such under-insurance falls within the above-mentioned percentage.

Coverage modified by endorsement

It is noted and agreed that any modification of cover by way of memoranda - or endorsement – or by way of subsequent endorsement added to this Policy after inception, are to be considered to be automatically applicable to this Section.

Co-insureds loss payable clause

This Section of this Policy will operate independently in respect of the Loss of Gross Profits of each Insured provided that the amount of indemnity payable shall not exceed the amount which would have been payable had the Insureds been a single legal entity.

Site constructional equipment

It's hereby understood and agreed that this Section shall operate exclusively to the benefit of the Insureds under this Section in the event of Loss to constructional equipment irrespective of whether insured or not under Section I of this Policy.
Loss of profits following legal or contractual liability of suppliers and manufacturers.

This Section of this Policy shall cover Loss of gross Profits resulting from physical damage to insured property for which the manufacturer, vendor, supplier or lessor is liable at law or by contract.

Liquidated Damages non-contribution clause.

Insurers are not liable for the portion of Loss of Gross Profits for which contractors, manufacturers or suppliers are obligated to pay to the parties identified as Insureds under this Section of the Policy by way of liquidated damages, as agreed to within each contract entered into between the Insured under this Section and its contractors, manufacturers or suppliers.
The application of this exclusion is subordinated to the existence and validity of liquidated damages provisions under said contracts. In the event liquidated damages provisions are either absent or become exhausted due to the occurrence of other events or conditions which are not covered under this Policy, this present exclusion shall not apply.
It's hereby understood and agreed that in the event liquidated damages become due to the Insureds as a result of the occurrence of events which are also covered and payable by this Policy, this Section will operate in difference in conditions and limits in respect of the liquidated damages paid by each contractor, manufacturer or supplier.
It's further understood and agreed that Insurers will not withhold any payment under this Section in case of delays or disputes in the application of liquidated damages provisions between the Insured and the

contractor/manufacturer/suppliers, being it understood that the Insureds shall reimburse to the Insurers any indemnity paid after resolution of the dispute and payment of liquidated damages which would have reduced the indemnity payable by the Insureds had the delay of dispute not occurred subject always to the Insured continuing to pursue recovery of liquidated damages to the fullest extent allowed under the relevant contract insofar as there are no other events occurred during the contract period covered by liquidated damages, not covered under this Policy and eroding the aggregate limit below the Insured's retention as per Section II Schedule.

GENERAL CONDITIONS APPLICABLE TO SECTIONS 1 AND 2

1. **Primary Policy**

It is specifically understood and agreed that the insurance provided by Sections I and II of this Policy shall be considered to be Primary Insurance for the Policyholder and that in the event of Loss which is also covered in whole or in part under any other policy or policies of insurance effected by or on behalf of any of the parties comprising the Insured, the Insurers shall indemnify the Insured as if such other policy or policies of insurance are not in force and the Insurers agree to waive their rights of recourse if any against the Insurers of such other policy or policies of insurance

2. **Adjustment of Premium**

The Premium for the Insured Project declared has been calculated on an estimate provided by the Insured. The Insured shall declare the Final Contract Value of the Insured Project to the Insurers as soon as practicable after completion of the Insured Project and the Premium will be adjusted accordingly, any difference being paid to the Insurers or repaid to the Insured as the case may be.

It is agreed that a premium adjustment will only be calculated if the final contract value is not within ±15% of the estimated contract value.

3. **Reasonable Precautions**

The Insured shall take all reasonable precautions to prevent Damage and the Insurers' representatives shall have access at all reasonable times to the Project Location and the Property Insured.

4. **Access and Inspection**

Representatives of the Insurers shall at any reasonable time prior agreement with the Insurers and Insured hereon have the right to inspect and examine any part of the Property Insured or the Project Location or off-site storage. In addition the representatives shall be provided by the Insured with any other information or papers pertaining to the Insured Project including independent engineering reports as may be reasonably requested by Insurers.

5. **Electronic data endorsement**

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

(a) Damage distortion erasure corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use reduction in functionality cost expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the loss

Electronic Data means facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment

Computer Virus means a set of corrupting harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature Computer Virus includes but is not limited to 'Trojan Horses' 'worms' and 'time or logic bombs'

(b) However in the event that a peril listed below results from any of the matters described in paragraph (a) above this Policy, subject to all its terms conditions and exclusions, will cover physical damage occurring during the Policy period to Property Insured directly caused by such listed peril

Listed Perils:
Fire
Explosion
Landslides/earth movement
Subsidence/sinkholes

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer Loss then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation These costs will not include research and engineering nor any costs of recreating gathering or assembling such Electronic Data If the media is not repaired replaced or restored the basis of valuation shall be the cost of the blank media However this Policy does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party even if such Electronic Data cannot be recreated gathered or assembled.

The amount payable in respect of electronic data processing media for the Project shall not exceed the sublimit specified in the Risk Details

SECTION 3. THIRD PARTY LIABILITY

Insuring Agreement

Insurers shall indemnify the Insured up to but not exceeding the amounts specified in the Risk Details against such sums which the Insured shall become legally liable to pay as damages consequent upon

a) bodily injury to or illness of third parties (whether fatal or not)

b) loss of or damage to property belonging to third parties

occurring in direct connection with the erection, construction or testing of the Property Insured under Section I and happening on or in the immediate vicinity of the site during the Period of Insurance.

In respect of a claim for compensation to which the indemnity provided herein applies, Insurers shall in addition indemnify the Insured against

c) all costs and expenses of litigation recovered by any claimant from the Insured, and

d) other costs and expenses incurred with the written consent of Insurers,

provided always that the liability of Insurers under this section shall not exceed the Limit of Indemnity stated in the Risk Details.

2. Exclusions

Insurers shall not indemnify the Insured in respect of

1. the deductible stated in the Risk Details to be borne by the Insured in any one occurrence;

expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy

3. Liability consequent upon

a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the Insured Project which or part of which is insured under Section I, or members of their families;

b) loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the Insured Project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;

c) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

d) the ownership or possession of or use by or on behalf of the Insured of (a) any mechanically driven vehicle except when such vehicle is on the Construction Site and is not insured under a specific motor vehicle or any other insurance policy; or (b) any waterborne vessel or craft, or of any aircraft, except pontoons and boats up to 10 meters.

Special conditions applicable to Section III: Endorsements

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of Insurers who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defense or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of ant proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may require.

Insurers may so far as any accident is concerned pay to the Insured the Limit of Indemnity for any one accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and Insurers shall thereafter be under no further liability in respect of such accident under this section.

Endorsements applicable to Section III:

Cross Liability

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon the third party liability cover of the Policy shall apply to the insured parties named in the Risk Details as if a separate policy had been issued to each party, provided that the Insurers shall not indemnify the Insured under this clause in respect of liability for – loss of or damage to items insured or insurable under Section I of the Policy, even if not recoverable due to an excess or any limit, fatal or non-fatal injury or illness of employees or workmen who are or could have been insured under workmen's compensation and/or employers' liability insurance.

The Insurers' total liability in respect of the insured parties shall not however exceed in the aggregate for any one accident or series of accidents arising out of one event the limit of indemnity stated in the Risk Details.

Third Party Liability Insurance taken out by contractors

Whereas the Principal Insured has required contractors, sub-contractors and all those participating in the project to take out a Third Party Liability policy with a limit of liability of not less than € 5.000.000, it is noted and agreed that, if at the time any claim arises under the Policy there be any other insurance covering the same loss, damage or liability the Insurers shall be liable to pay only the portion of said loss, damage or liability exceeding other valid and collectible insurance stipulated by the Insureds other than the Policyholder.

It is therefore further agreed that Section III of this Policy shall apply in respect of any difference in conditions, limits or excesses under Third Party Liability covers taken out by other Insured Parties and to the exclusive interest of the Principal Insureds and its shareholders.

Visitors.

With reference to cover under Section III - Third Party Liability, it is noted and agreed that any persons on a visit to the worksite shall be considered a third party.

Third Party Claims Handling – Legal expenses.

It is noted and agreed that Insurers shall, for as long as they have an interest to defend, undertake the conduct of disputes both within and without the courts, whether criminal or civil, on behalf of the Insured, by nominating where applicable legal or technical personnel and assuming all rights and actions to which the Insured is entitled, with the prior agreement of the Insured.

As a clarification of the above, should, in the course of a judicial enquiry, the possibility arises of an employee of the Insured to be sent for trial, the Insured and the Insurers shall consider the advisability, depending upon the circumstances of the case in question, of settling with the claimants in accordance with the criteria of expediency, as well as convenience, and hence, if applicable, also with those of normally accepted procedure.

Insurers shall bear the costs sustained in defending actions brought against the Insured up to a limit of a sum equal to a quarter of the limit of liability specified in the Policy Schedule and in addition to such limit.

Should the amount due to the injured party exceed such limit of liability, the costs shall be split between the Insured and the Insurers in proportion to their respective interest.

The costs of criminal proceedings shall be borne by Insurers for as long as they maintain an interest to defend, in the absence of which such costs shall remain for the account of the Insurer up to the closure of the legal proceedings pending at such time.

Insurers shall be liable for costs sustained by the Insured in respect of legal or technical experts agreed with the Insurers.

Insurers shall not be liable for fines or penalties.

Underground piping and cables

It is noted and agreed that otherwise subject to the terms, limits, conditions and exclusions contained in this Policy or endorsed thereon, cover under Section III of this Policy shall be extended, subject to the limit of liability specified in the Risk Details, to physical damage to underground pipes and cables on condition that the Insured

has inquired or carried out a survey to identify the relevant underground services and has put into effect preventive measures.

Subsidence, Vibration, Landslide

It is understood and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, Section III of this insurance shall be extended to cover liability consequent upon loss or damage caused by vibration, subsidence, landslide, removal or weakening of support subject to the limit of liability specified in the Risk Details.

Third party business interruption.

It is noted and agreed that cover under Section III is extended to losses sustained by third parties as a consequence of total or partial interruption or suspension of industrial, commercial, agricultural activities, the supply of materials or services occurring during the period of insurance as a result of loss or damage covered under Section I and III for which the insured is legally liable. Such additional losses are to be considered as included within the Limit of Liability of this Section.

Damage from dust.

It is noted and agreed that cover under Section III is extended to liability to third parties by dust raised as a consequence of the performance of the Works, subject to the sub-limit of liability listed in the Risk Details.

Accidental pollution.

This Policy does not cover any liability for:

personal injury or bodily injury or loss of, or damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (i) shall not apply to liability for personal injury or bodily injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden and accidental occurrence during the policy period.

the cost of removal, elimination or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden and accidental occurrence during the Policy period.

fines, penalties, punitive or exemplary damages.

Cover as specified under this clause is subject to the limit of liability as listed in the Risk Details any one occurrence and in the aggregate for the Policy period, and to the application of an excess of 10% of the indemnifiable loss with a minimum of €.20,000.00 any one occurrence.

Hired Machinery

Notwithstanding the provisions of the Exclusions to Section III of this Policy, and subject otherwise to the terms, conditions and exclusions of this Policy, the Insurers will indemnify any owner of plant, machinery or equipment with whom any of the Insured has entered into an agreement for its hire but only to the extent required by the said agreement up to the limit of liability listed in the Risk Details any one occurrence.

Sustenance

It is noted and agreed that cover under Section III of this Policy includes liability in respect of all accessory recreational and sustenance services including canteens and cafeterias for employees and guests, or the ownership

or management of automatic dispensing machines located on site. Cover shall also include the serving of food and drinks and, in the event that the management of such services is outsourced or catered to third parties, cover is deemed to be operative for the activities of such third parties independently of their contractual relationship with the Insured, always provided that this Policy shall operate in difference in conditions, limits or excesses with respect to any more specific insurances taken out by the administrators of such services.

SECTION 4. OPTIONS

Upon request of the Insured the Insurer may be also asked to place Insurance policy in respect of the following classes of insurances:

1. Third Party Liability including Employers Liability coverage
2. Real Estate coverage
3. Directors & Officers Liability coverage
4. Cyber coverage

In this case the premium for exercising the option shall be at the amount of up to EUR 100.000 (in words:. One-hundred thousand euro) without Insurance premium tax (IPT) in total for all the risks above.

The insurance policy will be asked in written by the Insured with the assistance of the Insurance broker who has the mandate for the classes of the insurances listed above.

CONDITIONS APPLICABLE TO ALL SECTIONS
Conditions:

1. **Fraudulent Claim Clause**

Should a claim be in any respect fraudulent or should any fraudulent means or devices be used by the Insured or anyone acting on behalf of the Insured to obtain any benefit under this Policy or should any loss be occasioned by the willful act or with the connivance of an Insured all indemnities accruable associated with such fraudulent claim under this Policy shall be forfeited.

2. **Security Downgrade Clause**

Notwithstanding the cancellation provisions of this Policy, in the event that the rating of a participating Lloyd's Syndicate or Company has been downgraded below A- with A.M. Best and/or BBB+ with Standard and Poor's then:

i) the Insured may cancel such Lloyd's Syndicate's or Company's participation by giving advance notice in writing stating when such cancellation should take effect; and

ii) the applicable return premium shall be calculated on a pro-rata basis, however in the event of a loss to this Policy which exceeds the pro rata earned premium then no return will be made.

3. **Several Liability Notice: LSW 1001 (Insurance)**

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions

The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

4. **Engineering Fees**
Underwriters agree allow up to 2.5% of Gross Premium in respect of Engineering Fees, as incurred.

5. **Sanction Limitation and Exclusion Clause**

No insurer shall be deemed to provide cover and no 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 insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Or LMA 3100

6. Premium Payment Clause

The Insured undertakes that premium will be paid in full to Insurers within 90 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Insurers by the 90th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Insurers shall have the right to cancel this policy by notifying the Principal Insured via the broker in writing. In the event of cancellation, premium is due to Insurers on a pro rata basis for the period that Insurers are on risk but the full policy premium shall be payable to Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this Policy.

It is agreed that Insurers shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Insurer (and Agreement Parties if appropriate) are authorized to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Insurers will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

Or LSW 3000.

7. Cancellation

The Insurers may cancel this insurance by giving the Insured written notice stating when, not less than ninety (90) days thereafter, (ten [10] days for nonpayment of premium) such cancellation shall be effective. This insurance may be canceled at any time by the Insured by surrender of this Policy to the Insurers or by mailing or delivery to the Insurers written notice stating when thereafter such cancellation shall take effect.

Return premium shall be allowed on a pro rata basis.

Payment or tender of any unearned premium by the Insurers shall not be a condition precedent to the effectiveness of Cancellation, but such payment shall be made within 30 days of cancellation.

8. Interpretation

This Policy and the Risk Details 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 of the Risk Details shall bear such specific meaning wherever it may appear unless specifically provided otherwise.

It's furthermore agreed that, in the event of conflict in the interpretation between the Insurer and the Insured regarding any one clause or condition in this Policy or any conflict of interpretation or inconsistency or ambiguity among the various clauses and conditions contained in this Policy, the broadest and least restrictive wording to the benefit of the Insured shall prevail. It is furthermore agreed that the language of this Policy shall be the language of the Insurer.

9. Claims

Reporting.

The Principal Insured shall report to the Insurers in writing every occurrence which, in the Principal Insured's opinion or knowledge may become a claim under this Policy as soon as reasonably practical on becoming aware of any such occurrence.
Failure to notify an occurrence to the Insurers which, at the time of happening or becoming aware did not appear to involve this Policy, but which, at a later date, gives rise to a claim hereunder, shall not prejudice the recovery of the claim by the Insured from the Insurer.
During the currency of this Policy period, Insurers retain the right of Inspecting the Insured's records pertaining to all costs, repairs, recoveries and expenditures relating to all property insured hereunder, such records being available to the Insurers upon request.

Handling.

The Insureds shall:
Take all necessary reasonable measures to minimize the extent of loss or damage.
Preserve the parts affected and make them available for inspection to the representative of the Insurers.
Collect and furnish all such information and documentary evidence in compliance to the representative of the Insurer's requests and for any additional investigation as necessary.
File a claim to the competent authorities in case of an occurrence that may have involved criminal acts or as otherwise mandatory.

Upon notification to the Insurers, the Insured may carry out the repairs or replacements of any damage the amount of which is, at the time of notification, reasonably expected to be contained within the deductible and waiting period as applicable. In other cases, a representative of the Insurer shall have the opportunity of inspecting the loss before any removal, repairs or alteration of the scene of the loss are made. If a representative of the Insurer does not carry out the inspection within a reasonable time under the circumstances, the Insured is entitled to proceed with the repairs or replacement of the property affected by the loss.

Adjusters

In the event of a claim is reported under this Policy, the Insurers, at their discretion, shall appoint as adjuster either VRS Insight and its network, Sedgwick and its network or Integra and its network.

In the event of an occurrence which may give rise to a claim covered hereunder, in case of urgent action becomes necessary and the Insurers offices cannot be accessed for any reason, the Insureds may appoint an adjuster from the identified panel on behalf of the Insurers. Subject to prompt confirmation by the Insurers, the same adjuster is instructed on behalf of the Insurers.

This Policy shall bear the fees of the adjuster even if the claim subsequently happens to be below the Policy deductible. In respect of claims above deductible, the adjuster's fees are payable on top of the Policy's limit.

Settlement.

The Insurer shall pay to the Insured all adjusted claims no later than thirty (30) days after presentation and acceptance of claim settlement proposal issued by the Insurer or their appointed representative. Payment of claims shall be governed by the Policy law or statute(s) in the country(ies) where the Loss occurred.
The claim amount payable to the Insured shall also be inclusive of all stamp duties and other levies which are to be paid by the Insured according to Law in relation to settlements.

Advance payments on account.

It is hereby agreed by the Insurer that interim payments of claims under this Policy will be made when requested by the Insureds and are approved by the adjuster.

Currency Clause

Any claim payable under Sections I and II of this Policy shall be paid in Euro. For expenses sustained in currencies other than Euro, the applicable rate of exchange shall be the one applicable to the date of payment of the corresponding invoices or other proof of expenses as applicable. For claims payable under Section II, the intraday rate of exchange shall apply for each day.

10. Subrogation

Any claimant under this Policy shall at the request and at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any Loss under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Insurer.

In the event of a claim arising under this Policy the Insurer agrees to waive any rights, remedies or relief to which the Insurer may become entitled by subrogation against:

Any Insured, its employees, directors, officers, or any other party acting on behalf of any Insured.
Any Insured being parent of or a subsidiary or an affiliate of any tier to the Insured.
Save for gross negligence or willful misconduct, any individual or legal entity, organism, association or group, or any other Third Party against which the Insured has contractually or by obligation waived recourse, provided such waiver is granted prior to the date of occurrence of Loss. Notwithstanding the provisions of the above subparagraph, where an Insured in accordance to its own usual practices would normally waive or limit its rights of recovery or assume liability or grant releases from liability, then the Insured's recovery under this Policy shall not be prejudiced if the waiver or limitation or release is not formally concluded at the date of occurrence of Loss .

The Insurer shall maintain the validity of the waiver of the rights of recourse in the event of an action filed by the Insured against the individual or legal entity, organism, association or group liable, except in the event of gross negligence or willful misconduct, provided such actions are confined within the liability limits agreed to in the contracts arranged between the Insured and the liable party prior to Loss and a parallel request is made to the Insurer for indemnification for the same Loss for the portion exceeding the liability limits agreed to in the actual contracts or otherwise excluded from such contracts.

In the event of subrogation action by the Insurer, the Insurer shall make available to the Insured any amount recovered through the recourse action filed against the party liable for Loss, net of the costs borne for such recovery, in the proportion of the amount of the deductible to the total amount of Loss.

11. Law and Jurisdiction

This Policy shall be subject to the laws of England and shall be subject to the exclusive jurisdiction of the Courts of England.

12. Dispute resolution

The Parties shall endeavor to resolve amicably by mediation any dispute, controversy or claim arising out of or relating to this Policy.

If a dispute, controversy or claim is not settled within 90 (ninety) calendar days after one Party sends a written request for mediation to the other Party, such dispute, controversy or claim shall be resolved by arbitration on consent by the Parties. Arbitration shall be conducted under ARIAS Arbitration Rules, commenced by a request for arbitration by the claimant, delivered to the respondent, and:

Consent to arbitration shall not be unreasonably delayed or denied.

The arbitration shall set out the nature of the claim(s) and the relief requested.

The arbitration tribunal shall consist of three arbitrators one to be appointed by the claimant one to be appointed by the respondent and the third to be appointed by the two arbitrators

The third member of the Tribunal shall be appointed as soon as practicable as (and no later than twenty eight days) after the appointment of the two party-appointed arbitrators

The arbitrators shall be persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry as lawyers or other professional advisors serving the industry

Where a party fails to appoint an arbitrator within fourteen days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within twenty eight days of their appointment then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy At any time prior to the appointment by ARIAS (UK) the party or arbitrators in default may make such an appointment

The Tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions

The arbitration final award shall be in writing and shall be binding upon the Parties who consent carrying out the same.

The seat of arbitration shall be England. Language of arbitration shall be English.

In the event of failure by Insurers to pay the indemnities claimed to be payable under this Policy and no consent to arbitration by any one Party, the matter shall be submitted to court and all matters arising herein shall be ruled in accordance with the law and practices of such court.

13. Material change in risk.

The Policyholder shall furnish to the Insurers, on request, progress reports of the Project. These reports shall highlight all material changes and change orders. The Insurers shall advise if, in their belief, there is a material

change in risk, and if necessary, any proposed modification to the Policy. Such modification will be restricted to a reasonable adjustment of the premium rates, unless:

The Period of Insurance is to be extended beyond the period for which there are pre-agreed extension terms and rates.
There is cessation of the works at the Site.
There is a fundamental change in the execution of the Project.

Under circumstances a., b. and c. above, a reasonable change in the terms and conditions may be proposed by the Insurers, in addition to, or as an alternative of, a premium only adjustment, the choice of which being in the Principal Insured's discretion.

If the Insurers and the Principal Insured are unable to reach an agreement as to whether or not a change is to be considered as a material change or as to the reasonableness of the modifications proposed to the Policy, the matter shall be referred to mediation or arbitration according to the procedure outlined in the disputes resolutions clause of this Section.

14. Permission for other insurance

Permission is granted to the Insureds to effect and maintain contributing, excess, DIC/DIL, wrap, underlying insurance or other forms of risk transfer means.

15. Other insurance

If other valid, enforceable, and wholly collectible indemnity under any other insurance policy or contract (herein Other Insurance) is available to any Insured covering a loss which is also covered by this Policy , the insurance afforded by this Policy with respect to such loss shall be in excess of:

(i) All recoveries paid to the benefit of such Insured by such Other Insurance; or

(ii) The applicable deductible or excess or retention amount stated in this Policy Schedule,

whichever is greater.

Nothing contained in this clause shall be construed to make this Policy subject to the terms, conditions or limitations of any Other Insurance, unless specifically endorsed herein.

Non dispute.

it is hereby understood and agreed that any disagreement between the Insureds and the Insurers as to the "*quantum*" of a loss shall not be construed as a dispute on the actual Insurers' liability under this Policy.

Non invalidation

The Insurers hereby agree that neither this Policy nor any claims made by the Insured under this Policy shall be prejudiced nor invalidated:

(i) By any unintentional and/or inadvertent incorrect or incomplete description and/or error in the name or title of an Insured, made by or on behalf of an Insured; or

(ii) By reason of anything being done or omitted to be done in respect of any insured premises or facilities not occupied by the Insured, whether constituting an increase in risk or not, unknown to or beyond the control of the

Insured, provided that the Principal Insured shall immediately give notice to the Insurers once aware of any such act or omission and pay an additional premium if falling within material change in risk as herein disciplined.

It is understood and agreed that nothing contained in this clause shall override the specific provisions applicable to notification of claims.