

Insurance Policy

Baltic Pipe

Construction of a bleed valve in order to perform the barrier test at the Nybro Tee on EPII.

Offshore Construction & Liabilities Insurance

01 August 2019 to 31 December 2019

1. RISK DETAILS**UNIQUE MARKET
REFERENCE:**

To Be Agreed

TYPE:**Section 1** Offshore Construction
Section 2 Liabilities Insurance**ASSURED:****Principal Assured**

Energinet

Parent and/or subsidiary and/or affiliated and/or associated and/or inter-related companies of the above as they are now or may hereafter be constituted and their directors, officers and employees, while acting in their capacities as such.

Other Assureds

- (i) Project managers.
- (ii) Any other company, firm, person or party (including contractors and/or sub-contractors and/or manufacturers and/or suppliers) with whom the Principal Assured(s) named above have entered into written contract(s) directly or indirectly in connection with the Project, according to the extent of the CTA Contract.

**PRINCIPAL
ADDURED'S
ADDRESS:**

Energinet
Tonne Kjærsvej 65
Denmark – 7000 Frederica

PERIOD:Section 1 and 2

From 01. August 2019 To 31 December 2019
Both days at 00.01 local standard time at the above address of the Principal Assured.

Maintenance and Discovery

From: 01 January 2020 To: 31 December 2021
Both days at 00.01 local standard time at the above address of the Principal Assured.

Extensions beyond the date of Project Completion for up to 2 months are automatically included at no additional premium.
premium.

INTEREST:

Section 1 - Physical damage to the Works.

Section 2 - Legal and/or Express Contractual Liabilities arising out of the Project, including damage to Existing Property.

**LIMIT OF
LIABILITY (100%):**Section 1:

Underwriters' total liability for all claims arising out of any one Occurrence shall not exceed 125% of the latest agreed Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause (each of which is separately limited under the appropriate coverage clauses).

In the event Underwriters accept additional premium from the Assured under the Escalation Clause, Underwriters' total liability for all claims arising out of any one Occurrence shall not exceed 150% of the initial Schedule "B" values, or following agreement by Underwriters, the amended Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause, and the Escalation Clause (each of which is separately limited under the appropriate coverage clauses).

Notwithstanding anything contained herein, Underwriters' maximum limit of liability shall not exceed the Schedule "A" value in the aggregate.

SUB LIMITS (100%)

Test, Leak and/or Damage Search Costs USD 3,000,000 any one Occurrence and in the aggregate over the Policy Period.

Stand-by Charges USD 3,000,000 any one Occurrence and in the aggregate over the Policy Period.

Forwarding Charges USD 3,000,000 any one Occurrence and in the aggregate over the Policy Period.

Offshore Cancellation Costs USD 3,000,000 any one Occurrence and in the aggregate over the Policy Period.

Expediting Expenses USD 3,000,000 any one Occurrence and in the aggregate over the Policy Period.

Evacuation Expenses USD 3,000,000 any one Occurrence and in the aggregate over the Policy Period

The above sub-limits are subject to an overall aggregate for policy period hereon of USD 18,000,000 for entire project combined.

Limit in respect of Defective Part as set forth in the Defective Part
Exclusion Buy Back Endorsement as attached.

Section 2

In respect of the Construction and Tie-In Agreement between Gassco
and Energinet a dedicated limit of USD 25,000,000 any one
occurrence to apply

EXCESS (100%):

Section 1:

USD 450,000 any one occurrence or series of occurrences arising out
of one originating cause.

72 hours each and every Occurrence in respect of stand-by charges.

Section 2:

USD 100,000 any one occurrence or series of occurrences arising out
of one originating cause.

All the foregoing Excesses are not to apply in the event of actual or
constructive total loss, general average, salvage, salvage charges, sue
and labour expenses, war risks, strikes risk or terrorist risks all of
which are payable in full.

Excesses are not to apply where coverage hereunder operates excess
of any valid or collectible contractor's insurance which to be
evidenced to Underwriters.

Highest single excess to apply in case of a loss involving section I
and II.

GEOGRAPHICAL LIMITS:

Worldwide excluding operations domiciled in the United States of
America and Canada.

CONDITIONS:

All terms and conditions as set forth in the attached Wording, such
wording being WELCAR Section I and II, amended only as set forth
herein:

- Quality Assurance/Quality Control provisions paragraph 1 of
Clause 2. Special Conditions for Other Assureds is deleted.
- Quality Assurance/Quality Control provisions Paragraph 2 of
Clause 3. Waiver of Subrogation is deleted.
- General Terms and Conditions 10, Due Diligence Clause, is
amended as attached.

- General Terms and Conditions 17, Assignment or Modification Clause, is amended as attached.
- General Terms and Conditions 18, Acceptance Clause is deleted.
- Exclusion 5 - Watercraft is deleted subject to watercraft having Protection and Indemnity coverage, including Specialist Operations cover, during the Project Period with a limit of liability of at least: 1) USD50,000,000 (100%); or 2) the value of the hull (before loss, if applicable), whichever greater.
- The second paragraph of General Terms and Conditions 19, Forfeiture Clause, is amended to read as follows:

“If any Assured shall make any claim for indemnity under this Policy that is false or fraudulent, as regards amount or otherwise, all coverage in respect of the claim shall be forfeited.”
- Existing Property/Contractual Exclusion Buyback Endorsement, as attached

And excluding the following:

- War and Terrorism, as attached.
- Pure Financial Loss, as attached.
- Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL370 (amended)
- Institute Cyber Attack Exclusion Clause CL380
- Liability arising out of German Environmental Liability Law

Nothing in this Contract shall be construed as a condition precedent or a warranty unless it is expressly stated as such in the Contract

CHOICE OF LAW AND JURISDICTION:

This insurance shall be governed by and construed in accordance with the law of Norway and each party agrees to submit to the exclusive jurisdiction of the Courts of Norway in the event of a dispute arising hereunder.

PREMIUM:

Section I:
USD (100%) in full for the period.

Section II:
USD (100%) in full for the period.

PREMIUM PAYMENT TERMS:

None

**TAXES PAYABLE BY
INSURED AND
ADMINISTERED BY
INSURERS:**

according to legislation

**TAXES PAYABLE BY
INSURERS AND
ADMINISTERED BY
INSURED OR THEIR
AGENT:**

None

**RECORDING,
TRANSMITTING AND
STORING
INFORMATION:**

Where WillisTowersWatson maintains risk and claims data/information/ documents WillisTowersWatson may hold data/information/documents electronically.

**INSURER CONTRACT
DOCUMENTATION:**

Any further documentation changing this contract agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

**NOTICE OF
CANCELLATION
PROVISIONS:**

Where (re)insurers have the right to give notice of cancellation, in accordance with the provisions of the contract, then:

To the extent provided by the contract, the Slip Leader is authorised to issue such notice on behalf of all participating (re)insurers; and (optionally)

any (re)insurer may issue such notice in respect of its own participation.

The content and format of any such notice should be in accordance with the 'Notice of Cancellation' standard, as published by the London Market Group (LMG), or their successor body, on behalf of London Market Associations and participants. However failure to comply with this standard will not affect the validity of the notice given.

The notice shall be provided to the broker by *an email* to Michael.ekdahl@willistowerswatson.com

Failure to comply with this delivery requirement will make the notice null and void. Satisfactory delivery of the notice will cause it to be effective irrespective of whether the broker has acknowledged receipt.

**INITIAL ESTIMATED FINAL
CONTRACT VALUE (100%):** USD 2,300,000

SCHEDULE A

(AMOUNT) (100%): USD 3,450,000

IT IS UNDERSTOOD THAT THE ABOVE SCHEDULE A
AMOUNT REPRESENTS THE INITIAL ESTIMATED FINAL
CONTRACT VALUE INCREASED BY 25% AND IS FURTHER
SUBJECT TO ESCALATION, IF AND AS APPLICABLE,
SUBJECT TO DECLARATION HEREON AND PAYMENT OF
ADDITIONAL PREMIUM AS SET FORTH IN THE PROVISIONS
OF CLAUSE 5. ESCALATION CLAUSE.

SCHEDULE B

(AMOUNT) (100%): USD 2,300,000

WORDING AND CLAUSES:

WELCAR 2001 OFFSHORE CONSTRUCTION PROJECT POLICY INDEX

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OFFSHORE CONSTRUCTION PROJECT POLICY

Subject to the terms, conditions and exclusions herein, this Policy provides coverage for certain physical damage and liabilities incurred by the Assureds. Section I—Physical Damage and Section II—Liability are distinct sections, with the exception that the Scope of Insurance and General Terms and Conditions below shall apply to Section I and Section II.

Please review this entire Policy carefully and discuss the coverage hereunder with your insurance agent, broker or other representative.

SCOPE OF INSURANCE

(Applicable to Section I and Section II)

Subject to the insuring agreements, applicable terms, conditions and exclusions, this insurance covers the following activities undertaken in the course of the project identified in the Document “Risk and Insurance Information item 8” (hereinafter, the “Project”), provided such activities are within the insured values. Covered activities include: procurement, construction, fabrication, load out, loading/unloading, transportation by land, sea or air (including call(s) at port(s) or place(s) as may be required), storage, towage, mating, installation, burying, hook-up, connection and/or tie-in operations, testing and commissioning, existence, initial operations and maintenance, project studies, engineering, design, project management, testing, trials, pipelaying, trenching, and commissioning. Covered activities include direct consequences from drilling operations.

The Policy shall be deemed to be a separate insurance in respect of each Principal Assured hereunder without increasing Underwriters’ limits of liability.

1. ASSUREDSD

Principal Assureds

- (i) Energinet and/or joint venturers as they may now or subsequently exist.
- (ii) Parent and/or subsidiary and/or affiliated and/or associated and/or inter-related companies of the above as they are now or may hereafter be constituted and their directors, officers and employees, while acting in their capacities as such.

Other Assureds

- (iii) Project managers.
- (iv) Any other company, firm, person or party (including contractors and/or sub-contractors and/or manufacturers and/or suppliers) with whom the Assured(s) named in i, ii, iii and iv have entered into written contract(s) directly in connection with the Project.

2. SPECIAL CONDITIONS FOR OTHER ASSUREDSD

~~It is a condition precedent for any party identified in Other Assureds definition clause iii. and iv. above to benefit from the Other Assureds status under the Policy that they perform their operations according to Quality Assurance/Quality Control system(s) which comply with the Quality Assurance/Quality Control provisions passed on by the Principal Assureds through each and every written contract awarded within the scope of insured works as scheduled under the Policy.~~

The interest of the Other Assured(s) shall be covered throughout the entire Policy Period for their direct participation in the venture, unless specific contract(s) contain provisions to the contrary. The rights of any Assured under this insurance shall only be exercised through the Principal Assureds. Where the benefits of this insurance have been passed to an Assured by contract, the benefits passed to that Assured shall be no greater than such contract allows and in no case greater than the benefits provided under the insuring agreements, terms, conditions and exclusions in the Policy.

3. LOSS PAYEE

Losses and returns of premiums payable to Energinet or order.

4. POLICY PERIOD

As detailed within the PERIOD clause of this Market Reform Contract.

GENERAL TERMS AND CONDITIONS

(Applicable to Section I and Section II)

1. PREMIUMS

Premium shall be payable as provided in Item 6 of the Declarations.

2. SUBROGATION

Underwriters shall be subrogated to all rights which the Assured may have against any person or other entity, other than Principal Assureds and Other Assureds i.e. Gassco, Equinor and Divers ref. enclosed Contract, in respect of any claim or payment made under Section I or Section II of the Policy. The Assured shall execute all papers required by the Underwriters and shall co-operate with the Underwriters to secure their subrogation rights.

3. WAIVER OF SUBROGATION

Underwriters agree to waive rights of subrogation against any Principal Assured(s) and/or Other Assured(s) i.e. Gassco, Equinor and Divers ref. enclosed Contract.

~~The Assureds shall not grant any waiver of subrogation to drilling contractors and/or their sub-contractors without obtaining Underwriters' agreement to a specific endorsement to this Policy prior to the commencement of operations.~~

~~As a condition precedent to their benefiting from the automatic waiver of subrogation in this clause, Other Assureds must perform their operations according to Quality Assurance/Quality Control system(s) that comply with the Quality Assurance/Quality Control provisions passed on by the Principal Assureds through each and every written contract awarded within the scope of insured works as scheduled under the Policy.~~

4. PERCENTAGE INTEREST CLAUSE

All values, limits, excesses and premiums contained in the Policy are in respect of a 100% interest and shall be reduced in proportion to the individual Principal Assured(s) interest as declared or as may be subsequently declared and agreed by Underwriters.

5. ORDER OF PRECEDENCE

All clauses incorporated into the Policy by reference (hereinafter the "Incorporated Clauses") apply insofar as they do not conflict with the wording of the Policy. In the event that the Incorporated Clauses conflict with this Policy wording, this wording shall take precedence.

6. LAW AND JURISDICTION

It is understood and agreed that the Policy shall be governed by Norwegian law and practice. Any dispute, controversy or claim arising out of or relating to the Policy shall be submitted to and determined by the courts of Norway, which shall have exclusive jurisdiction of all such matters.

~~7. CLAIMS CURRENCY CLAUSE~~

~~Whereas the Policy is issued in US dollars, it is agreed that, if any Assured so elects after acceptance of a claim by Underwriters but before settlement of the claim, Underwriters may effect payment in US dollars or sterling, at rate of exchange at the mid point of the closing rates between~~

~~sterling and US dollars as published in the Financial Times two working days before payment is issued by Underwriters.~~

8. HELD COVERED CLAUSE

In the event the interest is requisitioned for title or use, confiscated, nationalised, pre-empted or otherwise appropriated, wholly or in part, the Policy shall continue to cover the contingent liability of the Assured, subject to the insuring agreements, terms, conditions and exclusions herein, for a period of fourteen days after such event. Thereupon the Policy shall terminate unless there be prior agreement by the Underwriters to continue coverage.

9. DIVESTMENT CLAUSE

Upon divesting a portion or all of its interest in the project, a Principal Assured shall immediately notify Underwriters of the divestment. Underwriters agree to provide cover hereon for the new owners of the divested interest for a period of 14 days from the date of divestment on the same terms and conditions. Coverage for the divested portion will automatically terminate 14 days after the divestment unless Underwriters and the new owner reach agreement to continue the coverage.

In the event the new owner elects not to continue coverage hereunder, Underwriters agree to adjust their acceptance of risk and premiums payable from the termination date. Furthermore, after coverage for the divested portion terminates, Underwriters shall have no obligation to make payments to or on behalf of the new owner(s) of the divested interest or their insurers, even if loss or damage results from an Occurrence or event that takes place prior to the divestment date.

10. DUE DILIGENCE

The Principal Assureds shall exercise due care and diligence in the conduct of all operations covered under the Policy, utilising all safety practices and equipment generally considered prudent for such operations. In the event any hazardous condition develops, including with respect to any well from which consequential damages covered by the Policy may arise, the Assureds shall make all reasonable efforts to prevent the occurrence of a loss insured against under the Policy.

11. PERMISSION TO OCCUPY AND OPERATE

Permission is granted to occupy and operate any portion or portions of the property insured and such occupancy or operation shall not constitute acceptance of the property insured, subject to any adjustment of premium as applicable and prior notification to Underwriters.

12. AGREEMENT WITH CARRIERS, WAREHOUSEMEN & OTHER BAILEES

The Assureds may waive their right(s) of recovery against private or contract carriers in writing prior to loss, and may accept bills of lading or receipts from common carriers, warehousemen or other bailees limiting their liability, but this insurance shall not inure to the benefit of any carrier, warehousemen or bailee.

13. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Assured and/or any other insurer shall not operate to:

- (a) deplete the Excesses set out in Risk Details;

- (b) increase Underwriters' liability under the Policy; or
- (c) increase any Underwriter's share of liability under the Policy.

14. INSPECTION AND AUDIT

Underwriters shall be permitted but not obligated to inspect the Assured's property and operations at any time. Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Assured or others, to determine or warrant that such property or operations are safe.

Underwriters may examine and audit the Assureds' books and records at any time during the Policy Period and extensions thereof and within three years after the final termination of the Policy, as far as such books and records relate to the subject matter of this insurance.

15. CANCELLATION

Upon cancellation of the planned project (whole or partially) which results in cancellation of the Works, the premium are to be reimbursed to the Assured free of any excesses or retention. However the Assured accept to pay pro rata premium of the work begun and for which the Underwriters has held coverage.

The first named Principal Assured set out in Item 1 of the Declarations may cancel the Policy on behalf of all Assureds at any time prior to the first Occurrence that gives rise or may give rise to a covered loss. Notice of cancellation shall be sent to Underwriters through the party identified in Item 7 of the Declarations. Such notice shall be sent by registered mail, facsimile, e-mail or hand-delivery, and shall state when, not less than thirty (30) days thereafter, cancellation shall be effective. Notice of cancellation shall not be effective on the date specified in the notice unless the party identified in Item 7 of the Declarations forwards the notice to Underwriters within 72 hours after receiving it. A notice of cancellation complying with the requirements of this clause shall terminate the coverage of all Assureds under this Policy on the effective date stated in the notice. The first named Principal Assured shall be responsible for notifying all Assureds that the Policy has been cancelled.

If the first named Principal Assured cancels the Policy, Underwriters shall calculate the return premium in accordance with the level of exposure on the date of cancellation. In any event, Underwriters shall retain at least the proportion of the premium for the period the Policy has been in force.

16. CONFLICTING STATUTES

Any and all provisions of this insurance that conflict with the statutes of the state or country wherein this insurance is issued are understood, declared and acknowledged by Underwriters and the Assured(s) to be amended to conform to such statutes.

17. ASSIGNMENT OR MODIFICATION OF POLICY

This Policy is made and accepted subject to the conditions, limitations, agreements and declarations and all endorsements signed by Underwriters, and shall constitute the entire contract between the Underwriters and the Assured(s). No notice or assignment of any right under the Policy nor any change, waiver or extension of its terms shall be valid unless endorsed hereon and signed by Underwriters.

In the event of the death, bankruptcy or receivership of an Assured within the Policy Period, the Policy shall, except in the event of cancellation, cover the legal representative of the Assured,

provided that notice in writing is given to the Underwriters within thirty days after the date of such death, insolvency, bankruptcy or receivership.

18. ACCEPTANCE

~~By accepting the Policy, each Assured declares that the several statements in the application, schedules and proposal are true and are hereby made a part of the Policy. Each Assured recognises that the Policy is issued by the Underwriters in reliance upon such statements and in consideration of the premium to be paid by the Assured.~~

19. FORFEITURE

If an Assured shall breach any provision of the Policy, there shall be no coverage for that Assured as to the particular claim in connection with which the breach occurred, provided that there is no statute to the contrary in the country or state in which the insurance was made.

If any Assured shall make any demand for indemnity under this Policy that is false or fraudulent, as regards amount or otherwise, this Policy shall become null and void, and all coverage hereunder shall be forfeited.

20. DISCOVERY CLAUSE

Claims under the Policy shall only be recoverable hereunder if the Assured has discovered and reported such loss, damage or Occurrence to Underwriters within 2424 months from expiry of the Project Period set out in Item 3 of the Declarations and concurrent with specific maintenance period(s) set out in Item 3 of the Declarations and described in Section I, Terms and Conditions, Clause 19 above.

This clause shall not, however, restrict the time otherwise allowed for establishing the extent and/or effecting of repairs and/or presentation of a claim in respect of such loss and/or damage discovered and reported in accordance with the foregoing paragraph.

21. CONFORMITY CLAUSE

Whenever the word "Assured" appears herein, it shall be replaced by the word "Insured" wherever the context of this Contract allows.

Wherever the word "Underwriter(s)" appears herein, it shall be replaced by the words "Insurer(s)" wherever the context of this Contract allows.

SECTION I - PHYSICAL DAMAGE

1. COVERED PERILS

Subject to the terms, conditions and exclusions herein, this Policy insures against all risks of physical loss of and/or physical damage to the property covered hereunder, provided such loss or damage arises from an Occurrence within the Policy Period set out in Risk Details.

2. COVERED PROPERTY

This insurance covers works executed anywhere in the world in the performance of all contracts relating to the Project including (provided they are included in the contract values declared to Underwriters and insured herein) materials, components, parts, machinery, fixtures, equipment and any other property destined to become a part of the completed project, or used up or consumed in the completion of the project. This insurance shall also cover (provided they are declared to and agreed by Underwriters) all temporary works, plant, equipment, machinery, materials, outfits and all property associated therewith, whether such items are intended to form a permanent part of the works or not, including site preparatory work and subsequent operational risks.

It is understood and agreed that any insured equipment and/or property that is not for incorporation into the contract works shall be covered whilst it is being utilised in the Project and whilst in transit from the Project site(s) until the earlier of the date of arrival at its final destination or the 30th day after its removal from the Project site(s).

3. POLICY LIMIT

Underwriters' total liability for all claims arising out of any one Occurrence shall not exceed 125% of the latest agreed Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause (each of which is separately limited under the appropriate coverage clauses).

In the event of escalation as provided under clause 5, Underwriters' total liability for all claims arising out of any one Occurrence shall not exceed 150% of the initial Schedule "B" values, or following agreement by Underwriters, the amended Schedule "B" values, including payments made under the sue and labour clause, the additional work clause and the removal of wreckage and/or debris clause, and the Escalation Clause (each of which is separately limited under the appropriate coverage clauses).

Notwithstanding anything contained herein, Underwriters' maximum limit of liability shall not exceed the Schedule "A" value in the aggregate.

4. EXCESSES

Underwriters' liability under the Policy shall be subject to the Excesses set out in Risk Details.

5. ESCALATION CLAUSE

Whereas the values stated in the Declaration at the time the risk was bound represent the Estimated Completed Value and are therefore provisional, it is agreed that the final completed value of the property insured herein shall be the insured value.

Should the insured values, determined as above:-

- a. exceed the provisional value stated in Schedule B, the Assureds agree to declare to Underwriters hereon the amount of such excess and to pay premium as agreed, and Underwriters agree to accept their proportionate share of the increase; or
- b. be less than the provisional value stated in Schedule B, the sum insured by Underwriters shall be reduced proportionately, and Underwriters agree to return premium as agreed on the amounts by which their respective lines are reduced.

Nevertheless, should the insured value exceed 125% of the initial declared value as per Schedule B, or following agreement by Underwriters, the amended Schedule "B" values, then the limits of indemnity shall be 125% of the latest schedule B values, any one Occurrence, but always subject to the limits of recovery as provided for elsewhere in the Policy and in accordance with the agreed "B" scheduled amounts as per the Declarations at the time of loss.

TERMS AND CONDITIONS

1. BASIS OF RECOVERY

In the event of an Occurrence covered under the Policy, Underwriters agree to indemnify the Assured on the following basis:-

- a. items repaired or replaced - 'New for Old' plus towage, installation and all other costs necessarily incurred and duly justified in repair or replacement - as per latest agreed Schedule B.
- b. replacement with items which are redesigned or of new design - provided such replacement is actually commenced and no repairs or replacements are carried out on the item which sustained physical loss or physical damage, indemnification hereunder shall be on the basis of reasonably estimated figures in accordance with paragraph 1a. above.
- c. items not repaired or replaced:-
 - (i) for items which are a total and/or constructive total loss, the actual items costs incurred up to time of loss as per latest agreed Schedule B.
 - (ii) for partial physical loss of or physical damage to an insured item, the reasonable depreciation arising from the unrepaired damage, deemed to be the reasonable cost of repairing such damage on a new for old basis plus (in the event repairs are not undertaken for reasons entirely outside the control of the Assured) towage, installation and other similar costs directly incurred in respect of the item lost or damaged, up to the point of loss and, to the extent that such costs have been prepaid or the Assured is committed to paying and is unable to revoke, but not to exceed amounts as per the latest agreed Schedule B.

- d. use of prehired vessels/equipment - It is understood and agreed that if, in the event of physical loss and/or physical damage to the property insured which is covered by this Policy, repairs and/or reinstatement and/or replacement and/or salvage are carried out by vessels and/or craft and/or equipment and/or labour which the Assured have on charter, hire or contracted to them, the cost or the proportion thereof shall be based on the pre-agreed hire or contract rates for such employment when used in or about the repair, reinstatement, replacement, or salvage of losses covered by this Policy and shall be so recoverable as a claim hereon. In the event that the Assured utilises its own vessels, craft, equipment, material or labour for any repair, reinstatement, replacement or other work in respect of physical loss and/or physical damage covered by this Policy, then, subject otherwise to the terms and conditions of the Policy, a reasonable charge in respect of such work shall be recoverable as a claim hereon. Provided always that the recoverable costs referred to in this paragraph shall not exceed the costs of employing approved vessels and/or craft and/or equipment and/or materials and/or labour from other available sources.

In respect of paragraphs a. and b. above, in no event shall Underwriters be liable for any increased cost or expense of repair or construction by reason of law, ordinance, regulation, permit or licence regulating construction or repair or any increased cost or expense incurred by reason of betterment or alteration in design.

Additional insurance costs and (re)certification costs attaching to damage repair or replacement work are covered hereunder as part of the values insured subject to inclusion of the original insurance costs in the initial Estimated Final Completed Value of the works.

Provided always that where any of the aforesaid costs relate to retrieval of a damaged item and/or subsequent (re)installation of that repaired item or a replacement, and such costs or part thereof would in any event have been incurred by the Assured irrespective of the insured physical damage, or otherwise benefit the Assured in respect of uninsured matters, then such costs shall be apportioned in a fair and reasonable manner between the Assured and Underwriters.

2. INCORPORATED CLAUSES

The following clauses are incorporated into the Policy by reference, with the amendments described below:

- a. Institute Clauses for Builders Risks (1st June 1988) amended as below, including the deletion of the Earthquake and Volcanic Eruption Exclusion Clause No. 6, including cost of site preparatory work lost or expended as a result of insured perils, and including modifications to Clause 5, paragraph 5-1, as hereafter quoted/amended:-

5. PERILS

- 5.1 SUBJECT ALWAYS TO ITS TERMS, CONDITIONS AND EXCLUSIONS this insurance covers all risks of physical loss of or physical damage to the subject matter insured caused and discovered during the period of the insurance.

AS SET FORTH IN EXCLUSION 1.I. HEREIN, IN NO CASE SHALL THIS POLICY COVER THE COST OF RENEWING FAULTY WELDS.

Institute War Clauses Builders Risk (1st June 1988).

Institute Strikes Clauses - Builders Risk (1st June 1988).

- b. The following conditions shall apply to any parts of the property insured herein that are in storage (ashore or afloat), loading, unloading and in transit other than by means of their own buoyancy or by means of floatation tanks. These conditions shall continue until midnight on the day on which off-loading at final offshore site is completed and shall include the Collision Clause provisions of the Institute Clauses for Builders Risks (1st June 1988).

Subject as applicable to:-

Institute Cargo Clauses (A) 1st January 1982

Institute Classification Clause 1st January 2001, where insured property is carried as cargo or held covered at additional premium to be agreed by Underwriters.

Institute War Clauses (Cargo) 1st January 1982.

Institute War Clauses (Air Cargo) (excluding sendings by Post) 1st January 1982.

Institute War Clauses (sendings by Post) 1st January 1982.

Institute Strikes Clauses (Cargo) 1st January 1982.

Institute Strikes Clauses (Air Cargo) 1st January 1982.

The MAR91 Form is deemed incorporated herein in respect of transits covered under the 1st January 1982 Clauses.

3. LOSS NOTIFICATION

On the happening of any Occurrence the Assured shall:

- a) notify the Underwriters as soon as reasonably practicable of any event likely to result in a loss hereon
- b) deliver to the Underwriters as soon as reasonably practicable
 - i) full information in writing of The Property Insured lost destroyed or damaged and of the amount involved
 - ii) all such proofs and information relating to the claim as may reasonably be required.

4. ERRORS AND OMISSIONS

Any unintentional or inadvertent error or omission in name or description under this Policy shall not operate to the prejudice of the Assured, provided that the error or omission is corrected when discovered by the Assured and advised to Underwriters prior to any Occurrence giving rise to a claim hereunder.

5. PROJECT ALTERATIONS AND AMENDMENTS

Underwriters agree to hold covered all amendments and alterations to the project specification subject to the terms and conditions of the policy for a period of 60 days from the date of implementation of such amendments and/or alterations subject to the Principal Assured notifying Underwriters of any material and/or significant alterations promptly within 60 days of their

implementation. In order for coverage for such material and/or significant amendments and alterations to extend beyond 60 days, the Principal Assureds and Underwriters must agree upon the additional premium to be applied.

Material and/or significant alteration shall be deemed to be a change in the scope of work and/or material change in the way the work is to be carried out i.e. including but not limited to

- I) amendment to contractor
- II) amendment to vessels involved in installation
- III) quantum of value at risk not otherwise catered for in the policy wording
- IV) pipelay technique
- V) size of pipeline and material of pipe
- VI) installation methodology i.e. heavy lift required.

6. POLLUTION HAZARD CLAUSE

Subject to the terms and conditions of the Policy, this insurance covers physical loss of or physical damage to the property insured hereunder directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, provided such act of governmental authority has not resulted from want of due diligence by the operator for the Principal Assureds to prevent or mitigate such hazard or threat.

Coverage provided by the above paragraph shall also extend to cover any other physical loss or physical damage caused or inflicted by order of any governmental body or agency after consultation with officials and engineers of the Assured relating to the insured project but only in respect of interests covered by this Policy, and always subsequent to physical loss and physical damage resulting from a peril insured against.

7. DEFECTIVE PARTS

The insurance afforded by this Policy covers physical loss and/or physical damage to the property insured herein occurring during the Policy Period and resulting from a Defective Part, faulty design, faulty materials, faulty or defective workmanship or latent defect even though the fault in design may have occurred prior to the attachment date of the Policy.

This Policy, however, does not provide coverage for loss or damage to (including the cost of modifying, replacing or repairing) any Defective Part itself, unless all of the following are satisfied:

- a. such Defective Part has suffered physical loss or physical damage during the Policy Period;
- b. such physical loss or physical damage was caused by an insured peril external to that part; and
- c. the defect did not cause or contribute to the physical loss or physical damage.

In no case shall this Policy provide coverage for any cost or expense incurred by reason of betterment or alterations in design.

In the event of the total physical loss or total physical destruction of one or more of the items listed in the Schedule "B" attached to the Policy, then this exclusion shall only apply to an identifiable part or parts of such scheduled item or items.

For the purposes of this clause a "Defective Part" shall mean any part of the subject matter insured which is or becomes defective and/or unfit or unsuitable for its actual or intended purpose,

whether by reason of faulty design, faulty materials, faulty workmanship, a combination of one or more thereof or any other reason whatsoever. The term "Defective Part" shall also include such ancillary components, which are not themselves faulty, but which would normally be removed and replaced by new components when the component that is faulty is rectified.

This clause shall prevail in the event of any conflict or inconsistency with any other clause forming part of the Policy. The terms of this clause are not intended and shall not be construed as providing coverage not otherwise provided under the Policy.

8. GENERAL AVERAGE AND SALVAGE CHARGES

General Average and Salvage charges are payable as provided in the contract of affreightment, or if there be no contract of affreightment according to York/Antwerp Rules 1990 amended. In the event the contributory value for the purpose of contribution to General Average or Salvage charges exceed the insured value, it is agreed that such General Average or Salvage charges shall nevertheless be paid in full by Underwriters hereon, provided always that the amount recoverable under this Policy in respect of partial loss arising from any one casualty shall not exceed the value applicable to the item.

General Average deposits are payable on production of General Average Deposit receipts.

Underwriters agree, if required, to provide General Average guarantees or Salvage security in respect of property insured by the Policy.

9. SUE AND LABOUR CLAUSE

It is further agreed that in the case of any imminent physical loss or physical damage to the property insured hereunder, which is the direct result of a peril insured against, the Assureds, their servants and their agents may sue, labour and travel for, in and about the defence, safeguard and recovery of the subject matters insured without prejudice to this insurance and may incur reasonable expenses in efforts to avert or minimise a loss which may fall under this Policy.

The expense so incurred shall be borne by the Assureds and Underwriters proportionately to the extent of their respective interests. No acts of Underwriters or the Assureds in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

Underwriters limit of liability under this clause shall be 25% of the scheduled value contained in the latest agreed Schedule B at time of loss of the item or items that are the subject of such sue and labour.

10. ADDITIONAL WORK

In the event that the structure or insured property is set down or wrongly positioned, which is the direct result of a peril insured against, Underwriters shall indemnify the Assureds for the cost of additional work that is required in respect of positioning or repositioning, sinking, submerging and stabilising the property insured herein insofar as such cost does not fall within the cover afforded by the sue and labour clause. However Underwriters' liability under this clause shall not exceed the percentage amount that would be recoverable under the sue and labour clause and then only to the extent that the Policy Limit is not exhausted by a claim under the sue and labour clause.

11. REMOVAL OF WRECK, WRECKAGE AND/OR DEBRIS

Following an Occurrence covered by this Policy, Underwriters shall indemnify the Assureds for all costs of or incidental to the actual or attempted raising, removal or destruction of the wreckage and/or debris of the insured property, or the provision and maintenance of lights, markings, audible warnings for such wreckage and/or debris when the incurring of such costs is compulsory by any law, ordinance or regulation or when the Assured hereunder is liable for such costs under written contract or when such wreckage and/or debris interferes with the Assured's normal operations.

Underwriters' limit of liability under this clause shall be 25% of the scheduled value contained in the latest agreed Schedule B at time of loss of the item or items which are the subject of such removal of wreckage and/or debris.

12. TESTS, LEAK AND/OR DAMAGE SEARCH COSTS

If it becomes necessary to repeat any test(s) and/or trial(s) or to carry out subsequent test(s) and/or trial(s) as a result of a physical loss or physical damage to the insured property arising from an Occurrence covered under this Policy, Underwriters will bear the cost of any such repeated and/or subsequent test(s) and/or trial(s) subject to a sub-limit as set forth in the Declarations (100%) any one Occurrence, but never to exceed original expenditure as identified in the latest agreed Schedule B.

13. STAND-BY CHARGES

Subject to a sub-limit as set forth in the Declarations any one Occurrence aggregated as set forth in the Declarations over the Policy Period, Underwriters shall indemnify the Assureds for the cost of stand-by time on vessels and/or craft and/or equipment actively engaged in the course of repair following an Occurrence covered under this Policy, where the Assureds are prevented from working in, around or about the damaged property by bad weather, including named hurricanes.

14. CLAIM SURVEYS/ADJUSTING CLAUSE

In the event of physical loss and/or physical damage to insured property arising from an Occurrence covered under this Policy, the Assured may in case of emergency and over weekends instruct one of the following loss adjusters to effect a damage survey: (1) Charles Taylor Adjusting (CTA) for all cargo claims, and (2) Charles Taylor Adjusting (CTA), and/or Matthews Daniel for all other claims. Such firms instructed on an emergency basis shall act as loss adjusters on behalf of Underwriters. In any other circumstances, loss adjusters shall be appointed by Underwriters upon loss/incident notification from the Assured according to Clause 3 above.

15. WARRANTY

It is the intention of Energinet that a Marine Warranty surveyor will be present for the operation.

16. TERRORIST "BUY-BACK" CLAUSE (in respect of Offshore Operations only)

i. Coverage

Subject to the terms and conditions to which reference is made below, Underwriters shall indemnify the Assureds under this clause for physical loss and/or physical damage that would be recoverable under the Policy but for the existence of the following clause in Exclusion 2.ii.:

“There shall be no liability whatsoever for any claim caused by, or resulting from, or incurred as a consequence of:-

- a. (1) The detonation of an explosive.
(2) Any weapon of war
and is caused by any person acting maliciously or from a political motive.
- b. Any act for political or terrorist purposes of any persons, and whether or not agents of a sovereign power, and whether the physical loss, damage or expense resulting therefrom is accidental or intentional”.

ii. Exclusion

The coverage afforded by this clause shall not apply to:

- a. loss or damage arising directly or indirectly from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition of or damage to property by or under the order of any government or public or local authority.
- b. loss or damage arising directly or indirectly from arrest, restraint or detainment under quarantine regulations or by reason of infringement of any customs regulations.

iii. Cancellation, Automatic Termination, Suspension and Amendment of Terms from Time of Load Out

a. (i) Amendment of Terms

Coverage under this clause may be cancelled by the Underwriters giving notice effective on the expiry of 14 days from midnight Greenwich Mean Time on the day on which notice is issued. Underwriters agree however to reinstate this insurance subject to agreement between Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions.

(ii) Notice of Cancellation

Coverage under this clause may also be cancelled by the Underwriters or the Assured giving notice not less than seven days prior to the end of each period of three months from inception.

b. Whether or not such notice of cancellation has been given coverage under this clause shall TERMINATE AUTOMATICALLY:

- (i) Upon the outbreak of war (whether there be a declaration of war or not) between any of the following States, namely, The United Kingdom, United States of America, France, The Russian Federation, The People's Republic of China; or

- (ii) Upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, wheresoever or whensoever detonation may occur.
 - c. The coverage afforded by this clause shall be suspended in respect of the property concerned in the event of the property being appropriated, requisitioned or confiscated or nationalised by any authority of Government (whether civil, military or de facto) of the state in which the property is owned or registered.
 - d. Provided that there have been no claims hereunder, pro rata return of premium shall be payable to the Assured in the event of either cancellation by notice from Underwriters or the automatic termination or suspension by reason of the operation of this Policy.
- iv. Held Covered

In the event of the interest being requisitioned for title or use, or confiscated, nationalised, pre-empted or otherwise appropriated wholly or in part, coverage under this clause shall continue to cover the contingent liability of the Assured in respect of the coverage provided under for a period of fourteen days after such event. Thereupon coverage under this clause the insurance shall terminate unless there be prior agreement by the Underwriters to continue.

17. FORWARDING CHARGES

In respect of transit(s) insured hereunder, if as a result of an Occurrence covered by the terms of this Policy, the insured transit is terminated at a port or place other than that to which the property insured is covered under this insurance, Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading, storing and forwarding the property insured to the destination to which it is insured hereunder.

Underwriters will bear the cost of any such extra charges subject to a sub-limit as set forth in the Declarations any one Occurrence and in the aggregate for the Policy Period.

18. PAYMENT OF CLAIMS

It is agreed that all claims covered under this Policy shall be payable to the Assured's representative identified in Item 8 of the Declarations no later than thirty (30) days after presentation and acceptance of proofs of loss by Underwriters or their approved representatives.

19. MAINTENANCE

The cover provided hereunder shall be no wider than that contained elsewhere in the Policy. Coverage under this Policy only shall continue during the maintenance period(s) specified in individual contracts but not exceeding a further 24 months from expiry date of the Project Period as set out in Item 3 of the Declarations. During such maintenance period(s), coverage is limited to physical loss or physical damage resulting from or attributable to:

- a. faulty or defective workmanship, construction, material or design arising from a cause occurring prior to the commencement of the maintenance period; and
- b. operations carried out by Other Assureds during the maintenance period(s) for the purpose of complying with their obligations in respect of maintenance or the making good of defects as

may be referred to in the conditions of contract, or by any other visits to the site necessarily incurred to comply with qualifications to the acceptance certificate.

20. OTHER INSURANCE

The insurance afforded under this Policy shall be primary to, and receive no contribution from, any other insurance maintained by or for the Principal Assured(s) and/or Other Assured(s).

DEFINITIONS

1. The phrase **“the property insured hereunder”** shall be substituted for the word **“vessel,”** as used in the Incorporated Clauses, where the context of the Policy allows.
2. The word **“launch”** shall be deemed to include skidding onto and off launch barge/vessel and/or mating and/or floating in dry dock and/or flooding thereof and/or transfer of the property insured into water and/or emplacement and/or positioning in water at site.
3. The term **“Occurrence,”** wherever used in the Policy, shall mean one loss, accident, disaster or casualty or series of losses, accidents, disasters or casualties arising out of one event;
 - i. as respects windstorm, all tornadoes, cyclones, hurricanes, similar storms and systems of winds of a violent and destructive nature, arising out of the same atmospheric disturbance within any period of seventy-two consecutive hours commencing during the period of this insurance, shall be considered one event;
 - ii. each earthquake, shock or volcanic eruption, shall constitute one event hereunder, provided that if more than one earthquake, shock or volcanic eruption shall occur within any period of seventy-two consecutive hours commencing during the period of this insurance, such earthquake, shocks or volcanic eruptions shall be deemed to be one event within the meaning hereof.

EXCLUSIONS

1. The coverage afforded by this Policy shall not apply to:
 - a. vessels or other watercraft, except for floating materials that are destined to become a permanent part of the completed Project and are declared to and accepted by Underwriters prior to loss;
 - b. aircraft and/or helicopters;
 - c. temporary works, site preparatory works, property and/or equipment that are not owned by the Principal Assureds and are not for incorporation in the contract work, unless separately scheduled hereunder and agreed by Underwriters at an additional premium prior to loss;
 - d. penalties for non-completion of or delay in completion of contract or part or non-compliance with contract conditions;
 - e. any claim by reason of the platforms and/or structures being placed in the wrong locations unless caused by an Occurrence which is covered by the terms of this Policy;
 - f. loss of use or delay in "start up" of the insured property howsoever caused;
 - g. liability assumed under contracts or otherwise for "Performance Guarantees" given by suppliers;

- h. infidelity of a Principal Assured or with the knowledge of a Principal Assured;
 - i. costs of repairing, correcting or rectifying wear and tear, rust and oxidation and fluctuations in temperature;
 - j. any claim arising from or in connection with the dumping of rocks and/or similar materials, where such rocks and/or similar materials have been placed in the wrong position or location, but this exclusion shall not apply to physical loss of or physical damage to property insured hereunder forming a part of the Project caused by such dumping;
 - k. all operations, temporary or permanent works, assets or equipment (whether destined to be a permanent part of the project or not) for which related budgeted costs are not included within the latest agreed Schedule B;
 - l. the costs or expenses of repairing, renewing or replacing faulty welds;
 - ~~m. loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
 - ~~i. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;~~
 - ~~ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;~~
 - ~~iii. any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or~~
 - ~~iv. radioactive contamination however caused whenever or wherever happening;~~~~
2. The following clauses i. and ii. are only to apply to property on land and/or installed at the offshore location, but they shall not be construed to exclude physical loss or physical damage caused by mines, bombs, torpedoes, missiles or other weaponry remaining from previous hostilities or military exercises.
- i. Notwithstanding anything to the contrary contained herein, this Policy does not cover loss or damage directly or indirectly occasioned by, happening through, or in consequence of war (whether war be declared or not), invasion, acts of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority except as otherwise provided in the Policy.
 - ii. There shall be no liability whatsoever for any claim caused by or resulting from, or incurred as a consequence of:
 - a. (1) The detonation of an explosive.
 - (2) Any weapon of war

and caused by any person acting maliciously or from a political motive.

- b. Any act for political or terrorist purposes of any persons, whether or not agents of a Sovereign Power, and whether the loss, damage or expense resulting therefrom is accidental or intentional.

However, in respect of Offshore Operations only, Exclusion 2.ii. above is subject to Terrorist Buyback Clause 16. herein.

SECTION II--LIABILITY

INSURING AGREEMENT

1. COVERAGE

Underwriters agree, subject to the limitations, terms, conditions and exclusions herein, to indemnify the Assured(s) for Ultimate Net Loss which the Assured(s) shall be obligated to pay by reason of

- (i) liability imposed upon the Assured(s) by law, and/or
- (ii) Express Contractual Liability,

for Bodily Injury or Property Damage caused by an Occurrence, provided always that the Occurrence takes place during the Project Period and arises out of the activities described in the Scope of Insurance section herein.

2. DEDUCTIBLE

Regardless of the number of:

- (i) Assureds under the Policy,
- (ii) persons or organisations who sustain Bodily Injury or Property Damage, or
- (iii) claims made or suits brought on account of Bodily Injury or Property Damage,

Underwriters shall only be liable for Ultimate Net Loss exceeding the Deductible set forth in Item 5 of the Declarations in respect of each and every Occurrence including expenses, liability, debris removal, uncollected accrued charges and legal fees, and/or defence charges, or all combined.

3. LIMIT OF LIABILITY

The Section II Limit of Liability stated in Item 4 of the Declarations is the limit of Underwriters' liability under Section II for all Ultimate Net Loss by reason of any one Occurrence without regard to the number of Assureds, claims or claimants. The Limit of Liability shall be reduced and may be exhausted by Ultimate Net Loss payments. Underwriters shall not be obligated to make any Ultimate Net Loss payment once the Limit of Liability is met, or upon deposit of the available Limit of Liability in a court of competent jurisdiction.

4. DEFENCE AND SETTLEMENT

Underwriters shall not be called upon to assume charge of the settlement or defence of any claim or suit brought or proceeding instituted against the Assured(s), but Underwriters shall have the right and shall be given the opportunity to associate with the Assured(s) in the defence and control of any claim, suit or proceeding relative to an Occurrence where the claim or suit involves, or appears reasonably likely to involve amounts payable by Underwriters, in which event the Assured(s) and Underwriters shall co-operate in all things in the defence of such claim, suit or proceeding.

TERMS AND CONDITIONS

(Section II only)

1. NOTICE TO UNDERWRITERS

In the event of an Occurrence, the Assured(s) shall provide written notice to Underwriters as soon as is practicable stating the following:

1. the specific Occurrence; and
2. the damages which may result or has resulted from the Occurrence; and
3. the circumstance by which the Assured(s) first became aware of the Occurrence.

In respect of Claims to which Section II, Exclusion 15 applies, the Assured(s) shall provide such notice within the timing requirements set forth in that exclusion.

2. ADMISSION OF LIABILITY

The Assured(s) shall not in any way acknowledge or admit any liability on account of any Occurrence nor settle nor negotiate the settlement of any claim or suit resulting therefrom, nor without the consent of Underwriters, incur any expense other than such immediate medical or surgical aid as is imperative at the time of the accident.

3. OTHER INSURANCE

If other valid and collectible insurance with any other insurer is available to the Assured(s) covering a loss also covered by this Section II of the Policy, other than insurance that is specifically stated to be excess of the Policy, the insurance afforded by Section II shall be in excess of and shall not contribute with such other insurance. Nothing herein shall be construed to make the Policy subject to the terms, conditions and limitations of other insurance.

4. CROSS LIABILITIES

In the event of one Assured incurring liability to any other of the Assureds, this Section II of the Policy shall cover the Assured against whom the claim is or may be made in the same manner as if separate policies had been issued to each Assured. However, the inclusion of more than one Assured hereunder shall not operate to increase the Limit of Liability.

In no case shall this Section II of the Policy provide coverage for any physical loss of or physical damage to or defects discovered in the property insured under Section I.

Coverage in respect of Other Assureds does not apply to actual or alleged liability to other contractors and/or vendors and/or suppliers for consequential loss, loss of profit or business interruption.

DEFINITIONS

(Section II only)

1. **"BODILY INJURY"** means bodily injury, sickness or disease, including death resulting therefrom (and including damages allowed for loss of services) and mental anguish, provided such injuries are accidentally sustained by any person by reason of the Assured's operations as declared hereto.
2. **"CLAIMS EXPENSES"** shall mean reasonable legal costs and other expenses incurred by or on behalf of the Assured(s) in the defence of any covered claim including attorney's fees and disbursements, investigation, adjustment, appraisal, appeal costs and expenses and pre- and post-judgement interest, excluding salaries, wages and benefits of the Assured's employees and the Assured's administrative expenses.
3. **"DAMAGES"** shall mean compensatory damages, monetary judgements, awards, and/or compromise settlements entered with Underwriters' consent, but shall not include fines or penalties, punitive damages, exemplary damages, equitable relief, injunctive relief or any additional damages resulting from the multiplication of compensatory damages.
4. **"EXPRESS CONTRACTUAL LIABILITY"** means liability that the Assured has expressly assumed prior to any Occurrence covered by this Policy in:
 - (a) any written contract; or
 - (b) any oral contract reduced to writing within 7 days after the contract is orally agreed.
5. **"OCCURRENCE"** means an accident, including continuous or repeated exposure to conditions, which results in Bodily Injury or Property Damage neither expected nor intended from the standpoint of the Assured.
6. **"PROPERTY DAMAGE"** means physical loss of or direct damage to or destruction of tangible property, including the loss of use thereof, and including the loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Occurrence during the Policy Period, and such losses are accidentally sustained by reason of the Assured's operations as declared to Underwriters.
7. **"ULTIMATE NET LOSS"** shall mean the total sum the Assured is obligated to pay as Damages, and shall include Claims Expenses in respect of claims covered under this Policy.

EXCLUSIONS

(Section II only)

The insurance afforded by Section II does not apply to actual or alleged liability:

1. arising out of operations in intentional violation of any national, international, federal or state statute or law;
2. caused by any automobile, tractor, trailer, vehicle (other than hand propelled), team, locomotive, freight cars or aircraft. This exclusion shall not apply to any crawler type tractor, ditch or trench digger, power crane, shovel, grader, scraper and similar equipment, not subject to motor vehicle registration;
3. for Bodily Injury or Property Damage directly or indirectly occasioned by, happening through or in consequence of:
 - (a) war (whether declared or not), invasion, acts of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of property by or under the order of any government or public or local authority; or
 - (b) the consequence of any act for political or terrorist purposes of any person or persons whether or not agents of a sovereign power and whether or not the loss, damage or expenses resulting therefrom is accidental or intentional;
4. for indemnification of persons for damage to or loss of their tools, materials or equipment while performing operations for any Assured;
5. arising out of the use or operation of watercraft, whether owned, time chartered, bareboat chartered or operated by any Assured, or for which any Assured may be responsible other than as declared hereto;
6. to an Assured's employees, whether the Assured is liable as an employer or in any other capacity, including without limiting the generality of the foregoing any liability under any workers' compensation law, unemployment compensation law, disability benefit law, United States Longshoremen's and Harbour Workers' Compensation Act, Jones Act, Death on the High Seas Act, General Maritime Law, Federal Employers' Liability Act, or any similar laws or liabilities, and/or whether by reason of the relationship of master and servant or employer and employee or not.
7. to the spouse, child, parent, brother, sister, relative, dependent or estate of any employee of an Assured arising out of the bodily and/or personal injury to or illness or death of said employee, whether the Assured may be liable as an employer or in any other capacity whatsoever;
8. arising out of Bodily Injury to any employee of the Assured, including without limiting the generality of the foregoing any such liability for (i) indemnity or contribution whether in tort, contract or otherwise and (ii) any liability of such other parties assumed under contract or agreement;
9. of any employee of any Assured with respect to Bodily Injury to another employee of the Assured sustained in the course of such employment;
10. which any director, officer, partner, principal, employee or stockholder of the Assured may have to any employee of any Assured;

11. for loss of or damage to any well or hole,
 - (i) which is being drilled or worked over by or on behalf of the Assured, or
 - (ii) which is in the care, custody or control of the Assured, or
 - (iii) in connection with which the Assured has provided services, equipment or materials;
12. for any cost or expense incurred in redrilling or restoring any such well or hole or any substitute well or hole;
13. for loss of or damage to any drilling tool, pipe, collar, casing, bit, pump, drilling or well servicing machinery, or any other equipment while it is below the surface of the earth in any well or hole:
 - (i) which is being drilled or worked over by or on behalf of the Assured, or
 - (ii) which is in the care, custody or control of the Assured, or
 - (iii) in connection with which the Assured has provided services, equipment or materials;
14. for costs or expenses incurred in
 - (i) controlling or bringing under control any wells or holes, or
 - (ii) extinguishing fire in or from any such wells or holes, or
 - (iii) drilling relief wells or holes, whether or not the relief wells or holes are successful;
15. for Bodily Injury or Property Damage directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply when the Assured has established all of the following conditions:

- (a) the seepage, pollution or contamination was caused by an event;
- (b) the event first commenced on an identified specific date during the Policy Period set out in Item 3 of the Declarations;
- (c) the event was first discovered by the Assured within 14 days of such commencement;
- (d) Underwriters received written notification of the event from the Assured within 60 days of the Assured's first discovery of the event; and
- (e) the event did not result from the Assured's intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions a. to e. are satisfied, this policy does not apply to any actual or alleged liability:

- (i) to evaluate, monitor, control, remove, nullify or clean up seeping, polluting or contaminating substances to the extent such liability arises solely from any obligations imposed by any statute, rule, ordinance, regulation or imposed by contract;
 - (ii) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a third party;
 - (iii) for seepage, pollution or contamination of property which is or was, at any time, owned, leased, rented or occupied by any Assured, or which is or was at any time in the care, custody or control of any Assured (including the soil, minerals, water or any other substance on, in or under such owned, leased, rented or occupied property or property in such care, custody or control);
 - (iv) arising directly out of the transportation by the Assured of oil (other than fuel or other substances used in furtherance of the Assured's operations) or other similar substances by watercraft; or
 - (v) arising directly or indirectly from seepage, pollution or contamination which is intended from the standpoint of the Assured or any other person or organisation acting for or on behalf of the Assured;
16. for or arising out of the handling, processing, treatment, storage, disposal, dumping, monitoring, controlling, removing or cleaning-up of any waste materials or substances, or arising out of such waste materials during transportation;
17. for loss of, damage to, or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Assured;
18. for loss of or damage to sub-surface oil, gas, water, or other substance or material, or for the cost or expense of reducing to physical possession above the surface of the earth any oil, gas, water, or other substance or material, or for the cost or expense incurred or rendered necessary to prevent or minimise such loss or damage;
19. for fines, penalties, punitive or exemplary damages, including treble damages or any other damages resulting from multiplication of compensatory damages;
20. arising out of goods or products manufactured, sold, handled or distributed by the Assured or by others trading under his name, including any container thereof;
21. for damage to or loss of or loss of use of:
- (i) property owned or occupied by or rented or leased to the Assured;
 - (ii) property used by the Assured; or
 - (iii) property in the care, custody or control of the Assured or over which the Assured is for any purpose exercising physical control;

22. arising from any negligence, error or omission, malpractice or mistake in providing or failing to provide professional services, which is committed or alleged to have been committed by or on behalf of any Assured in the conduct of any of the Assured's business activities. Professional services include but are not limited to the preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications and supervisory, inspection, engineering, or data processing services;
23. for the costs of removal, recovery, repair, alteration or replacement of any product (or any part thereof) which fails to perform the function for which it was manufactured, designed, sold, supplied, installed, repaired or altered by or on behalf of the Assured in the normal course of the Assured's operations;
24. for Bodily Injury or Property Damage directly or indirectly arising out of: asbestos; carpal tunnel; coal dust; polychlorinated biphenyl's; methyl tertiary butyl ether; silica; benzene; lead; talc; dioxin; electromagnetic fields; pharmaceutical or medical drugs/products/substances/devices; or any substance containing such material or any derivative thereof;
- ~~25. for Bodily Injury, Property Damage or expense directly or indirectly caused by or contributed to by or arising from:~~
 - ~~(i) — ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;~~
 - ~~(ii) — the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;~~
 - ~~(iii) — any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or~~
 - ~~(iv) — radioactive contamination however caused whenever or wherever happening;~~
26. assumed under a warranty for the fitness or quality of the Assured's products or a warranty that work performed by or on behalf of the Assured will be done in a workmanlike manner;

ENDORSEMENTS APPLICABLE TO SECTION I**ENDORSEMENT NO.1****CANCELLATION CLAUSE IN RESPECT OF WAR AND STRIKES RISKS**

It is understood and agreed that the:

Institute War Clauses Builders' Risks 1st June 1988
Institute Strikes Clauses Builders' Risks 1st June 1988
Institute War Clauses (Cargo) 1st January 1982
Institute War Clauses (Air Cargo) (excluding sendings by Post) 1st January 1982
Institute War Clauses (sendings by Post) 1st January 1982
Institute Strikes Clauses (Cargo) 1st January 1982
Institute Strikes Clauses (Air Cargo) 1st January 1982

are subject to the following:

CANCELLATION CLAUSE - WAR AND STRIKES RISKS

Coverage against War and Strikes may be cancelled by either the Underwriters or the Assured except in respect of any insurance which shall have attached in accordance with the above mentioned War and Strikes Clauses before cancellation becomes effective. Such cancellation shall however become effective on the expiry of seven (7) days from midnight of the day on which notice of cancellation is issued by or to the Underwriters, but forty eight (48) hours for Strikes cover in respect of shipments to or from the United States of America. Underwriters agree, however, to reinstate cover subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.

If war coverage is included herein, such war coverage may be cancelled at any time giving the appropriate notice as set forth in the war cancellation clauses included herein. Where a policy is issued for a period greater than 12 months, war coverage may be irrevocably cancelled at any time after the first 12 months by either Underwriters or the Assured giving 30 days notice, such irrevocable cancellation becoming effective on expiry of 30 days from midnight on the day on which such notice of irrevocable cancellation is issued by or to Underwriters.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

ENDORSEMENT NO.2

**GENERAL AVERAGE NOTIFICATION IN RESPECT OF
OFFSHORE CONSTRUCTION RISKS**

In the event of an incident affecting the subject matter insured during the maritime transport and such incident gives rise to the potential of claims for General Average and/or Salvage remuneration, immediate notification should be provided to a competent Marine Claims adjuster in accordance with an agreement with the principal insured, Gassco and the insurers.

ENDORSEMENT NO.3**DEFECTIVE PART EXCLUSION BUY-BACK ENDORSEMENT**

Notwithstanding the provisions of the Defective Part Clause in the Wording, this insurance will pay for the cost of repair or replacement of defective parts which have suffered physical loss and or physical damage during the Policy Period, but the recovery of such costs is subject to:

- (a) deductible USD 450,000 each Defective Part; and
- (b) a total aggregate limit of USD 2,300,000 for all losses during the Policy Period, including the Maintenance Period; and
- (c) the provisions of the Basis of Recovery Clauses in the Policy; and
- (d) an additional premium being paid in full.

However, it is specifically understood and agreed that this endorsement will not provide recovery for cancellation charges, stand-by costs or consequential costs or expenses that would not be recoverable under the terms and conditions of the Policy in the absence of this clause.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

ENDORSEMENT NO.4

OFFSHORE CANCELLATION COSTS ENDORSEMENT
EXCLUDING MOBILE OFFSHORE DRILLING UNITS WHILST DRILLING

Underwriters shall indemnify the Principal Assured(s) in respect of cancellation costs on offshore vessels and construction equipment under contract in relation to the project (including, but not limited to, heavy lift vessels, drilling rigs, derrick barges, tugs, barges and supply vessels) and/or extra expenses to hire offshore vessels and construction equipment to complete the project and/or operations in respect of which such costs are incurred arising directly from a peril insured against giving rise to a claim under this policy, deductible application notwithstanding.

Notwithstanding the foregoing, it is understood and agreed that underwriters shall not be liable for costs and/or expenses of alterations in procedures which may be employed following such loss or damage.

The amount recoverable under this clause, in respect of each occurrence and in the aggregate over the policy period shall not exceed a sub-limit as set forth in the Declarations.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

ENDORSEMENT NO.5

EXPEDITING EXPENSES ENDORSEMENT

It is understood and agreed that coverage provided under this Policy is extended to include additional costs and expenses necessarily and reasonably incurred by the Assured in expediting the commencement, carrying out or completion of the repair, reinstatement or replacement of the interest hereunder arising directly from a peril insured against giving rise to a recoverable claim under this Policy, deductible notwithstanding.

This Endorsement will not operate to provide any coverage afforded by other provisions of this Policy and, further, in no circumstances will provide any coverage in respect of amounts recoverable from any other policy or amount that would be recoverable from any other policy in the absence of this Endorsement.

The amount recoverable under this Endorsement in respect of each Occurrence shall not exceed a sub-limit as set forth in the Declarations and in the aggregate over the policy period.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

ENDORSEMENT NO.6

EVACUATION EXPENSES ENDORSEMENT

If as a result of the operation of a peril or occurrence insured under the Policy or the threat thereof and/or the insistence/requirement of governmental or regulatory authority and/or upon the recommendation by the facility manager or other authorized representative of the Operator, it becomes necessary to evacuate the Property Insured under this Policy or personnel from contractors property, for the purpose of preserving life, Underwriters will reimburse the Assured for reasonable costs and/or expenses incurred without contribution from any other insurance.

Costs and/or expenses, if covered under the paragraph above, will include, but not be limited to, all reasonable costs of transportation, keeping or lodging and/or maintaining and/or returning evacuated personnel, but will not include lost wages.

The coverage provided by this clause is subject to a sub-limit as set forth in the Declarations any one occurrence and in the aggregate over the policy period.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

ENDORSEMENTS APPLICABLE TO SECTION II**ENDORSEMENT NO. 1****EXISTING PROPERTY/CONTRACTUAL EXCLUSION AND BUYBACK ENDORSEMENT****Existing Property/Contractual Exclusion**

It is understood and agreed that the coverage provided under Section II of the attached Policy shall not apply to any claim for damage to or loss of use of any property for which the Principal Assured:

- (i) owns that is not otherwise provided for in this policy;
- (ii) has use of, custody, physical control, access, right of way or an easement to by operation of a contract or agreement; or
- (iii) is liable or claimed to be liable by operation of any indemnification, hold harmless or similar provision contained within any contract or agreement.

Existing Property/Contractual Exclusion Buyback

It is understood and agreed that the Existing Property/Contractual Exclusion contained in this Policy shall not apply to any claim for:

Property Damage to existing property identified on the Schedule of Existing Property set forth herein.

SCHEDULE OF EXISTING PROPERTY

Europipe II as more closely defined in the Construction and Tie-In agreement between Gassco and Energinet.

All other terms and conditions remain unchanged.

ENDORSEMENT NO. 2**2. EXCLUSION 5 AMENDATORY ENDORSEMENT**

It is understood and agreed that Exclusion 5 is deleted and of no effect, subject to watercraft having Protection and Indemnity coverage, including Specialist Operations cover, during the Project Period with a limit of liability of at least: 1) USD 50,000,000 (100%); or 2) the value of the hull (before loss, if applicable), whichever greater.

If Subjectivity not complied with then Exclusion 5 to apply.

All other terms and conditions remain unchanged.

ENDORSEMENT NO. 3**3. WAR AND TERRORISM ENDORSEMENT**

It is understood and agreed that Exclusion 3 of Section II is deleted and replaced with War and Terrorism Exclusion Clause JL2002/002 (17/01/02) (amended) as follows, but it shall not be construed to exclude liability for Bodily Injury and/or Property Damage caused by or resulting from or incurred as a result of mines, bombs, torpedoes, missiles or other weaponry remaining from previous hostilities or military exercises-

War And Terrorism Exclusion Clause

This policy excludes any actual or alleged liability, costs or expenses arising directly or indirectly out of any one or more of the following:

- (a) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- (b) confiscation or expropriation;
- (c) capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat;
- (d) any terrorist act or any person(s) acting maliciously or from a political motive;
- (e) strikers, locked-out workmen, or persons taking part in labour disturbance, riots or civil commotions;
- ~~(f) derelict mines, torpedoes, bombs or other derelict weapons of war~~

All other terms and conditions remain unchanged

JL 2002/002

17/01/02 (amended)

All other terms and conditions remain unchanged.

ENDORSEMENT NO. 4**INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 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
 - 1.5 any chemical, biological, bio-chemical release or exposure of any kind, or electromagnetic weapon.

10/11/2003

CL 370 (amended)

All other terms and conditions remain unchanged.

ENDORSEMENT 5**INSTITUTE CYBER ATTACK EXCLUSION CLAUSE**

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

10/11/03

CL 380

All other terms and conditions remain unchanged.

ENDORSEMENT 6

FINANCIAL LOSS EXCLUSION

Notwithstanding anything contained herein to the contrary, the coverage afforded by this Contract shall exclude any liability for financial loss which is not consequent upon Bodily Injury and/or Property Damage as defined herein.

All other terms and conditions remain unchanged.

ENDORSEMENT 7

CONFORMITY CLAUSE ENDORSEMENT

Whenever the word "Assured" appears herein, it shall be replaced by the word "Insured" wherever the context of this Contract allows.

Wherever the word "Underwriter(s)" appears herein, it shall be replaced by the word "Insurer(s)" wherever the context of this Contract allows.

All other terms and conditions remain unchanged.

2. INFORMATION

Underwriting Submission: Submission dated May 2019 seen and agreed by Insurers.

Claims Record: Not Applicable

3. SECURITY DETAILS**(RE)INSURER'S
LIABILITY:****(RE)INSURERS LIABILITY CLAUSE****TBA****ORDER HEREON:**

100% of 100%

**BASIS OF WRITTEN
LINES:**

Percentage of Whole.

**SIGNING
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the Insurers.

However:

- (a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- (b) the Insured may elect for the disproportionate signing of Insurers' lines, without any further specific agreement of Insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those Insurers;
- (c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the Insured and all Insurers whose lines are to be varied. The variation to the contracts will take effect only when all such Insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

Signing down estimates given at time of placement are for indication purposes only and are not warranted or conditional.

LINE CONDITIONS:

None unless (Re)Insurers indicate otherwise here.

ORDER HEREON: 100% of premium and limits herein

EFFECTED WITH:

0000000%

0000000%
