



INSURANCE REQUIREMENTS for LTO

1 GENERALITIES

1.1 Industry Meanings

Terms used in this Clause and not otherwise defined in this Agreement shall have the meaning generally ascribed to them in the international insurance industry.

1.2 Precedence

Terms and conditions of this Annex take precedence on the provisions of Article 21 of the GC in case of contradiction.

1.3 General Requirements for Insurances

In this Clause, "Insuring Party" means, for each type of insurance, the Party responsible for effecting and maintaining the insurance specified in this Annex. The Parties will procure and maintain the respective insurances for which they are the insuring Party as set out in this Annex.

Wherever the Contractor is the Insuring Party, the Contractor shall at its own expense take out, as of the Day upon which the Contractor begins the performance of the Works, and maintain or cause to be taken out and maintained, during the execution of the Contract and at all times the Contractor's responsibility or liability is in effect, those insurances specified in Part A of Schedule 9 (Contractor's Insurances) with responsible insurance companies, with (i) a Best Insurance Reports rating of "A-" or better and a financial size category of "IX" or higher, or (ii) a Standard & Poor's financial strength rating of "A-" or higher, or (iii) other companies acceptable to the Client, with limits and coverage provisions sufficient to satisfy the requirements set forth in Article 2 of this Annex and the Agreement generally.

Wherever the Client is the Insuring party, each insurance shall be effected with insurers and in terms consistent with the details set out in Article 3 (Client's Insurances).

Each policy insuring against loss or damage shall provide for payments to be made in the currencies required to rectify the loss or damage. Payments received from insurers shall be used for the rectification of the loss or damage.

1.4 Requirement to Procure and Maintain

Without prejudice to their obligations and liabilities under the Agreement, the Parties shall, at their respective sole cost and expense, subscribe as further detailed lower, the insurance covers (respectively "Client's Insurance" and "Contractor's Insurance") pursuant to any legal requirement or Good Engineering and Construction Practices.

1.5 Uninsurable risks

Where an Insuring Party becomes aware of the existence of an Uninsurable Risk as defined hereunder, it shall promptly notify the other Party. The Parties shall urgently discuss alternative means of protecting the Parties and the Works against such Uninsurable Risk.

Where the Client has become aware of the existence of an Uninsurable Risk as defined hereunder, the Client shall be relieved from its obligation to maintain insurance in respect of such Uninsurable Risk.

Where the Client has become aware of the existence of an Uninsurable Risk as defined hereunder, the Contractor shall bear the corresponding additional insurance premium (including related taxes, fees and brokerage).

"Uninsurable Risk" means where a risk required to be insured under this Agreement becomes either:

- i. generally uninsurable with reputable insurers of good standing; or
- ii. is only insurable with reputable insurers of good standing at unreasonable levels of premium materially in excess of those envisaged on execution of this Agreement such that no prudent person engaged in similar activities would insure such risk and the risk is generally not being insured against with such insurers; or
- iii. is only insurable with reputable insurers of good standing on such other terms of insurance that no prudent person engaged in similar activities would insure such risk and the risk is generally not being insured against with such insurers;
- iv. unavailable due to recurring losses or delays;
- v. unavailable at a commercially available price due to recurring losses or delays.

2 CONTRACTOR'S INSURANCE

2.1 Contractor's Tools insurance on Site and during transportation

Period insured:

Before any works on Site or Contractor's Tools transportation and shall be maintained until and including the date on which all the Contractor's Tools has been finally removed from the Site.

Coverage:

Physical loss or damage to Contractor's Tools on a "All Risks" basis, including war risks, on Site and during transportation.

Insureds:

Contractor

Additional Insureds:

Subcontractors for their respective rights and interests only.

Sum insured:

Full replacement value

Deductible:

Euro 100.000 maximum

2.2 Third Party Liability Insurance

Period insured:

Before the start of the Works and shall be maintained until when the Contractor bears not anymore liability under the Agreement.

Coverage:

Against liability to third parties for any loss or damage to property, death or personal injury, consequential damages and pure financial loss, and which result or are presumed to result or arise out of or occur during or in relation to the Works without regard to the number of persons prejudiced and/or the total sums of all injuries and/or damage caused.

The covers shall be placed on a "claims made" basis.

The coverage will act as a difference in condition and in difference of limit above third party liability policies taken by the Subcontractors.

Insureds:

Contractor

Additional Insured:

Client, Client's Engineer, the Lenders (if any) and any other relevant tier as may be agreed upon by the Parties all for their respective rights and interests and shall contain an explicit waiver of subrogation in favor of such additional insured parties and their respective consultants, their officers, their directors and their employees and any other relevant tier as may be agreed upon by the Parties.

Sum Insured:

Minimum Euro 5.000.000 each and every event for General Public Liability. Minimum Euro 5.000.000 each and every event and in the annual aggregate for product liability and liability for completed works. Minimum Euro 1.250.000 for pure financial loss each and every event and in the annual aggregate.

This cover is primary to the "third party liability insurance" cover subscribed by Client pursuant to article 3.2 below.

Deductible:

As per prevailing market standards at the time of placement but up to a maximum amount of:

- Euro 25.000 for bodily injury or death;
- Euro 25.000 for material damage only;
- Euro 50.000 for consequential loss and pure financial loss.

Permitted Exclusions:

- Motor vehicle liability insurance (other than tool of trade)
- Aircraft liability (except use of drones)
- Pollution and contamination, unless caused by sudden, identifiable events
- Fines
- Damages of a punitive or exemplary nature

Compulsory Extensions:

- Cross liability clause: The following wording is compulsory and shall be included in the insurance policy procured.

"Subject to the term of the Policy, in the event of claims being made by reason of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for

which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured hereunder is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance.”

- Product / completed operations liability
- Legal costs and expenses (minimum limit 10 % of the third party liability limit)
- Sudden and accidental pollution
- Consequences of art. 544 of the Belgian Civil Code (Neighbor’s recourse).
- Worldwide jurisdiction, excluding USA and Canada

2.3 Marine Cargo

Period Insured:

From the first shipment to Site up to the date of completion of the Acceptance Tests.

Coverage:

Materials, Equipment, spares, supplies and any other items to be incorporated in the Works against all risks of physical loss or damage by any means of transport during transit from anywhere in the world to the Site including loading and unloading, intermediate transit, intermediate transshipments, warehousing, and all inland transportation.

Insureds:

Contractor

Additional Insureds:

Client, Client’s Engineer, Subcontractors, the Lenders (if any), all for their respective rights and interests only

Sum Insured:

CIF value.

Deductible:

As per prevailing insurance market standards at the time of placement, e.g. Euro 25.000 each and every loss, nihil for general average and salvage

Main Conditions:

- 50/50 marine / non-marine Clause
- Extra expenses
- Transit Clause

- Waiver of underinsurance
- Institute Cargo Clauses (A) – 1.1.82 (252)
- Institute Cargo Clauses (Air) – 1.1.82 (259)
- Institute Strike Clauses (Cargo) - 1.1.82 (256)
- Institute Strike Clauses (Air) – 1.1.82 (260)
- Institute War Clauses (Cargo) – 1.1.82 (255)
- Institute War Clauses (Air) – 1.1.82 (258)
- Institute Replacement Clause – 1.1.34 (161)
- Institute Radioactive Contamination Exclusion Clause – 1.10.90 (356)
- General Average Clause
- Institute Classification Clause – 13.4.92 (354)
- Cargo ISM Endorsement
- Cargo ISM Forwarding Charges Clause
- Institute Malicious Damage Clause – 1.1.82 (266)
- Concealed Damage Clause
- Debris removal
- Postal sending
- Inadequate or insufficient packing

2.4 Worker's Compensation Insurance

Period insured:

Before any works on Site and shall be maintained until Final Acceptance.

Coverage:

Worker's compensation coverage to include all activities to comply fully with the Law.

Insureds:

Contractor

Sum Insured:

The limit required by Law.

2.5 Employer's Liability Insurance

Period insured:

Before any works on Site and shall be maintained until Final Acceptance.

Coverage:

Employer's liability

Insureds:

Contractor and all Subcontractors

Sum Insured:

Combined single limit of not less than Euro 1.250.000 per occurrence or if higher, the limit required by Law.

2.6 Motor Vehicle Insurance

Period insured:

Before any works on Site and shall be maintained until and including the date on which all the Contractor's motor vehicles have been finally removed from the Site.

Coverage:

Liability for damage to property or bodily injury to third parties arising out of the ownership, the use and maintenance of motor vehicles owned, hired, leased or otherwise used by Contractor, in accordance with the Law.

Insureds:

As per the Law

Sum Insured:

The limit required by Law

2.7 Decennial Liability Insurance

In the case provided in GC 20.1 (iv), the Contractor shall procure and maintain the adequate insurance to cover its Decennial Liability.

2.8 Generality for Contractor's Insurance

2.8.1 No effect on liability

The insurance amounts indicated in clause 2 are minimum requirements that do not limit the Contractor's liability and these amounts are not to be construed as Client's consent to be liable in excess of these amounts set forth.

2.8.2 Contractor's insurances primary

All insurances required under clause 2 shall be amended to respond on a primary and non-contributory basis.

2.8.3 Evidence of insurances

Prior to commencing performance of its obligations hereunder, the Contractor shall supply the Client with the appropriate certificates of insurance or reasonable evidence thereof in the form of brokers' letters of confirmation, which shall notably list the Contractor's insurers and their respective Standard and Poor's (or equivalent) ratings and demonstrate compliance with clause 2 provisions. Updated certificates or broker's letters of confirmation will be provided on the renewal anniversary of all insurance policies required hereunder.

Failure to provide such certificates may be taken by the Client as evidence that the Contractor has failed to meet its obligations to provide the required insurance cover under the Agreement. The Contractor shall provide any other relevant information in respect of such insurances as the Client may require. No requirement above shall impose upon the Client any duty or obligation to verify the existence or adequacy of the insurance coverage maintained by the Contractor, nor shall the Client be responsible for any representations or warranties made by Contractor to any insurance company or underwriter.

Any failure on the part of Contractor to pursue or obtain the evidence of insurance required above and/or failure of Contractor to point out any non-compliance of such evidence of insurance shall not constitute a waiver of any insurance requirements contained herein.

2.8.4 Waiver of subrogation

All insurance covers pertaining to the Agreement under clauses 2.1 and 2.2 and taken out by the Contractor shall contain an explicit waiver of subrogation in favor of the Client, Client's Engineer, the Lenders and their respective consultants, their officers, their directors and their employees.

2.8.5 Subcontractors

The Contractor shall either insure itself or impose on its Subcontractors the same liabilities as have been imposed on it, covered by the same insurance requirements. The Contractor shall be liable for and shall indemnify Client, the Client's Engineer, the Lenders (if any) and other relevant tier required to be additionally insured under the relevant policy against liability for damages and costs arising out of the failure of the Contractor or its Subcontractors to comply with the obligations under this Annex or under any policy of insurance procured as per the terms of this Annex.

2.8.6 Change to Works

The Contractor shall notify the Client of changes in the nature, the extent and/or the duration of the Works, and shall use its best efforts to ensure (i) the adequacy of the respective insurance cover as required by this Annex and (ii) the compliance with applicable insurance policies, endorsements, procedures, terms and conditions at all times.

2.8.7 Notification of Claim

The Contractor shall notify Client and confirm in writing all incidents giving rise to a possible claim under the insurance policies procured and maintained by the Parties pursuant to this

Annex. The Contractor shall with respect to claims under the Client's Insurance referred to in clauses 3.1, 3.2 and 3.3 of this Annex promptly notify insurers and the appointed loss adjusters of any actual or, upon obtaining knowledge thereof, potential casualty or claim under such policies. For incidents involving physical loss or damage only, and provided the estimated amount thereof does not exceed Euro 1.000.000, and unless Client notifies the Contractor to the contrary, the Contractor shall have the right to conduct negotiations and settle claims directly with the insurers and their appointed loss adjusters, in each case subject to Client's prior written consent as to the amount of such settlement. For incidents involving physical loss or damage estimated to exceed Euro 1.000.000 or any incidents involving a potential delay in excess of thirty (30) Days to the progress of the Works, negotiations with insurers and loss adjusters shall be conducted by Client with the Contractor's support, the insurers, their appointed loss adjusters and Lenders (if any) and the settlement of any claim shall be subject to Client's (and any Lenders') prior written approval.

2.8.8 Deductible and Insurance Proceeds

Contractor shall bear all excesses, deductibles or franchises incorporated in insurances to be provided under clause 2.

Unless otherwise agreed upon by Client and subject to the article above (Notification of Claim), insurance proceeds shall be payable in due course to Client or, in accordance with the Finance Agreements, to the Lenders, who shall distribute them in accordance with the Finance Agreements. If agreed by the Lenders, insurance proceeds for compensation in respect of material damage to the Works up to Euro 1.000.000 per occurrence may be payable to the Contractor directly towards the repair or replacement of the damage. To the extent any proceeds from the insurance maintained by Client pursuant to the Agreement (or any other substitute payments made by Client) are not made available to the Contractor by Client and/or the Lenders for the purpose of replacing or repairing any lost, damaged or destroyed Works, the Contractor shall be excused from liability for such replacement or repair and shall be entitled to a Variation if the requirements of GC 19 are met.

2.8.9 Failure to Insure

The Contractor shall give immediate notice to the Client in the event of cancellation or material change affecting the Client's or any insured party's interest in respect of the insurance set out in clause 2 and/or in respect of Subcontractors insurances. In any case, the insurance policies shall provide not less than 90 (ninety) Days' notice to Client by the insurers prior to any cancellation or material modification of the policies referred to in clause 2. Nevertheless, this advance notice shall be of 45 (forty-five) Days for the marine liability insurance and Protection and Indemnity cover when applicable.

If any policy is cancelled or if there is a material change which may affect the Client's interest or if the Contractor fails to effect or maintain any policy which is required in relation to the Works, the Client may, at its sole discretion, effect and maintain any such insurance as the Client considers necessary and recover all costs in connection therewith from the Contractor. The decision by the Client to effect and maintain any such insurance as the Client considers necessary is without prejudice to the Client's right to demand that the Contractor takes the necessary steps to ensure that insurances are in place which are compliant with clause 2.

3 CLIENT'S INSURANCE

3.1 Construction / Erection All Risks Insurance

Period Insured:

As from the start of the Works on Site and up to the date of completion of the Acceptance Tests agreed under the initial contractual time schedule of this Agreement followed by a cover visit maintenance during the Defects Liability Period with a duration of maximum 12 months, or as long as can be obtained by the commercial insurance market at the time of subscription.

Coverage:

Physical loss of or damage to the permanent and temporary Works.

The cover shall be on an "All Risks" basis against all risks of physical loss or damage, on the Site up to the date of completion of the Acceptance Tests agreed under the initial contractual time schedule of this Agreement and shall subject to availability at reasonable commercial terms include cover for physical loss or damage to new Works being the consequence of defective design, defective materials, defective workmanship (LEG 2 design exclusion clause).

Insureds:

Client

Additional Insureds:

Client's Engineer, Contractor, Subcontractors (for their on-Site activities), the Lenders (if any), all for their respective rights and interests only

Sum Insured:

Price of the Works under the Agreement or an amount equal to the maximum foreseeable loss of the Works.

Deductible:

All deductibles mentioned are examples only and subject to availability at reasonable commercial terms in international insurance market for financed independent power projects at the time of placement.

As examples and as per prevailing insurance market standards at time of placement e.g.:

- Euro 1.500.000 each and every loss to steam turbine and steam turbine generator
- Euro 1.000.000 each and every loss to transformer, condenser and boiler
- Euro 750.000 each and every loss due to natural hazards and strike, riot and civil commotions (SRCC).

- Euro 1.500.000 each and every loss during testing, commissioning and during the cover maintenance.
- Euro 250.000 each and every loss for other losses.

Main Extensions:

- Strike riots civil commotion (SRCC)
- Expediting expenses including express freights (limit Euro 1.000.000)
- Plans and documents (limit Euro 250.000)
- 50/50 clause with marine cargo policy
- 72 hours clause for earthquake, volcanic eruption, flood, inundation
- Total cessation of the works
- Automatic reinstatement of sum insured
- Temporary repair clause
- Professional fees (limit Euro 100.000)
- Fire brigade and extinguishing expenses (limit Euro 1.000.000)
- Sue and labor / Expenses to minimize the loss (limit Euro 1.000.000)
- Debris removal (limit 10 % of the loss or Euro 1.000.000, whatever is the less)

Main Exclusions:

- War, terrorism and kindred risks
- Nuclear risks
- Unexplained shortage
- Penalties
- Cash
- Vehicles
- Vessels & aircraft
- Wear and tear, oxidation, corrosion and similar
- Catalyst clause
- Coating clause
- Welding clause
- Piling works clause
- Other standard exclusions

3.2 Third Party Liability Insurance

Period Insured:

As from the start of Works on Site up to the date of completion of the Acceptance Tests agreed under the initial contractual time schedule.

Coverage:

Against liability to third parties for any loss or damage to property, death or personal injury and /or consequential damages, and which result or are presumed to result or arise out of or occur during or in relation to the Works without regard to the number of persons prejudiced and/or the total sums of all injuries and/or damage caused.

The covers shall be placed on a “claims made” basis.

This cover is in excess of the third party liability insurance subscribed by Contractor pursuant to article 2.2 above.

Insureds:

Client

Additional Insureds:

Client’s Engineer, Contractor, Subcontractors (for their on-Site activities), the Lenders (if any), all for their respective rights and interests only

Sum Insured:

Euro 5.000.000 each and every event and in the aggregate for the Project in excess of Euro 5.000.000 each and every event

Main Exclusions:

- Professional liability
- Completed operation / product liability
- Pure financial loss
- Motor vehicle liability insurance (other than tool of trade)
- Aircraft and marine liability
- Fines
- Damages of a punitive or exemplary nature
- Other standard exclusions

Main Extensions:

- Cross liability clause: The following wording is compulsory and shall be included in the insurance policy procured.

“Subject to the term of the Policy, in the event of claims being made by reason of (i) personal and/or bodily injuries suffered by any employee or employees of one insured hereunder for which another insured hereunder is or may be liable, or (ii) damage to property belonging to any insured hereunder for which another insured hereunder is or may be liable, then this policy shall cover such insured against whom a claim is made or may be made in the same manner as if separate policies have been issued to each insured hereunder, except with respect to the limits of insurance.”

- Legal costs and expenses (minimum limit 10 % of the third party liability limit)
- Sudden and accidental pollution
- Worldwide Jurisdiction, excluding USA and Canada

3.3 Worker's Compensation Insurance

Period insured:

as from the start of the Works on Site and shall be maintained until Final Acceptance.

Coverage:

Worker's compensation coverage to include all activities to comply fully with the Law.

Insureds:

Client

Sum Insured:

The limit required by Law.

3.4 Employer's Liability Insurance

Period insured:

Before any works on Site and shall be maintained until Final Acceptance.

Coverage:

Employer's liability

Insured:

Client

Sum Insured:

Combined single limit of not less than Euro 1.250.000 per occurrence or if higher the limit required by applicable Law.

3.5 Generalities for Client's Insurance

No effect on liabilities

The purchase by Client of the insurance policies mentioned in Art. 3 shall, by no means, be construed as a limitation of the Contractor's liabilities.

Client therefore does not warrant that the insurances required to be procured and maintained pursuant to the article 3 cover to the full extent the exposure and liabilities assumed by the Contractor under the Agreement. The Contractor shall procure and maintain, at its sole cost and expense, such additional insurance cover, as it considers necessary for the protection of its interests, including all interest, at its option.

Evidence of cover

At the latest at the start of the Works the Client shall provide to the Contractor a cover note indicating at least the identity of the Construction All Risks policy insurers and a summary of its conditions, applicable deductibles and exclusions.

Duty of disclosure

The Contractor shall provide full assistance to the Client in his duty to comply with any requirements imposed by its insurers regarding any changes in the nature, extent or programme of execution of the Works.

The Contractor shall ensure that full disclosure is made to the Construction All Risks insurers of:

- i. all information which the insurers specifically request to be disclosed;
- ii. all information which is of a type which insurance brokers in relation to the relevant policy advise should be disclosed to the Insurers;
- iii. without prejudice to the above, all technical information to the extent required to be provided by either Party under the Contract;
- iv. details of any significant problems encountered or anticipated in relation to the Works and/or details of any significant problems encountered or anticipated in relation to the transport of Goods to the Site; and
- v. all other information in accordance with this Contract and in good faith which could reasonably be considered to be material to the relevant insurance coverage.

Claims handling and settlement

The Contractor shall give all such reasonable assistance to the Client as may be appropriate in connection with any claims that may be made under the insurance policies procured pursuant to Article 3.

The Contractor shall promptly and accurately report to the Client each event, damage or loss occurring during the execution of the Contract which is likely to give rise to an insurance claim under the Construction All Risks policy. The Client shall be the sole party authorized to report and/or notify a loss to Construction All Risks insurers, loss adjusters and broker in case of loss or claim under such insurance policy.

The Contractor shall accept and follow, at its own cost, the claims handling procedure to be provided by the Client and, when required by Client, shall assist Client, at no cost for Employer, in preparing and submitting insurance claims.

In case a damage or loss occur, the Contractor shall:

- i. take all practical steps to preserve damaged property for inspection by the insurers and/or loss adjuster and/or surveyor;
- ii. take all practical steps to prevent further loss or damage;
- iii. immediately notify the Client of property lost, stolen or wilfully damaged and take all steps practicable to discover any liable person and to trace and recover missing property;
- iv. as far as practicable refrain from carrying out any repair, reinstatement or replacement without Client's or Client's insurer prior written consent.

In the event of a loss under the Construction All Risks insurance policy, insurance proceeds shall be paid to the Client or the Finance Provider except when both Client and the Finance Provider have given their written authorization to Construction All Risks insurers to pay such insurance proceed directly to the Contractor.

The policies are subject to deductibles and exclusions in accordance with usual industry practice and with clause 3. In the event of a claim under the Construction All Risks insurance, the cost of such deductibles and/or exclusions shall be borne by the Contractor .

The Client shall have no responsibility in relation to total or partial defect of cover by its insurers due to exclusions, terms and conditions, limits or sub-limits contained in the Construction All Risks insurance policies.

The Contractor is liable to the Client and/or any party acting on behalf of the Client for all indemnity payments which are not paid due to a breach of the CAR policy conditions by the Contractor and/or anyone acting on behalf of the Contractor.

In no case shall the Contractor be allowed to intent any action against or sue Contractors All Risks insurers without the Client's pre-approval.

Waiver of subrogation

The Client, its Affiliate and Finance Provider shall be principal insured under the Construction All Risks insurance policy as specified in clause 3.

Contractor and Subcontractors shall be other insured under the Construction All Risks insurance policy. Construction All Risks insurers shall waive any right of subrogation against the Contractor and its Subcontractors except in case of act of gross negligence or wilful misconduct.

Failure to insure

The Client shall at its expense take out and maintain during the insured period as defined under clause 3 those insurances specified in clause 3 (Client' Insurances) with reputable



insurers of good standing and under usual Industry Practices in the sums and with the deductibles and other conditions also specified therein.

The Employer retains however the right in case of Insurable Risk as defined in Art. 1.5 to effect amendments to the Client's Construction All Risks Insurance and Third Party Liability insurances or to cancel it without the need for the approval by the Contractor; however any amendment which reduces the scope of the cover afforded to the Contractor will be brought to the attention of the Contractor in writing within a reasonable period of time prior to it being effected.

Suspension and/or time extension of cover

Should any suspension of cover and/or any time extension of cover under the Client's Construction All Risks insurance or Third Party Liability policies be the consequence of any action or default of the Contractor or one of his vendors or Subcontractors, the Contractor shall bear the corresponding suspension or time extension insurance premium (including related taxes, fees and brokerage).