

Insurance conditions

Contractors' All Risks

General conditions pursuant to the Danish Act on Insurance Contracts

1 Insurance conditions

The insurance conditions stated below and the special conditions attached to this policy shall apply to the Contractors' All Risks insurance.

2 Who is covered?

2.1 Who is covered by the Contractors' All Risk Insurance?

2.1.1 If the client is the Policyholder, the insurance also covers all contractors whose contract prices are included in the aggregate contract price.

2.1.2 If the Policyholder is the main contractor, the insurance also covers the client and all subcontractors whose contract prices are included in the aggregate contract price.

2.1.3 If the Policyholder is a subcontractor or a specialist contractor, the insurance only covers the persons involved in the contract work in question.

3 Where does the insurance provide cover?

3.1 At the premises insured

The insurance covers damage to the property insured while located at the construction site specified in the policy, or during domestic transport to the site.

SECTION I

ALL RISKS INSURANCE

4 What property is covered?

4.1 Contract object

The insurance covers all works included in the contract works, whether permanent or temporary, including materials used or to be used in connection with the erection belonging to the

client or contractor or for which these carry the risk.

4.2 Contractors' equipment

If the policy specifies that the contractor's machinery, supplies, tools, plant and equipment, temporary buildings and the personal effects of employees are covered by the insurance, only the supplies specified in the special conditions of this policy will be covered, and only while situated at the building site.

4.3 Existing buildings and plant

When this is expressly stated in the policy, the insurance covers existing buildings and plant belonging to the client or for which he bears the risk. The sum insured for such cover is effected on a first loss basis. Underinsurance cannot be claimed.

5 What is covered by the insurance?

5.1 Extent of cover

The insurance covers physical loss of or damage to the objects identified in the policy arising from any cause whatsoever, subject to the exclusions set out in condition 6.

6 What is not covered by the insurance?

6.1 Exclusions

The insurance does not cover loss or damage consisting in or caused by:

6.1.1 Defective or faulty materials;

- inadequate project planning, miscalculation, faulty construction or workmanship;
- wear and tear, corrosion, rust or other gradual deterioration;
- mechanical or electrical interruption and disturbances (machinery breakdown) of machinery or other contractor's equipment.

However, the above exclusions apply only to objects which are directly damaged. Objects which are indirectly damaged as a result of the same event are not excluded from cover.

6.1.2 Shrinkage or shortage in cases where such loss can only be discovered through closing of the accounts or through stocktaking and the loss

6.1.3 The takeover or commissioning of the contract work by the client, the lessee or the user.

However, this exclusion applies only to the part of the contract work that has been put into operation.

6.1.4 Initiation or suspension of work without any reasonable precautions having been taken to protect the insured property.

6.2 Also excluded from cover:

6.2.1 Business interruption and other indirect losses, including fines and penalties for non-performance of agreements or contracts.

6.2.2 Normal remedial action in respect of defects and any expected restoration and repair.

6.2.3 Cash or cash equivalents, securities, etc.

6.2.4 Loss of or damage to:

- watercraft and aircraft;
- motordriven vehicles, unless the use of such vehicles is limited to the site and the vehicles are not covered under a separate motor insurance.

7 Defects liability period

7.1 If the policy specifies that cover is provided during the defects liability period, the insurance will, during such period and subject to the policy's general and special conditions, cover any physical loss of and damage to the property insured whilst located at the premises insured arising from:

7.2 Errors or omissions during the erection period and at the premises insured which are not discovered until during the defects liability period.

7.3 Damage arising during rectification of defects which the Insured is obliged to carry out according to the contract.

8 Claims procedure

8.1 Loss prevention

In the event of damage, the Policyholder shall – as far as possible – prevent or minimise the damage, just as Codan is entitled to take any loss prevention measures in this respect.

8.2 Claims notification

8.2.1 The Insured shall immediately notify Codan of any loss or damage likely to be covered by this insurance, disclose all details and offer any assistance reasonably practicable.

8.2.2 In the event of theft or malicious damage, such incident shall be reported to the police without delay.

8.3

Calculation of loss

8.3.1 The amount of indemnity is calculated on the basis of the replacement cost immediately prior to the occurrence of the damage, subject to reasonable deduction for age, use, reduced usefulness or other circumstances.

8.3.2 Codan will cover the necessary costs of replacing or restoring the insured property to its condition immediately prior to the occurrence of the damage.

8.3.3 However, in respect of conditions 8.3.1 and 8.3.2, the following shall apply: Any inevitable additional expenses incurred in connection with the contract work will be covered if such expenses arise as a result of the actual replacement cost or repair cost being higher due to general price increases in the period ranging between the date of occurrence and the remedial action taken in respect of the damage. However, this period is limited to 12 months.

8.3.4 Codan is entitled to choose between repair or replacement of the damaged property or to pay an indemnity less any residual value in connection with a cash purchase.

8.3.5 Cover is not provided for expenses incurred in connection with any work of alteration, extension, improvement or maintenance in relation to the repair of damage.

8.4 Debris removal costs

In addition to the sum insured, any reasonable expenses for the removal of property insured following an insured event are covered with up to 10% of the contract price.

9 Sum insured following a claim

Following a claim, the sum insured will remain unchanged. However, if the amount of indemnity exceeds 10% of the sum insured, the Policyholder shall pay an additional premium calculated on the basis of the indemnity from the date of occurrence

and until the expiry of the insurance period. Otherwise the sum insured will be reduced.

SECTION II

LIABILITY INSURANCE

10 What is covered by the insurance?

10.1 Extent of cover

10.1.1 The insurance covers the Insured's liability towards third (3) parties in connection with the execution of the contract work defined in the policy.

10.1.2 The insurance covers liability for damage which does not manifest itself until after the work object has been handed over to or put into operation by the client, provided that such damage is caused by errors or omissions occurring during the period of insurance and not any subsequent errors or omissions.

10.1.3 Claims notified to Codan more than 12 months after the expiry of the building and construction period are not covered.

10.1.4 The insurance only covers liability for pollution of or through air, soil or water arising in connection with the execution of the contract work, from the Insured's waste deposits or from the disposal of refuse, surplus or waste products, and any personal injury or property damage occasioned thereby if such injury or damage arises unexpectedly, unintentionally and by sudden accident and is not a result of the Insured having deliberately or by gross negligence disregarded any public regulations in force from time to time, and only up to the limit of indemnity stated in the policy for any one occurrence.

10.1.5 The limit of indemnity stated in the policy represents Codan's limit of liability, regardless of whether the liability lies with several of the Insureds. The limit stated in respect of Codan's liability applies to any one occurrence. Several injurious consequences caused by the same act or omission giving rise to a claim are in this respect regarded as one occurrence.

10.1.6 The insurance covers interest and expenses incurred in connection with the settlement of claims, always provided that they

have been paid with the consent of Codan. Such expenses and interest are covered even if the sum insured is thereby exceeded.

10.1.7 If the liability insurance covers more than one Insured, the insurance applies to each of the Insureds as if a separate policy had been issued in respect of each Insured. However, the limit of indemnity specified in the policy is not increased as a result of a single occurrence or series of occurrences arising out of any one event.

11 What is not covered by the insurance?

11.1 Exclusions

The insurance does not cover liability:

11.1.1 Resulting from a commitment made to provide another amount of indemnity or to assume liability extending beyond the general law of damages governing non-contractual relations;

11.1.2 For damage to property belonging to the Insured or which the Insured is borrowing, hiring, storing, using or carrying or which, for any other reason, is in the care, custody or control of the Insured;

11.1.3

For personal injury or property damage caused by dogs or the use of any watercraft or aircraft;

11.1.4 For personal injury or property damage caused by the use of motor-driven vehicles, including self-propelled equipment. However, this exclusion does not apply to liability for personal injury or property damage caused by self-propelled equipment when this is used on site as equipment and does not fall within current legislation on personal injury or property damage caused by motor vehicles;

11.1.5 For damage to the work object itself or parts thereof. Losses caused by the work object or parts thereof failing to meet their purpose or otherwise failing to meet the contractual requirements are not covered either;

11.1.6 For damage caused by permanent groundwater lowering;

11.1.7 For personal injury, illness, pain and suffering, loss of earnings, loss of earning capacity and death in respect of the Insured's

employees involved in the contract work as well as any claims related to such events;

11.1.8 For personal injury or property damage caused deliberately by the Insured or as a result of self-induced intoxication;

11.1.9 For personal injury, property damage or loss directly or indirectly caused by,

- asbestos or materials/products containing asbestos;
- formaldehyde or product/materials containing formaldehyde
- silicate or products/materials containing silicate
- sponge, mould and/or mildew
- products that develops sponge poison, fungicide or any other substance that is considered dangerous to human or animals.

11.1.10 For financial loss unless such loss results from any personal injury or property damage covered by this insurance.

11.1.11 For damage to employers and contractors property and/or things, which are used in connection with the execution of the contract, described in the policy.

12 Claims procedure

12.1 As soon as the Insured becomes aware or has reason to believe that a claim will be made against him that is assumed to be covered by this insurance, the Insured shall immediately notify Gard thereof. All decisions about the processing of the claim will be made by Gard.

12.2 In the event that the Insured pays or accepts a claim for compensation without Gard's prior consent, Gard will not be bound by such act unless Gard is satisfied that the Insured in effecting payment or accepting a claim has merely fulfilled his statutory obligations.

12.3 When the Insured's liability has been established and the amount of indemnity has been determined, Gard will pay the amount of indemnity directly to the claimant unless the claimant has already been paid in full by the Insured. Only in the latter case will the Insured's other creditors be entitled to indemnity.

12.4 In the event that Gard has agreed to an amicable settlement but is prevented from this by the Insured, Gard will not be liable for any expenses incurred in this respect.

12.5 If Gard has paid an indemnity, Gard shall, in all respects, be subrogated to the rights of the Insured in any claims made by the Insured against third parties.

SECTION III

GENERAL CONDITIONS

13 Losses not covered

13.1 The insurance does not cover damage or the spreading of damage, or any liability for damage or for the spreading of damage caused directly or indirectly by earthquakes, other natural disruptions, war, war-like actions, violation of neutrality, measures taken for the prevention thereof, civil war, riots or civil unrest, or damage directly or indirectly caused by or connected with nuclear reactions, e.g. nuclear fission, nuclear fusion and radioactive decay, whether or not such damage occurs in times of war or peace. If damage occurs under circumstances directly or indirectly resulting from such conditions as described above, the insurance will not provide cover unless the Insured is able to prove that the damage did not occur as a result of such conditions or similar events.

13.2 However, the insurance does cover damage caused by nuclear reactions used for ordinary industrial, medical or scientific purposes, provided that such use has been in accordance with directions issued and is not connected with any reactor or accelerator operation.

14 Deductible

14.1 In connection with any one claim, the amount of indemnity will be reduced by the deductibles stated in the policy.

14.2 In the event that the same occurrence results in damage to insured objects which are subject to different amounts of deductible and/or damage under section I as well as section II, the deductible charged will be the highest amount of deductible.

15 Premium adjustment

15.1 Immediately upon completion of the contract work, the Policyholder shall inform Gard of the total value of the contract work.

15.1.1 In the event that this amount exceeds the contract price stated in the policy, which form the basis of the calculation of the premium, a proportionate additional premium will be charged by Gard.

15.1.2 If the stated value is lower than the contract price stated in the policy, Gard will repay a proportionate share of the premium.

15.2 If the contract work continues beyond the date of completion specified in the policy and a request is made for an extension of cover, an additional premium will be charged for the extended period of time.

15.3 If the handing-over or commissioning of the contract work takes place prior to the date of completion set out in the policy, no premium will be repaid.

16 Payment of premium

16.1 Premium payment

The premium is payable upon inception of the insurance, and any subsequent premiums are payable on demand.

16.2 Premium collection

Gard will collect the premium by forwarding a giro payment slip to the address stated by the Policyholder.

16.3 Due date for payment

The premium shall be paid on or before the date stated on the giro payment slip.

16.4 Reminder

If payment is not received on time, Gard will send a reminder for payment of the premium.

16.5 Non-payment

If the premium has not been paid within 14 days of the date stated on the reminder, cover under the insurance will cease.

16.6 Fees, interest, etc.

Gard is entitled to charge a fee for collecting the premium as well as a reminder fee and default interest on late payments.

Gard may further charge a fee for printing out policies and documents and for other services rendered.

17 Time limit for notifying claims

If the Policyholder fails to bring the case before the appropriate court of law within six months of Gard's written rejection of a claim for indemnity, the Policyholder will lose his right to receive indemnity.

18 Subrogation

Gard agrees to waive its right of subrogation against any insured contractors in respect of their liability for damage for which indemnity is payable under this insurance.

19 Arbitration

19.1 Both the Policyholder and Gard are entitled to request that the loss be assessed by impartial arbitrators, of whom the Policyholder shall appoint one while Gard shall appoint the other.

19.2 Prior to the arbitration proceedings, the arbitrators shall appoint an umpire, who, in the event of disagreement between the arbitrators, shall take action and make a decision, within the limits of the disagreement, on any issue being disputed.

19.3 If the arbitrators fail to agree on the appointment of an umpire, the President of the Maritime and Commercial Court will appoint such umpire.

19.4 The arbitrators shall calculate the loss in strict accordance with the policy provisions, submitting a written statement thereof.

19.5 Either party shall remunerate the arbitrator appointed, while the umpire's fee shall be paid by the parties in equal shares.

20 Disputes

Any disputes arising out of this insurance contract shall be settled according to Danish law by Danish courts of law.

21 Other insurance

If any other insurance agreement covering the same perils provides that the liability shall cease or be restricted if insurance has also been taken out with another insurer, the same proviso shall apply to this insurance. In that case, each of the insurers shall be liable only for its proportion of the amount of indemnity.

22 Alteration of risk

If any alterations are made to the risk specified in the policy during the period of insurance, Gard shall immediately be notified thereof in writing. Such notification shall also be given in case of temporary alterations, allowing Gard to decide whether and on what terms and conditions the insurance can be continued.

23 Inspection

During the period of insurance, Gard shall be entitled to inspect the premises insured and may at any time during the period of insurance request access to and insight into all drawings, descriptions, etc. concerning the contract work.

24 Safety regulations

The Policyholder shall maintain the property insured in good working order and have any defects of which he becomes aware remedied immediately, including such repairs and changes which Gard deems necessary. The Policyholder shall furthermore observe current directions and regulations and ensure that the premises insured are safely closed and locked in the prevailing circumstances. In addition, the Policyholder shall comply with any instructions from Gard regarding guards or other special security measures.

25 Date recognition failure

25.1 The insurance shall not cover

The insurance does not cover loss or damage or liability for loss or damage caused directly or indirectly, or wholly or partly by:

- the failure of equipment, systems or combinations thereof to correctly recognise the date;

• supervision of or guidance in connection with the failure of equipment, systems or combinations thereof to correctly recognise the date;

- inspection, approval, decision, attestation or endorsement in respect of issues for which the failure of equipment, systems or combinations thereof to correctly recognise the date is important (including – but not limited to – the performance of tasks by officers, directors and auditors).

25.1.1 This exclusion does not apply to any over taken out against fire, explosion, crash, theft and water damage.

25.2 Definitions

A date means any indication of time based on a calendar system when such indication of time acts as information, code, signal or otherwise in equipment, systems or combinations thereof.

Equipment means any machine, product and any other physical object or group of objects, irrespective of whether they are in the form of real or personal property, including - but not limited to - computer hardware, computer software or integrated electronics (including microprocessors and chips).

A system means any information, instruction or collection thereof and any medium for transmitting information and instructions, irrespective of whether this takes place via computer, paper or by rays, waves, physical impact, chemical processes or any other medium of a material or non-material nature.

This document is a translation of the original text in the Danish language. In the event of inconsistencies, the Danish version shall prevail.