

Technical Insurance, general conditions

General conditions for the following insurance products under Technical Insurance:

Contractors' All Risk Insurance, Erection All Risks Insurance, Accidental Damage, Fire and Theft Insurance, Wind Turbine Generator Insurance.

The insurance products covered appear from the policy.

The policy, the insurance conditions and the Danish Insurance Contracts Act (*Lov om forsikringsaftaler*) (to the extent that the act is not derogated from), the Danish Act on Insurance Business (*Lov om forsikringsvirksomhed*) and the Danish Financial Business Act (*Lov om finansiel virksomhed*) apply to the insurance.

Codan Forsikring A/S and/or the company's subsidiaries/branches do not cover and are not liable to pay any kind of indemnity or other payments under the insurance to the extent that such insurance cover, payment of such a claim or the provision of such an insurance benefit exposes Codan Forsikring A/S and/or the company's subsidiaries/branches to any sanction, prohibition or restriction adopted by the United Nations (UN), the European Union (EU), the United Kingdom or the USA.

1 Claims procedure:

1.1 Loss prevention:

The Insured must always seek to prevent damage.

In case of damage, the Insured is obliged to seek to limit the extent of the damage.

Codan will pay any necessary costs for salvage and preservation in connection with indemnifiable loss or damage.

Codan is entitled to take any measures to minimise further losses.

1.2 Notification of claims

Any damage or accident which may result in a claim for compensation must be reported as quickly as possible so that Codan can assist with advice and guidance.

Furthermore, theft, open theft, robbery and malicious damage must also be reported to the police as soon as possible.

Notice of the claim may be submitted to Codan in the following ways:

- By telephone on tel. no. +45 33 55 55 55. During normal opening hours, qualified claims handlers are ready to provide advice and guidance and quickly initiate the claims handling process. Severe damage requiring emergency action can be reported 24 hours a day.
- Via the Internet at codan.dk.
- By completing a claim form, which can be obtained by contacting Codan.

1.3 Repair

After a loss occurrence, repair, demolition and disposal of insured objects cannot take place prior to acceptance by Codan.

If the above is not complied with, the right to indemnity may lapse completely or partially.

1.4 Liability and liability claims

Any acceptance of liability and claims for compensation is subject to Codan's prior consent. All other decisions about the processing of the claim will be made by Codan.

1.5 Similar insurance with another insurer

If any other insurance covering the same risk has been taken out with another insurer, and this insurance stipulates that cover will cease or be limited if insurance has also been taken out with another insurer, the same proviso will apply to the insurance taken out with Codan. In this case, each of the insurers will be liable for a proportionate share of the claim.

2 Disputes

2.1 Arbitration (does not apply to Third-Party Liability Insurance and Legal Expenses Insurance)

Any dispute between the Policyholder and Codan over the amount of indemnity will be finally settled by arbitration.

The parties will each appoint an arbitrator for the arbitration proceedings.

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

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

The umpire will contribute to the calculation only if the arbitrators fail to reach an agreement. The umpire will subsequently calculate the amount of indemnity to be paid within the recommendations of the two arbitrators.

Either party will remunerate the arbitrator appointed by the party in question, while the umpire's fee will be shared equally between the parties.

2.2 Disputes arising out of the insurance contract

Any disputes arising out of this insurance contract must be settled in accordance with Danish law and by Danish courts of law.

3 Payment of premium

3.1 Premium collection

Codan will collect the premium by forwarding a premium collection note to the payment address given by the Policyholder. The premium may also be paid electronically.

Any government taxes will be collected together with the premium.

3.2 Premium payment

The initial premium is payable upon the inception of the insurance. Subsequent premiums fall due on the renewal dates of the insurance.

Premium must be paid no later than on the date stated on the invoice as the final date for payment or the date on the payment statement supplied by Nets.

3.3 Non-payment

If Codan does not receive payment on time, a reminder will be sent stating the legal consequences of late payment.

In case of non-payment of any balance, supplementary collection charge etc., Codan reserves the right to terminate the full insurance contract except for fire cover for buildings and wind turbines.

For fire cover, the following applies:

Codan cannot cancel the fire cover if the premium has not been paid, but the company has a lien and may levy execution to recover the premium plus accrued interest and any other expenses, including legal expenses.

The insurance will be amended to comprising fire cover only. At the same time, the insurance will be changed to annual premium payment if an annual premium is not already payable.

3.4 Fees, charges and interest

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

In the event of distraint before the enforcement court for due fire premium and submission of a payment demand to the enforcement court, Codan is entitled to charge a fee. The size of such a fee corresponds to the debt collection costs.

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

More detailed information on fees can be found at codan.dk (in Danish) or by contacting Codan.

3.5 Repayment

NemKonto (Easy Account):

Repayment of premium can take place via the NemKonto system to the account selected as the NemKonto account.

Direct Debit Service:

Repayment of premium will be made to the bank account from which the premium is paid.

3.6 12.4 Offsetting

Codan will make use of its offsetting right in the customer relationship.

4 Renewal and cancellation

4.1 Cancellation with effect from the end of a period of insurance

If the insurance has been written as a one-year insurance policy, both parties may cancel the insurance at one month's written notice to the annual renewal date for the policy.

Insurance means either the entire policy or the individual insurance product.

If the insurance has been written for a multi-year period, it can, at the earliest, be cancelled at one month's notice to the expiry date specified in the policy.

If the insurance is not cancelled, it will automatically be renewed for a similar period. If the insurance has been written for a multi-year period, Codan will send a letter about this at the earliest three months and no later than one month before the period of notice takes effect.

4.2 Special conditions for cancellation of fire cover for buildings and wind turbines

The Policyholder may cancel the fire cover if:

- the property/wind turbine is insured with another insurance company with a right to take out fire insurance for buildings and Codan receives confirmation that such insurance has been written from this company in due time in accordance with the period of notice
- or the beneficiaries in accordance with all titles and charges registered on the property (mortgagees) have given their written consent
- Codan receives documentation that there are no registered mortgages or charges on the property
- Codan receives a demolition certificate.

Codan may cancel the fire cover if:

- the fireproofing of the building/wind turbine is inadequate, or
- the building/wind turbine is *derelict.

In relation to the above mortgagees, however, Codan's liability will only cease at 14 days' notice.

4.3 Cancellation following a claim

After each reported claim, in the period from the date of the claim being reported until 14 days after payment of indemnity or rejection of the claim, both the Policyholder and Codan may cancel the insurance product that the claim concerns by giving 14 days' notice.

If the policy has been written for a multi-year period, the Policyholder may cancel the insurance product against additional payment, calculated as a percentage of the current annual premium for the insurance product in question.

Instead of cancelling the insurance product, Codan may make a continuation conditional on limitations in the cover, changed excess conditions or an increase in the premium.

5 Change of premium rates or insurance conditions

5.1 Notification

If Codan changes premium rates or insurance conditions for insurance products of the same type, Codan may change the insurance conditions and/or the premium for this policy by giving at least one month's notice to the renewal date.

5.2 Cancellation

If the change is disadvantageous to the Policyholder, the insurance product in question can be cancelled to the same date as the date on which the change is to enter into force. The notice of cancellation must be received by Codan no later than the day before. For fire insurance for buildings, this also applies to confirmation from another insurer.

6 Matters that must always be observed

The Policyholder is obliged to maintain the insured property in a good and reliable condition and have any defects of which the Policyholder becomes aware remedied immediately, including such repairs and changes which Codan may find necessary.

The Policyholder is, moreover, obliged to ensure that the current legislation, regulations and provisions have been complied with, for example building regulations and heavy current regulations, including the rules on fire protection, fire doors, cleaning of electrical panels and installations. The manufacturer's and the supplier's regulations must also be observed.

If it is ascertained in connection with a claim that such requirements are not met, this may result in the indemnity being reduced or lapsing altogether.

7 Alteration of risk

If, during the period of insurance, there is a change in the risk described in the policy, Codan must immediately be notified thereof in writing.

This also applies in connection with a temporary change.

Codan will subsequently decide whether, and on what conditions, the insurance may continue.

If Codan is not notified of the above changes, this may result in the indemnity being reduced or lapsing altogether.

8 Transfer of ownership, bankruptcy and restructuring; see the Danish Bankruptcy Act (*Konkursloven*)

Codan must immediately be notified of a transfer of ownership. Bankruptcy and restructuring are considered transfers of ownership.

Codan will subsequently decide whether, and on what conditions, the insurance may continue.

However, the fire cover will remain in force until Codan receives confirmation that the company is no longer liable; see the rules on cancellation in clause 4.2.

9 Inspection of the property insured

Codan is entitled to assess the risk factors at any given time by inspecting the property insured.

If it is ascertained in connection with the inspection that the risk has increased, Codan may either set a deadline for remedying the risk factors, increase the premium and excess or cancel the insurance products that the risk concerns without notice.

General Conditions for Wind Turbine Insurance

1 Who is covered?

1.1 Policyholder

The Insured is the Policyholder stated in the policy as the owner of the wind turbine.

1.2 Persons employed in the Policyholder's service

If third-party liability cover has been taken out, persons employed in the Policyholder's service will be co-insured under the third-party liability cover in addition to the Policyholder.

2 Where does the insurance provide cover?

The insurance covers damage at the location(s) stated in the policy as the premises insured.

The insurance also covers objects that are temporarily located outside the premises insured in connection with repair following indemnifiable loss or damage.

3 What is covered by the insurance?

The insurance covers damage which has occurred in the *period of insurance to the wind turbine(s) which, under the policy, come(s) under a selected cover; however, at the earliest from the *startup date of the wind turbine.

4 Damage that is never covered:

4.1 The insurance does not cover damage or the spreading of damage caused directly or indirectly by or in connection with:

- earthquakes or other natural disturbances
- war, war-like actions, violation of neutrality, civil war, riot or civil commotion
- nuclear reactions, e.g. nuclear fission, nuclear fusion and radioactive decay, whether or not such damage occurs in times of war or peace.

However, the insurance does cover damage caused directly or indirectly by or occurring in connection with nuclear reactions used for ordinary industrial, medical or scientific purposes, provided that such use has been in accordance with instructions and regulations and is not connected with any reactor or accelerator operations.

4.2 The insurance does not cover damage covered by a warranty from, for example, a supplier, repairer or fitter.

4.3 The insurance does not cover financial loss such as business interruption and other derived claims, unless otherwise stated in the policy.

4.4 The insurance does not cover damage of a cosmetic nature and colour differences between replaced and undamaged items.

4.5 The insurance does not cover damage caused by an act of terrorism in which so-called NBCR weapons (i.e. Nuclear, Biological, Chemical and Radiological weapons) have been used.

5 Safety regulations

Cover under the insurance is subject to:

- a service subscription being maintained with a service provider that has been approved or certified in accordance with the applicable legislation in the area and provided that the service provider works in accordance with applicable instructions and recommendations for operation and maintenance of the wind turbine type in question
- the wind turbine manufacturer's instructions about operation, use, load and maintenance of the wind turbine being observed
- any remote monitoring system being covered by lightning protection
- the wind turbine structure being kept in accordance with the structure approved by the Test Station for Wind Turbines, Risø, or by Germanischer Lloyd and Norske Veritas as approval authority on an equal footing with the Test Station for Wind Turbines, Risø
- the Insured and the Insured's operations manager maintaining the wind turbine in a good and reliable condition and ensuring that any defects and deficiencies ascertained are remedied immediately, including that any repairs which Codan finds necessary are performed
- regulations issued by public authorities being observed
- oil filters and oil level being monitored as stipulated:

- Filter alarm

If the gearbox is equipped with an external oil circulation system with a gear oil filter, cover is conditional on an efficient and active monitoring system being installed for continuous monitoring of pressure drop of at least one of the gear oil filters. If the pressure drop is outside the limits predetermined by the manufacturer, the wind turbine must be stopped immediately.

- Oil level monitoring

If the gearbox is equipped with an external oil circulation system, cover is conditional on an efficient and active monitoring system being installed for continuous monitoring of the current oil level in the gearbox. If the oil level is outside the limits predetermined by the manufacturer, the wind turbine must be stopped immediately.

- documentation that the filter alarm and oil level monitoring are covered by the service subscription or other special service scheme
- documentation that retrofitted components are covered by the service subscription or other special service scheme
- the insulation material for noise reduction of the nacelle being approved in accordance with either US standard FMVSS 302 or ISO 3795 concerning flammability of interior materials of passenger cars
- the condition that if the turbine is located in the nacelle, arc detection must have been installed in/at the transformer station/transformer room.

If the above requirements have not been met, no insurance cover will be provided.

Furthermore, the following changes require prior written notice to Codan:

If the wind turbine is rebuilt or altered in material respects, for example if gearbox, generator, steering, brakes or blades are installed in the wind turbine that are of another make or other design than those installed in the turbine when the insurance was written; see also the type approval of the wind turbine.

Codan will subsequently decide whether, and on what conditions, the insurance may continue.

6 What property is covered?

6.1 Wind turbine

The insurance covers

- the wind turbine(s) stated in the policy
- foundation
- cables to public grid
- remote monitoring equipment installed in the wind turbine itself.

6.2 Accessories

To the extent specified in the policy.

7 How is the insurable value calculated?

The sum insured must correspond to the value of a similar new wind turbine at the policy inception date, i.e. the replacement value of the wind turbine (see clause 6.1), including costs for freight, installation and grid connection as well as any non-reimbursable public taxes and duties incurred by the Insured.

8 Indexation

If the insurance is subject to indexation, this is stated in the policy.

The premium is subject to indexation, with the exception of premium for business interruption cover and output calculation cover.

Sums insured are indexed, except for the sums insured and excesses for business interruption, output calculation, legal expenses and third-party liability covers.

In the event of damage, an index number will consequently be added to the amounts stated in the policy in case of subsequent indexation.

8.1 Time of indexation

Sums insured and excess amounts are adjusted every year on 1 January.

The premium adjustment is made on the policy renewal date.

8.2 Index number

The indexation takes place on the basis of the index of average earnings for the private sector published by Statistics Denmark for the private sector.

In connection with indexation, premium, sums insured and excesses are increased by the percentage by which the index number differs from the index published the previous year. If the deviation is negative, the amounts are not adjusted but remain unchanged until the next indexation.

If publication of the index of average earnings for the private sector ceases, Codan is entitled to continue indexation based on another index published by Statistics Denmark.

9 How are claims settled?

9.1 Calculation of loss

If the damage does not meet the criteria for total loss, it will be calculated as a partial loss.

9.1.1 Total loss

If the damage cannot be remedied by repair, the loss is calculated as the difference between the fair value of the damaged wind turbine immediately before the damage and its fair value after the damage.

9.1.2 Partial loss

Codan will cover the normal costs of restoring the damaged property to its condition immediately prior to the occurrence of the damage.

9.1.3 Alteration following damage

Using other qualities of material than the original ones or altering the design of the wind turbine or other property insured in connection with damage is subject to prior approval by Codan. Any additional expenses are not covered.

9.1.4 Extra expenses which are not covered

- Extra expenses for the establishment of a vehicular roadway with room for manoeuvring of a crab or wrecking car, clearing and repair of roads or the like are not covered.
- Extra expenses resulting from force majeure, overtime work, night work or work on public holidays as well as air freight and express freight is not covered.
- Extra expenses for improvement, changes and the like are not covered.
- Expenses for temporary repairs are of no concern to Codan, unless there is a written approval from Codan.
- If spare parts cannot be obtained, or if they can only be obtained by paying an exorbitant price, the indemnity provided will be commensurate with what it would normally have cost to repair the damage.

9.1.5 Codan's rights

Codan is entitled to take over damaged property in return for covering its value (see clause 7) prior to the damage.

Codan is also entitled to pay indemnity by delivering an item corresponding to the item damaged or by restoring the damaged item to the same condition that it was in before the damage.

10 *Underinsurance

If the insurable value calculated in accordance with the rules laid down in clause 7 exceeds the sum insured, the damage will only be covered on a pro rata basis.

If the insurance covers more than one wind turbine, underinsurance will be calculated separately for each wind turbine.

11 Excess

The policy specifies whether an excess applies to the cover in question.

If the insurance covers more than one wind turbine, the excess applies to each wind turbine.

In case of damage resulting from several independent events, the excess for each of these events will apply even if the damage is discovered and/or repaired on the same occasion.

12 Subrogation

To the extent that Codan has paid indemnity under this insurance, Codan is subrogated to the Insured's rights against the party who is liable in damages in accordance with the Danish Liability for Damages Act (*Erstatningsansvarsloven*).

The Insured must disclose information, provide and/or obtain relevant documents and other material for Codan and must generally assist in securing Codan's rights in the best possible way.

13 VAT

If the Policyholder is registered for VAT, the VAT-deductible part of the indemnity which can be deducted in the Policyholder's VAT accounts is not covered.

All sums insured under the policy are the maximum amount payable as indemnity. If the Policyholder is not registered for VAT, all sums must be fixed inclusive of VAT.

13 Special terms for non-cancellable policies

If the policy schedule shows that the insurance is non-cancellable during the insurance period, clauses 4 and 5 in *Technical Insurance, general conditions* will cease to apply and will be replaced by:

The insurance has been written for a non-terminable period and may, at the earliest, be cancelled and cease to apply on the expiry date specified in the policy. See, however, the rules on transfer of ownership in *Technical Insurance, general conditions*, clause 8.

Insurance means either the entire policy or the individual insurance product.

However, Codan may cancel the fire cover if:

- the fireproofing of the wind turbine is inadequate, or
- the wind turbine is *derelict.

In connection with the expiry of the non-terminable period, Codan will forward an offer for renewal at the earliest three months and no later than one month before the expiry date.

If the Policyholder does not wish to renew the insurance, documentation that fire insurance has been taken out with another insurance company must be submitted to Codan before the insurance may cease to apply.

All risk

1 What property is covered?

The wind turbines and accessories for which all risk has been taken out; see the policy and the General Conditions for Wind Turbine Insurance, clauses 3 and 6.

2 What types of damage are covered?

The insurance covers physical damage to the insured wind turbine which is caused by a sudden and unforeseen event of any cause whatsoever, subject to the exclusions stated in clause 3.

However, fatigue fracture caused by *intrinsic and not externally visible formation and growth of cracks which result in a final fracture even though the formation and growth cannot be characterised as sudden.

The insurance also covers sudden and unforeseen damage occurring during the performance of service works as specified in the service manual.

3 What types of damage are not covered?

(In addition to the General Conditions for Wind Turbine Insurance, clause 4 *Damage that is never covered:*)

The insurance does not cover:

- damage caused by inadequate care or insufficient maintenance when such circumstances are due to intent or gross negligence by the Insured or other parties responsible for the operation of the wind turbine
- damage caused by the wind turbine being overloaded or not used according to its purpose or design irrespective of whether the Insured or the Insured's operations manager can be held responsible for this
- damage caused by defects or deficiencies existing when the insurance was written and which were or should have been known to the Insured
- wear and tear, rust, corrosion and *other gradual deterioration and/or breakdown as well as technical deterioration

This exclusion solely applies to the part of the wind turbine in which the worn or otherwise defective components are incorporated and which are directly damaged but it does not apply to other parts of the wind turbine which are damaged as a secondary consequence of the primary damage unless these would have been excluded in the same way as described above.

The insurance also covers damage caused by *intrinsic and not externally visible formation and growth of cracks which result in a final fracture even though the formation and growth cannot be characterised as sudden.

- events which can solely be ascribed to *malfunction
- damage which only affects parts which must be expected to be replaced on a regular basis due to wear and tear or aging, e.g. gaskets, capacitor batteries and accumulators, brake blocks, oil and other lubricants
- damage caused by vermin – unless prescribed pest control measures have been taken.

4 How are claims settled?

The indemnity is calculated in accordance with the rules in clause 9 of the General Conditions.

Business interruption

1 What interests/losses are covered?

The insurance covers the Insured's loss caused by a decrease in the wind turbine's production of kilowatt hours if damage indemnifiable under this policy is caused to the wind turbine.

The insurance also covers business interruption resulting from damage covered by the factory warranty, provided that the damage is included in a cover chosen for the wind turbine.

2 What losses are not covered?

The insurance does not cover:

- business interruption or any increase thereof resulting from damage to objects other than the wind turbine stated in the policy
- business interruption or any increase thereof resulting from strike, lockout, force majeure or other delay occurring as a result of conversion or improvement of the wind turbine, public orders or the like
- business interruption resulting from miscalculation of the output capacity of the wind turbine.

3 Period of cover and waiting period

3.1 Period of cover

The period of cover is set out in the policy.

The indemnity period is the period of time that it takes to repair the damage without undue delay.

The indemnity period commences on expiry of the waiting period and ends when the damage has been repaired and no later than on conclusion of the period of cover.

3.2 Waiting period

The waiting period appears from the policy.

No indemnity will be paid for business interruption incurred during the waiting period.

The waiting period is calculated from the expiry of the 24-hour period in which Codan has received notice that it has been necessary to slow down the turbine as a result of indemnifiable damage.

4 How are claims settled?

4.1 Settlement of claims

The Policyholder is not entitled to indemnity that exceeds the amount required to cover the actual loss incurred, and the indemnity can never exceed the annual production in kilowatt hours and/or settlement price stated in the policy.

Indemnity is only granted for the period that it would normally take to repair the damage, unless otherwise agreed with Codan.

The annual production stated in the policy will form the basis of calculation of indemnity for business interruption in the wind turbine's first production year.

For the wind turbine's other production years, the basis of calculation of indemnity for business interruption is the total production in the past 12 months (adjusted for the actual wind conditions) immediately before the occurrence of the insured event.

The basis of calculation is adjusted for the actual wind conditions during the indemnity period; see 'Naturlig Energi's' calculation of the energy contents of the month.

The indemnity is determined in accordance with the applicable settlement price from the power plant per kilowatt hours at the time of the damage.

4.2 Termination

If the wind turbine is not reestablished following damage, the indemnity will be calculated on the basis of the time (limited to the period of cover) that would normally be required for the wind turbine to resume operations.

Wind turbine liability

1 What is covered?

The insurance covers

1.1 The Insured's liability for injury to persons or damage to property caused during the use of the wind turbine stated in the policy

1.2 Expenses and interest incurred in connection with the settlement of a claim, provided that they have been paid with Codan's approval. Such expenses and interest are covered even if the sum insured is thereby exceeded.

The insurance covers personal injury or property damage ascertained during the *period of insurance, regardless of when the event giving rise to liability occurred.

2 What is not covered?

2.1 The insurance does not cover

- fines or the like, whether payable to public authorities or private parties, including punitive damages
- personal injury or property damage the occurrence of which the Insured has failed to prevent, either with intent or by gross negligence.

2.2 The insurance does not cover liability for damage to property

- belonging to the Insured
- which the Insured is borrowing, hiring, storing, using or carrying or which, for any other reason, is in the Insured's possession
- damage to property which the Insured has undertaken to prepare, install, repair, assemble or otherwise treat or process, provided that such damage occurs during the performance of the task
- caused by products or services failing to arrive, arriving late or not being performed in time
- caused by any earthwork undertaken by the Insured, including earth boring and grubbing, driving and extraction of sheet piling etc., demolition works, groundwater lowering or other groundwater adjustments
- caused by the Insured's use of explosives
- caused by new buildings, refurbishments or extensions to the insured wind turbine
- if the damage is caused by the Insured's gross disregard of elementary safety precautions.

2.3. The insurance does not cover liability

- for personal injury or property damage caused by errors, deficiencies or other defects in the Insured's products or services following their sale or performance
- for financial loss unless such loss results from any personal injury or property damage covered by this insurance

- incurred as a result of any commitment made by the Insured to provide another amount of indemnity or to assume liability extending beyond the general law of damages
- for personal injury or property damage caused by the Insured's use of any motor-driven vehicle
- for personal injury or property damage caused by the Insured's use of any watercraft or aircraft
- for personal injury or property damage caused by the Insured's dog
- for personal injury or property damage caused by the Insured with intent or as a result of self-induced intoxication
- for contamination through air, soil or water, unless
 - the personal injury or property damage occurred through an unexpected, unintentional, sudden accident from the Insured's wind turbine or its disposal of refuse, surplus or waste products

and

- the personal injury or property damage is not a result of the Insured having disregarded the public regulations in force at any given time. If the insured business falls within the list of 'Highly Polluting Businesses' prepared from time to time in accordance with the Danish Environmental Protection Act (*Miljøloven*), for which strict liability applies, cover is provided under this provision only if the policy has been specifically endorsed to that effect.

Any damage to sewers, pipelines, water purifying plant or the like resulting from discharge through or to such sewers, pipelines, water purifying plant, etc. is considered pollution damage and will only be covered subject to the limitations stated in this condition.

4 Sum insured

The sum insured for wind turbine liability, which appears from the policy, represents the maximum limit for Codan's liability in the individual insurance year.

Costs stated under clause 1.2 are covered

- in the event of personal injury or property damage occurring outside the Nordic countries – only to the extent that the limits of indemnity are not thereby exceeded
- in the event of personal injury or property damage occurring in the Nordic countries – in full, even though the limits of indemnity are thereby exceeded. If the limits of indemnity are lower than the amount of indemnity awarded, the insurance will only cover the proportionate share of expenses and interest corresponding to the amount of indemnity payable by Codan.

Definitions

The words marked with * in the insurance conditions are defined in further detail in these definitions.

Other gradual deterioration

Other gradual deterioration means, for example, fatigue fractures and pitting/flaking.

In connection with fatigue fractures, an element is fractured as a result of gradually progressive damage to the element in the form of formation and growth of cracks.

In connection with pitting/flaking, there is a gradual formation of hollows or flaking on the surface of an element, as a result of sporadic overload of the material.

Fire

In this context, fire is conflagration, which is defined as follows: wild, flaming fire capable of spreading by its own force.

Fair value – building

Corresponds to the replacement value prior to the damage, with a reasonable deduction for age, use, neglected maintenance and reduced utility.

Fair value – contents

The replacement price of a similar item immediately prior to the damage, with a reasonable deduction for

- depreciation due to age and use
- reduced utility, for example a pre-existing defect prior to the damage
- obsolete construction and design, technological obsolescence
- other circumstances.

Explosion

Explosion is defined as an instantaneous (sudden and rapid) chemical process developing strong heat and causing a dramatic increase in the volume of reacting substances.

Europe

Europe is defined as Denmark, Iceland, Sweden, Norway, Finland, Germany, the Netherlands, Belgium, Luxembourg, France, Switzerland, Austria, England, Ireland, including Northern Ireland, Spain, Andorra, Monaco, Portugal, Italy, Poland, the Czech Republic, Slovakia, Hungary, Romania, Slovenia, Croatia, Bosnia-Herzegovina, Macedonia, Serbia, Montenegro, Bulgaria, Albania, Greece, Turkey, excluding the Asian part of Turkey east of the Bosphorus Strait.

Period of insurance

Is the period of time in which the company covers an insured event (damage or loss) covered by the insurance.

The period of insurance commences at 00.00 on the inception date of the insurance and expires at 24.00 on the last day on which insurance is in force. If, for example, a one-year insurance policy is taken out which follows the calendar year, the insurance policy will enter into force at 00.00 on 1 January and expire at 24.00 on 31 December.

Securely locked container

In this context, this is a container locked with an approved lock and fittings in minimum *class RED.

First loss

Type of insurance/principle where the rules on *underinsurance do not apply so that, within the chosen sum insured, full indemnity is paid for the claim even though the value of the property insured (or for business interruption, the insurable interest) exceeds the sum insured.

Malfunctions

If a component can no longer maintain its original function, without other visible changes being ascertainable, this constitutes a malfunction.

First loss principle

See 'First loss'.

Main pipe

Is a joint supply/drain pipe serving several land title numbers and usually located under the road.

Event

An event is the uninterrupted course from the initial impact of the cause of damage and until the development of the damage has become stationary, either because it stops by itself or because it is stopped through rescue activities.

If the same cause gives rise to repeated events, these are treated as independent events.

Malicious damage

Malicious damage is damage caused intentionally and maliciously.

Break-ins

See 'Burglary'.

Burglary

Burglary is committed where the burglar has

- gained access to locked buildings or premises, including attics and basements, by use of visible force against a fastening (door, window, hatch, gate etc.) or by use of picklocks, false or stolen keys
- entered through openings not intended for entry. Windows are not regarded as openings in this connection.

Or where the burglar

- steals movable property through openings in building parts which, immediately prior to this, have been created by, for example, breaking a window pane.

Intrinsic

Is damage caused by an intrinsic event in the item without any extrinsic impact.

Short circuit

Is an accidental connection between live parts or between live parts and frames/earth which produces a current that is significantly higher than the permissible operating current.

Lightning

In terms of insurance, a distinction is made between direct and not direct lightning strikes.

Direct lightning strikes on the premises insured will always leave a trace as a result of electric heat or force. Damage caused by direct lightning strikes is covered under fire cover, irrespective of whether the lightning strike causes fire damage.

Not direct lightning strikes will often cause overvoltage/induction, and damage as a consequence thereof is covered under the electricity damage cover.

Lack of maintenance – building

A building and its installations and accessories must, at regular intervals, be treated with wood preservatives, paint and lubrication. Rotten, rusty, corroded, worn and defective parts must be replaced. Roofs must be inspected, so that cracked, loose or missing roof tiles and plates are replaced or secured. Tile roofs must be pointed if necessary; valves, gutters, downpipes and drain pipes must be cleaned etc.

If a case of damage is mainly due to negligence of such actions, Codan may refuse to pay indemnity with reference to lack of maintenance.

Lack of maintenance – contents

Machinery, furniture and equipment must, at regular intervals be serviced, cleaned, lubricated and painted. Rusty, corroded, worn and defective parts must be replaced etc.

If a case of damage is mainly due to negligence of such actions, Codan may refuse to pay indemnity with reference to lack of maintenance.

Lack of maintenance – wind turbine

In accordance with the current instructions and recommendations for maintenance, a wind turbine as well as its installations and accessories must be serviced, cleaned, lubricated etc. at certain intervals. Rusty, corroded, worn and defective parts must be replaced. Blades must be inspected, so that cracks are detected and repaired before they develop further.

If a case of damage is mainly due to negligence of such actions, Codan may refuse to pay indemnity with reference to lack of maintenance.

Mechanical destruction

Is a physical impact with a destructive effect, such as a knock, stroke or blow, or two items which tear against each other.

‘Naturlig Energi’

The journal ‘Naturlig Energi’ (Natural Energy) is published by the independent institution Naturlig Energi with 12 issues a year and distributed as the membership magazine of the Danish Wind Turbine Owners’ Association (*Danmarks Vindmølleforening*).

Normal wind year

A normal Danish wind year is defined in accordance with the calculations in ‘Vindatlas for Danmark’ (Wind Atlas for Denmark), September 1986 edition.

Replacement value

Is the cost of replacement immediately prior to the occurrence of the damage, without deduction for age and use, but with reasonable deduction for reduced usefulness and other circumstances.

Startup date

Startup date means the date on which the wind turbine has been finally delivered, i.e. tested and commissioned in automatic operation in the grid and functions without operational problems. This also applies to startup after damage.

Overload

Overload means that the 10-minute mean value of the output exceeds 1.15 x nominal output.

Cash equivalents

Are, for example, pay-as-you-talk phone cards, payment cards, multiple trip cards and other useful tickets and cards, unused stamps and revenue stamps, signed (uncrossed) cheques as well as uncoined precious metal and other items that can be used as cash.

Open theft

Is theft perpetrated openly without the use of violence and which is noticed while it is being committed. It is a condition for insurance cover that a hue and cry is immediately raised by the person who notices the open theft.

Robbery

Is theft committed using violence or threats of immediate use of violence.

Residual value

Is the value of the undamaged building parts remaining after a loss occurrence.

Cloudburst

Cloudburst entails that the quantity of precipitation in a short-term heavy shower is so large that the water cannot find outlet through correctly dimensioned and maintained drainage systems.

Waterspout

Is a whirlwind that behaves like a pump in the cloud.

Blasting

This means that an object is torn apart by the momentary (sudden and fast) equalisation of pressure in gaseous substances inside and outside the object.

Storm

In an insurance context, a storm entails wind speeds of minimum 17.2 metres per second, corresponding to Force 8 on Beaufort's scale.

Fixed-sum insurance

Is a type of insurance for buildings where a sum has been agreed in advance and where deductions are always made for depreciation in value

Sudden thaw

Sudden thaw entails that the quantity of melt water is so large that the water cannot find outlet through correctly dimensioned and maintained drainage systems.

Extrinsic

Extrinsic means that the impact that causes damage cannot come from the object itself.

Outflow

In this context, this is outflow of an extent exceeding dripping or seepage.

Underinsurance

If the value of the property insured (or for business interruption, the insurable interest) exceeds the sum insured stipulated in the policy, this constitutes underinsurance, and a claim is only indemnified proportionally using the following calculation:

$$\frac{\text{Sum insured} \times \text{Loss}}{\text{Value of the property insured}} = \text{Indemnity}$$

Example in connection with partial damage:

Sum insured: DKK 3,000,000

Value of the property insured: DKK 4,000,000
Loss: DKK 100,000

Indemnity: $\frac{3,000,000 \times 100,000}{4,000,000} =$ DKK 75,000

In case of total loss, the sum insured is always paid:

Sum insured: DKK 3,000,000
Value of the property insured DKK 4,000,000
Loss: DKK 4,000,000
Indemnity = Sum insured DKK 3,000,000