

## MARINE CONSEQUENTIAL LOSS INSURANCE

### Insurance Policy

#### RISKS COVERED

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| <p>1. This insurance covers up to ISK 450.000.000 at the maximum rate of ISK 1.232.877 per day in respect of loss of standing charges and profit ascertained in the manner hereinafter provided, during the indemnity period, due to the production during such period falling short of the standard production (hereinafter defined) as a result of loss or or damage to or delay in the delivery of the property as described in the schedule hereto (or any part thereof) caused by:</p>                                                               | <p>RISKS CLAUSE</p>                                                                    |
| <p>1.1 a risk which would be covered under an insurance with the under-mentioned clauses (or any of them) attached:</p> <p>Institute Cargo Clauses (A) CL 252 1.1.82<br/>         Institute War Clauses (Cargo) CL 255 1.1.82<br/>         Institute War Clauses (Sendings by post) CL 257 1.1.82<br/>         Institute Strikes Clauses (Cargo) CL 256 1.1.82<br/>         Institute Cargo Clauses (Air) CL 259 1.1.82<br/>         Institute War Clauses (Air Cargo) CL 258 1.1.82<br/>         Institute Strikes Clauses (Air Cargo) CL 260 1.1.82</p> | <p>LOSS CAUSED BY LOSS OF OR DAMAGE TO PROPERTY</p>                                    |
| <p>1.2 loss of, mechanical breakdown of, or damage to the hull, machinery and/or equipment of the vessel or aircraft on which any of the property is being carried or is intended to be carried which would be covered either</p>                                                                                                                                                                                                                                                                                                                         | <p>LOSS CAUSED BY LOSS OF, MECHANICAL BREAKDOWN OF OR DAMAGE TO VESSEL OR AIRCRAFT</p> |
| <p>1.2.1 under an insurance with the Institute Voyage Clauses - Hulls CL285 1.11.95 and/or Institute War and Strikes Clauses Hulls - Voyage CL295 1.11.95 attached, or</p>                                                                                                                                                                                                                                                                                                                                                                                |                                                                                        |
| <p>1.2.2 under an Aircraft All Risks Policy including War, Hi-jacking and Allied Perils.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                        |
| <p>1.3 loss of, mechanical breakdown of, or damage to any other conveyance on which any of the property is being carried or is intended to be carried from any fortuitous cause.</p>                                                                                                                                                                                                                                                                                                                                                                      | <p>LOSS CAUSED BY LOSS OF, MECHANICAL BREAKDOWN OF OR DAMAGE TO OTHER CONVEYANCES</p>  |
| <p>1.4 the vessel aircraft or other conveyance on which any of the property is carried or is intended to be carried being involved in an General Average Salvage or life-saving operation.</p>                                                                                                                                                                                                                                                                                                                                                            | <p>LOSS CAUSED BY GENERAL AVERAGE, SALVAGE OR LIFE SAVING OPERATION</p>                |

#### DURATION

- |                                                                                                                                                                                                                                                                                                                              |                                                 |
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| <p>2. 2.1 The protection afforded by Paragraph 1.1 above shall operate from the time the property leaves the premises of the manufacturers in the country of origin, continue during the ordinary course of transit and, where specifically agreed, during storage, if any, and until the property is delivered to site.</p> | <p>ATTACHEMENT AND TERMINATION OF INSURANCE</p> |
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- 2.2. The protection afforded by Paragraphs 1.2, 1.3 and 1.4 above shall operate in respect of vessels or craft from the time the vessel or craft comes alongside the berth or mooring point at which the property is to be loaded thereon (including any casualties or incidents arising during such berthing or mooring) and in respect of conveyances (including aircraft) from the time the conveyance arrives at the place where the property is to be loaded thereon.

## DEDUCTIBLE

3. From each and every claim covered under the terms of this insurance shall be deducted the sum of equivalent to 30 days' indemnity

## MEASURE OF INDEMNITY

4. The sum payable as an indemnity under this insurance shall be:-

- 4.1 In respect of reduction in production: the sum produced by applying the rate of standing charges to the amount by which the production during the indemnity period shall in consequence of one or more of the occurrences listed in 1.1, 1.2., 1.3 or 1.4 above fall short of the standard production.
- 4.2 In respect of increase in cost of working: additional expenditure reasonably and necessarily incurred for the sole purpose of avoiding or diminishing the reduction in production which would have taken place during the period of indemnity in consequence of the contingency, but not exceeding the sum produced by applying the rate of standing charges to the amount of the reduction thereby avoided.

Less any sum saved during the indemnity period in respect of such standing charges as may cease or be reduced in consequence of the damage.

Provided that if the sum insured be less than the sum produced by applying the rate of standing charges to the annual production any amount payable under this policy shall be proportionally reduced.

## EXCLUSIONS

- 5.1. In no case shall this insurance cover
- 5.1.1. Loss of or damage to the property as described in the schedule hereto or any expenses recoverable under the insurance on such property. LOSS OF OR  
DAMAGE TO  
PROPERTY
- 5.1.2. Any claim for delay caused by the unreasonable withholding of Guarantees as result of repairs to the property insured not being acceptable to the manufacturer or his representative, providing such repairs have been carried out with materials and in a manner approved by Insurers Surveyor, or a Surveyor of one of the Classification Societies listed in the institute Classification Clause CL 354 13.4.92 or by a Surveyor of, or approved by, the London Salvage Association DELAY CAUSED BY  
WITHHOLDING OF  
GUARANTEES

## 5.2. INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

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

## CLAIMS

6. 6.1 In the case of a claim under this insurance the Insured shall satisfy the Insurers as regards the extent of the anticipated production and specified standing charges by all reasonable evidence, producing inter alia communication and/or guarantees of the suppliers or manufacturers as to the property's production capacity.

Further, the Insured shall produce and furnish to the Insurers such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be requested by the Insurers for the purpose of investigating or verifying the claim.

- 6.2 If the property insured hereunder is damaged or appears to be damaged on arrival, it is a condition precedent to a claim hereon that the Insurers of this insurance shall be advised immediately, whether they are the insurers of the property or not, the Insurers of this insurance may at their own expense less any expenses covered under Paragraph 5.1.1. above upon receipt of such advice, take any action they consider necessary to minimise the loss hereunder.
- 6.3 If the scheduled "start-up" date of this project is delayed or postponed by a cause not covered under this insurance then the new "start-up" date shall be the basis for any claim hereunder.

## SPECIAL CONDITIONS

7. It is a condition of this insurance that:
  - 7.1 the property as described in the Marine Cargo Insurance Policy No. 67-81630 is Insured against Marine and War and Strikes etc. risks on the conditions on which the interest is customarily insured.
  - 7.2 the oversea vessel(s) comply/ies with the provisions of the Institute Classification Clause CL354 13.4.92.

## DEFINITIONS

### 8. 8.1 Gross Profit

The sum produced by adding to the expected net profit amount of all standing charges appertaining to the property, or if there be no expected net profit the amount of all such standing charges less any net trading loss.

### 8.2 Expected Net Profit

The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) as is reasonably expected to result from the operation of the property after due provision has been made for all standing and other charges appertaining to the property.

### 8.3 Standing Charges

All charges of the Insured's trade which are not affected by any change in the output of the business and which remain to be paid in full, such as rent, taxes and interest, depreciation of building, machinery, and other plant.

### 8.4 Production

The revenue of the services produced or to be produced by the property.

### 8.5. Rate of Gross Profit

The rate of gross profit that would have been earned on the standard production to be brought about by the property but for the contingency.

### 8.6 Standard Production

The revenue of the services as they were reasonably expected to be produced during the Indemnity Period but for the contingency.

### 8.7 Annual Production

The anticipated production during the twelve months immediately following the commencement of production.

### 8.8. Rate of Standing Charges

The proportion expressed as a percentage of standing charges to the annual production.

### 8.9 Applying to 8.5, 8.6, 8.7 and 8.8. above.

Based upon the estimated production programme of the business, to which such adjustments shall be made as may be necessary to provide for the trend of the business and the variations in or special circumstances affecting the business either before or after the expected date that the property should have been put into use or operation but for the contingency or which would have affected the business had the contingency not occurred, so that the figures thus

adjusted shall represent as nearly as may be reasonably practicable the results which, but for the contingency, would have been obtained during the relative period after the date that the property should have been put into use or operation.

#### 8.10 Indemnity Period

The Indemnity period begins on the date which, but for the contingency, the property would have been put into use or operation and ending not later than 12 months thereafter during which period the production reasonably expected to be achieved by the property is affected in consequence of the contingency.

### MINIMISING LOSSES

9. It is the duty of the Insured and their servants and agents in respect of loss recoverable hereunder. **DUTY OF INSURED CLAUSE**

9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and

9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Insured for any charges properly and reasonably incurred in pursuance of these duties.

10. Measures taken by the Insured or the Insurers with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party. **WAIVER CLAUSE**

### AVOIDANCE IN DELAY

11. It is a condition of this insurance that the Insured shall act with reasonable despatch in all circumstances within their control. **REASONABLE DESPATCH CLAUSE**

### LAW AND PRACTICE

12. This insurance is subject to Icelandic Law and Practice. **ENGLISH LAW AND PRACTICE CLAUSE**

29.06.1998