

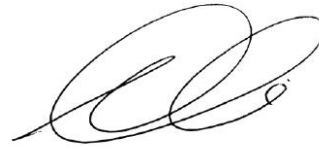
CONTRACTORS ALL RISKS INSURANCE POLICY

In consideration of the Insured named in the schedule hereto having completed a written proposal to MAPFRE Middlesea p.l.c. (hereinafter called the Company) which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein and having paid the Premium mentioned in the said Schedule the Company agrees to indemnify the Insured in the manner and to the extent hereinafter provided subject to the terms, general exclusions, period of cover, exclusions provisions and conditions contained herein or endorsed hereon.

On behalf of the Company



ETIENNE SCIBERRAS
PRESIDENT &
CHIEF EXECUTIVE OFFICER



OLIVIA DARMANIN
CHIEF OFFICER - TECHNICAL

Jurisdiction Clause

This Contract of Insurance shall for all effects and purposes be deemed to be a Maltese Contract and shall be governed by and according to Maltese Law and subject to the exclusive jurisdiction of the Maltese Courts.

The Indemnity provided herein shall apply only to judgements or orders that are delivered by or obtained from a court within the Maltese Islands. Furthermore, the indemnity shall not apply to a judgement or order obtained in Malta for the enforcement of a judgement obtained elsewhere or to costs and expenses of litigation recovered by any claimant from the Insured, which costs and expenses of litigation are not incurred in the Maltese Islands.

General Exclusions

The Company will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by

- 1.0 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organisation, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;

In any action, suit or other proceeding where the Company alleges that by reason of the provisions of Exclusion 1.0 above any loss, destruction, damage or liability is not covered by this insurance the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

- 2.0 2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 2.1 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 2.2 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- 3.0 wilful act or wilful negligence of the Insured or of his representatives;
- 4.0 cessation of work whether total or partial.
- 5.0 Nuclear Energy Risks

In no case shall this policy cover loss, damage, liability, bodily injury or expenses directly or indirectly caused by or contributed to by or arising from Nuclear Energy Risks:

For all purposes of this policy Nuclear Energy Risks shall mean:

- I. All Property on the site of a nuclear power station, Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.

- II. All Property, on any site (including but not limited to the sites referred to in (I) above) used or having been used for:
 - i. The generation of nuclear energy; or
 - ii. The Production, Use or Storage of Nuclear Material
- III. Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- IV. The supply of goods and services to any of the sites, described in (I) to (III) above, unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Definitions

“Nuclear Material” means:

- i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- ii) Radioactive Products or Waste.

“Radioactive Products or Waste” means any radioactive material produced in, or any material made radioactive by exposure to the radiation to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural or industrial purpose.

“Nuclear Installation” means:

- i. Any Nuclear Reactor;
- ii. Any factory using nuclear fuel for the production of Nuclear Material, any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- iii. Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material

“Nuclear Reactor” means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

“Production, Use or Storage of Nuclear Material” means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

“Property” shall mean all land, buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all material of whatever description whether fixed or not.

“High Radioactivity Zone or Area” means:

- (i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store and
- (ii) For non-reactor Nuclear installations, any area where the level of radioactivity requires the provision of a biological shield.

6.0 Contamination and Pollution

- 6.1 This insurance shall not cover any loss or damage due to contamination, sooting, deposition, impairment with dust, chemical precipitation, pollution or impurification.
- 6.2 This exclusion does not apply if such loss or damage arises out of an insured physical damage which results from a named peril or, in case of All Risk coverages, if such loss or damage arises out of a sudden, accidental, identifiable and unexpected event otherwise not excluded.

7.0 Intangible Property

Property damage covered under this policy shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this policy:

- A. Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage to data or software which is the direct consequence of insured physical damage to the substance of the property shall be covered.
- B. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

8.0 Atomic, Biological & Chemical Contamination

It is agreed that, regardless of any contributory causes, this insurance does not cover any loss, damage, cost or expenses directly or indirectly arising out of biological or chemical contamination due to any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and /or to put the public, or any section of the public, in fear.

For the purpose of this endorsement contamination means the contamination, poisoning or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

If the Company alleges that by reason of this exclusion any loss, damage, cost or expense is not covered by this policy the burden of proving the contrary shall be upon the Insured.

9.0 Terrorism

Notwithstanding any provision to the contrary within this insurance or any endorsement thereby it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf or in connection with any organization(s) or government(s), committed for political, religious, ideological, or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured. In the event any portion of this endorsement is found to be invalid or enforceable, the remainder shall remain in full force and effect.

10.0 Asbestos

It is hereby declared and agreed that this insurance shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity

Period of Cover

The liability of the Company shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site. The Company's liability expires for parts of the Insured contract works taken over or put in service.

At the latest the insurance shall expire on the date specified in the Schedule. Any extensions of the Period of Insurance are subject to the prior written consent of the Company.

General Conditions

- 1.0 The due observance and fulfilment of the terms of the Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Company.
- 2.0 The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.
- 3.0 The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
- 4.0 4.1 Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.
- 4.2 The Insured shall immediately notify the Company in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance be confirmed in writing by the Company.

- 5.0 In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall
- 5.1 immediately notify the Company by telephone or other means as well as in writing, giving an indication as to the nature and extent of loss or damage;
- 5.2 take all steps within his power to minimize the extent of the loss or damage;
- 5.3 preserve the parts affected and make them available for inspection by a representative or surveyor of the Company;
- 5.4 furnish all such information and documentary evidence as the Company may require;
- 5.5 inform the police authorities in case of loss or damage due to theft or burglary.

The Company shall not in any case be liable for loss, damage or liability of which no notice has been received by the Company within 14 days of its occurrence.

Upon notification being given to the Company under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured is entitled to proceed with the repairs or replacement.

The liability of the Company under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

- 6.0 The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company in the interest of any rights and remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Company shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.
- 7.0 If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or , in case the Arbitrators do not agree, of an Umpire to be appointed in writing by the Arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Company.
- 8.0 If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in case of arbitration taking place as provided herein, within three months after the Arbitrator or Arbitrators or Umpire have made their award, all benefit under this Policy shall be forfeited.
- 9.0 If at the time any claim arises under the Policy there is any other insurance covering the same loss, damage or liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any claim for such loss, damage or liability.
- 10.0 10.1 The Insured may cancel this Policy at any time during its term. Any refund of premium will be worked out from the date we receive the Insured's cancellation instructions. Provided no claim or loss has arisen in the current period of insurance, the Company will return part of the premium calculated on the Company's cancellation rates for the unexpired period of insurance less any long-term discount on premiums granted.
- 10.2 The Company shall not be bound to offer or accept any renewal of this Policy and may at any time give seven days notice of cancellation of cover to the Insured at his last known address.

Section 1 – Material Damage

The Company hereby agrees with the Insured that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as insured hereby.

The Company will also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy provided a separate sum therefore has been entered in the Schedule.

Special Exclusions to Section 1

The Company shall not, however, be liable for

- 1.0 the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- 2.0 consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- 3.0 loss or damage due to faulty design;
- 4.0 the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss of or damage to correctly executed items resulting from an accident due to such defective material or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- 5.0 wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- 6.0 mechanical and/or electrical breakdown or derangement of construction plant, equipment and construction machinery;
- 7.0 loss of or damage to vehicles licensed for general road use or waterborne vessels or aircraft;
- 8.0 loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques;
- 9.0 loss or damage discovered only at the time taking an inventory.

Provisions Applying to Section 1

Memo 1 – Sums Insured:

It is a requirement of this insurance that the sums insured stated in the Schedule shall not be less than

- for item 1: the full value of the contract works at the completion of the construction, inclusive of all materials, wages, freight, customs duties, dues, and materials or items supplied by the Principal;
- for items 2 and 3: the replacement value of construction plant, equipment and construction machinery; which shall mean the cost of replacement of the insured items by new items of the same kind and same capacity;

and the Insured undertakes to increase or decrease the amounts of insurance in the event of any material fluctuation in wages or prices provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Company.

If, in the event of loss or damage, it is found that the sums insured are less than the amounts required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every object and cost item is subject to this condition separately.

Memo 2 – Basis of Loss Settlement:

In the event of any loss or damage the basis of any settlement under this Policy shall be

- a) in the case of damage which can be repaired – the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- b) in the case of a total loss – the actual value of the items immediately before the occurrence of the loss less salvage

however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with.

The Company will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) above.

The cost of any provisional repairs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

Memo 3 – Extension of Cover

Extra charges for overtime, nightwork, work on public holidays, express freight are covered by this insurance only if previously and specially agreed upon in writing.

Section 2 - Third Party Liability

The Company will indemnify the Insured up to but not exceeding the amounts specified in the Schedule against such sums which the Insured shall become legally liable to pay as damages consequent upon

- a) accidental bodily injury to or illness of third parties (whether fatal or not),
- b) accidental loss of or damage to property belonging to third parties

occurring in direct connection with the construction or erection of the items insured under Section 1 and happening on or in the immediate vicinity of the site during the period of cover.

In respect of a claim for compensation to which the indemnity provided herein applies, the Company will in addition indemnify the Insured against

- a) all costs and expenses of litigation recovered by any claimant from the Insured, and
- b) all costs and expenses incurred with the written consent of the Company

provided always that the liability of the Company under this section shall not exceed the limits of indemnity stated in the Schedule.

Special exclusions to Section 2

The Company will not indemnify the Insured in respect of

- 1.0 the deductible stated in the Schedule to be borne by the Insured in any one occurrence;
- 2.0 the expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section 1 of this Policy;
- 3.0 damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage (unless especially agreed upon by endorsement);
- 4.0 liability consequent upon
 - 4.1 bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section 1, or members of their families;
 - 4.2 loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section 1, or an employee or workman of one of the aforesaid;
 - 4.3 any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
 - 4.4 any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

Special Conditions - applying to Section 2

1. No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company who shall be entitled, if it so desires, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for its own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.

2. The Company may so far as any accident is concerned pay to the Insured the limit of indemnity for any one accident (but deducting therefrom in such case any sum or sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the Company shall thereafter be under no further liability in respect of such accident under this section.

Complaints Procedure

We are committed to providing good quality services. We recognise that a client may not be satisfied with the service provided. To deal with this we have a complaints procedure. For the sake of clarification, a complaint is broadly defined as being a written expression of dissatisfaction with services that we provide or actions we have taken that require a response.

HOW TO COMPLAIN

STEP 1 – CONTACTING THE COMPANY

The first step is to talk to a member of our personnel or of the intermediary if the Policy was arranged through one. This can be done informally either directly or by telephone.

Usually the best person to talk to will be the person who dealt with the matter you are concerned about as they will be in the best position to help you promptly and to put things right. If they are not available or you would prefer to approach someone else then address the matter to the manager or senior person responsible. We will seek to resolve the problem immediately. If we cannot do this then we will take a record of the concern and arrange the best way and time for getting back to you. This will normally be within two working days.

STEP 2 – TAKING THE COMPLAINT FURTHER

If you are still unhappy, the next step is to put the complaint in writing, addressing it to Complaints Officer, MAPFRE Middlesea plc, Middle Sea House, Floriana FRN 1442 or via e-mail on compofficer@middlesea.com. Your communication should set out the details, explain what you think went wrong and what you feel would put things right. If you are not happy about writing it, you can always ask one of our staff members to take note of the complaint which you will be then asked to sign. You will be provided with a copy for your own reference. This record will be passed promptly to the Complaints Officer to deal with.

Once the Complaints Officer receives a written complaint, it shall be fully investigated. The complaint will be acknowledged in writing within five working days of receiving it and the letter will state when you can expect a full response. This should normally be within fifteen working days unless the matter is very complicated such as where other organisations need to be contacted. Where this is the case we will still let you know what action is being taken and will inform you when we expect to provide a full response.

TAKING YOUR COMPLAINT ELSEWHERE

If you are still not satisfied with the Complaints Officer's response, you can always seek advice elsewhere. You may contact:

Office of the Arbiter for Financial Services
N/S in Regional Road,
Msida MSD 1920
Malta
Telephone: 8007 2366 or 21249245
E-mail: complaint.info@financialarbiter.org.mt
Website: www.financialarbiter.org.mt

The Office of the Arbiter will expect that you have a final reply to your complaint from us before approaching them.

All communications and notices regarding the policy should quote policy number and renewal date and addressed to:

MAPFRE Middlesea p.l.c.
Middle Sea House
Floriana – Malta

E-mail: mapfre@middlesea.com Website: www.mapfre.com.mt

CONTRACTORS ALL RISKS INSURANCE POLICY

Please read the conditions and examine the policy carefully and if it is incorrect or does not provide the cover required return the document immediately for alteration

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