

Notsi PV Project

Engineering, Procurement and Construction Contract

Schedule 17 – Insurance

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1. Employer Controlled Construction Phase Insurance Requirements

The Employer will effect and maintain the following insurance policy/s from the Commencement Date or any prior date in which the Contractor has carried out any design, services, supplies or Works intended to form part of the Works and until the issuance of the Taking Over Certificate plus 24 months in respect of the Defects Notification Period.

Table 1: Construction All Risks Insurance

Element	Minimum Requirements
Insured	Insured Parties: - the Contractor and its constituent members and its Subcontractors of any tier for their on-site activities to the extent required under Contract - the Borrower/Owner/Principal/Employer - Other contractors and sub-contractors and suppliers of any tier for their on-site activities to the extent required under Contract; - finance parties under the finance agreements; and - Technical advisers, consultants and engineers, to any of the other co-insured each for their activities at Site to the extent contractually required - The Operator and its constituent members are insured only in respect of their activities at the Site
Sum insured	A sum not lower than the full replacement value of the Project plus limit for escalation as per the escalation clause plus any other additional limits as applicable.
Scope of cover	All risks of physical loss of or damage to any part of the Works, Project and Property Insured.
Property insured	The Works (including free issue materials the value of which has been included, if applicable), Plant and/or Materials, Employer's Equipment, Spare Parts, temporary Works and all property and interests of every description used or intended for incorporation in the Works and relating to design, fabrication, assembly, construction, erection, installation, supply, testing and commissioning of the Project, including Self Build Works, electrical transmission lines within 1000 metres from the perimeter of the Site and substations and all for incorporation therein.
Maximum deductible	Best available on commercially reasonable terms not to exceed ZAR 2,500,000 each and every loss but 2.5% of Loss Minimum ZAR 2,000,000 Maximum ZAR 15,000,000 in respect of Severe Convective Storm

Specific requirements	Includes Employer and their respective employees, Contractor and its Subcontractors of any tier and Agents and Lenders as additional insured's in connection with the Contract Each of the Parties comprising the insured will be considered a separate legal entity and insurances applies as if a separate policy has been issued to each of the insured parties Includes waiver of all expressed or implied rights of subrogation against each insured party and their respective employees, employers and agents
Period of insurance	From the Commencement Date, as defined in the Contract, and thereafter until the issuance of the Taking Over Certificate plus 24 months in respect of the Defects Notification Period

Table 2: Third Party Liability Insurance

Element	Minimum Requirements
Insured	Same as that applicable under the Construction All Risks Insurance
Sum insured	Coverage of ZAR 200,000,000 for any one claim and unlimited in the aggregate other than for product liability and sudden and accidental pollution which are in the aggregate.
Scope of cover	Legal liability to pay compensation for damage to property of or bodily injury to any third parties but including: • loss of, loss of use of, destruction or damage to real or personal property; • personal and bodily injury, death, sickness or disease; and • trespass, nuisance or interference with right-of-way, caused by an occurrence happening during the period of insurance, if that occurrence arises out of or in connection with the Project.
Geographical Limits and jurisdiction	Republic of South Africa extended to worldwide in respect of commercial visits in connection with the Project.
Maximum deductible	Best available on commercially reasonable terms not to exceed ZAR 1,000,000 for any one occurrence
Specific requirements	Includes Employer and their respective employees, Contractor and its Subcontractors of any tier and agents and Lender/s as additional insured's in connection with the Contract. Includes a cross-liability clause noting that each of the parties comprising the insured will be considered a separate legal entity and the insurance applies as if a separate policy has been issued to each insured party. Includes pollution liability but only if caused by a sudden, accidental, unexpected and unintended occurrence and all other pertinent and appropriate clauses and extensions commercially available.

	No exclusion for product liability.
Period of insurance	Same period as that applicable to the Construction All Risks Insurance.

Table 3: Marine Cargo Insurance

Element	Minimum Requirements
Insured	Same as that applicable under the Construction All Risk Insurance
Limit any one conveyance	Maximum replacement value, including all associated costs relating to the replacement on Site and on any one conveyance, to be determined or the value of storage whichever is the greatest
Level of cover	Marine Transit Insurance covering physical loss of or damage shipments of all goods and or merchandise of any description that will be incorporated into the Project by sea, air and land on "All Risks" conditions. Occurring during transportation from supplier's premises in the course of transit from anywhere in the world by any means of conveyance, while in customs and temporary storage as required, including loading and unloading or vice versa, transshipments thereof to the Site or its vicinity until safe completion of unloading of the final shipment including return shipment if and as applicable. This requirement will prevail over any incoterm agreed
Maximum deductible	Best available on commercially reasonable terms not to exceed ZAR 1,000,000 per occurrence.
Specific requirements	• Basis of valuation will be Final Delivered Cost at Project Site plus 10% • Clauses and extensions will include intermediate storage for a period up to 60 days, 60 days concealed damage and 50/50 contribution clause, and all other pertinent and appropriate extensions commercially available in the Marine insurance market • Survey warranty to apply to critical components as defined in the policy
Period of cover	From the Commencement Date, as defined in the Contract, until the delivery to the final destination at the Site of the final shipment and return if necessary

Table 4: SASRIA - Contract Works and Inland Transit

Element	Minimum Requirements
Insured	Same as that applicable under the Construction All Risks Insurance
Sum insured	The full reinstatement or replacement value plus an adequate amount for the Main Extensions (where cover under the Main Extensions is provided within the sum insured) subject to SASRIA's maximum loss

	limit of ZAR 500,000,000 any one occurrence or in the aggregate for Material Damage, i.e. where there is not an additional limit.
Scope of cover	Physical loss or damage to property resulting from civil commotion, labour disturbances, riots, strikes, lock-out or public disorder or any act or activity which is calculated or directed to overthrow or influence the government
Property insured	Permanent and temporary works (including any enabling works), materials, other goods and equipment, metering systems, supplies, spares, consumables or services, for incorporation therein or for which the Insured is responsible (excluding Project Site and the Contractor's Equipment) whilst at the Project Site and anywhere within the Territorial Limits (including inland transits other than by air or sea).
Deductible	SASRIA minimum deductibles in accordance with the SASRIA Regulations.
Period of insurance	Same period as that applicable to the underlying Construction All Risks Insurance.

Table 5: Political Violence and Terrorism ('PVT') Insurance

Element	Minimum Requirements
Insured	Same as that applicable under the Construction All Risks Insurance
Sum insured	A Sum commensurate with the outcomes of the Maximum Foreseeable Loss ('MFL') analysis
Scope of cover	Physical loss or damage to property resulting from civil commotion, labour disturbances, riots, strikes, lock-out or public disorder, or any act or activity which is calculated or directed to overthrow or influence the government.
Property Insured	Permanent and temporary works (including any enabling works), materials, other goods and equipment, metering systems, supplies, spares, consumables or services, for incorporation therein or for which the Insured is responsible (excluding the Contractor's Equipment) whilst at the Project Site and anywhere within the Territorial Limits (including inland transits other than by air or sea).
Maximum deductible	ZAR 350,000 each and every loss
Period of insurance	Same period as that applicable to the Construction All Risks Insurance.

2. Contractor Insurance

In addition to the aforementioned, the Contractor will effect and maintain the following insurance policy/s for the duration for the Contract:

Table 6: Professional Indemnity

Element	Minimum Requirements
Sum insured	ZAR 100,000,000 single aggregate
Scope of cover	Contractor shall, at its own cost and expense, maintain (or cause to have maintained) throughout the term of this Agreement Project specific design and construct Professional Indemnity insurance (which includes Prior to Handover Costs) covering damage arising or resulting from any act, negligence or omission of the Contractor, but not limited to the design, supervision and specification of the Works, more fully described in the Contract documentation.
Period of insurance	From Commencement Date for a period not exceeding 72 months but including the 24 months Defect Notification Period.
Maximum deductible	ZAR 10,000,000 each and every claim

Table 7: Workers' Compensation and Unemployment

Element	Minimum Requirements
Sum insured	As required in terms of the Compensation for Occupational Injuries and Diseases Act ("COIDA").
Scope of cover	As required in terms of COIDA.
Period of insurance	From the Commencement Date and thereafter until the issuance of the Performance Certificate.

Table 8: Contingent Employer's Liability Insurance

Element	Minimum Requirements
Sum insured	Not less than ZAR 20,000,000 for each and every occurrence.
Scope of cover	Covering legal liability arising out of death or injury to persons employed (or deemed to be employed) by the Contractor in connection with the Works, the Works or the Project (including liability under any applicable Law, at common law, in equity or otherwise).
Additional requirements	Indemnify the Employer and their respective employees, contractors and agents against any liability which they may incur arising out of death or injury to persons employed (or deemed to be employed) by the Contractor in connection with the Works, the Works or the Project (including liability under any applicable Law, at common law, in equity or otherwise).

	To the extent permitted by Law, include waiver of all express or implied rights of subrogation against the Employer, their Affiliate and their respective employees, contractors and agents.
Period of insurance	Commencement Date, as defined in the Contract, and thereafter until the issuance of the Performance Certificate.

Table 9: Motor Vehicle Liability Insurance (In addition to that required by applicable Law)

Element	Minimum Requirements
Sum insured	Minimum limit of ZAR 20,000,000 for any one claim.
Scope of cover	Insurance against any liability to a third party in respect of property damage and personal injury, in respect of all vehicles including mobile plant registered or required to be registered in accordance with any Law, used (or to be used) on any road or on the Site and otherwise used by the Contractor at any time in connection with the Works.
Period of insurance	Commencement Date, as defined in the Contract, and thereafter until the moment Contractor concludes its use at or near the Project Site.

Table 10: Contractor's Equipment and Spares Insurance

Element	Minimum Requirements
Sum insured	Replacement value of the Contractor's equipment to be used by the Contractor on Site but not to be incorporated into the Works.
Scope of cover	All Risks insurance, including SASRIA, in respect of Contractor's Equipment owned (including Spares), leased, hired or otherwise in the care, custody or control of the Contractor or its employees, Subcontractors or agents, including transit risks regardless of the mode of transport, whether the equipment is to be used on the Site or at other places where the Works are performed.
Period of insurance	From it being transported to the Site and thereafter until the moment Contractors concludes its use at or near Site

The Contractor must procure and maintain any additional insurance which is required by Law in South Africa and/or any law where the Works are to be performed.

All deductibles applying to the Contractor's insurances shall be borne by the Contractor.

3. General Requirements

3.1. Parties must not void policies

The Parties must not do or pursue any act or permit, or suffer any circumstances by which the Employer's insurances as specified in this Schedule 17 may at any time become void or voidable, and the Parties must at all times and at their own expense comply with the conditions of the Employer's insurances and the requirements of the insurers so as to prevent the invalidation of the Employer's insurances or prejudice any of the rights of any of the insured thereunder.

Each party shall provide a copy of their insurance policies to the other party within 14 days of the policy being issued, or amended.

3.2. Parties must co-operate with each other

The Contractor must at its own cost and risk, at all times fully co-operate with the Employer in pursuing recovery of any insurance claims under the Employer's insurances including the provision of reports, information and any other matters required by the Employer from time to time.

The Employer must at its own cost and risk, at all times fully co-operate with the Contractors pursuing recovery of any insurance claims under the Contractor's insurances including the provision of reports, information and any other matters required by the Contractor from time to time.

3.3. Primary and non-contributory

The Employer's insurance is primary and non-contributory as regards any other insurance maintained of the same or similar nature regarding the Project.

The Contractor's insurance is primary and non-contributory as regards any other insurance maintained of the same or similar nature regarding the Project.

3.4. Contractor insurance and Employers insurance

The Contractor must, as a minimum, at its own expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Works, the Contractors insurance requirements as specified in this Schedule 17. Insurers must be financially sound and reputable insurers, and, where appropriate reinsurers which, in each case, have a long-term unsecured debt rating of at least A- from S&P and/or AM Best A- and/or Moody's A3 or otherwise approved by the Employer.

The Employer must, as a minimum, at its own expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Works, the Employers insurance requirements as specified in this Schedule 17. Insurers must be financially sound and reputable insurers., and, where appropriate reinsurers which, in each case, have a long-term unsecured debt rating of at least A- from S&P and/or AM Best A- and/or Moody's A3 or otherwise approved by the Contractor.

3.5. Subrogation

The interests of the Employer, the Lender, the Contractor, the Contractor's Subcontractors, manufacturers, vendors and suppliers will be noted under all insurance policies taken out by such parties except for the worker's compensation and Motor third party liability and all insurer's rights of subrogation against such parties for losses or claims arising out of the performance of the Contract must be waived under such policies other than in respect of fraud, wilful act, vitiating act. This requirement shall also apply to any delay in start-up or advance loss of profits insurance the Employer may obtain and maintain in connection with the Works and the Project.

3.6. Insurance by Subcontractors

The Contractor must ensure that, where required, its Subcontractors take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under this Contract unless such Subcontractors are covered by the policies taken out by the Contractor and of the Employer.

3.7. Employer may effect Contractor's insurance

If the relevant Party fails to take out and/or maintain in effect the insurances referred to above, the other Party may take out and maintain in effect any such insurances and the reasonable cost incurred by the other Party in doing so is a debt immediately due and payable to the other Party on demand.

3.8. Conduct of claims

Unless otherwise provided in the Contract or the Lender Direct Agreement, the Employer or Contractor must, where specified in terms of this Schedule 17 prepare and conduct all and any claims made under the policies it effects under the Contract and all monies payable by any insurers will, where the relevant claim relates to loss or damage to the Project, Works or the Facility, be applied to the repair or reinstatement of such loss or damage, and in accordance with the insurance claims payment conditions stipulated in the Lender's finance agreements.

The Employer and the Contractor agree to give all such reasonable assistance required.

Regarding insurance claims under the Employers or Contractor's insurances, the other Party must not give any release or make any compromise with the insurer without the prior approval of the relevant Party.