MARSH

EVIDENCE OF INSURANCE

CONSTRUCTION INSURANCE

Shell International Chemicals B.V.
New Technology Centre

Address: Marten Meesweg 50, 3068 AV Rotterdam, The Netherlands
Bank: Fortis IBAN NL11 FTSB 0259 9909 06 BIC FTSBNL2R
Trade Register Rotterdam No. 24120005

Marsh & McLennan Companies

INSURING CONDITIONS

WHEREAS the Insured defined in the schedule has applied to the Insurers for the insurance hereinafter contained and has paid or agreed to pay the premium as consideration for such insurance, the Insurers severally agree each for the proportion set against its name that subject to the terms exceptions limits and conditions contained herein or endorsed hereon the Insurers will cover the interest and liabilities of each of the Insured and also their mutual liabilities subject, however, to the terms and conditions of this Policy as hereinafter specified.

Provided that the liability of each of the Insurers individually in respect of such indemnity shall be limited to the proportions set against its name.

This Policy shall cover each Insured in the same manner as if separate policies had been issued to each Named Insured herein, but the inclusion herein of more than one Insured shall not operate to increase the limits of the Insurer's liability as stated in the Schedule.

SPECIFICATION

Policy no.	:	3205770C0004		
Declaration no.	:	39		
Insured	:	1) Shell International Chemicals B.V.		
Insured Interest	:	The construction of a new technology centre at Amsterdam, the Netherlands.		
Limits of Liability	:	Section I		EUR 141,400,000
		Section II		EUR 5,000,000
		Section III		EUR 5,000,000
Deductibles	:	Section I	A	EUR 25,000
			B	EUR 100,000
		Section II		EUR 10,000
		Section III		EUR 10,000
Discovery Period	:	12 months		
Period of Insurance	:	Duration of the construction of the new technology centre.		
Information	:	As this project is insured under an annual Construction All Risks insurance, changes in terms and conditions can occur per 1st July of each year.		
		For all USD amounts the equivalent in local currency can be used, if and insofar as necessary.		

Rotterdam, 1st September 2005
MARSH B.V.

Written by: [redacted]
Direct tel. [redacted]

SCHEDULE

Insured : 1) The Company as detailed in the Specification (hereinafter called "Principal Insured") and/or Parent and/or subsidiary and/or inter-related companies of the above as they now exist or may hereafter be constituted, for which any Principal Insured had, has, or may have the responsibility for purchasing insurance, and/or,

2) Contractors and/or Sub-Contractors and/or their subsidiary and/or inter-related companies, and/or,

3) Architects and/or Consulting Engineers and/or Outside Specialists and/or Technical Advisors, and/or any person or company (including but not limited to suppliers, vendors and manufacturers) with whom the Insured 1) and/or 2) have entered into an agreement and/or contract in connection with the Project and all works, activities, preparations and the like, connected therewith for their on-Site activities only, and/or,

4) The Security Agent (as agent and trustee for and on behalf of the finance parties) if applicable.

Subject Matter Insured : All Works performed or to be performed at or about the Sites of Principal Insured in connection with the Insured Interest as specified on the Specification.

Insurers' risk in respect of each Work to commence from time of arrival of Materials or commencement of transit of the Materials where covered hereunder, or arrival of Insured's 2) employees at the Site or the time of commencement of work at the Site by employees of the Insured 1), whichever shall first occur. The Period of Insurance for each Work is to terminate:

a) Maintenance and Cleaning Works : in respect of each Work 14 days from date of completion of the Work or recommissioning, whichever shall occur later;

b) All other Works : in respect of each Work 3 months from date of introduction of feedstock for processing purposes or where no feedstock will be required from date of start-up.

Insurer's risk in respect of each Work shall expire as described above, except for Discovery Period as stated below.

Notwithstanding the above, separately and/or individually completed items and/or sections and/or Materials, whether or not taken over and accepted by Principal Insured and whether or not being operated and/or taken into use, will remain covered under this Policy on behalf of all Insureds until the end of the Period of Insurance as described in the preceding paragraph.

Subject Matter Insured (continued) :

Upon completion of the 3 months period in respect of "All other Works" as described in b) above there will follow a Discovery Period. During the Discovery Period Insurers will indemnify the Insured solely for Damage as covered under Section I and III or Claims as covered under Section II where such

a. occurs during the Discovery Period from a cause arising before date of commencement of the Discovery Period;

or

b. is caused in the course of fulfilling contractual maintenance period obligations in accordance with the terms of the relevant contract within the Discovery Period. It is understood and agreed, if required, that the Principal Insured may undertake work which the Contractor or Subcontractor should otherwise perform in accordance with his contractual maintenance period obligations.

In respect of Maintenance/ Overhauling works Insurers' risk to commence from the moment the installation(s), which is (are) the subject of such maintenance is handed over from the operational crew to the maintenance crew.

In respect of any Maintenance and Cleaning Works that require the dismantling or opening up of any rotating machinery or equipment, apart from the removal of access panels, doors and protective coverings solely for the purpose of carrying out the above specified activities, after expiry of the 14 days period as described in a) above, this insurance will cover on the limited basis as defined in the above mentioned Discovery Period clause, loss of or damage to the machinery or equipment the subject of the insured Works caused directly by the performance of the insured Works for such period as detailed in the Specification of the Discovery Period.

This insurance also to cover storage and transit (other than by sea or air), during loading and unloading, within the country where the Work of the Principal Insured is performed, if and insofar as not covered under a separate transit/cargo insurance. This inclusion will not apply for any Damage which by virtue of contract conditions should have been insured by the Insured 2) under a storage/transit/cargo insurance.

In the event of any part of a Work insured by this policy being taken over or taken into use by the Principal Insured before the date of expiry of the above mentioned 3 months period, then for the purpose of this policy the Discovery Period in respect of such parts of a Work will be deemed to run for the full period stated in the Specification after expiry of the said 3 months period.

Subject Matter Insured (continued) : It is understood and agreed that each Work, after expiry of the 14 days' or 3 months' periods a described above in a) and b) above will for the purpose of this policy regarded as other property of the Principal Insured covered under Section III, except in respect of the coverage provided by the Discovery Period applicable to Section I.

Limits of Liability :

Section I : Damage to the Subject Matter Insured.

For each Work the full cost but not exceeding the amount stated in the Specification.

It is understood and agreed that this insurance is only to cover Works of which the estimated cost per Work at its inception are estimated not to be in excess of the amount stated in the Specification.

In the event of the estimated cost of a Work increasing during the period of that Work and thereby exceeding the amount stated in the specification this policy shall be considered as a firs loss policy.

In respect of the Extensions to Section I, these shall be limited to an amount equal to 30% of the actual value of each Work but not exceeding USD 25,000,000 which shall be in addition to the value of that Work and with a minimum available limit of USD 2,500,000, unless separately limited in the respective clause.

Section II : Third Party Liability.

To pay up to the amount indicated in the Specification any one Claim.

Section III : Damage to property of Principal Insured other than whilst covered under Section I.

To pay up to the amount indicated in the Specification any one Occurrence.

In respect of the Extensions to Section III, these shall be limited to an amount equal to USD 2,500,000 in addition thereto, unless separately limited in the respective clause.

The Limits of Liability always to remain at risk during the Policy Period, no matter how much has been or will be paid by Insurers.

Period of Insurance : As stated in the Specification.

In respect of each Work which commenced prior to the date of expiry, Insurers agree to continue cover, if required, subject to additional premium to be agreed.

Coverage	:	This Policy covers: Section I: All risks of Damage to the Subject Matter Insured. Section II: The Legal Liability of the Insured to Third Parties. Section III: All risks of Damage to the property of the Principal Insured. All as more fully specified hereinafter.
Deductibles	:	**Section I** Amount A stated in the Specification any one Occurrence. Amount B stated in the Specification any one Occurrence for Testing On Stream/Initial Operations and/or during the Discovery Period for Work of which the cost is less than the amount stated in the Specification and for Major Perils. **Section II** Amount stated in the specification any one Claim for property damage only. Nil any one Claim for bodily injury or where this Policy responds excess of any other insurance policy. **Section III** Amount stated in the Specification any one Occurrence. In the event of an Occurrence or Claim affecting more than one Section then only the single highest deductible shall apply.
Payment of Claims	:	Payment of claims shall be made exclusively to the Principal Insured or their order.
Law	:	This Policy shall be governed by English Law.

SECTION I - DAMAGE TO SUBJECT MATTER INSURED

This Section will pay the cost of replacing or repairing or making good any of the Subject Matter Insured or any part thereof which shall be Damaged in any manner during the Period of Insurance or the Discovery Period and by any cause whatsoever not hereinafter excluded, whilst such Subject Matter Insured is:-

(i) At the Sites of the Project,
(ii) In transit (other than by sea or air), during loading and unloading, to the extent it is not covered by a separate cargo policy, within the Country where the Work or Project is located,
(iii) Stored offsite, to the extent it is not covered by a separate cargo policy, within the Country where the Work or Project is located,
(iv) Temporarily removed from Site to any other location in order to carry out repair or revision, or where such is in order to avoid possible Damage which would have been indemnified hereunder.

CONDITIONS APPLICABLE TO SECTION I:

PIPELINE WORKS:

Insurers have noted and agreed to include pipeline laying activities beyond the battery limits subject to the following condition applying to Section I for such:

Insurers will indemnify, subject to the terms, exclusions, provisions and conditions contained in this Policy or endorsed thereon, the Insured for Damage due to storm, rain, flood, inundation such as sanding, silting up, mudding up, erosion, collapse and floating up of pipes, ducts or cables, sustained by completely or partly excavated open trenches and /or items laid therein, up to a maximum length of

- Pipeline of diameters less than 25 cm maximum length of 10 km
- Pipeline with a diameter not greater than 50 cm maximum length of 5 km
- Pipelines with a diameter greater than 50 cm maximum length of 2 km

any one section of open trench and in the aggregate arising out of any one Occurrence.

The Insured shall make sure that plugging facilities are available near the pipe ends for emergency purposes and that pipe ends exposed to flooding are plugged before any interruption during idle work periods such as nights and holidays.

EXTENSIONS TO SECTION I:

This Section further includes:

A. PROFESSIONAL FEES

Architects, surveyors, legal, consulting engineers and other fees necessarily incurred by the Insured for the replacement and/or reinstatement of Damage as covered by this Section (but not for preparing any claim) but for a sum not exceeding in all the amount calculated in accordance with the scale recommended by an appropriate professional body.

B. EXPEDITING EXPENSES

Cost and expenses incurred by the Insured in respect of overtime rates and wages and express delivery (including air freight) in connection with Damage to the Subject Matter Insured.

C. PRE-FABRICATION, MANUFACTURE

The costs of Damage to the Materials being the property of Principal Insured or for which Principal Insured is responsible arising out of perils of fire, lightning and explosion, to the extent that they are not covered under any other applicable insurance, whilst at the Insured's premises for prefabrication or manufacture or otherwise being worked upon subject to a maximum of USD 10,000,000.

D. MAPS, PLANS AND DOCUMENTATION

The costs and expenses necessary and reasonably incurred to reproduce maps, plans, documents and records consequent upon Damage insured hereunder but not for the value to the Insureds of the information contained therein, subject to a limit of USD 250,000.

E. LEAK SEARCH COSTS

The reasonable costs of searching or locating Damage, believed to be covered hereunder, provided that Damage is discovered and that such Damage is covered hereunder, subject to the welds having been non destructively tested in accordance with Shell standards. Coverage hereunder shall be limited to a maximum of USD 2,500,000 any one Occurrence and in the aggregate.

F. REMOVAL OF DEBRIS

In the event of Damage covered by this Policy, the costs of removal of materials and debris including the costs of demolition of any part no longer useful for the purpose for which it was intended, subject to a maximum of 25 % of the entire claim amount, but a minimum available limit of USD 2,500,000.

G. REPEAT TESTS

If, in consequence of Damage covered under this Policy, it is necessary to repeat any test or trial, the costs of such repeated test or trial.

H. TEMPORARY STRUCTURES

The cost of Damage to temporary buildings and contents and other equipment hired by the Principal Insured, and/or such items for which they have assumed a responsibility to insure. In the event of Damage to these items the basis of indemnification will be the cost of repairing or replacing the damaged item to its condition as immediately prior to the loss.

EXCLUSIONS TO SECTION I:

This Section shall exclude:-

1. All costs rendered necessary by defects of material, workmanship, design, plan or specification, however should Damage occur to any portion of the Subject Matter Insured containing any of the said defects the cost which is hereby excluded is only that which would have been incurred to improve the original material, workmanship, design, plan or specification.

   For the purpose of this Policy it is understood and agreed that any portion of the Subject Matter Insured shall not be regarded as Damaged solely by virtue of the existence of any defect of material, workmanship, design, plan or specification.

2. Damage to cash, banknotes, treasury notes, cheques, money-orders or stamps.

3. Damage to Contractor's equipment, plant, sheds and tools (other than that which forms part of or is intended to form part of the permanent works or for which coverage is provided under the Temporary Works extension).

4. Any loss of use or any other consequential loss, including penalties.

5. The cost of replacing, repairing or rectifying parts of the Subject Matter Insured rendered necessary by wear and tear, but this exclusion shall not apply to other parts of the Subject Matter Insured Damaged as a result of such wear and tear.

6. The cost of replacing, repairing or rectifying parts of the Subject Matter Insured rendered necessary by:
   - corrosion,
   - oxidation,
   - deterioration,

   only where such is caused by normal atmospheric conditions, but this exclusion shall not apply to other parts of the Subject Matter Insured Damaged as a result of such corrosion, oxidation or deterioration.

7. Unexplained disappearance or shortage discovered during periodical inventory taking.

8. Damage to catalysts by normal operation, ageing, process overheating or by operator error not resulting in loss, destruction or damage to the process plant or by poisoning due solely to a malfunction of the process not arising from Damage to the process plant.

9. Damage to refractory lining or brickwork following the first application of heat, unless caused by an otherwise indemnifiable Damage to the Subject Matter Insured.

10. Damage to Feedstock contained in any part of the Subject Matter Insured and destined to be processed in the Subject Matter Insured or whilst being processed therein and any products, intermediate products or residues derived therefrom and contained in any part of the Subject Matter Insured.

11. In respect of Wet Works following exclusions will be applicable:

a) Normal action of the sea or river.
Loss of or Damage to the Subject Matter Insured due to normal action of the sea and/or river which could have reasonably be foreseen to occur on its previous meteorological and/or in the case of the sea its oceanographical history;

b) Loss of fill.
Loss of or Damage to fill underwater excavations, excavated material, bedding material or other underwater fill, rock or protection unless accompanied by indemnifiable damage to other Subject Matter Insured;

c) Cost of dredging and redredging.
The cost of redredging, reprofiling, trenching or retrenching any dredged trench or area unless necessitated by indemnifiable damage to other parts of the Subject Matter Insured;

The above a), b) and c) however shall not be held to include loss of or damage arising out of cyclones, tempests, tidal waves, tsunami or storm force winds.

SECTION II - THIRD PARTY LIABILITY

This Section will indemnify the Insured for any amount the Insured becomes liable to pay in respect of any liability, either under law or assumed under contracts and/or agreements consequent upon:

- accidental death or bodily injury or illness of third parties,

- accidental loss of or damage to, or loss of use of property belonging to third parties,

occurring in connection with the Project, and occurs during the Policy Period and in addition will pay all costs and expenses incurred with Insurers' written consent.

The words "costs and expenses" shall be understood to mean interest accruing after entry of judgement, investigation, adjustment and legal expenses (excluding however, all office expenses of the Insured, all expenses for salaried employees of the Insured and general retainer fees for counsel normally paid by the Insured).

CONDITIONS TO SECTION II:

Cross Liability:
Notwithstanding the fact that this Policy is issued in joint names the Insurers agree to indemnify any of the Insured against claims made by any other party insured by this Policy as though each of them were insured separately. But the liability of Insurers for all compensation payable to any claimant or any number of claimants in respect of any one Claim shall not exceed the Limit of Liability of this Section II.

EXCLUSIONS TO SECTION II:

This Section shall exclude:

1. Liabilities towards third parties arising out of the use of motor-vehicles or motorised equipment compulsorily insurable under any legislation governing its use.

   This exclusion does not apply, however, to motor-vehicles or motorised equipment whilst in use on the Sites, but only in so far as claims are not recoverable under compulsory liability insurances.

2. Accident to or illness of any person who is under a contract of service or apprenticeship with the Insured if such accident or illness arises out of and in the course of his employment by the Insured, but this exclusion shall not apply to liability of one of the Insured under this Policy in respect of any accident or illness to workmen employed by any of the other parties insured under this Policy.

3. Damage to the Subject Matter Insured insured under Section I (or which would, but for the deductibles therein or Exclusion 1 thereof, be insured thereunder) or for loss of use of such Subject Matter Insured.

4. Liability arising from infringement of patents or liability of Contractors to hold the Principal Insured harmless for liens on Principal Insured property.

5. Damage to property of the Principal Insured insured under Section III (or which would but for the deductibles therein) or for loss of use thereof.

6. Liability caused by watercraft as a result of collision with other ships and/or contact with other fixed and/or movable objects.

   However this exclusion does not apply to liability in respect of cranes, derricks or other constructional equipment on floating craft, owned, hired or otherwise in use by the Insured if such liability solely arises out of use as a crane or a derrick or in respect of other equipment out of use for the purpose for which it is intended, as if the cranes and/or derricks and/or other equipment were positioned on land. Provided always that the above shall only apply in so far as the liability is not or is not sufficiently covered under any other policy of insurance carried by the Contractor.

7. Liability arising from obstruction, loss of amenities or rights of lights, way or water unless caused accidentally.

8. Liability arising out of the publication or utterance of libel and/or slander.

9. Liability arising from the use of aircraft.

10. This Section does not cover any liability for**:**

    a) Personal injury or bodily injury or loss of, damage to or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph a) shall not apply to liability for personal injury or bodily injury or loss of or physical damage to or destruction of tangible property or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by sudden, unintended and unexpected event during the Policy Period.

    b) The cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected event during the Policy Period.

    c) Fines, penalties, punitive or exemplary damages.

    This exclusion shall not extend this Policy to cover any liability which would not have been covered under this Policy had this exclusion 10) not been attached.

11. This Section does not cover any liability for:

    a) claims made in the courts of the United States of America or Canada; and/or,

    b) losses occurring within the United States of America or Canada; and/or,

    c) claims made in courts situated outside of the United States of America that apply the law and practice of the United States of America.

12. Liability for or arising out of any neglect, error or omission in the performance of the Insured's professional duties. However, this exclusion shall not apply to liability for accidental bodily injury of or damage to property resulting there from.

13. Any actual or alleged liability arising from the use of or exposure to any materials containing asbestos.

14. All Claims made or reported after the expiry of the Discovery Period. For those Works for which no Discovery Period is applicable, excluded are all claims made or reported 12 months after expiry of the applicable Testing on Stream/Initial Operations Period.

SECTION III - DAMAGE TO PROPERTY OF PRINCIPAL INSURED OTHER THAN WHILST COVERED UNDER SECTION I

This Section will indemnify the Insured for the cost of any Damage to other property of Principal Insured (or for which Principal Insured is responsible), not insured under Section I, caused by the performance of the Project.

Notwithstanding anything contained herein to the contrary it is understood and agreed that in respect of existing property being worked upon, this Section does not cover Damage arising from pre-existing defects in such property and not caused by the performance of the Project.

In respect of Damage to cranes and other constructional equipment being the property of the Principal Insured or for which the Principal Insured is responsible, placed at the disposal of the Insured 2) and 3), however, this Policy only to cover Damage to these cranes and other equipment resulting from fault, omission, negligence or lack of due diligence of the Insured 2) and 3).

EXTENSIONS TO SECTION III:

This Section further includes:

A. REMOVAL OF DEBRIS

In the event of Damage covered by this Policy, the costs of removal of materials and debris including the costs of demolition of any part no longer useful for the purpose for which it was intended, subject to a maximum of 25% of the entire claim amount or USD 2,500,000 whichever the lessor.

B. PROFESSIONAL FEES

Architects, surveyors, legal, consulting engineers and other fees necessarily incurred by the Insured for the replacement and/or reinstatement of Damage as covered by this Section (but not for preparing any claim) but for a sum not exceeding in all the amount calculated in accordance with the scale recommended by an appropriate professional body.

C. EXPEDITING EXPENSES

Cost and expenses incurred by the Insured in respect of overtime rates and wages and express delivery (including air freight) in connection with Damage as covered by this Section, subject to a maximum of 25% of the entire claim amount, or USD 1,000,000 whichever the lessor.

EXCLUSIONS TO SECTION III:

This Section shall exclude:

1. Loss of use or consequential loss.

2. Damage to feedstock, products, intermediate products or residues derived therefrom whilst being processed in any plant forming part of Subject Matter Insured.

GENERAL CONDITIONS APPLICABLE TO SECTIONS I, II AND III.

PRIMARY INSURANCE

Unless stipulated elsewhere in this Policy, it is expressly agreed that this Policy provides primary cover for the Insured and that in case of Damage or a Claim covered by this Policy which is also covered under any other policy of insurance taken out by the Insured the Insurers will indemnify the Insured as if such other policy of insurance did not exist and the Insurers waive their rights of recovery, if any, against the Insurers of such other policy of insurance.

OTHER INSURANCE

The Primary Insurance paragraph shall not apply where the Insured 2) and/or 3) are required under contract to provide their own insurance policies. In the event that coverage is provided by such policy(ies) this Policy will only provide difference in conditions or difference in limit coverage to that provided by such policy(ies).

Notwithstanding the above in the event that, if in spite of the contract conditions, the Insured 2) or 3) have not taken out their own insurance policies or the cost of such Damage or Claim cannot be recovered therefrom, this Policy will indemnify the Principal Insured in respect of Damage or a Claim as covered hereunder. Insurers will in this event have full right of recourse according to the contract conditions against the Insured 2) or 3) who is in default of the contract conditions.

The Primary Insurance paragraph shall also not apply where Damage is covered by any applicable cargo policy. However Damage to Materials which is discovered after arrival at the Sites shall be considered as having been sustained at the Sites provided that consignments which are visibly damaged were inspected on their arrival at the Site and no Damage was discovered upon inspection at arrival. Should the foregoing not apply, where it is not possible to establish whether the Damage was caused before or after arrival of the goods at the Site and/or offsite storage location, then settlement will be made on a 50/50 basis between this Policy and the applicable cargo policy. In the event that the deductible under this Policy is different from the deductible under the applicable cargo policy, in settling the claim as above Insurers shall apply 50% of their respective deductible.

It is agreed that the Insured 1) and/or 2) shall require from the Insured 2) and/or 3) to bring and prosecute such suit or other proceedings as may be required to enforce the liability of the Insurers of such other policy of insurance.

WAIVER OF SUBROGATION:

Whilst Insurers waive recourse directly or indirectly against any of the Insured or their employees or agents, except as allowed for under the Other Insurance clause, in whose interest this Policy is effected they do, however, retain all rights of recourse against any other person.

The Insurer(s) hereon shall not acquire any rights of recovery which the Insured has waived prior to loss nor shall such waiver affect the Insured's right of recovery under this Policy.

Notwithstanding the above, Insurers retain full right of recourse against suppliers, vendors and manufacturers to the extent that such parties are liable under the terms of their guarantee or warranty contract. The Principal Insured agrees to provide all such reasonable assistance as maybe required by the Insurers in pursuing such rights of recourse.

SUE AND LABOUR

In the event of imminent Damage which would be insured under Section I or III of this Policy or in an event which could give raise to a Claim under Section II (i.e. when a third party is in a position to pursue a claim) the Insurers will indemnify the Insured for any expense or sacrifice incurred as a result of immediate action taken, reasonable at the time of the Occurrence or Claim to minimise such Damage or liability being incurred, provided such expenses or sacrifices made are reasonable having regard to the value of the Subject Matter Insured at risk and/or the limit under Sections II and III.

In the event the action taken was also to protect Damage to property of the Insured not indemnifiable under this Policy, the Insurers' indemnification under this provision shall be proportionate to the value of the Subject Matter Insured hereunder which was immediately and directly endangered by the Occurrence.

Nothing in this clause, however, shall increase Insurers' total liability for any one Occurrence or Claim beyond the Limits of Liability stated in the Schedule.

Coverage under this Sue and Labour clause however is limited to USD 2,500,000 any one Occurrence or Claim and in the aggregate.

72 HOURS CLAUSE

It is agreed that any Damage arising during any one period of 72 consecutive hours, caused by

- tornado and/or cyclone and/or hurricane and/or windstorm and/or hail,
- flood and/or inundation,
- earthquake,
- a riot and/or a strike and/or civil commotion,

shall be deemed as a single event and therefore to constitute one Occurrence with regard to the deductible provided for therein. For the purpose of the foregoing the commencement of any such 72 hour period shall be decided at the discretion of the Insured it being understood and agreed however, that there shall be no overlapping in any two or more such 72 hour periods in the event of Damage occurring over a more extended period of time.

ARBITRATION:

In case the Principal Insured and the Insurer(s) shall fail to agree as to coverage, or the amount of the Damage or Claim, each shall on the written demand of either, select a competent and impartial representative. The representatives shall first select a competent and impartial umpire, and if the representatives do not agree upon an umpire, within fifteen (15) days or if either party fails to select a representative then on request of the Principal Insured or the Insurer(s), such umpire shall be selected by a judge of a court of competent jurisdiction in the United Kingdom.

The representatives shall then determine the coverage, or the amount of Damage or Claim stating separately coverage, sound value and Damage to each item or amount of the Claim; and failing to agree shall submit their differences only to the umpire. An award so itemised in writing, of any two when filed with the Insured and Insurer(s), shall determine the amount of coverage, sound value and amount of the Damage or Claim. Each representative shall be paid by the party selecting him and the expense of appraisal and the umpire shall be paid by the parties equally. The decision of the umpire shall be binding upon all parties.

REINSTATEMENT:

The payment of any loss hereunder shall not reduce the limits of liability herein. This however shall not apply where a limit is specified as an aggregate for the Policy Period.

CHANGE IN RISK

If any significant change shall occur materially varying any of the circumstances disclosed to or known to the Insurers the Insured shall as soon as reasonably practical give notice of such change with full particulars thereof and the Insurers shall have the right to vary their terms of this Policy

If the Named Insured and the Insurers are unable to agree as to if the change constitutes a material change in the risk or the reasonableness of the modification to the Policy the matter shall be referred to an expert to be appointed by the parties. Unless the parties otherwise agree, the expert shall be a person with not less than ten years experience of international insurance business, having been engaged in such business or in advising on such business in a professional capacity. However, if the parties cannot agree, the expert shall be appointed by the Chairman, for the time being of AIDA Reinsurance and Insurance Arbitration Society of the UK (ARIAS).

The expert alone shall determine all questions of procedure and evidence in the hearing of this dispute, and all costs for the holding thereof shall be paid by the parties and in the manner as directed by the expert. The expert shall apply the laws of the country as defined under the Disputes Clause. The decision of the expert shall be given in writing, with reasons, and both parties hereby agree to be bound by the decision given in accordance with the above provisions

GENERAL EXCLUSIONS APPLICABLE TO SECTIONS I, II AND III.

1. **Nuclear Radiation:**

This Policy does not cover:

(i) Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;

(ii) any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to, by or arising from :

(a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

For the purpose of this exclusion combustion shall include any self sustaining process of nuclear fission.

(b) nuclear weapons materials.

Notwithstanding the foregoing it is expressly agreed that radioactive isotopes may be used for which the above exclusion does not apply.

2. **War and Terrorism :**

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes Damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, revolution, conspiracy, military, naval or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege, confiscation, destruction or requisition by order of the Government or any Public Authority.

or

2) any act of terrorism.

For the purposes of this Policy terrorism shall mean any act of any person acting on behalf or in connection with any organisation with activities directed towards overthrowing or influencing of any government de jure or de facto by force or violence.

Also excluding 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 to relating to (1) and /or (2) above.

If the Insurers allege that by reason of this exclusion, any Damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Insured(s).

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Notwithstanding the above exclusion this Policy shall cover Damage:

a) caused by missiles and/or mines and/or bombs and/or other explosives not located by the Insured at the moment of commencement of the Project, so long as no state of war exists in which the country where the Project is situated.

b) caused by strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions or persons acting maliciously other than with Terrorist intent,

c) caused by shells and/or other missiles fired from military training grounds and/or dropped from military planes (in peace time).

3. **Fines and penalties:**

This Policy does not cover :

a) penalties (including liquidated damages) for non-completion of or delay in completion of contract or for non-compliance with contract conditions.

b) performance guarantees.

4. **Data Distortion / Corruption**

This Policy will not cover any Damage or consequential loss directly caused by, consisting of or arising from:

a) Any functioning or malfunctioning of the Internet or similar facility, or of any intranet or private network or similar facility,

b) Any corruption, destruction, distortion, erasure or other loss or damage to data, software or any kind of programming or instruction set,

c) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing inability or failure of the Insured to conduct business.

Notwithstanding the above exclusion this Policy shall not exclude subsequent Damage or consequential loss not otherwise excluded, which itself results from a Named Peril.

This exclusion shall not act to increase or broaden the coverage provided by the Policy. Such Damage or consequential loss described in (a), (b), or (c) above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

DEFINITIONS APPLICABLE TO THIS ANNUAL FLOATER POLICY:

SITES : The area of the construction site, and such (adjoining) area where the Works are undertaken for or on behalf of the Principal Insured.

In respect of pipelay activities the definition of Site is extended to include the pipeline right of way and areas used for the storage of pipe material.

MATERIALS : All raw and shaped materials (including catalysts) as well as finished parts, units, installations, machinery, constructions and/or property of every kind and description and/or parts, units, installations, machinery, constructions and/or other property of every kind and description, insofar as new replacement values are included within the Estimated Project Value/Annual Expenditures.

WORKS : All building, construction, erection, plant change, maintenance, demolition, mounting, dismounting, cleaning and all other similar works carried out by Contractors and/or Sub-Contractors and/or Principal Insured's own employees, relating to or associated with or ancillary to the work and as (to be) declared per Actual Expenditures.

Excluding all Works at sea not directly connected to land above or below the surface of the sea.

Including all other Wet Work (as defined hereafter) where the individual total expenditure of the Wet Work is not more than USD 5,000,000 provided that the total expenditure for Wet Works for each insurance year does not exceed 25% of the total declared expected expenditure on Works for such insurance year for the respective Operating Company.

Notwithstanding the above limitation Wet Works in excess of USD 5,000,000 or exceeding 25% of the total declared expenditure on Works, is automatically held covered at terms and conditions to be agreed.

These exclusions and/or limitations do no apply to Works mentioned in the Insured's Budgeted Expenditures and which have been approved by Leading Insurers.

Other Works not included in the Insured's Budgeted Expenditures but subsequently commenced during the insurance year are covered heron subject to the above exclusions and/or limitations.

WET WORKS : Wet Work is work or part of a work where such work is under, in or directly over water at its highest level attained by normal expected rise due to tidal movement or otherwise and directly connected to land.

WORK : Each separately contracted work or each work carried out by Principal Insured's employees. If more than one contractor, including Principal Insured's employees, is involved in a work (with the exception of maintenance and cleaning works) their combined work will be considered as one Work.

The period of each Work shall not exceed (unless otherwise specifically agreed) 36 months for construction or erection, including the period defined in a) and b) of the Subject Matter Insured plus a Discovery Period thereafter as detailed in the Specification.

SUBJECT MATTER INSURED : The entire Work/Project and/or installations and/or parts with preparatory and/or auxiliary works of any kind and description and all Materials incorporated or to be incorporated therein, all as per contracts and including all works and the like, not described in the contracts but which will be deemed necessary by any of the insured parties in connection with the Work/Project.

TESTING ON STREAM/INITIAL OPERATIONS : The Testing On Stream / Initial Operations Period shall be the time from when Feedstock is introduced for processing or production purposes into the entire completed Subject Matter Insured. When no Feedstock is introduced the Testing on Stream/Initial Operations period will start from the moment of actual start-up or putting in operation of the entire completed Subject Matter Insured and/or the moment the individual unit are connected to grid or other load circuit, for production or processing purposes.

With regards to the application of the deductible the Testing On Stream/Initial Operations deductible shall apply from the time from which Feedstock is first introduced for processing or production purposes in any part of the Subject Matter Insured. When no Feedstock is introduced this will be the time of actual start-up or putting in operation of any part of the Subject Matter Insured and/or the moment the individual unit are connected to grid or other load circuit, for production or processing purposes.

FEEDSTOCK : Feedstock is defined as raw materials of any kind and /or substance intended to be processed and /or handled within the Subject Matter Insured or part thereof.

OCCURRENCE : The term "any one Occurrence" shall mean an event or a continuous exposure to conditions, which causes Damage. Any series of Damage resulting from a common cause, or from exposure to substantially the same conditions, shall be deemed to result from "any one Occurrence".

CLAIM : The term "any one Claim" shall mean the amount of compensation payable to any claimant or any number of claimants or series of claims in respect of liability arising out of one original source or original cause. Where a series of claims arises from one original source or original cause all such claims shall be deemed to have been incurred at the time of the first claim.

DAMAGE : The term Damage shall mean physical loss of, or physical destruction of or physical damage

CLAIMS PROCEDURE

Introduction

This Claims Procedure is designed to provide the Company, its Contractors and their Subcontractors, advice and assistance for the initial handling of loss, damage or injury towards eventual submission of a claim under the Construction All Risks Insurance.

The procedures are not intended to vary or supersede in any way existing internal loss reporting within the Company, its Contractors or Subcontractors.

N.B. Definition: INSURED as defined in the CAR Policy schedule.

1.0 Initial Claims Notification

1.1 Immediately after the occurrence of an event which may give rise to a claim under this Policy, the Insured's site manager shall immediately verbally notify the Nominated Adjusters' Office the following information.

a) Date and time of occurrence of loss;
b) Nature of loss;
c) Brief description relating the circumstances of loss including comments as to how and why it occurred, plus the names of any persons involved in the incident;
d) Extent of loss, damage or injury, together with, if known, preliminary cost estimate which will be used as a basis for the reserve figure initially advised to Insurers, by the Nominated Adjuster.

Subsequent to such verbal notification, the Project Works Loss Incident Form - ref. Appendix 1 - should be completed and submitted to:

i) the Nominated Loss Adjuster;
ii) the Company's Project Office;
iii) the Broker (by fax).

1.2 In respect of incidents involving personal injury or, where damage to property is likely to exceed an initial estimate of USD 250,000; in addition to the duties under 1.1 above the Insured shall provide immediate verbal notification to the Company Project Office, who will immediately in turn notify Shell International Ltd. - Risk & Insurance by fax. A copy of the Project Works Loss Incident Form should also be provided to the Company Project Office and faxed to Shell International Ltd. - Risk & Insurance. Shell International Ltd. - Risk & Insurance will liaise with the Broker and/or the Nominated Adjusters as appropriate.

1.3 Responsibility for notification to Insurers in all cases will be with the Broker.

2.0 Action Required at Site

2.1 After completing the initial claims notification procedure outlined in 1.0 above, the Insured should undertake the following:

a) Obtain photographic evidence of the damage sustained, before clearance of debris or removal of damaged equipment is undertaken, unless such clearance or removal is necessary to prevent further injury or damage;

b) Make sketch plans and collect other information considered to be of use in establishing the cause and extent of damage.

2.2 Each Project Works Loss Incident Form shall be allocated an unique claim retenance number on submission to the Project Office.

2.3 On receipt of each claim notification, the Insured and/or the Company Project Office shall establish a new cost centre so that all work in respect of such claim can be allocated and booked.

2.4 No repair/reinstatement work, other than emergency requirements or any other urgent action necessary to minimise the loss, should be carried out, without first giving the Nominated Adjuster the opportunity to inspect the damage.

2.5 Comprehensive records of resources expended during the execution of repairs/reinstatement should be maintained by the Insured which should identify the following:

a) Recovery costs in the case of damaged units or damaged goods in transit.

b) Labour costs, substantiated by authenticated daily allocation of labour sheets/day work sheets, providing actual breakdown between:

i) Labour (Own and Third Party)
ii) Staff (Own and Third Party)
iii) Categories of Labour
iv) Overtime and bonus payments

c) Plant returns (i.e. equipment used in recovery and repair of damaged items etc.) shall also identify the type of equipment, the number of hours worked and the hourly rate.

d) Materials/spare parts substantiated by invoices.

e) Specialists' fees and/or expenses whenever incurred.

f) Overheads must be separately identified, because they are recoverable only to the extent they directly relate to the loss.

g) Claims are only recoverable net of any profit to the Insured.

3.0 Third Party Liability Claims

3.1 In the event of an incident involving third parties, the Insured should not make any admission of liability, or offer any payment of compensation, to any claimant without the prior approval of Insurers.

3.2 A Third Party Accident Report Form must be completed (see Appendix 2).

3.3 All Writs, Summons or notice of other legal proceedings should be passed immediately to the Company Project Office, for immediate transmission to Shell International Ltd. - Risk & Insurance.

DIRECTORY

1) The Company Project Office

Address	:	t.b.a.
Telephone	:	t.b.a.
Fax	:	t.b.a.
For attention	:	t.b.a.
E-mail	:	t.b.a.

2) Nominated Loss Adjuster - GAB Robins Takkenberg Expertises B.V.

Address	:	GAB Robins Takkenberg B.V. P.O. Box 8990 1006 JD AMSTERDAM The Netherlands
Telephone	:	[redacted]
Fax	:	[redacted]
For attention	:	[redacted]
E-mail	:	[redacted]

or other Loss Adjuster by mutual agreement of both Principal Insured and the Leading Insurer

3) Shell International Ltd. - Risk & Insurance

Address	:	Shell International Ltd. Risk & Insurance Shell Centre London SE1 7NA United Kingdom
Telephone	:	[redacted]
Fax	:	[redacted]
For attention	:	[redacted]
E-mail	:	[redacted]

4) The Broker - Marsh B.V.

Address	:	Marsh B.V. P.O. Box 8900 3009 AX ROTTERDAM The Netherlands
Telephone	:	[redacted]
Fax	:	[redacted]
For attention	:	[redacted]
E-mail	:	[redacted]

APPENDIX 1

PROJECT WORKS LOSS INCIDENT FORM

Reference : .....

Title of Project : .....

Contractor : .....

This form is to be completed immediately in respect of each incident which could result in a claim under the Project Contract Works Policy and, for information purposes, any other incident involving loss or damage to the Works or Materials.

1. Loss/Damage occurred: Date ..... Time .....

2. Exact location :
.....
.....
.....

3. Brief description of property lost/damaged together with description of circumstances:
.....
.....
.....
.....
.....
.....

4. Estimated cost : .....

Signature : .....

Name : .....

Date : .....

Status : .....

Note : On completion this form to be transmitted immediately to the Project Manager's Office.

APPENDIX 2

THIRD PARTY ACCIDENT REPORT FORM

Reference : .....

Title of Project : .....

This form is to be used in respect of each incident which could result in a claim under the Third Party Liability section of the policy arising out of or in the course of carrying out the Project.

1. Name of Third Party(ies):
.....
.....
.....
.....

2. Description and cause of damage and/or injury:
.....
.....
.....
.....
.....

3. Is damage and/or injury within confines of SITE? YES/NO

4. Has a claim been made against you? If so, Verbal: YES/NO Letter: YES/NO (please attach)

Signature : .....

Name : .....

Date : .....

Status : .....