



PUBLIC AND PRODUCTS LIABILITY INSURANCE

IN RESPECT OF DAM OWNERS

who are registered and controlled by the public authorities of Sweden, Norway or Finland

1. OPERATIVE CLAUSE

The Insurers will indemnify the Insured against their liability to pay compensation for and/or arising out of Injury and/or Damage (including claimants' costs, fees and expenses), in accordance with the law of any country, in respect of an originating cause happening anywhere in the World (excluding the United States of America and Canada), but for which claims are first made against the Insured during the Period of Insurance.

The indemnity set forth above only applies to claims first made against the Insured during the Period of Insurance arising out of the ownership, operation, repair and maintenance of dams licensed by the regulating authorities in Sweden, Norway or Finland (hereinafter referred to as the "Business")

However the indemnity does not apply to claims arising out of Injury and/or Damage occurring prior to 1 March 1992.

Provided always that in the event of any Injury or Damage arising from continuous or continual inhalation, ingestion or application of any substance and where the Insured and the Insurers cannot agree when the Injury or Damage occurred, then:

- (a) Injury shall be deemed to have occurred when the claimant first consulted a qualified medical practitioner in respect of such Injury
- (b) Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown

For the purpose of determining the indemnity granted:

- 1.1. "Injury" means death, bodily injury, illness or disease of or to any person.
- 1.2. "Damage" means loss of possession or control of or actual damage to tangible property.
- 1.3. "Product" means any tangible property after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured, but shall not mean food and drink supplied by or on behalf of the Insured primarily to the Insured's employees as a staff benefit ("Food and Drink").



2. NOTIFICATION EXTENSION CLAUSE

Should the Insured notify the Insurers during the Period of Insurance in accordance with Condition 8.1 of any specific event or circumstance which Insurers accept may give rise to a claim or claims which form the subject of indemnity by this Policy, then acceptance of such notification means that Insurers will deal with such claim or claims as if they had first been made against the Insured during the Period of Insurance.

3. INDEMNITY TO OTHERS

The indemnity granted extends to:

- 3.1 any party who enters into an agreement with the Insured for any purpose of the business, but only to the extent required by such agreement to grant such indemnity and subject always to Clauses 7.4.3 and 7.12
- 3.2 officials of the Insured in their business capacity arising out of the performance of the Business or in their private capacity arising out of their temporary engagement of the Insured's employees
- 3.3 the officers, committee and members of the Insured's canteen, social, sports, medical, fire fighting and welfare organisations in their respective capacities as such
- 3.4 the personal representatives of the estate of any person who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such person
- 3.5 construction subsidiaries of the Insured but only in so far as relates to the Business

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, Conditions and Exclusions of this Policy as though they were the Insured.

4. CROSS LIABILITIES

Each person or party indemnified is separately indemnified in respect of claims made against any of them by any other, subject to Insurers' total liability not exceeding the stated Indemnity Limit.

5. DEFENCE COSTS

The Insurers will pay all costs, fees and expenses incurred with their prior consent in the investigation defence or settlement of any claim made against the Insured and the costs of representation at any inquest, inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the Insured, provided such claim or claims are the subject of indemnity by this Policy. Such costs, fees and expenses are called "Defence Costs".

Defence Costs will be payable in addition to the Indemnity Limits except in respect of claims subject to the jurisdiction of the courts of the United States of America or Canada as more fully expressed in the Operative Clause, when such Defence Costs will be included within the Limits of Indemnity.



6. INDEMNITY LIMITS

Insurers' total liability to pay compensation, claimants' costs, fees and expenses in respect of any one claim any one Dam shall not exceed the Indemnity Limit

The Indemnity Limit applies to any one claim or series of claims arising from one originating cause, however in respect of Products Liability, the Indemnity Limit represents the total amount of Insurers' liability during the Period of Insurance.

However, as regards any liability of the Insured which is insured under this Policy and arises in any manner whatsoever out of the operations or existence of any joint venture, co-venture joint lease, joint operating agreement or partnership (hereinafter called "Joint Venture") in respect of a Dam in which the Insured has an interest, the Liability of the Insurers under this Policy shall be limited to the product of (a) the percentage interest of the Insured in the said Joint Venture and (b) the total Limit of Indemnity afforded the Insured by this Policy. Where the percentage interest of the Insured in said Joint Venture is not set forth in writing, the percentage applied shall be that which would be imposed by law at the inception of the Joint Venture. Such percentage shall not be increased by the insolvency of others interested in the said Joint Venture.

7. EXCLUSIONS

This Policy does not cover liability:

- 7.1 arising out of the ownership, possession or use by or on behalf of the Insured of any motor vehicle or trailer for which compulsory insurance is required by legislation, other than claims:
 - 7.1.1 caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer
 - 7.1.2 arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer
 - 7.1.3 for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any motor vehicle or trailer or of the load carried thereon
 - 7.1.4 arising out of any motor vehicle or trailer temporarily in the Insured's custody or control for the purpose of parking
- 7.2 arising out of liability for which compulsory insurance is required by legislation governing the use of any motor vehicle or trailer
- 7.3 arising out of the ownership possession or use by or on behalf of the Insured of any aircraft, watercraft or hovercraft (other than watercraft not exceeding fifteen metres in length and then only whilst on inland waterways)
- 7.4 arising out of damage to property owned leased or hired or under hire purchase or on loan to the Insured or otherwise in the Insured's care, custody or control other than:



- 7.4.1 premises (or the contents thereof) temporarily occupied by the Insured for work therein, or other property temporarily in the Insured's possession for work thereon (but no indemnity is granted for damage to that part of the property on which the Insured is working and which arises out of such work)
- 7.4.2 employees' and visitors' clothing and personal effects
- 7.4.3 premises tenanted by the Insured to the extent that the Insured would be held liable in the absence of any specific agreement
- 7.5 arising out of Damage to the the Insured's Products
- 7.6 for costs of repairing, re-delivering, carting away, depositing or destroying the Product
- 7.7 for costs or necessary damage to gain access for work to repair or replace the product delivered
- 7.8 for costs of withdrawing a Product from the market, such as costs incurred to trace the Product or to notify clients or the general public, but subject always to Section 6-4 of the Norwegian Act relating to insurance contracts (FAL)
- 7.9 arising out of Injury incurred by anyone who is or has been in the employ of the Insured, if Injury was incurred in the course of their employment with the Insured
- 7.10 pursuant to Section 3-5 and 3-6 (non-pecuniary damages) of the Norwegian Act relating to compensatory damages June 16 1969 No 26, or for penalties and the like including punitive and exemplary damages
- 7.11 under contract
 - 7.11.1 based solely on a promise, agreement, contract or guarantee given before or after Injury or Damage
 - 7.11.2 that must be borne by the Insured in the last instance because they waived their rights of recourse
 - 7.11.3 due to delay in the Insured's performance of the contract or non-performance
 - 7.11.4 for Damage caused to the Insured's own delivery, work or contract when the Damage occurs prior to final delivery or is due to faults or defects that existed at the time of delivery
- 7.12 directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
- 7.13 directly or indirectly caused by or contributed to by or arising from:



- 7.13.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 7.13.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- 7.14 arising out of the generation, distribution or supply of electricity or water or the failure to supply or fluctuations in supply of electricity or water not consequent upon Injury and/or Damage
- 7.15 for Injury or Damage caused by pollution, unless due to a sudden and unforeseen cause: For the purpose of this Exclusion, "Pollution" means:
- releasing solid substances, fluids or gases into the atmosphere, water or ground
 - noise and vibrations
 - light and other radiation

which may cause harm or inconvenience to the environment.



CONDITIONS

8.1 Insured's obligations in insurance events

If there is impending danger of an insurance event occurring or if an insurance event has occurred, the Insured shall do everything that can be reasonably expected of them to avert or minimise the loss.

If the Insured realises that the Insurers may have right of recourse to a third party, the Insured shall take the necessary steps to establish the claim until the Insurers are able to protect their own interests.

If an insurance event occurs, it shall be reported to Insurers without undue delay.

When damages are claimed from the Insured or from Insurers the Insured shall at their own expense

- (a) give Insurers information and documents available to the Insured that Insurers need to determine their liability and pay out indemnity
- (b) conduct the investigations and studies Insurers find necessary and attend negotiations or court hearings

The Insured shall not admit to any obligation to pay damages nor shall they enter into negotiations regarding a claim without first obtaining Insurers consent thereto. The Insured's concessions towards the claimant do not in any way undertake Insurers.

8.2 Insurers' obligations in insurance events

When according to the Insured's reasoning a claim exceeds the agreed deductible, the Insurers will:

- (a) examine the matter to decide whether liability exists
- (b) negotiate with the claimant
- (c) pay costs in excess of the agreed deductible that are necessary to decide the question of liability, even if the Limit of Liability is thereby exceeded

If part of the claim is covered by the insurance and part is not, costs will be divided in proportion to the parties' financial interests in the matter. If Insurers are willing to make an amicable agreement or to make the Limit of Liability available, the Insurers will not bear any costs subsequently incurred

- (d) pay that part of the indemnity that exceeds the agreed deductible. Insurers are entitled to pay all and any insurance indemnity to the injured party.

If a claim is filed with Insurers directly, Insurers will notify the Insured without undue delay and keep the Insured informed of further processing of the claim.



8.3 Cancellation

The Insurers or the Insured may only cancel this Policy in accordance with the provisions of the respective Acts of Norway, Sweden or Finland.

8.4 Insurance Contracts Act

This Wording to be interpreted in accordance with the law and practice of Norway and/or Sweden and/or Finland depending upon the location of the Dam. This includes the provisions of the Norwegian Insurance Contracts Act (ICA) number 69 of 16 June 1989 (and Swedish and Finnish equivalents).

8.5 Loss covered by several insurances

If the same loss is covered by several insurances, the Insured can chose the insurance they will use, until the Insured has received the total indemnity to which they are entitled. If more than one company is liable for the Insured's loss according to the first paragraph, the indemnity shall be divided among the insurers in proportion to the extent of each insurers' liability for loss unless otherwise specified

8.6 Liability of the Insurers for rescue costs

The Insurers are liable for damages, liabilities expenses and other losses incurred by the Insured in circumstances specified in Article 4.10 (or Swedish or Finnish equivalents) when the measures were intended to prevent or limit losses covered by this Insurance and the measures were of an extraordinary nature and must be regarded as justifiable.

If the Insured is obliged to cover losses sustained by a third party in connection with the aforementioned measures, Clause 8.9 applies

8.7 North American Conditions

Notwithstanding anything contained in this Policy to the contrary any judgement, award or settlement made within countries which operate under the laws of the United States of America or Canada or any territory or possession of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) shall be subject to the following terms and exclusions:

1. Any Defence Costs incurred shall be payable by the Insurers as part of and not in addition to the Indemnity Limits
2. Regardless of any other provision of this Policy, this insurance does not apply to Punitive and Exemplary Damages
3. Notwithstanding the provisos to Exclusion 7.1.6 the Insurers shall not be liable for any liability for:
 - (a) Personal Injury or loss of, damage to or loss of use of property directly or indirectly caused by seepage, pollution or contamination
 - (b) The cost of removing nullifying or cleaning-up seeping, polluting or contaminating substances
 - (c) Fines or penalties



8.8 Time limits for notification of insurance events and for taking legal action

The Insured forfeits the rights to indemnity if the claim has not been presented to the Insurers up to one year after such claim had been made.

8.9 Position of the Injured Party in cases of Liability Insurance

If this Insurance covers the Insured's liability in damages, the injured party can claim direct from the Insurers. The Insurers and the Insured are obliged on request to inform the injured party of whether or not there is liability insurance.

If a claim for indemnity is advanced against the Insurers, they shall without undue delay notify the Insured and keep the Insured informed of further handling of the claim. Admissions by the Insurer to the injured party are not binding upon the Insured.

If the Insured is sued, it can demand that the injured party sue the Insured in the same case.

The Insurers can invoke the objections to the claim raised by the Insured in relation to the injured party. The Insurers can also invoke its objections in relation to the Insured, provided the objections do not relate to the Insured's circumstances after the occurrence of the insurance event.

Legal proceedings against the Insurers according to this Condition must only be instituted in Norway, unless the contrary follows from Norway's obligations under International Law.

The provisions of this Condition do not prevent a person engaged in commercial activity from agreeing with the Insured to waive its rights to claim an indemnity from commercial loss directly from the Insurers. Such an agreement is nevertheless without legal effect in the event of the Insured's insolvency.

8.10 Compensation

Nefo has no obligation to pay until payment has been made from reinsurers.