



October 2022

Operability



The policy consists of:

- A. Declarations,
 - B. Insuring Agreement,
 - C. Policy Schedule,
 - D. Insureds' Disclosure Representation,
 - E. Insureds' Reporting Agreement, and
 - F. Endorsements stated in the Declarations to be applicable to the policy.
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A. Declarations

1. Principal Insured _____
2. Address of Principal Insured _____
3. Sections included in Policy
 - Section 1 (applicable Yes/No) ____
 - Section 2 (applicable Yes/No) ____
4. Duration of Policy
 - a) Duration in Days of (each) Term _____
 - b) Policy time zone _____
 - c) Policy inception date _____
 - d) Number of Terms (Section 1 only) _____
5. Policy Limits (USD)
 - Section 1 _____
 - Section 2 _____
6. Loss Payee(s)
Name and priority of each Loss Payee _____
7. Notices
 - a) To Insureds _____
 - b) To Insurers _____
8. Operability Assets Table
 - A. Operability Assets _____
 - B. Category of deliverable _____
 - C. Unit of Measurement _____
 - D. Meter _____
 - E. Percentage insured _____
 - F. Dependencies _____
9. Par Daily Output per Operability Asset:
_____ units (per 8C above) or % of Contextual Daily Optimum (if Contextual Optimum Endorsement applies)
10. Accident Multiplier (Section 2 only)
Per Operability Asset (USD) _____
11. Indemnity Period (Section 2 only)
Per Operability Asset (Consecutive Days) _____
12. Waiting Period (Section 2 only)
Per Operability Asset (Consecutive Days) _____
13. Premium (USD)
 - a) Section 1, per Term: _____
Section 2: _____
 - b) Payment conditions: _____
 - c) Automatic Time-out premium discount, per Section per Operability Asset (per Term):

14. Insureds' Disclosure Representation
 - a) Underwriting Information per paragraph 2

 - b) Named persons per paragraph 3 _____
15. Insureds' Reporting Agreement
 - a) Report Period duration _____
 - b) Additional reporting details (if any) per paragraph 4

16. Additional Insureds Endorsement
 - a) Endorsement applies? (Yes/No) _____
 - b) Names and interests of External Insureds

 - c) Names and interests of other Additional Insureds

17. Declared Shutdown Endorsement
 - a) Endorsement applies? (Yes/No) _____
 - b) For each Declared Shutdown (i) Operability Asset _____ and (ii) number of Declared Shutdown Days _____
18. Automatic Time-out Endorsement
Amendments (if any) _____
19. Modified Exclusions Endorsement
 - a) Endorsement applies? (Yes/No) _____
 - b) Endorsement Content (if applicable) ____
20. Contextual Optimum Endorsement
 - a) Endorsement applies? (Yes/No) _____
 - b) Formula for each Operability Asset _____
21. Due Diligence Waiver Endorsement
 - a) Endorsement applies? (Yes/No) _____
 - b) Loss Impact Waiver ____ (% of Par Daily Output)
 - c) Repair Time Waiver ____ (Days)
22. Term Floor
In respect of each Term separately:
 - a) Term Floor (all Operability Assets combined) _____ units (per 7C above) or ____ % of Contextual Term Optimum (per Contextual Optimum Endorsement if applicable)
 - b) 8 a) above to be reduced by ____ units per Operability Asset per deleted Day, if asset is deleted from cover or Automatic Time-out triggered
23. Deficit Multiplier
In respect of each Term separately (USD) _____
24. Term Cap (if applicable)
In respect of each Term separately:
 - a) Term Cap (all Operability Assets combined) _____ units (per 7C above) or ____ % of Contextual Term Optimum (per Contextual Optimum Endorsement if applicable)
 - b) 10 a) above to be reduced by ____ units per Operability Asset per deleted Day, if asset is deleted from cover or Automatic Time-out triggered
25. Surplus Multiplier (if applicable)
In respect of each Term separately (USD): _____
26. Unexplained Cause Buffer
Per Operability Asset in respect of first Term only (% of Par Daily Output) _____
28. Supplementary Explanations Endorsement
 - a) Endorsement applies? (Yes/No) _____
 - b) Endorsement Content (if applicable) ____
29. Project Cost Overrun Endorsement applies? (Yes/No)



B. Insuring Agreement

Insureds:

The Insureds are the entity stated [per Declaration 1](#) including its related entities, hereinafter “Principal Insured”, and in respect of interest defined therein only the additional insureds listed as agreed by the Insurers in an Additional Insureds Endorsement.

Address of Principal Insured:

[Per Declaration 2.](#)

Coverage:

Relying on the Insureds’ Disclosure Representation and the Insureds’ Reporting Agreement and in consideration of the Principal Insured agreeing to pay the Premium and Surplus Contributions provided herein, the Insurers agree to pay under whichever of the following sections are stated as included in the policy [per Declaration 3](#)

Section 1 Deficit Contributions,

Section 2 Extended Loss Indemnity,

up to but not exceeding the POLICY LIMITS and subject to the Definitions, Conditions and Sanction Limitation stated herein.

Duration of Policy:

The policy duration consists of the number of Terms stated [per Declaration 4 d\)](#). The duration of each Term is the number of Days stated [per Declaration 4 a\)](#). The first Term commences at 00.00 hours in the policy time zone stated [per Declaration 4 b\)](#) on the policy inception date stated [per Declaration 4 c\)](#). Any subsequent Term commences at expiry of the previous Term.

Each Term consists of consecutive Days except that:

- a) in respect of one or more Operability Asset separately it shall be suspended at 24.00 hours on the Day before and resume at 00.00 hours on the Day after any Automatic Time-out, and
- b) in respect of all Operability Assets collectively it shall be suspended at 24.00 hours on the Day before and resume at 00.00 hours on the Day after any Discretionary Time-out.

Policy Limits:

The Insurers shall not pay more than:

Section 1 The amount set out [per Declaration 6 a\)](#) in the aggregate for the whole DURATION OF POLICY,

Section 2 The amount set out [per Declaration 6 b\)](#) in the aggregate for all loss arising out of each Accident.

Definitions:

Accident

Event that is unexpected and unintended by all Insureds and can be isolated in time, place and manner of happening as the cause, or where there is no evident cause as an instance of (A) physical loss of or physical damage to Covered Property or (B) flow of hydrocarbons, drilling fluid or water from any wellbore that qualifies hereunder as Covered Property or via such a wellbore from one subsurface zone to another.

Accident does not include the presence or action in Covered Property of

- (i) inherent defect, or
- (ii) wear and tear, deterioration, fatigue, corrosion or expansion or contraction due to changes of temperature, of whatever degree or speed,

nor the impact of any of them on Covered Property except as cause of (a) collapse of a material part of any property in which one or more of them are present or (b) physical loss of or physical damage to other material parts in which none of them are.

Each single atmospheric disturbance designated by the appropriate regional meteorological service or centre, including but not limited to tornado, windstorm, cyclone, hurricane, and hail, shall be treated as one Accident. Each series of earthquake shocks occurring within any period of seventy-two (72) hours arising out of one fault or interconnected series of faults or otherwise causally interrelated shall be treated as one Accident.

Accident Shortfall

Succession of Daily Shortfalls experienced on consecutive Days by an Operability Asset for which an Indemnity Period is scheduled in the Policy Schedule, that is demonstrated by the Principal Insured to satisfy all the following criteria:

- (a) All Daily Shortfalls in the succession arise from the same Accident.
- (b) No Daily Shortfall arising from the same Accident precedes the succession.
- (c) The Accident commences before expiry of the Term covered by Section 2.
- (d) The first Day in the succession occurs before expiry of the Term covered by Section 2 or within 90 Days thereafter.

Automatic Time-out

Continuous period for which Terms may be interrupted and their durations reduced in respect of individual Operability Assets by the Principal Insured or Insurers demonstrating that during each Day of such continuous period the Operability Measures of the Operability Assets affected are each less than 25% of Par Daily Output due to interruption of operations caused by an event scheduled in the Automatic Time-out Endorsement.

Calculations of Term Operability Deficit and Term Operability Surplus shall be adjusted by excluding the Operability Measures and Daily Shortfalls of Operability Assets affected during Automatic Time-outs and amending the Term Floor and Term Cap as set out in the Policy Schedule.

Barrels of Oil Equivalent

Sum of (A) plus (B), where (A) = Barrels of Oil, (B) = Standard Cubic Feet of Gas multiplied by 1/6, "Barrel" means forty two (42) U.S. gallons at one (1) atmosphere and fifteen degrees Centigrade (15°C), "Oil" means crude oil and other hydrocarbons produced at the wellhead in liquid form and liquid hydrocarbons recovered or extracted from gas which are generally in liquid phase at normal operating conditions of temperature and pressure, "Standard Cubic Foot" means the amount of gas at one (1) atmosphere and sixty degrees Fahrenheit (60°F) contained in a cube whose edges are one foot long, and "Gas" means any hydrocarbon or mixture of hydrocarbons and other gases which at normal operating conditions of temperature and pressure are predominantly in the gaseous state.

Computer

Any configuration of inanimate physical matter that is designed to perform computations and store or transmit information, instructions or enquiries.

Covered Property

In respect of each Operability Asset:

- (a) its own tangible man-made structures, items of equipment and wellbores, and
- (b) tangible man-made structures, items of equipment and wellbores of assets scheduled as Dependencies in Column F of the Operability Assets Table of the Policy Schedule.

Covered Property excludes hydrocarbons reservoirs and all other sub-surface property except wellbores and equipment therein.

Daily Shortfall

Units of deliverable by which an Operability Asset's Operability Measure during a Day is less than Par Daily Output.

Day

A 24 hours' period commencing at 00.00 hours in the time zone stated **per Declaration 4 b).**

Declared Shutdown

Planned shutdown of an Operability Asset for which an agreed number of Declared Shutdown Days has been scheduled in a Declared Shutdown Endorsement attached to the Policy.

Declared Shutdown Output

An Operability Asset's Operability Measure during the period from 00.00 hours on the first Day of a Declared Shutdown until expiry of the number of consecutive Declared Shutdown Days scheduled in the Declared Shutdown Endorsement or expiry of the Term if sooner.

Deficit Contribution:

The product of Term Operability Deficit multiplied by the USD Deficit Multiplier scheduled as applicable to the Term in the Policy Schedule.

Discretionary Time-out

Continuous period for which a Term may be suspended (without reducing overall duration) in respect of all Operability Assets insured by Section 1 of the policy including those insured by Section 2, by the Principal Insured demonstrating that during each Day of such continuous period the sum of their combined Operability Measures is less than 25% of the sum of their combined Par Daily Outputs and providing Notices to the Insurers of the commencement of such continuous period and its expiry within 30 Days after each date.

However, the combined aggregate duration of all Discretionary Time-outs in all Terms of the Policy shall not exceed 180 Days.

Excluded Shortfall

Daily Shortfall or part thereof demonstrated by the Insurers to be caused by an EXCLUDED CAUSE.

Expected Shortfall

Daily Shortfall or part thereof demonstrated by the Insurers to result from any fact that conflicts with the Underwriting Information referred to in paragraph 2 of the Insureds' Disclosure Representation or whose non-disclosure constitutes breach of paragraph 3 of the Insureds' Disclosure Representation.

Extended Loss Indemnity

Monetary amount equal to the product of Extended Loss multiplied by the USD Accident Multiplier scheduled as applicable to the Operability Asset in the Policy Schedule.

Extended Loss

Units of deliverable of Accident Shortfall experienced after the Waiting Period and before expiry of the Indemnity Period that are neither Expected Shortfall, Voluntary Shortfall nor Excluded Shortfall.

Indemnity Period

Period commencing at expiry of the applicable Waiting Period and continuing, irrespective of the DURATION OF POLICY, for the number of consecutive Days set out in the Policy Schedule.

Inherent Shortfall

Of Daily Shortfall that in entirety exceeds an Operability Asset's Unexplained Cause Buffer such proportion as has not been demonstrated in writing by the Principal Insured to be caused by physical impairment of Covered Property or (subject to such further conditions, exclusions and limitations as may be set out therein) an explanation scheduled in a Supplementary Explanations Endorsement to the Policy.

Malicious Ingress

Entry into a Computer of information, instruction or enquiry that is transmitted to, solicited to be received by or manipulated before receipt by such Computer for any purpose that would be harmful to the Insured or Covered Property.

Mixed Peril Shortfall

Daily Shortfall or part thereof demonstrated by the Insurers to result from an EXCLUDED CAUSE for which a contributory cause not itself an EXCLUDED CAUSE or resulting from an EXCLUDED CAUSE is in turn demonstrated by the Insured.

Operability Asset

Asset scheduled in Column A of the Operability Assets Table of the Policy Schedule.

Operability Measure

Quantity of the deliverable specified in Column B of the Operability Assets Table measured in the units of measurement scheduled in Column C that is delivered to and counted by the meter identified in Column D multiplied by the percentage stated in Column E. If the deliverable is hydrocarbons the applicable unit of measurement shall be Barrels of Oil Equivalent as defined herein.

Par Daily Output

Benchmark to which an Operability Asset's Operability Measure for any Day of a Term is compared for the purpose of calculating Daily Shortfall, either

1. the number of units of deliverable set out in the Policy Schedule as the Operability Asset's agreed Par Daily Output for such Day, or
2. if an Operability Asset's Par Daily Output is set out in the Policy Schedule as a percentage, the number of units of deliverable equal to the percentage thus stated of the Operability Asset's Contextual Daily Optimum for such Day calculated in accordance with the Contextual Optimum Endorsement.

If an Operability Asset has a Declared Shutdown, its Par Daily Output shall be zero during the period from 00.00 hours on the first Day of the Declared Shutdown until expiry of the number of consecutive Declared Shutdown Days scheduled in the Declared Shutdown Endorsement or expiry of the Term if sooner.

Surplus Contribution

The product of Term Operability Surplus multiplied by the USD Surplus Multiplier scheduled as applicable to the Term in the Policy Schedule.

Term

As stated **per Declaration 4** and defined under DURATION OF POLICY.

Term Cap

Benchmark to which the total for all Days of a Term of the Operability Measures of all Operability Assets combined, adjusted as provided herein to account for Declared Shutdowns and certain Daily Shortfalls, is compared for the purpose of calculating Term Operability Surplus, either

- a) the number of units of deliverable set out in the Policy Schedule as Term Cap for that Term, or

- b) if the Term Cap is set out in the Policy Schedule as a percentage, the number of units of deliverable equal to the percentage thus stated of the Contextual Term Optimum for such Term, calculated in accordance with the Contextual Optimum Endorsement.

Term Floor

Benchmark to which the total for all Days of a Term of the Operability Measures of all Operability Assets combined, adjusted as provided herein to account for Declared Shutdowns and certain Daily Shortfalls, is compared for the purpose of calculating Term Operability Deficit, either

- a) the number of units of deliverable set out in the Policy Schedule as Term Floor for that Term, or
- b) if the Term Floor is set out in the Policy Schedule as a percentage, the number of units of deliverable equal to the percentage thus stated of the Contextual Term Optimum for such Term, calculated in accordance with the Contextual Optimum Endorsement.

Term Operability Deficit

The number of units of deliverable by which the sum during a Term of (a) plus (b) plus (c) plus (d) is less than the Term Floor, where:

- (a) is total Operability Measures of all Operability Assets combined, less Declared Shutdown Output,
- (b) is all Inherent Shortfalls, Expected Shortfalls, Voluntary Shortfalls and Excluded Shortfalls,
- (c) is 50% of all Mixed Peril Shortfalls, and
- (d) is all quantities of Extended Loss that are experienced in the Term.

If the above calculation results in a negative number Term Operability Deficit shall be zero.

Term Operability Surplus

The number of units of deliverable by which the sum during a Term of (a) plus (b) plus (c) plus (d) exceeds the Term Cap, where:

- (a) is total Operability Measures of all Operability Assets combined, less Declared Shutdown Output,
- (b) is all Inherent Shortfalls, Expected Shortfalls, Voluntary Shortfalls and Excluded Shortfalls,
- (c) is 50% of all Mixed Peril Shortfalls, and
- (d) is all quantities of Extended Loss that are experienced in the Term.

If the above calculation results in a negative number Term Operability Surplus shall be zero.

Unexplained Cause Buffer

In respect of each Operability Asset the quantity of Daily Shortfall set out in the Policy Schedule up to which demonstration of its cause as prescribed in the definition of Inherent Shortfall is waived.

Voluntary Shortfall

Daily Shortfall or part thereof demonstrated by Insurers to result from:

- (a) deliberate impairment of Covered Property authorized by its operator or the Principal Insured, or
- (b) failure by any board of directors of the Principal Insured with responsibility for the Operability Asset or manager responsible for reporting about the Operability Asset to such a board to make all reasonable efforts to reduce Daily Shortfall or prevent its continuation.

Waiting Period

Period commencing at the beginning of the first Day of Accident Shortfall and continuing, irrespective of the DURATION OF POLICY, for the number of consecutive Days set out in the Policy Schedule.

Excluded Causes:

Except as may be qualified, altered or added to by a Modified Exclusions Endorsement, EXCLUDED CAUSES are:

- A. War and civil war.
- B. Hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter wherever or whenever such detonation may occur.
- C. Except for the commercial use of radioactive isotopes which is not an Excluded Cause: nuclear reaction, nuclear radiation and radioactive contamination, all whether controlled or uncontrolled.
- D. Reaction of any Computer included in Covered Property to Malicious Ingress. For the avoidance of doubt, loss arising from any configuration that is not a Computer included in Covered Property or from entry into any Computer of information, instruction or enquiry that is not Malicious Ingress remains covered without prejudice to any other EXCLUDED CAUSE stated herein and subject to all other provision of the policy.
- E. Communicable disease.

Conditions:

Access to Premises and Records

The Insurers shall be permitted at all reasonable times during the DURATION OF POLICY to inspect the Principal Insured's premises and operations. The Insurers shall also be permitted at all reasonable times to examine the Principal Insured's books and records, and the Principal Insured shall furnish promptly all information reasonably requested by Insurers, insofar as such books, records or information may concern the Operability Measure, Daily Shortfalls or any other matter relating to coverage of a claim.

Adjustment and Payment Clause

Term Operability Deficit and Term Operability Surplus shall be calculated 25 Days after the end of each Term, and payment rendered within a further 10 Days thereafter.

Instalments of Extended Loss shall be calculated 25 days after expiry of each Report Period as provided for in the Insured's Reporting Agreement, and payment rendered within a further 10 Days thereafter.

Term Operability Deficit and Extended Loss shall be paid **per Declaration 6 (Loss Payee)**.

Governing Law and Arbitration Clause

All disputes and differences arising under or in connection with this contract shall be referred to arbitration.

The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by the two appointed arbitrators. The third member of the Tribunal shall be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator.

The Arbitrators shall be persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the insurance and reinsurance industry.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application the current Chair of the General Council of the Bar will appoint an arbitrator to fill the vacancy or, if the Chair of the General Council of the Bar is unwilling or unable to make an appointment, either party may apply to the High Court of England and Wales for such appointment. At any time prior to the appointment the party or arbitrators in default may make such appointment.

The Tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

The seat of arbitration shall be London.

The proper law of this contract shall be the law of England and Wales.

Notice

All Notices under this Policy shall be made in writing, signed on behalf of the party giving it and delivered by prepaid express courier, certified mail or electronic mail. Notices delivered by courier or post shall be deemed to be received and effective upon actual receipt thereof by the addressee to the respective address set forth below (or at such other address for a party as shall be specified by similar notice) or if delivered by email, upon receipt by the addressee's electronic mail Inbox.

Each Notice from Insurers to the Insureds shall be delivered to **Per Declaration 7 a)**.

Each Notice from any Insured to Insurers shall be delivered to **Per Declaration 7 b)**.

Other Insurance

Coverage shall not be reduced by contributions from other insurance policies benefitting the Insured. Nothing herein shall make this Policy subject to any terms, conditions or limitations of other insurance policies.

Subrogation

In the event of payment of loss under this Policy the Insurers shall be subrogated to all rights of recovery of the Insured from third parties up to the amount of such payment and to the extent that such rights have not been waived by prior written agreement and their exercise would not if successful circulate the loss through any prior written agreement to the account of the same Insured. The Insured shall execute all papers required and shall do everything necessary within its power to secure such rights. The Insurers shall act in concert with all other interested parties, including the Insured, concerned in the exercise of rights of recovery. The apportioning of amounts recovered, net of expenses, between the Insured and each of such other parties that shall have indemnified the Insured shall follow the principle of rebating their respective losses to amounts that they would have sustained or for which they would have been liable if the same recovery, net of expenses, had occurred before the Insured had been thus indemnified.

Waiver or Change

This Policy can only be changed by a written endorsement that becomes a part of this Policy and is signed by Insurers.

Sanction Limitation:

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.



C. Policy Schedule

Operability Assets Table

A. OPERABILITY ASSET	B. DELIVERABLE	C. UNIT OF MEASUREMENT	D. METER	E. % INSURED	F. DEPENDENCIES
Per Declaration 8A	Per Declaration 8B	Per Declaration 8C	Per Declaration 8D	Per Declaration 8E	Per Declaration 8F
Per Declaration 8A	Per Declaration 8B	Per Declaration 8C	Per Declaration 8D	Per Declaration 8E	Per Declaration 8F
Per Declaration 8A	Per Declaration 8B	Per Declaration 8C	Per Declaration 8D	Per Declaration 8E	Per Declaration 8F

Term Floor

The Term Floor(s) for each Term is (are) the number(s) of units of deliverable stated [per Declaration 22 a\)](#) or, if the Contextual Optimum Endorsement applies, the percentage(s) of Contextual Term Optimum stated [per Declaration 22 a\)](#).

If an Operability Asset is deleted from the policy, the Term Floor shall be reduced by the daily number of units of deliverable stated [per Declaration 22 b\)](#) multiplied by the number of Days remaining in the Term after its deletion.

If a Term is reduced in respect of an Operability Asset by Automatic Time-out, the Term Floor shall be reduced by the daily number of units of deliverable stated [per Declaration 22 b\)](#) multiplied by the number of Days of the Time-out.

Deficit Multiplier

The Deficit Multiplier(s) for each Term is (are) is [per Declaration 23](#).

Term Cap

The Term Cap(s) for each Term is (are) the number(s) of units of deliverable stated [per Declaration 24 a\)](#) or, if the Contextual Optimum Endorsement applies, the percentage(s) of Contextual Term Optimum stated [per Declaration 24 a\)](#).

If an Operability Asset is deleted from the policy, the Term Cap shall be reduced by the daily number of units of deliverable stated [per Declaration 24 b\)](#) multiplied by the number of Days remaining in the Term after its deletion.

If a Term is reduced in respect of an Operability Asset by Automatic Time-out, the Term Cap shall be reduced the daily number of units of deliverable stated [per Declaration 24 b\)](#) multiplied by the number of Days of the Time-out.



Surplus Multiplier

The Surplus Multiplier(s) for each Term is (are) is [per Declaration 25](#).

Par Daily Output

Par Daily Output for each Operability Asset and Term is the number of units of deliverable stated [per Declaration 9](#) or, if the Contextual Optimum Endorsement applies to the policy, the percentage of Contextual Daily Optimum stated [per Declaration 9](#).

Unexplained Cause Buffer

The Unexplained Cause Buffer in respect of each Operability Asset during the first Term is the number of units of deliverable or percentage of Par Daily Output stated [per Declaration 26](#). Unexplained Cause Buffers during any other Term are to be agreed by Insurers.

Accident Multiplier

The Accident Multiplier(s) in respect of each Operability Asset covered by Section 2 is (are) [per Declaration 10](#).

Indemnity Period

The Indemnity Period(s) in respect of each Operability Asset covered by Section 2 is (are) [per Declaration 11](#).

Waiting Period

The Waiting Period(s) in respect of each Operability Asset covered by Section 2 is (are) [per Declaration 12](#).

Premium

Premium for each Term and section of the policy is as stated [per Declaration 13 a\)](#), payable [per Declaration 13 b\)](#).

If a Term is reduced in respect of an Operability Asset by Automatic Time-out, Insurers shall within 30 Days after expiry of the Term return a premium discount equal to daily pro rata of Term premium for the Operability Asset stated [per Declaration 13 c\)](#).



D. Insureds' Disclosure Representation

[To be printed and signed by Insured]

To: Chrysalis Insurers

Capitalized terms in this Disclosure Representation shall have the respective meanings assigned to them in the Policy, or as defined below.

On behalf of all Insureds, in my capacity as an authorized representative of the Principal Insured, I acknowledge that this Disclosure Representation is required to be provided in relation to and will form part of an Operability Policy to be issued by the Insurers, and I hereby declare as follows:

1. We have read and understand the provisions of the Policy.
2. We have provided the following "Underwriting Information" documents to Insurers:
Per Declaration 14 a).
3. We do not have Actual Knowledge of any other fact that reduces the reasonably expected level of Operability Measure during the Policy Period from that justified by the Underwriting Information. Actual Knowledge means actual personal knowledge of **per Declaration 14 b)**; for the avoidance of doubt, Actual Knowledge does not include constructive or imputed knowledge nor does it include any actual, constructive or imputed knowledge of any advisor or agent of the Insured.
4. We have not withheld from Insurers any information available to us requested by them.
5. We acknowledge that the Policy provides to treat Daily Shortfall as Expected Shortfall if proved by the Insurers to result from any fact that conflicts with the Underwriting Information referred to in paragraph 2 above or whose non-disclosure constitutes breach of paragraph 3 above.
6. We acknowledge that the provision referred to in paragraph 5 above may erase or reduce indemnity for loss otherwise payable by the Policy. To any extent that this provision constitutes a "disadvantageous term" under Sections 16 and 17 of the Insurance Act 2015 we accept that the Insurers have complied to our satisfaction with the transparency requirements set out in paragraphs (2) and (3) of Section 17.

Sign Name: _____

Print Name: _____

Title: _____

Date: _____



E. Insureds' Reporting Agreement

[To be printed and signed by Insured]

To: Chrysalis Insurers

Capitalized terms in this Reporting Agreement shall have the respective meanings assigned to them in the Policy, or as defined below.

On behalf of all Insureds, in my capacity as an authorized representative of the Principal Insured, I acknowledge that this Reporting Agreement is required to be provided in relation to and will form part of an Operability Policy to be issued by the Insurers, and I hereby declare as follows:

1. We have read and understand the provisions of the Policy.
2. We undertake to provide Operability Summaries to the Insurers and Chrysalis Management Ltd.
3. We also undertake to use our best endeavours to provide any additional information and clarifications requested by Notice from Insurers.
4. Each Operability Summary shall report Operability Measure, Daily Shortfall, cause or causes of each Daily Shortfall, and (if applicable) **per Declaration 15 b) (other details specified)** for each Day of the Report Period, in respect of each Operability Asset separately and after expiry of the Term in respect of each Operability Asset for which Extended Loss Indemnity is claimed.
5. The first Report Period of a Term shall be for a duration of **per Declaration 15 a)**. Successive Report Periods shall be of the same duration except that the final Report Period shall be reduced or at the Insured's option may be extended by up to 100% to synchronize with expiry of the Term.
6. The first Report Period after expiry of a Term shall be for a duration of **per Declaration 15 a)**. Successive Report Periods shall be of the same duration except that the final Report Period shall be reduced or at the Insured's option may be extended by up to 100% to synchronize with expiry of the Indemnity Period.
7. Each Operability Summary shall be delivered to the Insurers and Chrysalis Management Ltd. by electronic mail addressed to info@chrysalisinsurance.com within 15 Days after expiry of the Report Period. Additional information and clarifications requested by Insurers shall be delivered to the same address as soon as reasonably practicable after such request.

This undertaking is without prejudice to the Insurers' rights and does not relieve the Principal Insured's obligations under the Access to Premises and Records clause contained in the Policy.

Sign Name: _____

Print Name: _____

Title: _____

Date: _____



F. Endorsements

Additional Insureds Endorsement

Per Declarations 16 b) and Declaration 16 c) are included as additional insureds in respect of interests defined per Declaration 16 b) and Declaration 16 c) respectively.

It is agreed that in calculating Deficit Contribution for any Additional Insured scheduled per Declaration 16 b) paragraph (b) of the Definition of Term Operability Deficit is amended to: "(b) is all Inherent Shortfalls, Expected Shortfalls and Excluded Shortfalls".

It is agreed that in calculating Extended Loss Indemnity for any Additional Insured scheduled per Declaration 16 b) the Definition of Extended Loss is amended to: "Units of deliverable of Accident Shortfall experienced after the Waiting Period and before expiry of the Indemnity Period that are neither Expected Shortfall nor Excluded Shortfall."

Supplementary Explanations Endorsement

Per Declaration 28 b).

Declared Shutdown Endorsement

The Planned Shutdowns referred to in the Declared Shutdown Production Definition contained in the Policy are:

Operability Asset	Number of Declared Shutdown Days
Per Declaration 17 b) (i)	Per Declaration 17 b) (ii)
Per Declaration 17 b) (i)	Per Declaration 17 b) (ii)

Automatic Time-out Endorsement

Subject to per Declaration 18 the events referred to in the Automatic Time-out Definition contained in the Policy are:

- Restriction of working permissions or practices of a country, region or industry introduced by order of governmental or regulatory authority during DURATION OF POLICY.
- Withdrawal of labour or restriction of working by a company's employees or contractors as a protest.

Modified Exclusions Endorsement

Per Declaration 19 b).



Contextual Optimum Endorsement

Each Operability Asset's Contextual Daily Optimum shall be the number of units of deliverable calculated per the following formula.

Contextual Term Optimum is equal to the sum of Contextual Daily Optimums for all Days of the Term and Operability Assets combined.

Operability Asset	Formula
Per Declaration 8A	Per Declaration 20 b)
Per Declaration 8A	Per Declaration 20 b)

Due Diligence Waiver Endorsement

It is agreed to add the following words after *"to make all reasonable efforts to reduce Daily Shortfall or prevent its continuation"* in paragraph (b) of the Voluntary Shortfall definition:

"within expense proportionate to the imminent effect to be reasonably expected of such efforts, or in any event to make all reasonable efforts to reduce such Daily Shortfall to less than the percentage of Par Daily Output stated as Loss Impact Waiver **per Declaration 21 b)** and prevent it from persisting for longer than the total number of Days stated as Repair Time Waiver **per Declaration 21 c).**"

Project Cost Overrun Endorsement

Per Declaration 29 and as below.

Project Cost Overrun Endorsement

Additional Declarations

- 29. a) Covered Project(s): _____
- 29. b) Maximum Floor Adjustment: _____ units (per Declaration 6C)
- 29. c) Floor Adjustment Factor: _____ units (per Declaration 6C) for each USD 1.00 Project Cost Overrun
- 29. d) Par Budget: _____ per cent of Estimated Project(s) Cost(s)
- 29. e) Par Unit Cost: _____ per cent of relative Estimated Unit Cost
- 29. f) Par Component Cost: _____ per cent of relative Estimated Component Cost
- 29. g) Additional Premium (USD in full): _____
- 29. h) Payment terms: _____
- 29. i) Alternative Specification(s) premium adjustment(s): _____
- 29. j) Insured's Reporting Agreement: Project Report Period duration: _____
- 29. k) Insured's Reporting Agreement: additional reporting details (if any) per paragraph 9: _____

Insuring Agreement Amendment

Subject to all the terms and conditions of the Policy and additional Definitions and additions to the Insured's Reporting Agreement set out herein, and in consideration of the Insureds agreeing to pay Additional Premium in accordance with the Policy Schedule, Insurers agree to increase the Term Floor applicable to the second Term by the number of units of deliverable equal to the lesser of (a) the Maximum Floor Adjustment stated in the Policy Schedule or (b) Project Cost Overrun converted to units of deliverable at the Floor Adjustment Factor stated in the Policy Schedule.

Agreed Project

A project declared **per Declaration 29 a)** in respect of which Insurers have approved in writing a Project Proposal containing:

- Section 1 Agreed Specification(s): Base Specification and Alternative Specifications, if any.
- Section 2 Agreed Activation Criteria for each specification.
- Section 3 Estimated Project Cost, Estimated Component Costs and Estimated Unit Costs for each specification.
- Section 4 Schedule of Exposed Property for each specification.
- Section 5 Schedule of geological, meteorological, and environmental limitations, each hereinafter referred as Agreed Limitation, assumed by the Insured for purposes of estimating costs under Section 3.
- Section 6 Disclosed Contracts, if any.

Component Cost

Reasonable cost of the employment or hire of any labour or purchase or hire of any service, item or package of equipment or consumable in respect of which a Par Unit Cost and Par Component Cost are scheduled herein, that is incurred by the Insured during the Project Period to deliver an Agreed Specification.



For avoidance of doubt the following do not qualify as Component Cost: (1) cost of employment or hire of any labour or purchase or hire of any service, item or package of equipment or consumable in respect of which an Agreed Unit Cost is not provided for in this Policy; (2) cost in respect of any different specification than an Agreed Specification for which coverage has been activated in accordance with the Agreed Activation Criteria set out in Section 2 of the Project Proposal.

Component Cost Overrun

Amount by which a Component Cost exceeds the Par Component Cost stated in the Policy Schedule.

Exposed Property

In respect of each Agreed Specification, the premises, buildings, machinery, supplies, and equipment scheduled in Section 4 of the Project Proposal.

Project Cost Overrun

Amount by which the sum of Component Costs for all Covered Projects combined, minus 1, 2 and 3 below, exceeds the USD amount stated as Par Budget in the Policy Schedule.

1. Unexplained Loss,
2. Unit Cost Inflation, and
3. Such proportion of Component Cost Overrun as has been demonstrated by Insurers to be caused by an EXCLUDED CAUSE, breach of contract or contractor insolvency.

Project Period

In respect of each Agreed Specification the Project Period commences when the Agreed Activation Criteria set out in Section 2 of the Project Proposal have been satisfied and continues until expiry of the second Term or delivery of such Agreed Specification, whichever occurs earlier.

Unexplained Loss

Such proportion of Component Cost Overrun as has been demonstrated in writing by the Principal Insured to be caused by one or more of the following:

- a) Physical or mechanical failure or physical disturbance of Exposed Property.
- b) Digression from an Agreed Limitation set out in Section 5 of the Project Proposal.

The onus of proving that a cost would not have been incurred except for one or more of the circumstances stated above shall fall on the Insured.

Unit Cost Inflation

Any part of Component Cost that is due to the price or cost allocation per unit of the employment, hire or purchase exceeding the sum of Par Unit Cost and any additional amount demonstrated by the Principal Insured to arise, other than for its breach by the Insured, from enforcement, frustration or termination of a Disclosed Contract set out in Section 6 of the Project Proposal or exercise of force majeure thereunder.

Policy Schedule Additions

Maximum Floor Adjustment

The number of units declared **per Declaration 29 b).**

Floor Adjustment Factor

The number of units stated **per Declaration 29 c)** per USD 1.00 of Project Cost Overrun

Par Budget

The USD amount equal to **per Declaration 29 d)** per cent of the sum for all Covered Projects combined of the Estimated Project Costs set out in Section 3 of their respective Project Proposals.

Par Unit Cost

In respect of each item for which an Estimated Unit Cost is set out in Section 3 of a Project Proposal the USD amount equal to **per Declaration 29 e)** per cent of such Estimated Unit Cost.

Par Component Cost

In respect of each item for which an Estimated Component Cost is set out in Section 3 of a Project Proposal the USD amount equal to **per Declaration 29 f)** per cent of such Estimated Component Cost.

Additional Premium

Additional Premium **per Declaration 29 g)** payable **per Declaration 29 h)** and adjustable in respect of Alternative Specifications, if any, **per Declaration 29 i).**

Additions to Insured's Reporting Agreement

The following is added after paragraph 7:

8. We undertake to provide Project Cost Summaries to the Insurers and Chrysalis Management Ltd.
9. Each Project Cost Summary shall report the following information for each Covered Project separately: (A) (i) the amount of each Component Cost incurred up to the end of the Project Report Period, (ii) its method of calculation, (iii) Unit Cost Difference if such method exceeds Par Unit Cost, and (iv) evidence, such as contractor invoices and cost allocation worksheets, of accuracy and consistency with Par Unit Cost; (B) **per Declaration 29 k)**
10. Each Project Cost Summary shall also report for each Component Cost Overrun, if any: (i) the amount, and (ii) explanation of its cause as required by the Policy.
11. The first Project Report Period shall be for a duration of **per Declaration 29 j).** Successive Project Report Periods shall be of the same duration except that the final Project Report Period shall be reduced or at the Insured's option may be extended by up to 100% to synchronize with expiry of the second Term.
12. Each Project Cost Summary shall be delivered to the Insurers and Chrysalis Management Ltd. by electronic mail addressed to info@chrysalisinsurance.com within 15 Days after expiry of the Project Report Period. Additional information and clarifications requested by Insurers shall be delivered to the same address as soon as reasonably practicable after such request.

