



RISK AND INSURANCE INFORMATION

ENERGINET
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Project KBH02

ENERGINET

Table of contents

1. Introduction	2
2. Energinet at a glance	3
2.1 The foundations of Energinet.....	3
2.2 Main energy highways	4
2.3 Reliable energy supplies.....	5
2.4 Well-functioning markets.....	5
2.5 Supporting environmentally friendly energy with an efficient transition.....	5
2.6 Organization	6
2.7 Strategy	8
3. Corporate Financial Aspects & Highlights	9
3.2 Selected key financial information.....	9
4. Social Tasks and Responsibility.....	10
5. Transition of the energy systems	10
5.1 Electrical Development Trends	11
5.2 Gas Development Trends.....	11
6. Enterprise Risk Management and Risk Approach	12
6.1 ERM framework integrated in Energinet	12
6.2 Risk Management in construction projects	14
7. Project KBH02	16
7.1 Project introduction	16
7.2 Key Project Risks	18
8. Appendix	21
9. Exhibit Insurance.....	22
10. Insurance Schedule.....	26

1. Introduction

The objective of this prospectus is to provide insurance carriers and underwriters with an introduction to Energinet, the group's core risk governance philosophy, significant technical and executional experiences, key project competencies, and to provide specific risk and insurance information on the specific KBH02 project.

ENERGINET'S STRATEGY AT A GLANCE



SITUATION

The energy sector is undergoing a large-scale transformation as a result of national and international agreements to convert to climate-neutral societies.

The scope and speed of the transformation are on a historical scale. Therefore, Energinet does not have a strategy with a specific term, but a dynamic strategy which is applicable at any time and which is developed continuously to meet the objective: That, over time, citizens and businesses can use renewable energy for everything, with a high level of security of supply and at an affordable price.



VISION

WHAT DO WE WORK FOR?

Green energy for a better world

Every day, we work with designing, maintaining, developing and expanding energy systems that will make it possible to use renewable energy for everything. In Denmark and globally.

Renewable and green energy is one of the most important prerequisites for creating a world in which people can thrive and live good lives without causing damage to future generations or the current populations in the most exposed areas on the globe. A world in which global climate change has been slowed down.



APPROACH

HOW DO WE WORK?

A speedier transition

The green transition must be accelerated. This makes stringent demands on Energinet's culture and our way of working. We need to deliver on our tasks more quickly and become better at learning new things.

We must be willing to assume delimited risks in situations in which action is important to pave the way for the green transition, even though the effect is only likely and not certain.

Persistent focus on cooperation, innovation and utilisation of the possibilities offered by digitisation are key elements if we are to succeed in our green transition work.

We are aware of our social responsibility and manage our resources in line with our objective to contribute to a better world in which global climate change is slowed down.



STRATEGY

WHAT DO WE WORK WITH?

Winds of Change

Energinet's social mission is to convert the energy system with the aim of ensuring that citizens and businesses use renewable energy for everything, with a high level of security of supply and at an affordable price.

In the coming years, we need to do what we can to support energy consumption which can realise and utilise the enormous offshore wind power resources as well as onshore solar energy and wind power which are now becoming more widely available on market terms. So that we can use renewable energy for everything.

We have to exploit 4 potentials:

- Sector coupling
- Large-scale off-shore wind power
- Solar and wind power on market terms
- Collaboration with society

2. Energinet at a glance

2.1 The foundations of Energinet

Energinet is an independent public enterprise owned by the Danish state for the purpose of ensuring public control of critical infrastructure for electricity and gas. Energinet was established by the Danish Parliament through an act of law in 2005, and its ownership falls under the Danish Minister of Climate, Energy, and Utilities. Governed by our social responsibility, Energinet's purpose is to integrate renewable energy, ensure equal access to the grids and ensure security of supply in Denmark.

The act of law in 2005, resulted in a merger between 4 regional operators, Eltra, Elkraft System, Elkraft Transmission, and Gastra to create Energinet. Since then Energinet has evolved through mergers and spin offs of other Danish transmission companies. The key highlights of Energinet's growth are described below.

As part of the fusion between DONG Energy A/S (now known as Ørsted A/S), Elsam, Energi E2, Københavns Energi, and Frederiksberg, DONG Energy A/S was mandated by the European Commission to sell one of their two natural gas storage facilities in order to breakdown Dong Energy A/S's monopoly on Gas Storage facilities in Denmark. To ensure the political interest of

nationalizing the gas storage facilities in order to ensure the security of supply, Energinet acquired the Lille Torup facility in 2007 with the intent for it to be driven as an independent commercial company.

In 2008 Energinet entered an agreement to acquire the 132-kV transmission grid in Northern Zealand from DONG Energy A/S, in line with their change in ownership in respect to the Danish law regulating regional transmission grids.

Following the acquisition of Lille Torup, Energinet acquired Dong Energy A/S's second gas storage facility in Stenlille in 2014. With this acquisition Energinet became the sole operator of gas storage facilities in Denmark. Together with Lille Torup the facility is now run independently as a commercial company under Energinet's subsidiary Gas Storage Denmark.

In 2016, Energinet acquired DONG Energy A/S's (now known as Ørsted A/S) gas distribution grid following a political agreement made in connection with DONG Energy's IPO on the Danish stock exchange. Today the gas distribution grid is operated as part of Energinet's subsidiary, Danish Gas Distribution (DGD).

With the aim of achieving a consolidation of the Danish gas distribution grid, under DGD, Energinet finalized the acquisition of NGF Nature Energy Distribution A/S in 2018. This acquisition comprised of the gas distribution grid on the island of Funen, and 36,000 new gas consumers.

In 2019 Energinet acquired HMN GasNet and their gas distribution grid in the northern and central regions of Jutland as well as the capital area and Northern Zealand. With the latest acquisition Energinet gained full control over Denmark's gas distribution grid, and thus achieved our goal to ensure security of supply via the consolidation.

As of January 2020, the consolidated gas distribution network was spun off into a new independent public enterprise, outside of the Energinet group, named Evida.

2.2 Main energy highways

Energinet owns the Danish natural gas transmission system and the 400 kV, 150 kV and 132 kV electricity transmission systems, as well as being the co-owner of the electrical interconnections to Norway, Holland, Sweden and Germany.

2.3 Reliable energy supplies

Energinet was created to serve the interests of the Danish public. As part of this service the main responsibilities of Energinet is to supply Denmark with electricity and natural gas, ensure fair competition and promote green energy solutions.

This means that the Energinet group's fundamental duty is to ensure that the electricity and gas systems are fully functional, so citizens and businesses are guaranteed secure electricity and gas supply now and in the future.

Energinet lives up to these responsibilities by:

- Maintaining the overall short- and long-term security of electricity and gas supply.
- Developing the main Danish electricity and gas transmission infrastructure.
- Creating objective and transparent conditions for competition on the energy markets and monitoring that competition works.
- Carrying out coherent and holistic planning, taking account of future transmission capacity requirements and long-term security of supply.
- Supporting eco-friendly power generation and the development and demonstration of green energy production technologies.
- Calculating the environmental impact of the energy system as a whole.

2.4 Well-functioning markets

Energinet is Denmark's transmission system operator (TSO). This entails the responsibility for creating the frameworks to support a well-functioning electricity and gas markets to ensure the best possible conditions for competition, and in extension fair prices for consumers and energy producers.

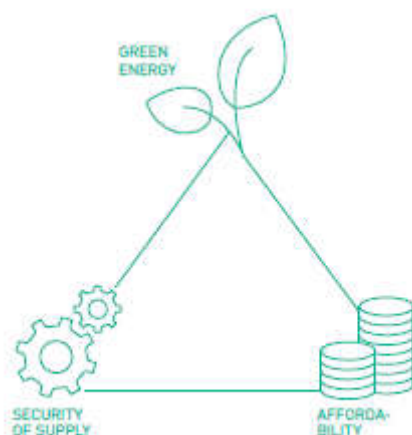
To facilitate competition Energinet has created a centralized market IT platform, DATAHUB, to facilitate and automate the execution of market processes and business transaction in the Danish retail market by registering approximately 3.3 million metering points for settlement purposes.

2.5 Supporting environmentally friendly energy with an efficient transition

With the Danish Parliament aiming to be Climate-neutral before 2050. It is our duty to prepare the energy system for that future.

On behalf of the Danish society, Energinet performs many tasks which support the political ambition of a green transition. A part of this contribution is to convert energy systems with the aim of ensuring that citizens and businesses use renewable energy for everything, with a high

level of security of supply and at an affordable price. Energinet is to create value for society in a broad sense; for citizens, businesses, institutions, and civil society.



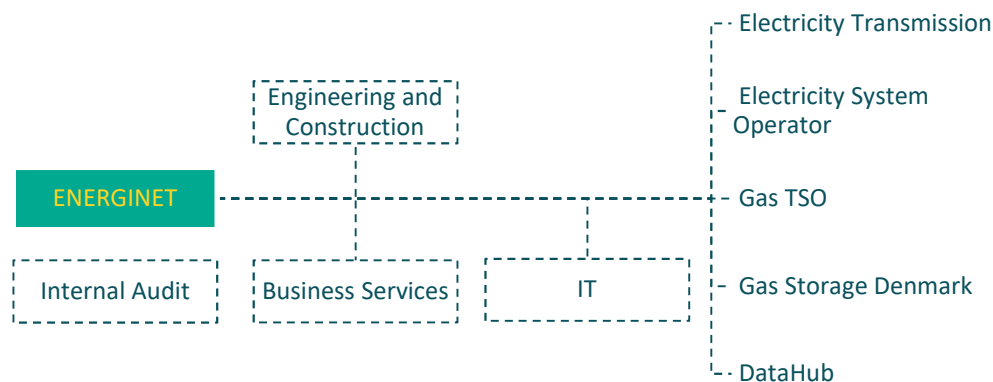
As a member of the UN Global Compact Initiative since 2009, Energinet has obliged itself to take a precautionary approach to potential environmental challenges in our projects, promoting greater environmental responsibility amongst our employees, suppliers and co-operation partners, and encouraging the development and diffusion of environmentally friendly technologies. The group's progress towards these initiatives is published annually, along with the years climate accounts.

2.6 Organization

Energinet is organized as a group consisting of eight subsidiaries and an internal audit function. The group has a shared mission, vision, and group strategy. Each of the eight subsidiaries have their own executive boards, strategies, articles of association, and positions of strength.

- Engineering and Construction monitors, operates, and maintains the transmission and distribution systems for gas owned by either the Gas TSO, Dansk Gas Distribution, and partly also the gas reservoirs owned by Gas Storage Denmark.
- Business services is responsible for providing business support services within procurement, finance, and facility management, to all other group subsidiaries and group staff functions in Energinet.
- IT is responsible for providing business support services within IT to all other group subsidiaries and group staff functions in Energinet.

- Gas TSO is responsible for system operation, transmission, and maintenance of the Danish gas transmission system as well as future development of the gas market.
- Electricity Transmission is responsible for the operation of, and development of the Danish electricity transmission grid.
- Electricity System Operator is responsible for the operation and development of the electricity market design and balancing the electricity system.
- Gas Storage Denmark operates the two Danish natural gas storage facilities and sells storage services on the northwest European commodity futures markets.
- Data Hub ensures standardized processes for professional participants in the electricity market to stimulate competition and to optimize market conditions for electricity consumers.



2.7 Strategy

Cooperation across borders, technologies and participants in the value chain is fundamental to Energinets strategy. Energinet believes that a reliable, and sustainable, supply of energy in the coming years can be achieved by focusing strongly on cooperation between countries - in particular the Nordic countries - on the development and operation of interconnected energy supplies.

Energinet's strategy for its future activities is entitled "Winds of Change" and includes, besides the Groups overarching vision, four strategic potentials to be exploited.

- Sector coupling
- Large-scale off-shore wind power
- Solar and wind power on market terms
- Collaboration with society

Learn more about Energinet's strategy on our website at the following link:

<https://en.energinet.dk/About-us/Strategy>

3. Corporate Financial Aspects & Highlights

Energinet's economy is based on a break-even principle set out in the Danish executive order on the financial regulation of Energinet. This executive order only permits Energinet to earn the necessary costs of efficient operations plus the required return on the equity. This means that all the necessary costs arising from the activities in question are covered by the market tariffs. Necessary costs are costs which the group incurs, based on considerations of its operating economy, in order to maintain efficient operations.

The consequence of the break-even principle is that over time the financial result for the year will, when disregarding the rate of return on the net capital, be nil.

As an independent public enterprise, Energinet's annual reports are audited by the National Audit Office of Denmark in pursuance of the Danish Financial Statements Act, and the Act on the Auditing of Governmental Accounts.

3.1 Capital investment

Energinet currently plans to invest around DKK 28 billion between 2019 and 2021.

These investments are extensively directed towards securing an efficient and secure energy supply. This is to be achieved by investing in creating the frameworks for the ongoing integration of renewable energies, and facilitating increased trade in both the gas and electricity markets

3.2 Selected key financial information

The tables below show selected summarized financial information which has been selected from Energinet's consolidated financial statement presented in the audited annual report for 2018.

DKK million	Year ending 31 December	
	2018	2017
Income statement		
Total revenue	4,905	4,889
Total operating costs	(2,596)	(2,473)
Net profit	54	(228)
Balance sheet		
Total Non-current assets	43,826	41,426

Total Current assets	3,181	4,155
Total Interest-bearing debt	29,999	27,682
Total equity	5,510	5,455
Cash flow statement		
Cash flow from operating activities	1,878	1,754
Cash flow from financing activities	2,306	2,264
Cash flow from investment activities	(3,986)	(3,456)
of which investments in property, plant, and equipment	(3,600)	(3,151)
Key figures		
Solvency ratio	12%	12%
Credit rating (Standard & Poors)	AA-	AA-
EBITDA-margin %	51.5	49.8

4. Social Tasks and Responsibility

As an independent public enterprise, Energinet carries a significant social responsibility, therefore we strive to perform tasks from a holistic, social, perspective taking security of supply, economy, environmental impact, and the efficiency of energy markets into consideration during our activities. We recognize that in order to fulfill our social responsibility we must be known as a trusted, transparent, and honest enterprise.

As part of ensuring societies interests, Energinet administers public funds for renewable energy, and supports research and development in environmentally friendly power generation. Energinet also calculates the emissions of environmentally hazardous substances from not only not only from Energinet as a group, but Denmark's entire energy system.

5. Transition of the energy systems

The Danish government has a long-term vision of Denmark being independent of fossil fuels, to achieve this the milestone that wind power will cover 50% of the domestic electricity consumption in 2020 was set. In 2018 wind power constituted app. 40.7% of the combined usage of power.

Energinet plays an important facilitating role in Danish electricity and gas sectors transition to renewable energies. By developing and expanding the current systems to be able to integrate the ever-increasing amount of wind, solar power, and biogas into their respective systems.

While the security of supply of gas and power in Denmark is steady and among the highest in Europe, the amount of sustainable energy sources will continue to grow and be facilitated by Energinet.

5.1 Electrical Development Trends

The complexity of the transition renewable energy cannot be underestimated. Given the Danish Government's objective of ensuring continued integration of large amounts of renewable energy, and Energinet's development strategy for the well-functioning electricity- and gas markets towards 2025, the importance of holistic, long-term planning is obvious.

Energinet's holistic plan contains in part the task of developing a robust and flexible energy infrastructure supporting environmental and energy-political objectives – nationally and internationally.

This plan focuses on the balance between several considerations in terms of security of supply, preparedness, the environment, sustainability, markets and economic efficiency.

Given the predicted future trends, the electricity infrastructure must support the increased use of renewable generation sources, while simultaneously ensuring that there is sufficient generation capacity.

To ensure the future security supply, Energinet works with several external collaborators such as 50 Hertz transmission GmbH, National Grid plc, TenneT TSO GmbH, and TenneT B.V. on new power systems, and expanding the connections between Denmark, Germany, the Netherlands, and the UK.

5.2 Gas Development Trends

Developing the existing gas transmission system is essential to support the political ambition of a green transition. While being committed to the future gas grid in Denmark through our role as the Gas TSO, and ownership of the gas reservoirs, Energinet, in union with the Danish Ministry Climate, Energy, and Utilities will be conducting a spin-off, to create a fully independent entity for our gas distribution entities.

New gas pipelines between Denmark and its neighboring countries are helping to ensure that the transition to natural gas will benefit the Danish society at large.

As part of this development, in 2012, Energinet increased the capacity of the gas distribution system in southern Jutland. The expansion consisted of an additional pipeline between Ellund

in Germany and Egtved in Denmark, a new compressor station in Egtved, and an expanded gas storage facility at Lille Torup in central Jutland.

Furthermore, together with the Polish Gas transmission system operator, GAZ-SYSTEM S.A, Energinet is constructing the Baltic Pipe connection connecting Denmark and Poland to the existing Europipe I pipeline. The project will expand the Danish gas transmission capacity by up to 10 billion cubic meters of gas per year. Baltic Pipe is expected to begin gas transmission services by October 2022.

6. Enterprise Risk Management and Risk Approach

6.1 ERM framework integrated in Energinet

Energinet has implemented a holistic enterprise risk management approach to obtain a systematic and documented risk management process across the enterprise.

The enterprise risk management approach is supported by Energinet's group wide risk policy which states that risks are to be managed proactively, dynamically and as an integrated part of the business to protect people, assets and reputation and to facilitate Energinet's efficient operation.

This means that Energinet:

- Has a defined governance policy and an overall strategy for risk management in the organization.
- Uses an effective and integrated risk management system, which maintains and allows for business and operational flexibility.
- Identifies and assess significant risks associated with the company, both specifically and in relation to the interfaces between various functions and areas of risk.
- Monitors, manages and limits risks on a continuous basis.
- Reports to and supports the executive management and organization in general in relation to risk.

The holistic approach to risk management is an important support to Energinet's business performance and our management's decision-making. Due to interfaces between functions and

departments, Energinet looks beyond traditional responsibilities and risk perspectives, and recognizes that risks and the potential consequences occur throughout the value chain or in the interfaces themselves.

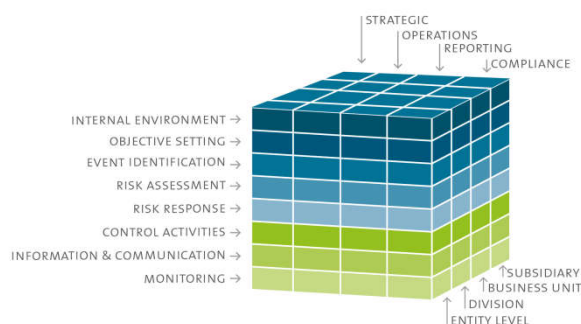
Energinet's executive management is responsible for ensuring a systematic, and integrated approach to risk management across the group. In addition, they are to control if the strategic direction of risk management is in line with the overall internal control environment. On a quarterly basis, the Executive Board informs the Supervisory Board on the status and development of the most significant risks.

The risk management strategy in Energinet ensures that:

- Risk management is anchored and operated as close to the operational level as possible.
- The risk management operations and activities generally support an overall purpose and plan. The activities are coordinated across the organization to ensure relevance, Best Practice, efficiency, and process and cost optimization.
- Monitoring and reporting takes place and is carried out, using common systems, clear roles and responsibilities, and a centralized organizational structure for risk management and control.
- Learning is based on common systems, semantics, dialogue, and centralized consolidation and support.

Through established business processes, Energinet obtains structured management of strategic, operational and project related risk factors. Energinet has designed business processes, providing an overview of the strategic, operational and project-related risk factors and ensure that risks are managed, supporting Energinet in achieving the agreed objectives for risk management and for the strategy.

The framework for risk management in Energinet follows the COSO framework for Enterprise Risk Management, which assists in strengthening the maturity of the overall control environment for Energinet.



A prerequisite for effective risk management is the way it is tailored to the business. Risk handling varies, depending on where the risks arise. Energinet has set four main risk areas:

- Strategic – high-level goals, aligned with and supporting its mission
- Operations – effective and efficient use of its resources
- Reporting – reliability of reporting
- Compliance – compliance with applicable laws and regulations

The value being added to the business is ensured by a developed risk strategy for each risk area, supporting the overall KPI's (Key Performance Indicators) of Energinet. For each risk area, a specific risk register, risk process/procedure guidelines and risk strategy has been developed. It should be emphasized that the responsibility for risks is deliberately decentralized to its origin.

The mission of Energinet's Risk Management in the long term, is to facilitate a maturing culture and behavior that supports and develops the foundation for Governance, Risk, and Compliance (GRC). This mission is exercised with the assistance of the Risk Management Function.

The practical implication of this principle is that a Project Manager owns the risk management process in Energinet's construction project.

6.2 Risk Management in construction projects

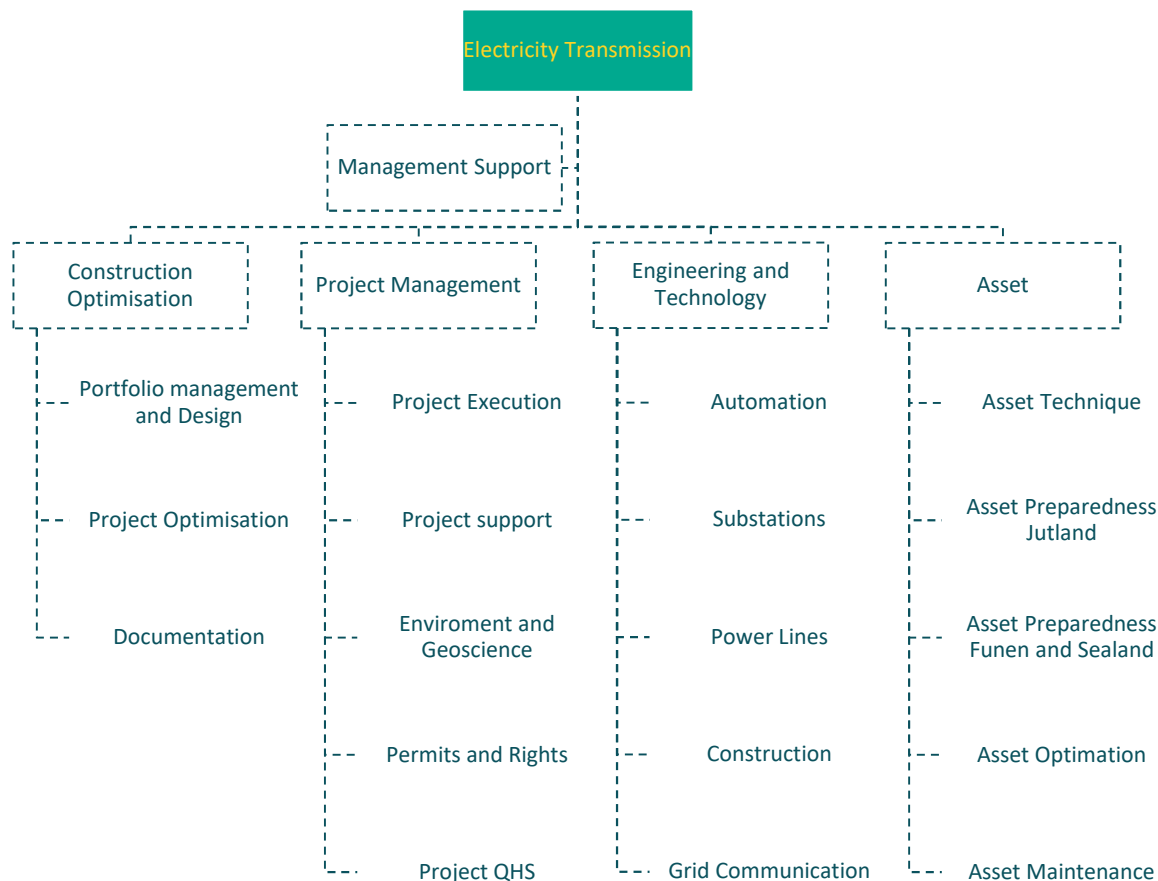
One of the key issues for Energinet is the improvement of, and maintenance of the maturity levels in a projects risk management is a key focus for Energinet

The Risk Management in Energinet is based on the COSO Enterprise Risk Management (ERM). Framework and risk appetite, risk tolerance and governance are described in Energinet's risk policy. To support this model Energinet has elected to use the PRINCE2 model for projects, alongside being ISO55001 certified.

The largest projects within the Energinet group are placed with our expertise centre for Project management located under our company Electricity Transmission. This expertise centre is further divided into five supporting divisions, with each subdivision providing their expertise in relation to the project. These subdivisions are duly named:

- Project Execution
- Project Support
- Environment and Geoscience

- Permits and Rights
- Project QHS



On a project level, each construction project is supervised by a Project Manager (PM) that takes on the responsibility of organizing and controlling the given project, one of the key responsibilities of the PM is to ensure efficient management of risks in accordance with the PRINCE2 model. Each PM continuously undergoes training as part of their function, including within risk management, as well as being supported by Energinet's risk management function.

A given project's risk strategy foundation follows the same general standards set as any undertaking within the Energinet Group, as well additional project standards.

This includes standards for:

- Internal risk environment
- Objective setting
- Risk identification

- Risk assessment
- Risk response
- Control activities
- Information and communication
- Monitoring

Besides the general standards, a project must comply with project specific standards for risk management. These include:

- Approval of a risk management strategy by the projects steering group during initiation of the project
- Performing ongoing risk assessments
- Performing a risk analysis prior to each phase transition
- Facilitating risk workshops
- Monthly risk reporting to the project steering group
- Quarterly reporting to the executive board.

7. Project KBH02

7.1 Project introduction

Through our role as the Danish Electricity TSO, Energinet is committed to ensuring a well-functioning and maintained transmission grid while facilitating other Danish infrastructure investments.

The project KBH02 is a continuation of the ongoing project named KBH01; Energinet's commitment to reinforcing and expanding the existing electricity grid in Copenhagen. With the support of the Danish Ministry of Climate, Energy and utilities the elder cable network in Copenhagen is being replaced with new higher capacity cables. With the new higher transmission capacity cables supporting Copenhagen's increasing demand for electricity with renewable energy sources Energinet will ensure that Copenhagen can meet its future demands.

Specifically, KBH02 is a reinvestment in the 132 kV cable connection between Svanemølle Sub Station (SMK) and Amager Power Plant (AMV). The reinvestment will consist of three tasks:

1. Removal of the existing 132 kV sea cable to facilitate the future long-term construction of the national project currently named Lynetteholmen.
2. Minor reinvestments in the substations of Amager Power Plant and Svanemølle Sub Station.
3. Installation of a new 132 kV power cable between Amager Power Plant and Svanemølle Sub Station around the area of Lynetteholmen such that it will remain undisturbed during its expected lifetime.

The overall works is illustrated on the below map, where orange represents the new 132 kV power cable, and the crosses highlight the existing 132 kV oil-cable which is to be removed:



7.1.1 Project scope of works

The KBH02 project's works can be split into 3 project areas to be further described in the below section.

1) Removal of the existing 132 kV sea cable

As part of the KBH02 project the 4 km long 132 kV oil insulated sea cable between AMV and SMK is to be removed. As the cable is nearing the end of its estimated service life the removal of the cable will not only remove any potential environmental damage resulting from leaving the cable, but also provide room for the installation of the replacement 132 kV cable at AMV. At the same time, the cable's removal will also remove any hinderances the cable would have created to the Danish state's Lynetteholmen artificial island project.

The first step of the removal process will be to drain the existing oil from the cable, using a tried and tested method which has been perfected over the course of the original KBH01 reinvestment project.

Along with the removal of the sea cable, the shorter landfall of approximately 700 meters towards AMV will be removed.

2) Installation of a new 132 kV power cable

In order to maintain the security of supply at SMK in the future, a replacement 132 kV plastic insulated cable is to be installed. The replacement cable will consist of an 11 km long subsea cable and 2.4 km land cable spread between the landfalls towards SMK of 1.7 km and AMV of 0.7 km.

The 11 km subsea cable will be installed outside of the boundaries of Copenhagen harbor. As a conventional subsea cable, it is to be installed using a standard subsea cable trench.

As the trench from the old 132 kV cable, from the landfall at AMV towards AMV, is based in a closed industrial area owned by HOFOR A/S.

The land cable towards SMK is expected to be 1.7 km in total. The landfall connection to the subsea cable is to be established via a guided drilling from land.

The trench towards SMK is to be conducted in a highly populated area. Therefore, following experiences from the KBH01 project, only minor trenches will be opened. These trenches will range between 5-50 meters at their maximum length to minimize the disturbances to the surrounding areas, and risks to the works.

Further to the minor trenches there will be separate guided drillings when crossing a set of train tracks. The dimensions of the guiding drillings are set out in the agreement between Bandedanmark and Energinet, as is the additional safety precaution to reduce the passing speed along the section during the works execution.

3) Minor reinvestments in substations

In connection with the installation of the new 132 kV cable at AMV, a smaller reinvestment will take place. This reinvestment will accommodate the connection of the new cable through the replacement of three smaller transformers. In total the minor project will be less than DKK 100,000.

7.2 Key Project Risks

The projects key risk objectives can be split between the onshore risks and offshore risks. The onshore risks cover those associated with the laying the new 132 kV land cable and removal of the old Onshore cable towards AMV. The offshore risks cover those associated with the removal and installation of the 132 kV subsea cable.

7.2.1 Onshore risks:

Open trench landfall towards AMV

The old oil insulated cable stretching from the landfall at AMV towards Amager power plant is entirely within a secured property owned by HOFOR A/S. Due to the works taking place outside of the high population density area there is a reduced risk to the public. Furthermore, the works will be conducted with respect to HOFOR's guidelines for working within the AMV facility.

Open trench in highly population density areas

The new 1.7 km long land cable from its landfall in Nordhavn towards SMK will be laid in a highly populated area, with an existing grid, cables, and heavy traffic. Following the learning experiences from the KBH01 Reinvestment project the new land cable will be laid with trenches that have a maximum length 5 and 50 meters at a time to minimize risk and disturbances to the surrounding area.

Guided drilling

During the works there will be conducted several separate horizontal directional drillings (HDD) across sets of train tracks. To minimize the risk of collapse as well as ensuring the works safety all traffic along the section will be reduced in speed during the works execution. The dimensions of the drillings as well as the safety precautions are set out in the crossing agreement between Energinet and the tracks operator Banedanmark.

7.2.2 Offshore risks:

1) Crossing of main fiber-optic network connections between Sweden and Denmark

During the installation of the subsea cable, the works will be required to cross the two subsea fiber-optic connections between Sweden and Denmark up to 3 times. Energinet is highly experienced at crossing such cables.

As well as having an MWS onboard during the offshore works, the risk of damaging the fiber-optic cables is diminished through Energinet's subsea survey, and detailed design of crossing activities set out the crossing agreement between Energinet and the operating party.

2) Damage of subsea cable during installation

As with any offshore projects there is a risk of damaging the subsea cable during installation due to unforeseen factors or bad weather. This risk is however considered minimal given the cables comparatively short length of 11 km and the works near shore location.

Once the sub-sea cable's trench has been excavated the cable will be jetted into the trench, and covered with sand and other remnants of the seabed. Following this the cable will be further protected with a layer of rocks, as is standard procedure.

The named actions of excavating, laying, and protecting will proceed straight after one another.

7.2.3 Overall time schedule

Project start:	02.12.2019
Construction start:	01.06.2020
Construction stop:	30.06.2022
Project close:	30.10.2022

7.2.4 Budget

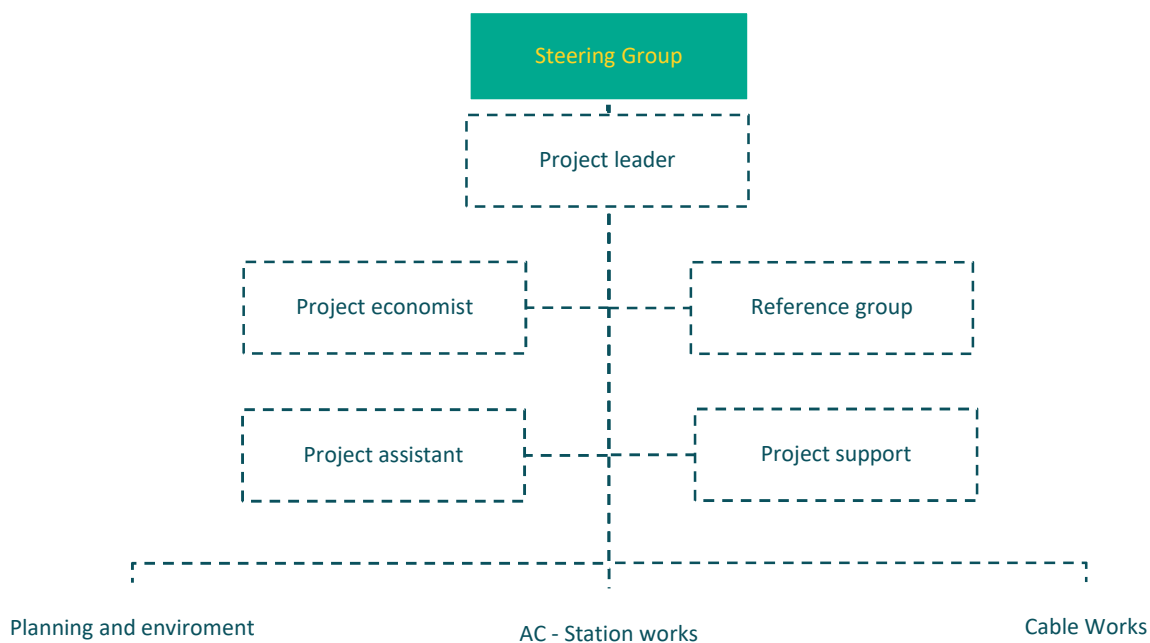
Full contract value DKK 209,900,000. Split below:

Project budget	
Cost segment	DKK million
AC station	1,5
Automation	1,2
Land Cable	55,0
Offshore Cable	87,3
Plan & environment	11,2
Project management	12,7
Redevelopment	20,5
Misc. / uncertainty	20,5

Project organisation:

The project is led by a highly experienced project leader. More recently, he has led the preceding project to KBH02, the KBH01 Reinvestment project.

The project is organised as below:



8. Appendix

The tender documents consist of the following documents (not in priority):

- Signed Broker of Record Letter
- Energinet – Risk & Insurance Information
- Instructions to tenderers (ITT)

9. Exhibit Insurance

The Employer (Energinet) will procure Construction/Erection All Risk Insurance (“CAR Insurance”) of a good international standard. The CAR Insurance will include any contractor, subcontractor, supplier and/or advisor of any tier as additionally and named insured. Policy inception is 01.06.2020.

The overview, tables and guidelines provided in the Exhibit Insurance below provide more details on the above and stipulates separate insurance requirements to contractors and subcontractors.

Exhibit Insurance			
<i>Type of Risk</i>	<i>Insurance Class and its overall Scope of Coverage</i>	<i>Sum Insured</i>	<i>Insuring Party</i>
The Works	<p>Construction All-Risk Insurance (CAR):</p> <p>Property Insurance covering loss or damage inflicted to the Works prior to Taking Over.</p> <p>The Works includes (provided included in the contract values) materials, components, parts, machinery, fixtures, equipment and any other property destined to become a part of the completed Project, or used up or consumed in the completion of the Project.</p> <p>Coverage for claims related to design defects arising from faulty design or workmanship in any part of the Project will be covered according to the conditions stated in Construction All-risks Insurance. (CAR-Insurance)</p> <p>Business Interruption (loss of profits from the Project) will not be covered.</p>	Full Contract Value (or Project Investment)	<p>Energinet (the Employer) for the entire Project.</p> <p>CONTRACTOR's are co-insured and a waiver of subrogation applies.</p> <p>The duration of the Insurance is from construction start-up until the end of the maintenance period specified in the policy.</p>
Existing Property	<p>Add-on to and part of the Construction All-Risk Insurance (CAR):</p> <p>Property Insurance covering loss or damage inflicted to Existing Property and as declared on the Projects overall Construction All-Risk Insurance.</p> <p>Insurance is issued as a first loss insurance meaning that a predefined maximum lump sum is available per occurrence.</p>	Fixed Sum (i.e. Fixed estimated amount based upon an estimation of a potential maximum loss to said Existing Property. The Sum may therefore be significantly lower than the actual total value at risk).	As for the Works above
Both of the Above (The Works and Existing Property)	<p>Construction All-Risk Insurance(CAR):</p> <p>-Deductibles –</p>	Onshore deductible: DKK 1,000,000	The Employer for the entire project however in case of a claim the deductible is payable by the party responsible for the claim.


Exhibit Insurance			
Type of Risk	Insurance Class and its overall Scope of Coverage	Sum Insured	Insuring Party
		Offshore deductible: DKK 3,000,000 In case of a claim involving both The Works and Existing Property only one deductible applies.	
Contractors Equipment	All-Risk Insurance: Property Insurance covering loss or damage inflicted to Contractors own equipment/machinery until Taking Over of Contractors services.	Replacement Value	CONTRACTOR for his own equipment/machinery.
Transportation to the Site and Project transits	Marine Cargo Insurance: Property Insurance covering loss of or damage to Property to form part of the Project in the course of transportation by road, rail, sea or air.	110% of Full Value of Item	The Employer for the entire Project from the time any Item designated for the Project is delivered at the place (site or off-site) as contractually defined as destination.
			CONTRACTOR for his transportation until such destination as defined above.
Liability towards Employees	Employers Liability Insurance, Employers Contingent Liability Insurance, Workman's Compensation Insurance: Coverage for claims arising from bodily injury of various kind suffered by Employees	As defined by legislation	Each Party for its own Employees.
Liability towards Third-Parties	General Liability Insurance, Products Liability Insurance, Public Liability Insurance, Environmental Liability Insurance collectively referred to as "TPL Insurance" Coverage for claims arising from a third-party's bodily injury and/or property loss/damage (other than the Works itself) as a result of an error or omission attributable to the Insureds work.	DKK 200,000,000	The Employer for the entire Project. Coverage is defined as secondary coverage to CONTRACTORS primary coverage. The latter must have an insured limit of (no less than) DKK 20,000,000 Coverage includes a DIC component in favor of the CONTRACTOR, however with a deductible of DKK 500,000 Please refer to illustration on the next page

Exhibit Insurance			
<i>Type of Risk</i>	<i>Insurance Class and its overall Scope of Coverage</i>	<i>Sum Insured</i>	<i>Insuring Party</i>
	As for CONTRACTOR's insurance coverage must include liability resulting from his services or products when those services and/or products are incorporated into another service and/or product as an ingredient or component.	DKK 20,000,000	CONTRACTOR for his services and products as primary coverage up to the attachment point of (no less than) DKK 20,000,000. Please refer to illustration on the next page
Automobile	Automobile Liability Insurance: Coverage for any claim arising from the Insureds usage of automobiles.	As defined by legislation	Each party for its own vehicles, and only if applicable.
Marine Vessels	Marine Vessel Liability Insurance (P&I): Coverage for any claim arising from the Insureds usage of marine vessels incl. specialist operations, e.g. dredging, cable jetting etc.	As defined by legislation and conventions	Each party for its own vessels, and only if applicable.
Aircrafts	Aircrafts Liability Insurance: Coverage for any claim arising from the Insureds usage of Aircraft.	As defined by legislation	Each party for its own aircrafts, and only if applicable.

Illustration on Third Party Liability (TPL) Insurance Structure:

10. Insurance Schedule

CONDITIONS OF CAR / EAR	
INSURANCE PROVIDED BY EMPLOYER	
CONSTRUCTION ALL RISKS INSURANCE	
Schedule	
PROJECT NAMES	KBH02
SCOPE OF WORK	<p>All construction/erection projects within Energinet including but not limited to: Reinvestment of the 132 kV power line incl. minor reinvestments in the 132 kV substation of Svanemølle koblingsstation and Amagerværket.</p> <p>The KBH02-project includes installation of a new 132 kV Power Cable between the Amagerværket [AMV] and Svanemølle koblingsstation [SMK], the removal of the existing 132 kV oil cable [HK1234] and minor reinvestments in the substations [AMV + SMK].</p> <p>Extent:</p> <ol style="list-style-type: none"> 1. Removal of the existing 132 kV sea cable to facilitate the future long-term construction of the national project currently named Lynetteholmen. 2. Minor reinvestments in the substations of Amager Power Plant and Svanemølle Sub Station. 3. Installation of a new 132 kV power cable between Amager Power Plant and Svanemølle Sub Station around the area of Lynetteholmen such that it will remain undisturbed during its expected lifetime. <p>For further information regarding the project specifics see the UW material "Risk and Insurance Information Section 7".</p>

SITE	 <p>The RED line is the new 132 kV cable [HK13018] The line with "X" is the existing 132 kV oil-cable [HK1234] which should be removed.</p>
NAME OF PRINCIPAL INSURED	Energinet incl. all group companies with an owner share of min. 50% incl. joint ventures, newly acquired, merged or created companies.
ADDITIONALLY INSURED	<p>Any person or company performing activities on behalf of the Project and any person or company the Employer is obliged by agreement to include as the Insured, i.e. (non exhaustive):</p> <ul style="list-style-type: none"> • Contractors including subcontractors of any tier and/or their parent companies and subsidiary companies. • Suppliers including sub suppliers for their activities on site only. • Engineers, advisors and supervisors for their activities on site only
BASE WORDING	Munich Re Comprehensive Project Insurance (CPI) E 34 7.2-E (1.10.2004)
TERM	The term "Insured" in this Schedule and in the Base Wording it means the Principal Insured and all Additionally Insured's collectively.
TERRITORIAL SCOPE	Worldwide excluding United States of America and Canada.

INSURED LOCATIONS	Any areas within the territorial scope owned, used or occupied by the Insured Parties for the purpose of conducting the Works.
THE WORKS (and the property insured) This definition is Incremental to the Base Wording.	<p>Subject to the insuring agreements, applicable terms, conditions and exclusions, this insurance covers the following activities undertaken in the course of the Project provided such activities are within the insured values. Covered activities include but are not limited to: Procurement, fabrication, construction, load out, loading/unloading, transportation by land, sea or air (including call(s) at port(s) or place(s) as may be required), storage, towage, mating, installation, burying, hook-up, connection and/or tie-in operations, testing and commissioning, existence, initial operations and maintenance, project studies, engineering, design, project management, testing, trials, cable-/pipe laying, trenching, and commissioning.</p> <p>This insurance covers works executed anywhere (restricted only by the Territorial Scope) in the performance of all contracts relating to the Project including but not limited to (provided they are included in the contract values declared to Underwriters and insured herein): Materials, components, parts, machinery, fixtures, equipment and any other property destined to become a part of the completed project, or used up or consumed in the completion of the Project.</p> <p>This insurance shall also cover all temporary works, plant, equipment, machinery, materials, outfits and all property associated therewith, whether such items are intended to form a permanent part of the works or not, including site preparatory work and subsequent operational risks.</p> <p>It is understood and agreed that any insured equipment and/or property that is not for incorporation into the contract works shall be insured by the contractor whilst it is being utilized in the Project and whilst in transit from the Project site(s) until the earlier of the date of arrival at its final destination or the 30th day after its removal from the Project site(s).</p>
CONTRACTS, PERIOD OF INSURANCE AND BASE WORDING	
INSURED CONTRACTS	Any contract entered into by the Principal Insured in relation to the completion of the Project and any contract entered between two third parties of which at least one of those are under contract with the Principal Insured related to the completion of Project.
INDEMNIFICATION	The insurer shall indemnify the Insured for any physical loss of or damage to the property insured under section 1 which occurs within the territorial scope at any time during period of insurance and maintenance period due to any cause not specifically excluded and which results in the property insured under section 1 needing to be repaired or replaced.
PERIOD OF INSURANCE	<p>Construction and Erection Period (incl. 4 weeks of hot testing/test period):</p> <p>Inception 01.06.2020 – 30.10.2022 both days included and followed by a Defects Liability Period, being 60 months extended maintenance cover.</p>

Special Conditions: contract time schedule	<p>The following provisions regarding extension applies:</p> <p>(i) One or more extensions of the Primary Insurance Period and up to 6 (six) months in total is automatically granted and at no Additional Premium.</p> <p>(ii) Extensions exceeding the six months and up to 12 months in total are automatically granted at a uniform monthly rate agreed with the Insurer and as stated in the Policy.</p> <p>Extensions beyond (i) and (ii) above may be granted by Insurers subject to a risk review, and paid by the Insured according to rates to be negotiated.</p>																
TERRITORIAL LIMITS, SUMS INSURED AND DEDUCTIBLES (Any numeric section references are made to the Base Wording)																	
Section 1a, Project works Sum Insured	<p>Full contract value DKK 209,900,000. Split below:</p> <p>(amounts in mill. DKK)</p> <table> <tr> <td>AC station</td><td>DKK 1,5</td></tr> <tr> <td>Automation</td><td>DKK 1,2</td></tr> <tr> <td>Land Cable</td><td>DKK 55,0</td></tr> <tr> <td>Offshore Cable</td><td>DKK 87,3</td></tr> <tr> <td>Plan & environment</td><td>DKK 11,2</td></tr> <tr> <td>Project management</td><td>DKK 12,7</td></tr> <tr> <td>Redevelopment</td><td>DKK 20,5</td></tr> <tr> <td>Misc. / uncertainty</td><td>DKK 20,5</td></tr> </table>	AC station	DKK 1,5	Automation	DKK 1,2	Land Cable	DKK 55,0	Offshore Cable	DKK 87,3	Plan & environment	DKK 11,2	Project management	DKK 12,7	Redevelopment	DKK 20,5	Misc. / uncertainty	DKK 20,5
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Plan & environment	DKK 11,2																
Project management	DKK 12,7																
Redevelopment	DKK 20,5																
Misc. / uncertainty	DKK 20,5																
Section 1a – 3.1 Property belonging to or held in the care, custody or control of the insured	<p>Existing Property of AMV: DKK 115,000,000 EEO</p> <p>("EEO is the abbreviation for "Each and Every Occurrence" throughout this Exhibit)</p>																
Section 1a – 3.2 Professional Fees	DKK 20,000,000 EEO																
Section 1a – 3.3 Plans, Documents and Data	DKK 10,000,000 EEO																
Section 1a – 3.4 Removal of Debris	DKK 20,000,000 EEO																
Section 1a – 3.5 Expediting Expenses	DKK 20,000,000 EEO																
Section 1a – 3.6 Off-site Storage	DKK 10,000,000 EEO																
Section 1a – 3 Inland Transit	DKK 5,000,000 per conveyance (and not restricted to inland transit)																

Section 1a – 4.2 Escalation	15% allowed without Additional Premium. When exceeding 15% the remaining overflow is subject to an additional premium proportionally calculated.
Section 1a – 5.2 Premium	If during the period of insurance, the sum insured is decreased the premium shall be adjusted accordingly and the premium proportionally calculated and refunded to the client. This will be done once upon the final premium adjustment.
Section 1a, Property Deductibles	Onshore incl. transport DKK 1,000,000 EEO Offshore DKK 3,000,000 EEO During defects Liability period: As above
Section 2, Third Party Liability Limit of Indemnity	DKK 200,000,000 EEO and in the aggregate
Section 2, Third-Party Liability Secondary Coverage and DIC drop-down	As for any Additionally Insured this Third-Party Liability coverage... i) acts as secondary coverage to said parties' own Third-party liability insurances (which is separately required, and must have independent limits of indemnification of no less than DKK 20,000,000 EEO and in total for the entire duration of said parties' contracts with the Principal Insured), and ii) extends DIC (Difference-In-Conditions) coverage to said parties limited only by the deductible (and as mentioned in the "Deductibles" paragraph below).
Section 2, Third Party Liability Deductibles	DKK 20,000,000 each and every claim incl. DIC-coverage. For liability incurred by any of the Principal Insureds the following deductibles apply: DKK 500,000 each and every claim, except for accidental death or bodily injury to or illness of any third parties in which cases the deductible is DKK 50,000. In the event of a claim involving several tortfeasors in their capacity as insured parties under this policy, the policy's deductible will apply only once and with the lowest of the above-mentioned deductibles applicable.
Difference in Limit (DIL) Coverage	In the event the contractor's liability insurance has limit deviating from DKK 20,000,000 the excess coverage requested by Energinet should be applied directly from the deviating limit.

Note section 1a Deductibles	In the event an occurrence affects more sections, only one deductible will apply.
72 Hours Clause	Any loss or damage to the Works arising during any one 72 consecutive hours, caused by storm, tempest, flood or earthquake, shall be deemed as a single event and therefore to constitute one occurrence regard to the deductible.
WORDING (Amendments superseding and/or endorsing the above-mentioned Base Wording follow below)	
Law of The Policy and Jurisdiction	It is understood and agreed by the Insured and the Insurers that any dispute between them concerning the construction, effect and interpretation of this insurance is to be subject to Danish Law (irrespective of the location of the involved damage, loss or incident).
SECTION: "EXCLUSIONS APPLICABLE TO ALL SECTIONS"	
Para 1.3 Any act of terrorism	This exclusion is waived in respect of terrorism covered under Section 1 with a limit of DKK 200 mill. EEO and in the aggregate.
Para 1.6 Weapons	Clarification: Para 1.6 in the Base Wording excludes coverage for any weapon of war employing atomic force or matter. For the avoidance of doubt, conventional munitions of war (e.g. remaining and unexploded munitions) are specifically not excluded or by definition considered "war risks" in the context of the Policy.
BASE WORDING SECTION: "CONDITIONS APPLICABLE TO ALL SECTIONS" CLARIFICATIONS	
Para 9 Fraudulent Claims	Clarification: Fraudulent claims originating from any Insured party will be void according to para 9. For the avoidance of doubt the Policy itself will never become void under this clause as a consequence of a fraudulent claim, unless such fraudulent claim originates fully or partly from the Principal Insured.
Para 12 Entire Agreement	Clarification: Irrespective of para 12 this Schedule is deemed part of the Policy of Insurance and supersedes the base wording where applicable. Other passages are specifically marked as "Incremental". Refer to definition below.
Para 13 Dispute Resolution	Language of Communication is Danish or English, and any dispute must be resolved in the greater Copenhagen area, Denmark.

Knock-for-knock Agreement	When the Insured's liability under contract is based on a mutual knock for knock principle the Policy shall cover the Insured's liability – including vicarious liability – in accordance with this principle and the Insurer will waive all right of recourse against the contracting party.
Cancellation Clause	Upon cancellation of the planned project (whole or partially) by the Danish Parliament or other authoritative entity, which results in cancellation of the Works, the premium is to be reimbursed free of any deductibles or retention. However, we accept to pay pro rata premium of the work begun and for which the Insurer has held coverage.
SECTION 1A PROJECT WORKS	
Para 9 Exclusions	<p>Para 9.1 is replaced by LEG 3/06:</p> <p>The Insurer(s) shall not be liable for</p> <p>All costs rendered necessary by defect of material workmanship design plan or specification and should damage (which for the purposes of this exclusion shall include any patent detrimental changes in the physical condition of the Insured Property) occur to any portion of the Insured Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost incurred to improve the original material workmanship design plan or specification</p> <p>For the purpose of this policy and not merely this exclusion it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material workmanship design plan or specification.</p>
ENDORSEMENT TO THE BASE WORDINGS (SECTION 1A)	
Endorsement 1202 Special Insurance Cover: property insured taken into use or operation	Comprising all insured Property and within the Period of Insurance.
Endorsement 217: Special Conditions: open trenches, pipes, cables and ducts	This endorsement forms part of section 1a. Open trench length max. 100 meters.
Endorsement 1266: Special conditions: directional drilling (HDD)	Endorsement forms part of section 1a
Endorsement 1269: Special conditions: ma- rine 50/50 loss sharing	Endorsement forms part of section 1a

Pre-mature Handing Over	<p>Contract works and/or supplies handed over or taken into use to and by the Employer successively/prior to commencement of commercial operation are included in the Insurance until commercial commissioning or TOC has been signed and following the maintenance period.</p> <p>The extended maintenance period will expire 5 years after the last and final taking over / TOC.</p>
General Average and Salvage Charges	<p>General Average and Salvage charges are payable as provided in the contract of affreightment, or if there be no contract of affreightment according to York/Antwerp Rules 1990 amended. In the event the contributory value for the purpose of contribution to General Average or Salvage charges exceed the insured value, it is agreed that such General Average or Salvage charges shall nevertheless be paid in full by Underwriters hereon, provided always that the amount recoverable under Section I in respect of partial loss arising from any one casualty shall not exceed the value applicable to the item.</p> <p>General Average deposits are payable on production of General Average Deposit receipts. Underwriters agree, if required, to provide General Average guarantees or Salvage security in respect of property insured by the Policy.</p>
Marine Warranty Survey	<p>Marine Warranty Survey (MWS) work: The costs of the MWS work in respect of the physical damage element of the Offshore construction is refundable with 2,5% of the total combined premium costs.</p>
Stand-by charges	<p>Underwriters shall indemnify the Assureds for the cost of stand-by time on vessels and/or craft and/or equipment actively engaged in the course of repair following an Occurrence covered under Section 1, where the Assureds are prevented from working in, around or about the damaged property by adverse weather, including named hurricanes.</p> <p>DKK 20.000.000 EEO</p>
Forwarding charges clause	<p>In respect of transit(s) insured hereunder, if as a result of an Occurrence covered by the terms of Section I, the insured transit is terminated at a port or place other than that to which the property insured is covered under this insurance, Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading, storing and forwarding the property insured to the destination to which it is insured hereunder.</p> <p>DKK 20,000,000 EEO</p>
Additional Work	<p>In the event that the structure or insured property is set down or wrongly positioned, which is the direct result of a peril insured against, Underwriters shall indemnify the Assureds for the cost of additional work that is required in respect of positioning or repositioning, sinking, submerging and stabilising the property insured herein insofar as such cost does not fall within the cover afforded by the sue and labour clause. However, Underwriters' liability under this clause shall not exceed the percentage amount that would be recoverable under the sue and labour clause and then only to the extent that the Policy Limit is not exhausted by a claim under the sue and labour clause.</p> <p>DKK 20,000,000 EEO</p>

Sue and Labour Clause	<p>It is further agreed that in the case of any imminent physical loss or physical damage to the property insured hereunder, which is the direct result of a peril insured against, the Insureds, their servants and their agents may sue, labour and travel for, in and about the defence, safeguard and recovery of the subject matters insured without prejudice to this insurance and may incur reasonable expenses in efforts to avert or minimise a loss which may fall under Section I.</p> <p>The expense so incurred shall be borne by the Insureds and Underwriters proportionately to the extent of their respective interests. No acts of Underwriters or the Insureds in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.</p> <p>DKK 20,000,000 EEO</p>
Tests, Leak and/or Damage Search Costs	<p>If it becomes necessary to repeat any test(s) and/or trial(s) or to carry out subsequent test(s) and/or trial(s) as a result of a physical loss or physical damage to the insured property arising from an Occurrence covered under Section I, Underwriters will bear the cost of any such repeated and/or subsequent test(s) and/or trial(s) subject to a sub-limit of DKK 5,000,000 EEO</p>
Offshore cancellation costs	<p>Underwriters shall indemnify the Principal Insured in respect of cancellation costs on offshore vessels and construction equipment under contract in relation to the project (including but not limited to, heavy lift vessels, derrick barges, tugs, barges and supply vessels) and/or extra expenses to hire offshore vessels and construction equipment to complete the Project and/or operations in respect of which such costs are incurred arising directly from a peril insured against giving rise to a claim under this Policy, deductible application notwithstanding.</p> <p>Notwithstanding the foregoing, it is understood and agreed that Underwriters shall not be liable for costs and/or expenses of alterations in procedures which may be employed following such loss or damage.</p> <p>The amount recoverable under this clause, in respect of any one Occurrence and in the aggregate over the Policy Period shall not exceed a sub-limit of EUR 20,000,000</p>
Operational Testing	<p>The Insurance is extended to cover loss or damage attributable to hot testing or operational testing for a maximum of 30 days (720 hours).</p>

Authority Intervention Clause	<p>Subject to the terms and conditions of the Policy, this insurance covers physical loss of or physical damage to the property insured hereunder directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, provided such act of governmental authority has not resulted from want of due diligence by the operator for the Principal Assureds to prevent or mitigate such hazard or threat.</p> <p>Coverage provided by the above paragraph shall also extend to cover any other physical loss or physical damage caused or inflicted by order of any governmental body or agency after consultation with officials and engineers of the Assured relating to the insured project but only in respect of interests covered by Section I, and always subsequent to physical loss and physical damage resulting from a peril insured against.</p> <p>DKK 20,000,000 EEO</p>
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SECTION 2 – THIRD PARTY LIABILITY	
<p>Para 1</p> <p>Indemnification</p>	<p>Para 1 is replaced by:</p> <p>Insurers hereon agree that if the Insured become legally and contractually liable to pay any sum or sums in respect of any responsibility, claim, demand and/or expenses, arising from or occasioned either directly or indirectly by the Insured's operations in connection with the Project, in respect of:</p> <p>a) loss of life, personal injury (including illness, shock, mental anguish, mental injury or disease) to be contracted by any person, including care and loss of service resulting there from;</p> <p>b) loss of or damage to or loss of use of property or any kind or description (including obstruction, loss of amenity or use of any land, building, property of right of way, trespass, nuisance or any like cause than that which is the unavoidable result of executing the insured contracts in accordance with the plans and specifications), including all other direct or indirect or consequential loss resulting from loss of or damage to the property</p> <p>when such liability happens within the Territorial Limits during the Period of Insurance.</p>
<p>Incremental Endorsement:</p> <p>Additional Indemnities</p>	<p>At the request of the Principal Insured the Insurers will extend the indemnity granted by this Section 2 to</p> <ul style="list-style-type: none"> (a) any of the Insured's directors, partners, officers or employees in their personal capacity in circumstances which could constitute the basis of a claim upon any of the Insured within the terms of this Section (b) any employee of the Insured or any other person hired or borrowed by the Insured for the purposes of the Project (c) any officer or member of any canteen, social, sports, welfare, fire, first aid or ambulance services and any other services or associations specifically formed for the Project (d) any director or employee of the Insured or any person accompanying such director or employee whilst travelling in connection with the Project and any personal liability of such persons insofar as such liability is not covered by any other policy (e) any guest at any function or occasion to which such guest has been invited by the Insured <p>Provided that nothing in the above shall be deemed to increase the Limit of Indemnity in respect of any one occurrence as stated in the Schedule.</p>
ENDORSEMENTS TO THE BASE WORDING (SECTION 2)	
<p>Endorsement 1203</p> <p>Special Insurance Cover: liability consequent upon vibration, removal or weakening of support</p>	<p>This endorsement forms part of section 2</p>

Endorsement 1262: Special Conditions: underground services	Endorsement carries the general Limit and Deductibles as applying to Section 2
Endorsement: Public Relations and Opening Ceremonies	It is noted and agreed that in the course of the Project the Insured may have Exhibition Centre(s) and Publicity Events and Site visits and demonstrations and Opening Ceremonies before the commercial operation of the Project and all of these activities shall be regarded as activities in the performance of the Project.
Endorsement: Contractors Pollution Liability	<p>Optional coverage</p> <p>Contractors Pollution Liability Insurance (CPL) provides cover for third party claim caused by pollution events arising from covered operations performed by or on behalf of the insured at project sites (sudden/accidental or gradual).</p> <p>Insured sum:</p> <p>Onshore – DKK 5,000,000,-</p> <p>Offshore – DKK 10,000,000,-</p>
SECTION 4 - MARINE CARGO	
Sum Insured and Coverage:	<p>Maximum value for one shipment: DKK 55,000,000 + 10% per conveyance</p> <p>Buyer's Interest Clause</p> <p>It is hereby noted and agreed to include Buyer's Interest (Energinet) as a contingent cover in respect of the insurance taken out by the Seller.</p> <p>This insurance will only cover a loss (maximum value of the goods according to the calculation of the sum insured under the terms and conditions of this policy) suffered by the insured as buyer of the goods if otherwise covered by this policy and provided that it can be substantiated that the Seller has failed to take out insurance cover or if compensation cannot be obtained under the insurance policy taken out by the Seller.</p> <p>This insurance covers Buyer's Interest only and cannot be transferred to 3rd parties. The insured is obliged not to disclose to the Seller or to any third party that this insurance cover has been taken out.</p> <p>In the event of a loss or damage or if loss or damage is pending, the insured must contact the insurance company and carry out the measures stipulated by the insurance company.</p> <p>In the event of a payment under this policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery, to the extent that such rights of recovery have not been waived in the Contract between Seller and Energinet.</p>
Deductibles	As for Section 1a
Conveyances	Any conveyance including owned trucks and vehicles
Territorial Scope	From any place in the world to any other place in the world including loading and unloading

Basis of valuation	Invoice value + 10%
Coverage:	All Risks physical loss or damage.
Information	The Sea Cables (value DKK 55 mill.) are expected to be delivered at Kalundborg (DDP) and thereafter shipped to site. Contractor is responsible for the transport from Kalundborg to site, hence the cover under this insurance is therefore mainly subsidiary (Buyer's interest clause).
GENERAL MEMORANDA	
Incremental Endorsement: Preventive Measures	This Policy extends to include the Insured's liability for costs necessarily and reasonably incurred as a result of emergency action taken where loss or damage or death or bodily injury is imminent or following loss or damage or death or bodily injury in order to prevent or minimize further loss or damage or death or bodily injury to the interest insured. The sub limit under this endorsement shall not exceed DKK 10,000,000 EEO.
Incremental Endorsement: Temporary Repairs	This Policy extends to include indemnity in respect of the cost of effecting temporary repairs following loss or damage or in order that work on the Project may continue provides that such temporary repairs do not increase the overall cost of repairs. The sub limit under this endorsement shall not exceed DKK 10,000,000 EEO.
Notes on vessels of any kind (air, sea, road)	Further specifically any liabilities associated to the ownership and/or operation of vessels of any kind in the performance of this Project by a Contractor/sum-contractor must be indemnified by such parties themselves.
Waiver of Subrogation	Applies except for Wilful Misconduct or Gross Negligence by the Insured's Representatives, i.e. Managing Board.

End of Schedule

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