
ERCTION ALL RISKS INSURANCE POLICY

Dear Valued Insured,

Thank you for choosing Cocogen Insurance, Inc. as your Insurer.

This insurance contract between you and Cocogen consists of the Application Form, the Policy, the Schedule, and the Endorsements, if any. Please note that in accepting this insurance, we relied on the information you have provided us.

In consideration of the payment of the premium shown in the Schedule, we agree to pay you, subject to the terms and conditions contained in or endorsed on this insurance contract, against loss or damage in the manner and to the extent provided in this Policy.

Should you have clarifications and concerns on this insurance contract, feel free to call us at (632) 8-830-6000 or send us an email at client_services@cocogen.com. To learn more about our products and services, please visit our website at www.cocogen.com.

Your Insurance Provider,

COCOGEN INSURANCE, INC.

IMPORTANT NOTICE

The Insurance Commissioner, with offices in Manila, Cebu, and Davao, is the Government official in charge of the enforcement of all laws relating to Insurance and has supervision over insurance companies. He is ready at all times to render assistance in settling any controversy between an insurance company and a policyholder relating to insurance matters.

Do not fail to notify the Company of every event which results in a claim under this Policy however small, immediately on occurrence. In communications with the Company, always give the number of Policy.

ARTICLE 1250 OF THE CIVIL CODE WAIVER

You agree that the following provision of the Civil Code of the Philippines shall not apply in determining the extent of Our liability under this insurance contract:

"Art. 1250. In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment xxx."

Cocogen has caused this insurance contract to be signed by its duly authorized officer in the place and on the date appearing in the Schedule.

COCOGEN INSURANCE, INC.

T.I.N. 000 432 798


Atty. David Roy C. Padin

President

WHEREAS THE INSURED named in the Schedule hereto, has made to the COCOGEN INSURANCE, INC. (hereinafter called "the Insurer"), a written proposal by completing a Questionnaire which, together with any other statements made in writing by the Insured for the purpose of this Policy, is deemed to be incorporated herein.

NOW THIS POLICY WITNESSETH that, in consideration of the premium mentioned in the Schedule having paid by the Insured and received by the Insurer and subject to the exclusions, provision and condition contained herein or endorsed hereon, the Insurer will indemnify the Insured in the manner and to the extent hereinafter provided.

SECTION I. MATERIAL DAMAGE. The Insurer hereby agree with the Insured that if at any time during the period of cover, the Items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Insurer will indemnify the Insured in respect of loss or damage as hereinafter provided by payment in cash, replacement or repair (at their own option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one (1) event the limit of Indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as insured hereby.

The Insurer will also reimburse the Insured for the cost of clearance and removal of debris following upon any event giving rise to an admissible claim under this Policy but not exceeding in all the sum set opposite thereto in the Schedule. The term "debris" means debris only of the Insured property and the cost of clearance and removal of debris pertaining to property not insured by the policy will not be payable.

SPECIAL EXCLUSION TO SECTION I. The Insurer shall not, however, be liable for

- a) the deductible stated in the Schedule to be borne by the Insured in any one (1) occurrence;
- b) consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
- c) loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection;
- d) the cost of replacement, repair or rectification of defective material and/or workmanship, but this exclusion shall be limited to the items immediately affected and shall not be deemed to exclude loss or damage to correctly executed items resulting from an accident due to such defective material and/or workmanship;
- e) wear and tear, corrosion, oxidation, deterioration due to lack of use and normal atmospheric conditions;
- f) mechanical and/or electrical breakdown or derangement of construction plant, equipment and construction machinery;
- g) loss or damage to vehicle licensed for general road use or water borne vessels or aircraft;
- h) loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities, cheques;
- i) loss or damage discovered only at the time of taking an inventory;

PROVISION APPLYING TO SECTION I.

Memo 1 Sums Insured: It is a requirement of this insurance that the sums insured stated in the Schedule (Under items 1 and 2) shall not be less than the full value of each item at the completion of the erection, inclusive of freight, customs duties, dues, erection cost, and the Insured undertakes to increase or decrease the amount of insurance in the event of any material fluctuation in the level of wages or prices.

provided always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the Insurers.

If, in the event of loss or damage, it is found that sums insured are less than the amounts required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every object and cost item is subject to this condition separately.

Memo 2 Basis of Loss Settlement: In the event of any loss or damage the basis of any settlement under this Policy shall be:

- a) in the case of damage which can be repaired the cost of repairs necessary to restore the items to their conditioned immediately before the occurrence of the damage less salvage or;

- b) in the case of a total loss the actual value of the items immediately before the occurrence of the less salvage.

However, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with the Insurer will make payments only after being satisfied by production of the necessary bills and documents that the repair have been effected or replacement has taken place, as the case may be. All damages which can be repaired shall be repaired, but if the cost of repairing any damages equals or exceeds the value of items immediately before the occurrence of the damage the settlement shall be made on the basis provided for in (b) above.

The cost of any provisional repairs will be borne by the Insurer if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

Memo 3 Extension of Cover: Extra charges for overtime, night work, work on holidays, express freight are covered by this insurance only if previously and specially agreed upon in writing.

Memo 4 Surrounding Property: Loss of or damage of property located on or adjacent to the site and belongings to or held in care, custody or control of the Principal(s) shall only be covered if occurring in direct connection with the erection, construction or testing of the items insured under Section 1 and happening during the Period of Cover and provided that a separate sum therefore has been entered in the Schedule under Section 1, Item 4. This Cover does not apply to construction /erection machinery and construction/erection plant and equipment.

SECTION II. THIRD PARTY LIABILITY. The Insurer will indemnify the Insured up to but not exceeding the amounts specified in the Schedule against such sum which the Insured shall become legally liable to pay as damages consequent upon:

- a) accidental bodily injury to or illness of third parties (whether fatal or not);
- b) accidental loss of or damage to property belongings to third parties occurring in direct connection with the construction or erection of the Items insured under Section 1 and, happening on or in the immediate vicinity of the site during the Period of Cover.

In respect of a claim for compensation to which the indemnity provided herein applies, the Insurer will, in addition, indemnify the Insured against:

- a) all costs and expenses of litigation recovered by any claimant from the Insured, and
- b) all costs and expenses incurred with the written consent of the Insurers provided always that the liability of the Insurer under this section shall not exceed the limits of indemnity stated in the Schedule.

SPECIAL EXCLUSION TO SECTION II. The Insurer will not indemnify the Insured in respect of

1. The deductible stated in the Schedule to be borne by the Insured in any one (1) occurrence;
2. The expenditure incurred in doing or redoing or making good or repairing or replacing anything covered or coverable under Section I of this Policy;
3. Damage to any property or land or building caused by vibration or by the removal or weakening of support or injury or damage to any person or property occasioned by or resulting from any such damage;
4. Liability consequent upon:
 - a) bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal(s) or any other firm connected with the project which or part of which is insured under Section I;
 - b) loss or damage to property belongings to or held in care custody or control of the contractor(s), the Principal(s) or any other firm connected with the project which or part of which is insured under Section I, or an employee or workman of one of the aforesaid;
 - c) any accident caused by the vehicles licensed for general road use or by the waterborne vessels or aircraft;
 - d) any agreement by the Insured to pay any sum by way of indemnity or otherwise unless such liability would have attached also in the absence of such agreement.

SPECIAL CONDITIONS APPLYING TO SECTION II.

1. No admission, offer, promise, payment or indemnity shall made or given by or on behalf of the Insured

without the written consent of the Insurer who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defense or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Insurer may require.

2. The Insurer may, so far as any accident is concerned, pay to the Insured the limit of Indemnity for any one (1) accident (but deducting there from in such case any sums already paid as compensation in respect thereof) or any lesser sum for which the claim or claims arising from such accident can be settled and the Insurer shall thereafter be under no further liability in respect of such accident under this section.

PERIOD OF COVER

The liability of the Insurers shall commence notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site and shall continue until immediately after taking over or after the first test operation or test loading is completed whatever is the earlier but not beyond four weeks (unless otherwise agreed in writing) from the date of commencement of the test. If, however, a part of a plant or one or several machine(s) is/are tested and/or put into operation or taken over, the cover for that particular part of the plant or machine(s) and any liability resulting therefrom ceases whereas the cover continues for the remaining parts.

In the case of second-hand items, the insurance hereunder shall, however, cease immediately on the commencement of the test.

At the latest, the insurance shall expire on the date specified in the Schedule.

GENERAL EXCLUSION

The Insurer will not indemnify the Insured in respect of loss, damage or liability directly or indirectly caused by or arising out of:

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out civil commotion, military or usurped power, a group of malicious persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;
- b) nuclear reaction, nuclear radiation or radioactive contamination;
- c) willful act or willful negligence of the Insured or of his representatives;
- d) cessation of work whether total or partial.

In any action, suit, other proceeding where the Insurer alleges that by reason of the provisions of Exclusion a) above any loss, destruction, damage or liability is not covered by this insurance, the burden of proving that such loss, destruction, damage or liability is covered shall be upon the Insured.

GENERAL CONDITIONS

1. The due observance and fulfillment of the terms of this Policy, insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurer.
2. The Schedule and the section(s) shall be deemed to be incorporated in and form part of this policy and the expression "this Policy" whenever used in this contract shall be read as including the Schedule and section(s): Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning whenever it may appear.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurer to prevent loss, damage or liability and comply with statutory requirements and manufacturer's recommendations.
4. a) Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representative of the Insurers with all details and information necessary for the assessment of the risk
b) The Insured shall immediately notify the Insurers by telegram and in writing of any material changes in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the insured whereby the risk is increased, unless the continuance of the insurance be confirmed in writing by the insurers. ;

5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall:
 - a) immediately notify the Insurers by the telephone or telegram as well as in writing, giving an indication as to the nature and extent of loss or damage;
 - b) take all step within his power to minimize the extent of the loss or damage;
 - c) preserve the parts affected and make them available for inspection by the representative or surveyor of the Insurer;
 - d) furnish all such information and documentary evidence;
 - e) inform the police authorities in case of loss or damage due to theft, burglary or sabotage.

The Insurer shall not in any case be liable for loss damage or liability of which no notice has been received by the Insurer within fourteen (14) days of its occurrence.

Upon notification being given to the Insurer under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all of the cases are representative of the Insurer shall have the opportunity of inspecting the loss or damage before any repairs or alterations are affected. If a representative of the Insurers does not carry out the inspection within thirty (30) days, unless otherwise prevented to do so by reason of circumstances beyond the control of the Insurer, the Insured is entitled to proceed with repair or replacement.

The liability of the Insurer under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

The amount of any loss or damage for which an Insurer may be liable under this Policy, shall be paid within thirty (30) days after proof of loss is received by the Insurer and ascertainment of the loss or damage is made either by agreement between the Insured and the Insurer or by arbitration; but if such ascertainment is not had or made within sixty (60) days after such receipt by the Insurer of the proof of loss, then the loss or damage shall be paid within ninety (90) days after such receipt. Refusal or failure to pay the loss or damage within the time prescribed herein will entitle the Insured to collect interest on the proceeds of the policy for the duration of the delay at the rate of twice the ceiling prescribed by the Monetary Board, unless such failure or refusal to pay is based on the ground that the claim is fraudulent.

6. The Insured shall at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurer in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurers.
7. All differences as to the amount of any loss or damage covered by this Policy shall be referred to the decision of an Arbitrator to be appointed by the parties in indifference, or if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within thirty (30) days after having been required in writing so to do by either of the parties or in case of disagreement between the arbitrators, to the decision of an Umpire to be appointed in writing by the arbitrators entering upon the reference. The Umpire shall sit with arbitrators and preside at their meetings. The arbitrators and the umpire shall be duly qualified Engineers. The making of an award as provided herein shall be a condition precedent to any right of action against the Insurer only in cases of differences as to the amount of liability actually arising out of this Policy.
8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim be made and rejected and an action or suit be not commenced either in the Insurance commission or any Court of competent jurisdiction within twelve (12) months from receipt of notice of such rejection, or in case of arbitration taking place as provided herein within twelve (12) months after due notice of the award made by the arbitrator or arbitrators or umpire, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
9. If at the time any claim arises under the Policy there be any other insurance covering the same loss, damage or liability the Insurer shall not be liable to pay or contribute more than their ratable proportion of any claim for such loss, damage or liability. If such other insurance is subject to any conditions of advantage to the Insurer, this Policy shall be subject to such conditions in a like manner.

10. This insurance may be terminated by the Insurers after seven days' notice to that effect being given to the Insured. However, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the Policy, of one or more of the following:

- a) conviction of a crime arising out of acts increasing the hazard insured against;
- b) discovery of fraud or material misrepresentation;
- c) discovery of willful or reckless acts or omissions increasing the hazard insured against;
- d) physical changes in the property insured which result in the property becoming uninsurable; or
- e) a determination by the Commissioner that the continuation of the policy would violate or would place the Insurer in violation of this Code.

All notices of cancellation shall be in writing, mailed or delivered to the named insured at the address shown in the Policy, and shall state (a) which of the grounds set forth above is relied upon and (b) that, upon written request of the named insured, the Insurer will furnish the facts on which the cancellation is based.

CANCELLATION

This Policy shall not be cancelled by or on behalf of the Company except in accordance with and pursuant to the provisions of Sections 64 and 65 of the Insurance code. In the event of such cancellation, the Insurer shall refund the paid premiums less the earned portion thereof to the Insured. Likewise, this Policy may be cancelled on the short rate basis set forth in the Short Rate Commission Table at the request of the Insured.

SHORT PERIOD RATE SCALE

It is hereby agreed that, in the event that this Policy is surrendered by the Insured for cancellation, the Insurer shall retain a portion of the annual premium in accordance with the following scale for the time the Policy has been in force:

If insurance contract remains in force for only:	We will retain:
1 month or less	20% of the premium
2 months	30% of the premium
3 months	40% of the premium
4 months	50% of the premium
5 months	60% of the premium
6 months	70% of the premium
7 months	75% of the premium
8 months	80% of the premium
9 months	85% of the premium
10 months	90% of the premium
11 months	95% of the premium

NUCLEAR EXCLUSION CLAUSE

1. This Policy does not cover:

- (a) Loss or destruction of, or damage to any property whatsoever, or any loss or expense whatsoever, resulting or arising there from or any consequential loss.
- (b) Any legal liability of whatsoever nature, directly or indirectly caused by, or contributed to, by, or arising from, ionizing radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, only combustion shall include any self-sustaining process of nuclear fission.

2. The indemnity provided by this Policy shall not apply to, nor include any loss, destruction, damage or legal liability directly or indirectly caused by or contributed to, by, or arising from, nuclear weapons material.