



# Swiss Re Engineering Project Insurance Policy

## Endorsements

	Page
EPI 02 Air Freight Expenses	2
EPI 03 Existing Property	3
EPI 04 Guarantee Maintenance	4
EPI 05 Strike, Riot, Civil Commotion	5
EPI 07 Vibration, Weakening and Removal of Support	6
EPI 12 Partial Operation	7
EPI 15 Constructional Plant and Equipment	8
EPI 24 Leak Search Costs	10
EPI 39 Auditor's Fees	11
EPI 41 Fire Fighting Facilities	12
EPI 42 Structures in Earthquake Zones	14
EPI 44 Pipelines, Conduits and Cables	15
EPI 45 Roads	16
EPI 46 Ground Water Pumping	17
EPI 47 Underground Construction	18
EPI 48 Piling	19
EPI 49 Works Time Schedule	20
EPI 50 Hydrocarbon Processing Industry	21
EPI 51 Catalysts	22
EPI 52 Cold Testing, Hot Testing and Commissioning	23
EPI 53 Normal Action of the Sea	24
EPI 54 Serial Losses	25
EPI 56 Cofferdam	26
EPI 57 Precipitation	27
EPI 58 Microorganisms	28
EPI 59 Directional Drilling	29
EPI 61 Fire Protection at Semiconductor Plant Projects	30
EPI 62 Handover of Semiconductor Plant Projects	32
EPI 63 Storage Tanks	33
EPI 64 Restoration of Equipment	34
EPI 65 Risk Surveys	35
EPI 80 Crops and Trees	36
EPI 81 Underground Facilities	37
EPI 90 Visits Maintenance	38
EPI 91 Exclusion of Earthquake, Volcanic Activity and Tsunami	39



**EPI 02 Air Freight Expenses**

It is agreed that Section 1, Material Damage is extended to indemnify the Insured up to the Sum Insured stated below in respect of the additional costs for airfreight, provided that such costs are necessarily and reasonably incurred by the Insured for the purpose of preventing or minimizing any delay in completion of the Project solely due to Loss indemnified under Section 1.

Sum Insured each and every Loss and in the aggregate for the Policy Period: .....



**EPI 03 Existing Property**

It is agreed that Section 1, Material Damage is extended to indemnify the Insured up to the Sum Insured stated below in respect of Loss to the Existing Property owned by the Principal provided such Loss is arising out of the execution of the Project and is being caused by the Insured.

Insurers shall not be liable for:

- (a) the cost of rectifying any loss or damage to the Existing Property, which existed prior to the Inception Date of the Policy;
- (b) loss by theft, or any attempt thereof, and by disappearance and shortage.

In any action, suit or other proceeding where Insurers allege that by reason of the provisions of (a) above any loss or damage is not covered hereunder, the burden of proving that such loss or damage is covered shall be upon the Insured.

Sum Insured each and every Loss: .....

**EPI 04 Guarantee Maintenance**

It is agreed that in Section 1, Material Damage, Condition 1.3.2 Maintenance Period is deleted and replaced by the following:

This Section does not cover loss or damage to Insured Property, occurring or arising during the Maintenance Period, except when insured Loss is:

- (a) arising from a cause occurring prior to the commencement of the Maintenance Period; or
- (b) caused by an insured Contractor in the course of any operations carried out by him for the purpose of complying with his obligations under the defects liability clauses of the Contract.

However, the cover provided by this Endorsement shall not include loss or damage caused by or arising out of actions or omissions of an insured Contractor in connection with training, supervision, instruction or normal upkeep and plant management duties during the operation of the Business of the Principal.



**EPI 05 Strike, Riot, Civil Commotion**

It is agreed that in 4 General Exclusions, Sub-paragraph (c) of 4.1 War and Allied Perils is deleted and replaced by the following:

This Policy does not cover any loss, damage or liability occasioned by or through or in consequence, directly or indirectly, of popular uprising, and civil commotion assuming the proportions of or amounting to a popular uprising.

This Endorsement may be terminated by Insurers on giving a 14 day written notice to the Insured, in which case the Insurers shall be liable to repay an appropriate proportion of the Premium for this Endorsement for the unexpired term from the date of termination.



**EPI 07 Vibration, Weakening and Removal of Support**

It is agreed that in Section 2, Third Party Liability, Exclusion 2.2 (k) is deleted and the following is added to 2.3 Conditions to Section 2:

Insurers will not indemnify the Insured in respect of:

- (a) liability (other than accidental bodily injury or illness or death of any person) caused by vibration or the weakening or removal of support:
  - (i) due to or arising from loss of or damage to property, land or ground if such loss or damage is foreseeable in consideration of the works to be executed and/or the method of construction;
  - (ii) due to or arising from loss of or damage to property unless a detailed survey report on the structural condition of all property in the proximity of the Project Site has been set up and made available to Insurers prior to inception of works;
- (b) any costs of safety precautions to prevent or minimize any loss or damage to property, land or ground irrespective of whether loss or damage has already occurred or not.

The Deductible applicable for any Liability (other than accidental bodily injury or illness or death to any person) due to or arising from loss of or damage to property, land or ground caused by vibration, or the weakening or removal of support is stated below.

Deductible in respect of loss of or damage consequent upon or attributable to one source or original cause: ..... percent of the Liability, subject to a minimum of .....



**EPI 12 Partial Operation**

Notwithstanding Condition 1.3.12 of Section 1, Material Damage it is agreed that in respect of the portions of Insured Property stated below:

- (a) such portions shall be in Partial Operation (after Hot Testing and Commissioning, if any, has been completed) as from the Inception Date stated below and until the Termination Date of the Construction Period; and
- (b) such Partial Operation shall be covered under the Policy; and
- (c) for such portions the Maintenance Period shall begin at the Termination Date of the Construction Period; and
- (d) during the Partial Operation Period the Deductible stated below shall apply in respect of Loss insured under Section 1, Material Damage provided such Loss is caused by or arising from perils other than storm, tempest, hurricane, cyclone, flood, water damage, subsidence, landslip, avalanche, earthquake, volcanic activity and tsunami.

For the purpose of this Endorsement Partial Operation shall mean that the portion of Insured Property has been taken into use under the responsibility of the Contractor but not handed over to the Principal yet.

Portion of Insured Property	Inception Date of Partial Operation Period	Deductible each and every Loss Currency: .....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....



## **EPI 15 Constructional Plant and Equipment**

It is agreed that in Section 1, Material Damage, Exclusion 1.2 (g) is deleted and the following is added to 1.3 Conditions to Section 1:

- (a) Insurance is extended to indemnify the Insured in respect of Loss occurring on the Project Site to the Insured's mobile and stationary constructional plant, machinery, equipment, tools, temporary buildings and their contents, hereinafter called Constructional Plant and Equipment, always provided all items of Constructional Plant and Equipment shall be stated below and any not mentioned items shall not be covered.
- (b) The Sum Insured as stated below shall represent:
  - (i) for mobile and stationary constructional plant, machinery, equipment and tools the new replacement value of items of the same type and capacity when delivered to the Project Site;
  - (ii) for temporary buildings and their contents: the actual market value.
- (c) Condition 1.3.1 Basis of Indemnity shall not apply to Constructional Plant and Equipment. In the event of Loss, the basis of indemnity shall be as follows:
  - (i) in respect of Loss which can be repaired, the cost of repairs necessary to restore the item to its condition immediately before the occurrence of the Loss, less the value of any salvage;
  - (ii) in respect of total Loss, the actual cash value, less the value of any salvage.

If the anticipated cost of repairs equals or exceeds the actual cash value, the indemnity shall be as described in (ii) above.
- (d) Insurers shall not indemnify the Insured for loss or damage due to mechanical and/or electrical breakdown, freezing of coolant or other liquids, defective lubrication, lack of oil or coolant, but this exclusion shall be limited to the parts immediately affected.
- (e) Exclusion 1.2 (a) shall not apply to Constructional Plant and Equipment.
- (f) The period during which the items of Constructional Plant and Equipment are covered and the applicable Premium and Deductible are stated below.





Items of Constructional Plant and Equipment (if relevant: Type, Make/Manufacturer, Model, Year of Manufacturing)	Number of items	Sum Insured each item Currency:.....	Sum Insured all items Currency: .....	Deductible Currency: ....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

Total Sum Insured .....  
Period: ..... months, from ..... to .....  
Premium: ..... Due Date: .....



**EPI 24 Leak Search Costs**

It is agreed that Section 1, Material Damage is extended to indemnify the Insured up to the Sum Insured stated below in respect of costs incurred in searching for leaks of pipelines provided that:

- (a) all welds have been checked by non destructive testing; and
- (b) insured Loss is found to have occurred.

Sum Insured each and every Loss and in the aggregate for the Policy Period: .....



**EPI 39 Auditor's Fees**

It is agreed that Section 3, Delay in Start-up, is extended to indemnify the Insured up to the Sum Insured stated below in respect of the reasonable fees payable by the Principal to their auditors for producing and certifying any particulars or details contained in the Insured's books of account or other documents, or such other proofs, information or evidence as may be required by Insurers under the terms of General Condition 6.6.

Aggregate Sum Insured for the Period of Insurance. ....

**EPI 41 Fire Fighting Facilities**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions:

Insurers will not indemnify the Insured in respect of loss or damage arising directly or indirectly from fire at the Project Site, including all storage areas belonging to the Project Site if any, where any of the following requirements have not been fulfilled:

- (A) In general:
  - (a) draw up, prior to the start of any storage or construction activity at the Project Site, a Site Fire Safety Plan, which shall include details of the personnel, organisation and responsibilities, and the general arrangements for fire prevention, fire detection, and fire fighting;
  - (b) review and adjust such plan at regular intervals and whenever major changes occur at the Project Site;
  - (c) observe the local law and regulations regarding fire safety.
- (B) In particular:
  - (a) ensure that, at an early date, all personnel is aware of the contents of the Site Fire Safety Plan and receives training in the use of the fire extinguishing facilities;
  - (b) ensure that water supplies to or at the Project Site for fire fighting purposes are available at the required pressure and volume;
  - (c) ensure that fire extinguishers (water, foam and carbon dioxide) are distributed in adequate numbers and appropriately positioned;
  - (d) ensure that a procedure for calling the fire brigade is established, together with the maintenance of reasonable site access for it and operating facilities;
  - (e) ensure that a No Smoking policy on the Project Site is enforced, other than in a specially designated and protected area;
  - (f) ensure that a permit-to-work system is adopted and special fire precautions are taken whenever hot work (i.e. work involving the application of heat, the use of gas cylinders, tar boilers, or similar equipment) is to be undertaken;
  - (g) ensure that action be taken to maintain site cleanliness and regular disposal of waste;
  - (h) ensure that sound security arrangements are in place at night, on weekends, and during holiday periods;



- (i) ensure that, at least once every three months, measures are taken to check that all fire fighting facilities are in a fully serviceable condition, and that all employees observe the requirements of the Site Fire Safety Plan;
- (j) ensure that proper administrative systems and records are kept regarding all aspects



**EPI 42 Structures in Earthquake Zones**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of loss or damage resulting from earthquake unless the Insured Property conforms with the relevant Earthquake Building Code.



**EPI 44 Pipelines, Conduits and Cables**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions to Section 1:

- (a) Insurers will not indemnify the Insured for loss or damage directly or indirectly caused by rain, inundation or flood to pipes, conduits and cables laid in trenches where any of the following requirements have not been fulfilled:
  - (i) as soon as practicable, pipes or conduits have been secured against displacement and trench has been backfilled;
  - (ii) the open ends of pipes and conduits are provisionally plugged to guard against the ingress of water, mud and detritus during any interruption of laying operations and in the event of imminent danger from flooding.
- (b) In respect of Loss to open trenches and pipes, conduits or cables laid therein, caused directly or indirectly by rain, inundation or flood, Insurers liability shall be limited in respect of the aggregate length of open trenches at any one time as stated below.

Should the length of all open trenches at the time of the Loss be in excess of the aggregate length limit stated below then the indemnity shall be reduced by the percentage which that limit bears to the total length of all open trenches at the time of the Loss.

Open trench shall mean a partially or totally excavated trench, including a trench in which a pipe, conduit or cable has been laid but not fully backfilled to the level of the adjoining ground and finally compacted.

Aggregate length limit of open trenches: ..... metres.



**EPI 45 Roads**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions to Section 1:

In respect of Loss to portions of not completed road caused directly or indirectly by rain, inundation or flood, Insurers liability shall be limited in respect of the aggregate length of the portions of not completed road at any one time as stated below.

Should the length of all portions of not completed road at the time of the Loss be in excess of the aggregate length limit stated below then the indemnity shall be reduced by the percentage which that limit bears to the total length of all portions of not completed road at the time of the Loss.

A road portion is deemed to be not completed until the asphalt or concrete course has been laid. It is understood that road shall include all types of roads including but not limited to motorways and highways.

Aggregate length limit of the portions of not completed road: ..... metres.





## **EPI 46 Ground Water Pumping**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of:

- (a) any loss or damage arising directly or indirectly from breakdown of any groundwater pumping system unless standby pumping facilities, equivalent to at least the capacity of the largest operating pump, are installed and ready for immediate use prior to the commencement of the pumping operations; and
- (b) any costs or expenses incurred in respect of groundwater pumping operations.



**EPI 47 Underground Construction**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions to Section 1:

Insurers will not indemnify the Insured in respect of any loss or damage to tunnels, shafts, caverns and similar underground construction, hereinafter called Underground Construction, for:

- (a) the cost of removing overbreak material excavated beyond the minimum net excavation line provided in the plans, nor the cost of filling the cavities produced by such overbreak;
- (b) the costs of safety measures taken to support, reinforce, stabilise rock or soil, irrespective of whether Loss has occurred, is imminent or has not yet manifested itself;
- (c) loss of bentonite, grouting material, or other ground stabilisation fluids and/or materials;
- (d) losses incurred due to abandonment or cessation of works;
- (e) loss or damage where the Insured has failed to take all reasonable measures to prevent loss or damage in accordance with industry best practice standards;
- (f) abandonment or recovery costs of any constructional plant and equipment including tunnel boring machines.

In respect of any Loss to Underground Construction the Limit of Indemnity and Deductible stated below will apply.

Limit of Indemnity each and every Loss: .....

Aggregate Limit of Indemnity for the Period of Insurance: .....

Deductible each and every Loss: .....

**EPI 48 Piling**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of:

- (a) any loss or damage arising directly or indirectly to foundation piles and/or casings and/or sheet pile constructions which are:
  - (i) misplaced and/or misaligned;
  - (ii) lost during driving and/or extraction;
  - (iii) the subject of individual or block disconnection or declutching;
- (b) the cost of repair, replacement, or rectification of piling work necessitated by leakage or infiltration of fluids or material at seams, joints, connections and/or beneath sheet pile constructions or into casings, unless such leakage or infiltration is a direct consequence of other Loss for which indemnity is provided by this Policy;
- (c) any abandoned piling work, unless such abandonment is a direct consequence of other Loss for which indemnity is provided by this Policy;
- (d) piles which have failed to pass a load test or attain the required bearing load, unless such failure is a direct consequence of other Loss for which indemnity is provided by this Policy.



**EPI 49 Works Time Schedule**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of loss or damage caused by or increased as a consequence of any deviation, in respect of the Project or any part thereof, from the time schedule stated below if such deviation is in excess of the period stated below.

Time schedule reference: .....

Deviation: ..... weeks



## **EPI 50 Hydrocarbon Processing Industry**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

As from the introduction of any hydrocarbon feedstock, Insurers will not indemnify the Insured in respect of any loss of or damage to:

- (a) reforming units due to overheating or cracking of any tubes;
- (b) Insured Property due to:
  - (i) overheating or cracking following or arising from any exothermic process reaction;
  - (ii) an intentional deviation from prescribed procedures including those relating to commissioning, start-up and operation.



**EPI 51 Catalysts**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions to Section 1:

Insurers will not indemnify the Insured in respect of any change in the chemical composition of catalysts or any contamination unless such change or contamination is a direct consequence of other Loss for which indemnity is provided by this Policy.

In respect of Loss to catalysts the Limit of Indemnity stated below will apply.

Aggregate Limit of Indemnity for the Period of Insurance: .....



## **EPI 52 Cold Testing, Hot Testing and Commissioning**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions to Section 1:

For the purpose of this Policy, Cold Testing, Hot Testing and Commissioning shall mean:

(a) Cold Testing

The checking of component parts of machinery or equipment by mechanical, electrical, hydrostatic or other forms of testing under dry run conditions to ensure that the items work, but:

- (i) without firing of furnaces or application of direct or indirect heat;
- (ii) without use of feedstock or other materials for processing;
- (iii) in the case of electrical motors and electrical generating, transforming, converting or rectifying equipment, without connection to a grid or other load circuit.

(b) Hot Testing

The checking of component parts of machinery or equipment under load or operational conditions:

- (i) including use of feedstock or other materials for processing or other media to simulate working conditions;
- (ii) in the case of electrical motors and electrical generating, transforming, converting or rectifying equipment, including connection to a grid or other load circuit.

(c) Commissioning

The operation of machinery or equipment under production conditions for the purpose of attaining specification requirements and/or for training operational staff:

- (i) including use of feedstock or other materials for processing;
- (ii) in the case of electrical motors and electrical generating, transforming, converting or rectifying equipment, including connection to a grid or other load circuit.



**EPI 53 Normal Action of the Sea**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of any loss or damage totally or partially resulting from adverse sea conditions unless according to the records available the return period of such sea conditions at the Project Site is higher than the return period stated below.

Sea conditions shall mean waves caused by storm including but not limited to tropical cyclone, typhoon, hurricane. The parameter to be used shall be recorded heights of the significant wave measured by the observation station(s) stated below.

The burden will be on the Insured to demonstrate that this exclusion shall not apply.

Return period: ..... years

Observation station(s): .....





## **EPI 54 Serial Losses**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions to Section 1:

Ensuing Losses to machines or equipment of the same type or design due to defects of material, workmanship, design, plan or specification and arising out of the same cause shall be indemnified according to the following scale:

- (a) 100% of the first Loss;
- (b) 75% of the second Loss;
- (c) 50% of the third Loss;
- (d) 25% of the fourth Loss.

Further Losses shall not be indemnified.

The burden of proof that any Loss does not arise from the same cause shall be upon the Insured.



**EPI 56 Cofferdam**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of any loss or damage arising directly or indirectly from the overtopping of a cofferdam caused by a flood with a return period of less than the period stated below.

The burden will be on the Insured to demonstrate that this exclusion shall not apply.

Return period: ..... years.



**EPI 57 Precipitation**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of any loss or damage totally or partially resulting from precipitation unless according to data available from the meteorological service the quantity of rainfall at the Project Site is higher than the quantity corresponding to the return period stated below.

The burden will be on the Insured to demonstrate that this exclusion shall not apply.

Return period: ..... years

**EPI 58 Microorganisms**

It is agreed that the following is added to 4 General Exclusions:

Insurers will not indemnify the Insured in respect of:

- (a) loss or damage, arising out of, resulting from, caused by, contributed to, or in any way related to the existence, inhalation or exposure to any fungus/fungi and or spore(s);
- (b) any cost or expenses associated in any way, or arising out of the abatement, mitigation, remediation, containment, detoxification, neutralisation, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungus/fungi or spore(s);
- (c) any obligation to share with or repay any person, organisation or entity, related in any way to items (a) and (b) above, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to the injury or damage.

For purposes of this Exclusion fungus/fungi includes, but is not limited to, any form or type of mould, mildew, mushroom, yeast, or biocontaminant and spore(s) includes, but is not limited to, any substance produced by, emanating from, or arising out of any fungus/fungi.



**EPI 59 Directional Drilling**

It is agreed that in Section 1, Material Damage, Exclusion 1.2 (o) is deleted and the following is added to 1.3 Conditions to Section 1:

- (a) The Insurers will indemnify the Insured for Loss to Insured Property arising directly or indirectly from horizontal directional drilling and/or directional drilling operations and/or trenchless pipe installations, hereinafter called Directional Drilling Operations, always provided all items of such Directional Drilling Operations shall be stated below and any not mentioned items shall not be covered.
- (b) Insurers shall not indemnify the Insured for:
  - (i) any loss or damage unless a geotechnical survey as required according to best practice standards has been carried out prior to commencement of Directional Drilling Operations;
  - (ii) any loss or damage directly or indirectly due to corrections and/or re-routing as a result of deviations from the intended course;
  - (iii) loss of drilling fluid;
  - (iv) all costs rendered necessary by modification of construction methods including but not limited to change of drilling head, reamer, tool, equipment or drilling fluid.
- (c) In the event of Loss the indemnifiable amount is limited, in respect of the Directional Drilling Operation where the Loss has occurred, to the Sum Insured stated below, reduced for that portion of works which has not been carried out yet. Such Sum Insured shall represent the value of the Directional Drilling Operation as included in the Sum Insured stated in the Schedule.
- (d) The Deductible applicable is stated below.

Location and length of Directional Drilling Operation	Sum Insured	Deductible each and every Loss
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

**EPI 61 Fire Protection at Semiconductor Plant Projects**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions:

Insurers will not indemnify the Insured in respect of loss or damage arising directly or indirectly from fire, smoke and/or explosion where any of the following requirements has not been fulfilled before installation of the first semiconductor (i.e. wafer and/or LCD) manufacturing/processing tool in the clean room:

- (a) The entire fire fighting system (including but not limited to sprinklers, hydrants, standpipes) shall be activated and an adequate water supply maintained. No subsequent disablement or disarming of the fire protection system, in parts or as a whole, shall be undertaken without prior written notice to the Insurers.
- (b) Proprietary smoke detection systems, such as VESDA (Very Early Smoke Detection and Alarming) and/or HSSD (High Sensitivity Smoke Detection) shall be installed at least in the RAP (Return Air Plenum) area, tested and activated. Alarm station for smoke detection and sprinkler flow alarms shall be tested and activated. Two security staff shall be in 24-hour attendance with the capability to mobilise emergency response team effectively at all times. A written procedure shall exist for staff to contact local fire brigade immediately upon receipt of alarm.
- (g) Formal control procedures encompassing Contractor fire training, Contractor access to the plant, and hot work permit procedures shall be developed and implemented by the Insured. All Contractors entering the clean room area must have received a safety and emergency response training and be given clear identification for clean room access control.
- (c) Once testing of semiconductor manufacturing/processing tools (i.e. when gas, chemicals and/or electricity are supplied to any such tool), an ERT (Emergency Response Team), consisting of Principal's and/or Contractors' trained staff, shall be on the Project Site at all times. The ERT shall consist of no fewer than 8 people per shift in the clean room. Security staff at the control centre must be able to mobilize the ERT at all times.
- (d) Portable CO<sub>2</sub> extinguishers must be available and ready for use on any equipment with potential fire hazard (i.e. equipment marked with red safety tag) within 30 seconds, including the time required for locating them. Solvents and packing materials stored in the clean room shall be limited to 1-day usage.



- (e) Exhaust pipes shall be made of stainless steel and/or comply with FM4910 and/or FM4922 standards. Wet benches (if present) containing flammable and/or combustible liquids must be constructed of stainless steel and/or FM4910 compliant material and be equipped with internal CO<sub>2</sub> extinguishers. Pipeworks for flammable liquid and/or gas shall meet relevant FM (Factory Mutual) and/or SEMI (Semiconductor Equipment & Material International) safety requirements.
- (f) All Contractors and operators at the Project Site shall be familiar with the emergency response procedure which shall include but not be limited to knowing the location of the closest portable CO<sub>2</sub> extinguisher and the emergency telephone number. This shall be verified by Principal's random check records conducted during Principal's routine plant surveys by its safety personnel and submitted to Insurers on monthly basis.



**EPI 62 Handover of Semiconductor Plant Projects**

It is agreed that in Section 1, Material Damage the following is added to 1.3 Conditions:

(a) The Principal shall take over a building once its occupancy permit has been obtained, but no later than when the testing of semiconductor manufacturing/processing tools begins (i.e. when gas, chemicals and/or electricity are supplied to any semiconductor manufacturing/processing tool).

(b) The Principal shall take over all facilities such as air conditioning, fire fighting system, etc. upon the completion of all testing of the particular facility but no later than when the testing of semiconductor manufacturing/processing tools begins.

The Principal shall take over all semiconductor manufacturing/processing tools once they have been tested but no later than 90 days since any such tool has been moved into the clean room. This shall be verified by an equipment handover record with details of move-in date of all semiconductor manufacturing/processing tools whose value exceed the amount specified below and provided to Insurers on a bi-monthly basis. Insurers shall not indemnify the Insured for any loss of or damage to equipment for which no such handover record has been provided unless:

(i) at the time of Loss the period since the original scheduled move-in date of such tools has not exceeded 90 days; and

(ii) at the time of Loss the equipment is neither electrically hooked up nor mechanically hooked up (i.e. there is no cable, pipe or duct connected to the equipment).

Amount applicable to condition (c) above: .....





**EPI 63 Storage Tanks**

It is agreed that in Section 1, Material Damage the following is added to 1.2 Exclusions to Section 1:

Insurers will not indemnify the Insured in respect of:

- (a) loss of or damage to storage tanks caused by storm (including but not limited to tropical cyclone, typhoon, hurricane) where the Insured has not taken adequate temporary safety measures during the erection phase to ensure that the tank withstands a wind speed corresponding to a return period of not less than 20 years during its erection period; and
- (b) loss of or damage to any storage tank in excess of the number of storage tanks stated below.

The burden will be on the Insured to demonstrate that exclusion (a) shall not apply.

Number of storage tanks: .....



**EPI 64 Restoration of Equipment**

It is agreed that in Section 1, Material Damage the following is added to Condition 1.3.1. Basis of Indemnity:

In case of Loss due to contamination of Insured Property (especially by smoke, water, or dust), all affected items which can be restored shall be restored by the Restoring Company specified below. The restorability of the affected items is to be decided by the Restoring Company and this decision is binding for the parties.

Name and address of Restoring Company: .....



## **EPI 65 Risk Surveys**

It is agreed that in 5 Special Conditions the following is added:

The Insured shall fully cooperate with the Insurers and their appointed surveyor in the development and implementation of a risk survey plan. The Insured shall review recommendations made by the Insurer or their appointed surveyor and advise on implementation of such recommendations.



## **EPI 80 Crops and Trees**

It is agreed that in Section 2, Third Party Liability the following is added to 2.2 Exclusions to Section 2:

Insurers will not indemnify the Insured in respect of any liability due to or arising from damage to crops, trees, cultures, grass, plants, forests.



## **EPI 81 Underground Facilities**

It is agreed that in Section 2, Third Party Liability the following is added to 2.2 Exclusions to Section 2:

Insurers will not indemnify the Insured in respect of liability due to or arising from:

- (a) damage to underground pipe or cable services or other underground property or facilities, hereafter termed Underground Facilities, unless the Insured:
  - (i) prior to the commencement of such work, has obtained from the Public or Local Authorities involved and/or from the owners of the ground and/or of the Underground Facilities, a plan showing the precise route across, or position within the Project Site of Underground Facilities and the depth at which they were laid or built; and
  - (ii) verifies their route and/or position and depth by using contemporary detection equipment; and
  - (iii) uses adequate machinery and tools to avoid any damage when working close to the anticipated route or position of Underground Facilities;
- (b) any consequential loss arising out of damage to Underground Facilities.



## **EPI 90 Visits Maintenance**

It is agreed that in Section 1, Material Damage, Condition 1.3.2 Maintenance Period is deleted and replaced by the following:

This Policy does not cover loss or damage to Insured Property, occurring or arising during the Maintenance Period, except when insured Loss is caused by an insured Contractor in the course of any operations carried out by him for the purpose of complying with his obligations under the defects liability clauses of the Contract.

However, the cover provided by this Section shall not include loss or damage caused by or arising out of actions or omissions of an insured Contractor in connection with training, supervision, instruction or normal upkeep and plant management duties during the operation of the Business of the Principal.



**EPI 91 Exclusion of Earthquake, Volcanic Activity and Tsunami**

It is agreed that in 4 General Exclusions the following is added:

This Policy does not cover any loss, damage or liability, directly or indirectly caused by or resulting from earthquake, volcanic activity or tsunami.