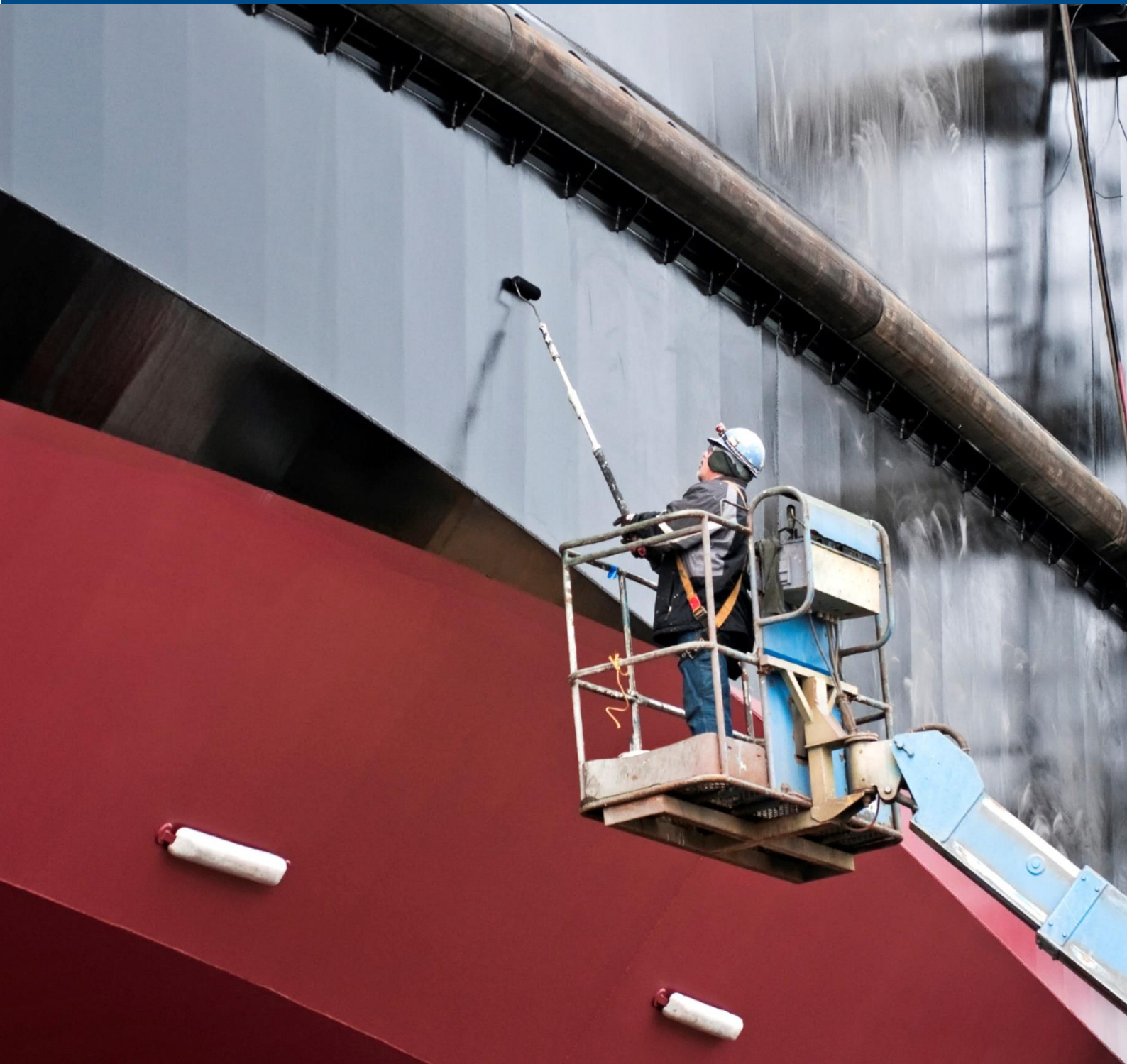


COATING PERFORMANCE GUARANTEE GENERAL INSURANCE TERMS AND CONDITIONS



0/ DEFINITIONS

The present insurance contract shall be construed according to the following:

0.1/ POLICY HOLDER: The natural person(s), company or corporation signing this insurance policy and mentioned in the Special Conditions.

0.2/ INSURER: The Insurance Company (Companies) covering the present insurance contract and mentioned in the Special Conditions.

0.3/ INSURED: The natural person(s), company or corporations to whom this quality can be granted, who benefit from the guarantees of this insurance contract and designated under this name in the Special Conditions.

0.4/ BENEFICIARY: The natural person(s), company or corporation on behalf of whom the INSURED deliver the products, materials or systems guaranteed or carry out the works or projects guaranteed and who then have these at their disposal upon their completion.

The Beneficiary mentioned in the Special Conditions must co-sign the present insurance contract in order to benefit of it.

0.5/ CLAIM: All similar defects, due to a same generating factor, defined under the Scope of guarantee of the present insurance contract, occurring within a three months' period, notwithstanding the number of claims put forward for similar defects.

The date of the claim is that upon which the INSURED have notice of the first of such CLAIMS.

Obviously, any claim must be reported immediately to the INSURER even if the INSURED should doubt as to the justness of such claim's report.

0.6/ REPAIR COSTS: As mentioned in the Special Conditions. All non-reclaimable taxes, dues and V.A.T. are also considered as repair costs, subject to having been declared in the amount insured.

0.7/ COATING INSPECTOR: The Coating Inspector is mentioned in the Special Conditions and the INSURER must approve him.

The Coating Inspector's task does not consist in setting up projects or parts of it, neither in participating in the direction of the works or projects guaranteed.

This task does not include tests on the products, materials or systems themselves, except when specified in the Special Conditions of the present policy.

The inspection reports of the COATING INSPECTOR form integral part of the present insurance contract.

0.8/ THIRD PARTIES :

Anybody except:

- the INSURED and the POLICY HOLDER;
- their ascendants and descendants;
- the personnel of the INSURED and of the POLICY HOLDER when in duty.

1/ SCOPE OF THE PRESENT INSURANCE CONTRACT

Cover under this policy only applies to the services that are specified in the Special Conditions. Services provided by the Insured as part of its operations, but which are not specified in the Special Conditions are not insured.

The present insurance contract covers the works or projects defined in the Special Conditions.

The present insurance contract is a property insurance covering specific defects defined in the Special Conditions under Scope of Guarantee.

1.1/ Only the products, materials or systems applied on the works or projects guaranteed as mentioned in the Special Conditions and described in the reports of the COATING INSPECTOR are insured.

1.2/ In case of fundamental modifications to the coating products, materials or systems guaranteed and such as to influence the primary properties of these, or such as to influence the properties or specifications of the works or projects guaranteed, the POLICY HOLDER commits himself to inform immediately the INSURER and the COATING INSPECTOR for their approval as to these modifications.

2/ GENERAL EXCLUSIONS

Besides the specific exclusions mentioned in the Special Conditions of this policy, always excluded of the present insurance contract are the following:

2.1/ The damage caused intentionally or provoked by the INSURED or mere with their complicity, as well as damage as a result of wilful misconduct, negligence, malice, trickery of fraud by one of the INSURED or by the BENEFICIARY.

2.2/ The damage or the aggravation of damage caused or incurred by:

- any war, even civil war, sabotage, hooliganism, terrorism, organized action, riots, strikes, popular movement, civil disobedience, judicial actions, disputes, embargoes, epidemics, accidents, collisions, mechanical damages or any similar fact;
- acts of the Purchaser, Owner or third party, acts of any government or any agency, subdivision or local authority;
- any natural cataclysm with a catastrophic character such as but not limited to volcanic eruptions, tidal waves, flood, storm or earthquakes;
- direct or indirect effects of fire, explosion, radiation, sudden heat build-ups, radioactivity;
- the permanent exposure to chemical, biological, bio-chemical, electromagnetic or mechanical destructive elements, such as but not limited to dust, smoke, fumes, gases or toxic materials, except when the scope of the guarantee consists in the resistance to the permanent effect of these elements.

The INSURER has to prove that the CLAIM results of one of these facts.

2.3/ The financial consequences of the delictual, civil and contractual liabilities others than the contractual performance guarantee, subject matter of the present insurance policy are excluded:

- all damage to THIRD PARTIES;
- the indirect or immaterial damage, such as but not limited to unemployment, immobilisation, devaluation, delay penalties, delay-interests, loss of customers, loss of profits, etc;
- the damage as a result of the Decennial Liability or of any other liability to be insured as compulsory by any Law.

2.4/ The damage or defects resulting from the non-respect of the rules of good practice and of the technical specifications which determined the approval of the products, materials or systems guaranteed.

2.5/ The damage or defects as a result of fundamental modifications to the products, materials or systems guaranteed, such as to influence the primary characteristics of the products, materials or systems and which have not been accepted by the COATING INSPECTOR, as determined in the General Conditions.

2.6/ The damage or defects resulting from one of the reservations made by the COATING INSPECTOR in his final report or by the OWNER at the delivery or acceptance of the works or projects guaranteed, as long as these reservations have not been withdrawn. In case of disagreement the opinion of the COATING INSPECTOR will be decisive.

2.7/ Damage or defects which have been declared too late; i.e. not within 90 working-days of receipt of a written claim report or of detection of a claim by the INSURED, except in case of an Act of God.

3/ COATING MATERIALS & COATING WORKS CONDITIONS

The INSURER will be allowed to exclude or restrict the guarantee cover on whole or part of the coating works if the following conditions are not strictly complied with, and in particular:

3.1/ Any contractor or subcontractor to be entrusted with the application of the products must have been previously approved by the Manufacturer, by the INSURER or by his representative.

3.2/ All work connected with application of the products must be approved by the Manufacturer and/or by his designated representative in writing in accordance with the INSURER's inspection and INSPECTION procedures.

3.3/ Surface preparation: preparation of the surfaces must have been executed to the COATING INSPECTOR's satisfaction.

This preparation includes, but is not limited to, grinding of weld seams and sharp edges, removal of weld spatter and laminations, welding shut of pores and pits, etc.

Steel surface preparation: all steel surfaces must be blasted to a minimum of Swedish standard SA 2.5 (SIS 05 5900 or ISO 8501-1) or the equivalent in other standards.

3.4/ Welding seam preparation: welding seams must be blasted to a minimum of Swedish Standard SA 2,5 (SIS 05 5900 or ISO 8501-1) or other standards according to the COATING INSPECTOR's or Manufacturer's approval.

3.5/ Cleaning prior to coating: before starting the coating all previously prepared surfaces must be carefully cleaned and thereafter approved by the COATING INSPECTOR or by the Manufacturer.

3.6/ Temperature and humidity: application must take place within the limits specified by the Manufacturer.

3.7/ Thinners and additives: Only thinners and additives supplied by the Manufacturer are to be used and they are not to exceed the quantity recommended. Only solvents specified by the Manufacturer are to be used for cleaning equipment.

3.8/ Application:

a) The Manufacturer's specified procedure of application must be strictly followed as set out in the Manufacturer's Technical Specification.

b) The Manufacturer's specified minimum and maximum time intervals between applications must be strictly adhered to.

c) The Manufacturer's specified minimum and maximum dry film thickness must be strictly complied with.

d) If the Manufacturer's quality standards are not applied in any respect the affected or damaged areas will not be covered by this guarantee.

3.9/ Surfaces, areas damaged during construction: all damaged surfaces and areas are to be repaired so that they are equal to the original acceptable standards.

3.10/ Storage of the coating consignments: all coatings are to be stored in accordance with conditions specified by the Manufacturer of the products.

3.11/ Cleaning and touching up: cleaning and touching up, if any, of the surfaces under guarantee shall be carried out according to the recommendations for maintenance provided by the Manufacturer of the products.

Records of such work are to be kept and copies forwarded to the COATING INSPECTOR.

4/ VALIDATION OF THE INSURANCE CONTRACT

The present insurance contract is valid as soon as it is signed by the INSURER and by the Contracting Parties.

The policy commences at the date mentioned in the Special Conditions and at the earliest the next day at 00.00 o'clock after payment of the first premium.

The same applies for all amendments and modifications described in the addenda to the policy.

5/ AMOUNT INSURED

The amount insured is mentioned in the Special Conditions and is fixed as follows:

5.1/ In case of an open or annual cover, the amount insured is agreed upon between the POLICY HOLDER and the INSURER.

That amount is the limit of indemnity payable by the INSURER, either per each claim or per each insurance year, or for both.

The aggregate amount insured mentioned in the Special Conditions is exhaustible during the whole period of guarantee.

This amount can be reinstated subject to conditions as described in Cl. 16 of the present General Terms and Conditions.

5.2/ In case of cover of a single work, a project or a vessel, or of a series of works, projects or vessels, the amount insured declared per work, project or vessel, and mentioned in the Special Conditions, is determined by the POLICY HOLDER and under his responsibility.

The amount insured declared must not be lower than the total cost price of the works or projects guaranteed subject matter of the present insurance contract: total cost price of the coating materials + total cost price of the labour, preparation costs, application costs, ancillary costs and apparatus necessary for the proper execution of the works or projects guaranteed.

The aggregate amount insured mentioned in the Special Conditions is exhaustible during the whole period of guarantee. This amount can be reinstated subject to conditions as described in Cl. 16 of the present General Terms and Conditions.

If it appears at the day of the CLAIM that the amount insured mentioned in the Special Conditions, is lower than the total cost price of the works or projects guaranteed, the POLICY HOLDER will be his own INSURER for the difference and he will consequently bear a proportional part of the total CLAIM costs.

This clause will not apply if the POLICY HOLDER has declared a "stop loss" or "first risk" amount insured to the INSURER.

6/ DECLARATIONS

The present insurance contract is drawn up according to the declarations of the POLICY HOLDER. He must consequently, upon subscription of the insurance policy, state accurately, under the penalties hereafter, all the circumstances he deems necessary to allow a correct estimation of the risk by the INSURER.

During the course of the present insurance contract, the POLICY HOLDER must inform the INSURER, as soon as it is brought to his knowledge, about any modification(s) to any circumstance specified in the Special Conditions. This declaration must be made prior to the modification if this modification is imputable to the POLICY HOLDER or to the INSURED and, in the other cases, within eight days after such modification(s) has been brought to his knowledge.

When the modification causes so drastic an increase of the risk that if the new state of things had existed upon subscription of

the present insurance contract, the INSURER would not have concluded the insurance policy or would have concluded it only with a higher premium or with different conditions, the INSURER can either terminate the insurance policy with a ten day's notice by registered letter, or suggest a new premium rate.

According to the cases, any omission or declaration purposely faulty, any intentional concealment or intentionally inaccurate declaration leads to the application of the penalties hereafter, as defined in Cl. 11 and 12.

If one of the obligations mentioned here above has not been fulfilled, the INSURER is entitled to:

- deny the claim for compensation from the POLICY HOLDER, the INSURED or the BENEFICIARY;
- exclude from the insurance policy, in part or in all, items subject to an essential change or modification or to an increasing risk.

7/ PAYMENT OF THE PREMIUM

The POLICY HOLDER is bound to pay the insurance premium to the INSURER.

The premium or the annual premium (or in the case of the splitting of the said, the shares of the annual premium) is undividable and payable per anticipation to the registered office of the INSURER or to his agency, on the date and according to the modalities specified on the request for payment.

With reference to clause 11 of the Special Conditions, the INSURER is not bound to grant any compensation in case of a CLAIM if the insurance premium(s), including premium insurance legal or compulsory taxes, costs & fees of the Coating Inspector (cl. 10 of the Special Conditions), has (have) not been paid before the date of declaration of the CLAIM.

8/ OBLIGATIONS IN CASE OF A CLAIM

The POLICY HOLDER and/or the INSURED and/or the BENEFICIARY must, under penalty of forfeiture, as soon as they know of a defect or damage, and no later than 90 days thereafter, unless fortuitous event or an act of God, notify the INSURER in writing.

The POLICY HOLDER and/or the INSURED and/or the BENEFICIARY shall forward to the INSURER, as soon as possible, any available information, reports and documents enabling the estimation of the cause and circumstances of the claim, the importance of the claim and the appreciation of the costs of the damage.

The POLICY HOLDER and/or the INSURED and/or the BENEFICIARY shall only be allowed to have the parts damaged repaired when the INSURER grants his approval or if he has not inspected the defective or damaged parts upon expiry of the 7 days following the declaration of the defect or of the damage, unless otherwise stated in the Special Conditions.

The repair or touch-up works shall be carried out according to the specifications and instructions of the manufacturer of the

products, materials or systems and of the loss adjustor designated by the INSURER.

Materials to be used for repair or touch-up works must be approved by the INSURER.

All repair or touch-up works to the surfaces/areas (whether falling within the guarantee or not) may be carried out only after consultation with the INSURER and subject to the same conditions as applied to the original application of the products, materials and systems.

The choice of the contractor to carry out any repair or touch-up work must be approved in writing by the INSURER.

The repair or touch-up works must be carried out within a period agreed upon by the parties concerned and determined during the loss adjustment of the claim.

The loss adjustor of the INSURER shall inspect the repair or touch-up works.

He will draw up an inspection report upon completion of the repair or touch-up works.

A copy of this report shall be provided to the INSURER or to his agency.

The POLICY HOLDER and/or the INSURED and/or the BENEFICIARY shall assist the INSURER in all respects, especially technical and legal respects, which the INSURER may request for exerting his subrogate appeal against THIRD PARTIES.

The INSURER shall reimburse the costs incurred by this assistance.

9/ DETERMINATION OF THE CLAIM INDEMNITY

9.1/ The INSURER will appoint a loss adjustor who will fix the total amount of the necessary repair or touch-up works.

In case of disagreement on this amount, the INSURER and the POLICY HOLDER shall designate together another loss adjustor whose conclusions shall be acknowledged by and will be binding for both parties.

All assessment or adjustment costs and fees resulting from an unjustified claim within the limits of the present insurance contract, will be for the POLICY HOLDER'S or BENEFICIARY'S account.

The INSURER and the POLICY HOLDER or the BENEFICIARY have to decide whether the cause of the damage has to be investigated and proved by a COATING INSPECTOR. Both parties will bear the resultant costs equally.

9.2/ The claim indemnity equals the amount of the repair or touch-up works less the deductible mentioned in the Special Conditions, up to the aggregate amount insured or to the sub-limits of this amount.

9.3/ If the INSURED or the BENEFICIARY do not repair the defective or damaged surfaces/areas within a delay of 6 months after the acceptance of the claim by the INSURER, he will have the right to review his proposal of claim settlement and these surfaces/areas will be excluded from cover for the resting period of guarantee.

If the INSURED or the BENEFICIARY do not repair the defective or damaged surfaces/areas within a delay of 6 months after the rejection of the claim by the INSURER, these surfaces/areas will be excluded from cover for the resting period of guarantee.

9.4/ Any claim indemnity under the present insurance contract is payable by the INSURER only against presentation of all repair invoices for the completed repair works or touch-ups as accepted by the INSURER's loss adjustor.

Any claim indemnity is payable within 45 days of presentation of these invoices.

9.5/ Claim indemnities are payable to the POLICY HOLDER. If the POLICY HOLDER agrees, the claim indemnity may be payable to the other INSURED mentioned in the Special Conditions.

If a BENEFICIARY has been mentioned in the Special Conditions, the claim indemnity will be paid to him.

10/ SUBROGATION

The INSURER is subrogated in the rights and actions of the POLICY HOLDER and/or the INSURED and/or the BENEFICIARY, without exceeding the amount of the claim indemnity he pays them.

11/ FORFEITURE

Apart from the cases stated in any Law, the concept of forfeiture covers the whole insurance contract, especially:

- in case of non-payment of the premium as set forth in Cl. 7 here above,
- in case of concealment, omission, faulty or inaccurate statement when describing the risk, when subscribing to the risk or during the insurance policy and liable to influence the appreciation of the risk by the INSURER or liable to increase the consequences of a defect or damage.

The forfeiture leads to the suspension of the insurance contract retroactively on the day of the event in question.

The insurance contracts remains in force with respect to the INSURER. He shall be entitled to require from the POLICY HOLDER that he meets his obligations, especially, the payment of the premiums due or to be due for the duration of the forfeiture, the interests and costs if any.

12/ TERMINATION

The INSURER shall be entitled to terminate the present insurance contract by registered letter, the said termination coming into effect 15 days after the date of an email notification:

- in all cases for which a forfeiture, an omission, a purposely or intentionally faulty or inaccurate declaration or concealment has been invoked;
- after payment of the claim indemnity or of the rejection of such claim. This right to termination after claim indemnity

or after claim rejection is not valid in a job policy that guarantees a project or a specific or individual job or vessel;

- in case of total disappearance of the risk further to a fact not guaranteed under this insurance contract.

13/ DOMICILE AND CORRESPONDENCE

Any notification between the contracting parties is considered as effective on the date of mail registration.

It is validly communicated to the INSURER, to the INSURED, their mandatory or their representative at their last known addresses.

14/ PRESCRIPTION

Any legal action proceeding from the present insurance contract becomes void and is time-barred after 2 years from the date of the event of such action.

15/ ARBITRATION, LAW & MEDIATION

By derogation to all other stipulations relating to jurisdiction, disputes regarding the interpretation of the present policy will be submitted to arbitration to the LONDON Arbitration Chamber and shall be governed by the English Laws.

All terms and conditions of this guarantee insurance policy are subject to the English Law Rules.

MEDIATION CHARTER

In the event of a dispute concerning the application of this insurance contract, the INSURED shall have the possibility of requesting the intervention of a Mediator before starting any legal proceedings, except for the safeguarding measures that are intended to preserve the rights to legal action of each of the parties.

a) The Mediator

The Mediator must be appointed by mutual agreement between the POLICY HOLDER and the INSURER within a maximum delay of one month following the date of receipt of a claim notification.

The Mediator is free to accept or decline the appointment without having to divulge the reasons.

The parties may not appoint a Mediator if the parties have already engaged a judicial or arbitrary action.

b) Role of the Mediator

The Mediator will carry out his task in a completely independent manner.

His task is to examine any litigation opposing the INSURED and the INSURERS concerning the application of the insurance contract.

The Mediator may appoint if he so wishes and should it be deemed necessary, any other specialist in a particular field.

The Mediator determines a time limit for the parties to make their arguments known and to convey all their supporting documents.

He may receive the parties separately or together in order to hear their arguments.

He shall give a written legal opinion within three months of his appointment (except in the case where the parties have consented to his request for a longer period).

The opinion of the Mediator is not binding for the parties and is of a confidential nature. The parties shall not use it in case of judicial or arbitrary action.

The costs and fees of the Mediator, and if necessary, those of the specialist(s) he has consulted, will be paid for by the INSURERS, unless the appointment of the Mediator by the INSURED appears to be clearly without justification.

16/ REINSTATEMENT OF THE AMOUNT INSURED AFTER CLAIM SETTLEMENT

After settlement of any claim, the amount of the indemnity paid by the INSURER and of the deductible applied shall be deducted from the aggregate amount insured mentioned in the Special Conditions.

After prior agreement of the INSURER, the POLICY HOLDER or the INSURED can reinstate the amount insured (as originally covered at the signature of this policy) subject to an additional premium to be agreed between parties and payable by the POLICY HOLDER, by the INSURED or by any other party.

They will therefore co-sign an addendum to the present insurance contract.