INSURANCE OBTAINED BY CONTRACTOR

A. Contractor shall procure, pay premiums, and provide its own insurance coverage during the performance of the Work. Owner requires Contractor to obtain the following coverages:

Contractor shall at all times during the period in which the Agreement is in force, provide and maintain insurance of the type and with limits as stated in this Exhibit I.

Contractor and its Subcontractors are responsible for maintaining, at their own cost, any other insurance they deem necessary.

The insurance specified may be provided in a policy or policies, primary and excess.

Contractor shall (i) provide and maintain the following insurance:

(a) Workers’ Compensation and Employer’s Liability Policy, which shall include:

1) Workers’ Compensation (Coverage A), with statutory limits, and in accordance with the laws of the state where the Work is performed;
2) Employer’s Liability (Coverage B) with
3) U.S. Longshore and Harbor Workers Compensation Act coverage;
4) Cancellation Clause; and
5) All States Endorsement.

(b) Commercial General Liability Policy,
(c) **Commercial Automobile Liability Insurance** covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $2,000,000 each occurrence with respect to Contractor’s vehicles assigned to or used in performance of Work under this Agreement.

(d) **Umbrella/Excess Liability Insurance** with limits of $50,000,000 to apply to employer’s liability, commercial general liability, and automobile liability. Products/Completed Operations coverage shall be extended for five years beyond the achievement of Substantial Completion of the work.

(e) If any fixed wing or rotor craft aircraft will be used by Contractor in performing the Work, **Aircraft Public Liability Insurance** covering such aircraft whether owned, non-owned, leased, hired or assigned with a limit for bodily injury and property damage of $10,000,000 per occurrence and in the aggregate including passenger liability coverage.

(f) **Marine Liability - Stevedore Legal Liability and Wharfingers Legal Liability** which shall have limits of $2,000,000 each occurrence; $4,000,000 aggregate;

(g) **Professional Liability** - with limits of $20,000,000 per claim and $20,000,000 in the aggregate, which insurance shall be on a claims made basis (with a retroactive date satisfactory to Company).

B. **Terrorism Insurance.** On the date of the issuance of the Notice to Proceed, Contractor shall maintain terrorism insurance with a limit equal to the replacement value of Work on a per occurrence basis and aggregate for the term of the policy. Coverage shall be based on T3 Terrorism policy wording, but Contractor shall obtain such enhancements to that form as requested by Owner to the extent such enhancements can be obtained from underwriters without the payment of any material additional amount of premium (in the reasonable opinion of Contractor’s insurance broker experienced in that type of insurance). Coverage shall remain in effect until care, custody and control of the Work is transferred to Owner under the Agreement. Policy and such coverage shall be non-cancelable other than for non-payment of premium. Owner and Contractor, and others as mutually agreed, shall be included as
named additional insureds.

C. **Marine Cargo Insurance.** During the performance of the Work Contractor shall carry and maintain Marine Cargo Insurance covering “all risks” of direct physical loss or damage to materials, supplies, and equipment (“goods”) intended to become a part of the Project. “All Risks” conditions of coverage includes loss due to strikes, riots, civil commotion, terrorism and war as defined in the policy. Coverage shall be in an amount equal to the value of the largest single shipment on a CIF plus [mask] basis and shall be subject to a maximum deductible of $100,000 per loss. Coverage commences at the time of first-loading at point of origin through unloading at the Job Site and includes for avoidance of doubt, unloading and reloading at temporary locations and transshipment to the Job Site. Contractor, Owner, suppliers and vendors shall be included as additional insured parties as their interests may appear.

D. **Endorsements and Other Requirements.** The insurance carried in accordance with Sections A, B, C and D shall conform with the endorsements requirements as specified below:

   (a) **Quality of Insurance Coverage:** The above policies to be provided by Contractor shall be written by insurance companies which are both licensed to do business in the state where the Work will be performed, and either satisfactory to Owner or having a Best Rating of not less than A-. These policies shall not be canceled except with thirty (30) Days written notice to Owner from Contractor and the insurance carrier. Evidence of coverage, notification of cancellation or other changes shall be mailed to: Attn: Manager, Supply Chain, E.ON U.S. Services Inc., P.O. Box 32020, Louisville, KY 40232.

   (b) **Implication of Insurance:** Owner reserve the right to request and receive a summary of coverage of any of the above policies or endorsements; however, Owner shall not be obligated to review any of Contractor’s certificates of insurance, insurance policies, or endorsements, or to advise Contractor of any deficiencies in such documents. Any receipt of such documents or their review by Owner shall not relieve Contractor from or be deemed a waiver of Owner’s rights to insist on strict fulfillment of Contractor’s obligations under this Agreement.

   (c) **Other Notices:** Contractor shall provide notice of any accidents or claims at the Job Site to Owner’s Representative.

   (d) **Certificates of Insurance**

   - Purpose of submitting the certificate is to evidence the coverage in force
   - Under no circumstances shall Contractor or any Subcontractor be permitted to mobilize on the Job Site prior to submitting a certificate acceptable to Owner. Owner retains the right to waive this requirement at its sole discretion.
• All insurance provided by Contractor and Subcontractors shall be primary with respect to any insurance available to certificate holder.

• Automobile Liability and Commercial General Liability shall include Cross Liability Coverage.

• LG&E and KU Services Company shall be stated as the Certificate Holder

(e) Subrogation and Waiver

(h) Additional Insured

(i) Loss Payee

INSURANCE SCOPE

A. Builder's Risk Insurance.
replacement cost basis for the full completed value of the Work and contain an endorsement in such amount waiving any co-insurance penalty. There shall be no exclusion for resultant damage caused by faulty workmanship, design or materials.

Flood, earthquake, hurricane and volcanic action shall be provided at the limits stated in Attachment 1. Storage, whether on or off the Job Site and inland transit coverage shall be written with limits commensurate with the respective values at risk. Included in such Builder’s Risk Insurance will be a sub-limit for each loss covering loss or damage to work to the Existing Facilities or to portions of Work which are, custody and control and risk of loss has passed to Owner, with such coverage extending through the Warranty Period. Such policy shall remain in full force and effect until care, custody and control of the Work is transferred to Owner under the Agreement.

Coverage shall also include twenty four (24) months Extended Maintenance insurance perils, and subject to deductibles and coverages as listed in attachment 1.
Attachment 1

SLIP TERMS – PROJECT BUILDERS RISK

Policy Form: Manuscript All Risk Builders Risk Form to be agreed and under terms and conditions mutually acceptable to the Underwriters, Contractor, and the Owner.

Interests: Works comprising preliminary works (including associated works and Job Site mobilization), permanent works and temporary works undertaken in relation to the Project including but not limited to all soft costs, designs, drawings, specifications and plans to be provided, process plant machinery, fuel supplies, unfixed materials and goods and all other property for use in connection with the works including any other construction and works contracted by the Owner.

Territory: Coverage under this policy applies to Covered Property while located within the United States of America, its territories and possessions, including the District of Columbia and the Commonwealth of Puerto Rico, including the territorial coastal waters of any of the foregoing.

Coverage: Property Damage - "All-Risk" of Physical Loss or Damage including Flood, Earth movement and Testing and Commissioning risks. It is agreed that in order to offer full limit for Flood, the Job Site will be built up to an elevation above the 500 year flood zone.

Policy Limit: $ Contract Price

Sublimits: Inland Transit     $20,000,000
Expediting Expenses     $10,000,000
Extra Expense(Additional Cost of Working) $10,000,000
Damage to Existing Property   $  2,500,000
Debris Removal    $20,000,000 (or the greater of 25%)
Claims Preparation Expense   $  1,000,000
Terrorism     policy limit
Soft Costs     $10,000,000
Miscellaneous Unnamed Locations/Offsite $25,000,000

Deductibles: Works Physical Damage   $100,000
Transit – Shipments greater than $10MM $250,000
Transit – Shipments less than $10MM $250,000
Hot Testing, Commissioning and                   $1,500,000
Extended Maintenance   $250,000
Conditions:

- Mortgagees & Lender’s Loss Payable Provisions
  - Extended Maintenance Coverage – 24 Months for the full limits for months 1-12 after Substantial Completion, however months 13-24 will carry a sublimit of $5,000,000.

- 180 Days Hot Testing and Commissioning Period

- 72-Hour Occurrences Clause for Earth movement and Flood

- Defective material, design or workmanship extended to equivalent of DE 5 coverage during construction operations including the extended maintenance period.

- Waiver of Subrogation in accordance with the EPC Agreement and in favor of each named and additional insured, including vitiating acts

- Arbitration Clause

- Primary and Non-Contributory Insurance Clause

- Advance Payments Clause
  - Premium Installments – all premiums are due and payable within 30 days of binding, however premiums can be financed at a low interest rate.

- Fire Department Charges Clause

- Off Job Site Storage Clause
  - Includes Increased Cost of Constructing Incomplete or Unbuilt Works

- Preventative Measures Clause

- Application of Deductibles Clause

- Automatic Reinstatement of Aggregate Limits Clause, where applicable

- Expenses to Avoid or Diminish a Loss (Minimization of Loss Expenses)

- Defects Liability Period

- Provisional Repairs Clause

- Includes Removal to Place of Safety

- Includes Terrorism Coverage Endorsement
  - Automatic Increase in Limit 120%

- Government/Authorities Charges Clause

- Includes Strikes, Riots and Civil Commotion (excluding Sabotage and Terrorism)

- Debris Removal Clause

- Plans and Documents Clause

- Additional Cost of Working (Extra Expense) Clause

- Professional Fees Clause

- Agreed Adjuster Clause

- Non-Cancelable policy for term of project, except 10 days for premium non-payment

Choice of Law and Jurisdiction:

Law: This insurance shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to is conflicts of law rules.
Jurisdiction: The United States of America in accordance with the provisions of the SERVICE OF SUIT CLAUSE (U.S.A.) to be made upon Mendes and Mount, N.Y.