

HDFC ERGO GENERAL INSURANCE COMPANY LIMITED
HDFC House, 1st Floor,
165-166 Backbay Reclamation,
H.T. Parekh Marg, Churchgate,
Mumbai- 400020
India

SCHEDULE**POLITICAL RISK INSURANCE POLICY**

Policy Number:

- Item 1. **Insured:**
Address:
- Item 2. **Foreign Enterprise:**
Address:
- Item 3. **Project and Location:**
- Item 4. **Insured Investment:** ₹ _____
- Item 5. **Insured Interest:**
- Item 6. **Insured Share of Foreign Enterprise:** %
- Item 7. **Host Country:**
- Item 8. **Maximum Aggregate Limit of Liability:** ₹ _____
- Item 9. **Limit of Liability** per coverage:
- a) for **Expropriation:** ₹ _____
- b) for **Political Violence:** ₹ _____
- c) for **Currency Inconvertibility:** ₹ _____
- Item 10. **Insured Percentage** of Investment:
- a) for **Expropriation:** %
- b) for **Political Violence:** %
- c) for **Currency Inconvertibility:** %
- Item 11. **Policy Period:** From: 12:01 a.m. on
To: midnight on local time at
the address in Item 1
- Item 12. **Policy Currency:** India Rupee (₹) _____
- Item 13. **Waiting Period:** ___ days

Registered & Corporate Office Address: HDFC House, 1st Floor, 165-166 Backbay Reclamation, H.T.Parekh Marg, Churchgate, Mumbai – 400020. Customer Service Address: 6th Floor, Leela Business Park Andheri-Kurla Road, Andheri East, Mumbai – 400 059. Toll free number, 1800 2 700 700 | Fax: 91-2266383699 | care@hdfcergo.com | www.hdfcergo.com CIN: U66010MH2002PLC134869.IRDA Reg No.125.

Item 14. Premium Details

Premium Amount:

Service Tax:

Total Premium:

₹	
₹	
₹	

Item 15. Notification:

(Person (s) to be notified)

For notice of a claim or circumstances which could give rise to a claim

(a) The Manager

Claims Department

HDFC ERGO General Insurance Company Limited

HDFC House, 1st Floor,

165-166 Backbay Reclamation,

H.T.Parekh Marg, Churchgate,

Mumbai - 400020

India

Such notice shall be effective on the date of receipt by the Company at such address

(b) For all other notices:

Underwriting Manager

HDFC ERGO General Insurance Company Limited

6th Floor Leela Business Park

Andheri Kurla Road, Andheri East

Mumbai-400059

India

In witness whereof, the Company has caused this policy to be signed by its authorized employee.

Date:	Authorised Signatory:
Place:	

AGENTS DETAILS***AGENT NAME:******AGENT CODE:******CONTACT NO. :******ANY OTHER CONTACT DETAILS:***

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ENDORSEMENTS

[To be drafted for the **Insured's Project**]

This Policy is effective when the accompanying Schedule is signed by an authorized representative of HDFC ERGO General Insurance Company Limited (hereinafter called "The Underwriter")

Policy wording, Schedule and any Endorsements thereto shall be considered one document and any word or expression to which a specific meaning has been attached in any of them shall bear such meaning throughout unless specified otherwise.

Words and phrases that appear in bold letters have, for the purpose of this Policy, a special meaning which can be read in the Definitions section – Article II.

In consideration of the payment of premiums and in reliance upon information provided and statements made by the **Insured** to HDFC ERGO General Insurance Company (the "Underwriter"), and subject to the Schedule and Endorsements made a part hereof, and the terms, conditions and limitations set forth in this Contract (together the Schedule, Endorsements and Contract constitute the "Insurance Policy"), the **Insured** and the Underwriter agree as follows:

ARTICLE I. INSURING AGREEMENT

1.1 The Underwriter shall be liable and shall pay **Compensation** to the **Insured**, subject to the exclusions and limitations set forth in this Insurance Policy, for the **Insured Percentage** of the **Insured's Loss** caused:

- (a) principally and directly by an **Expropriation**;
- (b) solely and directly by **Political Violence**; or
- (c) solely and directly by **Currency Inconvertibility**;

and for which the **Date of Loss** occurs during the **Policy Period**.

1.2 **Compensation** shall be determined pursuant to Article IV herein.

ARTICLE II. DEFINITIONS

2.1 "**Application for Insurance**" means the **Insured's** "Application for Political Risk Insurance", along with all supporting documentation submitted by the **Insured** regarding the **Insured Investment** in the **Foreign Enterprise**.

2.2 "**Book Value**" of the **Foreign Enterprise** means the assets minus the liabilities of the **Foreign Enterprise** as evidenced in its financial statements, which shall be prepared in accordance with the accounting principles described in Article VIII herein.

"**Book Value**" of any real or tangible property means the value attributed to such property as provided for in the financial statements of the **Foreign Enterprise**, which were prepared in accordance with the accounting principles described in Article VIII herein.

2.3 "**Claim**" means the **Insured's** written claim for **Compensation** submitted in accordance with the procedures and requirements of Article VII herein.

2.4 "**Compensation**" means the amount payable to the **Insured** for a **Loss** as defined in this Insurance Policy. The amount to be paid by the Underwriter shall be determined pursuant to Article IV herein.

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- 2.5 **“Currency Inconvertibility”** is defined in Section 3.3 herein.
- 2.6 **“Date of Loss”** means a date occurring during the **Policy Period**, and shall be:
- (a) for **Expropriation**, the date immediately preceding the date on which the **Expropriation** occurs;
 - (b) for **Political Violence**,
 - (i) of the type referred to in Section 3.2(a), the date on which the real or tangible property described therein is damaged, destroyed, or lost; and
 - (ii) of the type described in Section 3.2(b), the date on which the cessation of operations described therein commences; and
 - (c) for **Currency Inconvertibility**, the date 180 days before the date on which the **Insured** files a **Claim** in accordance with Section 7.1 herein.
- 2.7 **“Expropriation”** is defined in Section 3.1 herein.
- 2.8 **“Foreign Enterprise”** is the entity identified in Item 2 of the Schedule. The **Insured** has made the **Insured Investment** in the **Foreign Enterprise**, as described in Item 4 of the Schedule and, in exchange, has received shares or other ownership interests in the **Foreign Enterprise**, as described in Item 5 of the Schedule. The **Insured Share** of the **Foreign Enterprise**, as evidenced by the shares or other ownership interests, is the percentage identified in Item 6 of the Schedule. The **Foreign Enterprise** will implement the **Project** as identified in Item 3 of the Schedule and further described in the **Insured’s Application for Insurance**.
- 2.9 **“Host Country”** is identified in Item 7 of the Schedule.
- 2.10 **“Host Government”** means:
- (a) the present or any succeeding governing authority (without regard to the method of its succession or as to whether it is internationally recognized) in effective control of all or any part of the territory of the **Host Country** or any political or territorial subdivision thereof (including any dependent territory); and
 - (b) any other public authority in or of the **Host Country** on which regulatory powers are conferred by the laws of the **Host Country**.
- 2.11 **“Insured”** means the entity set forth in Item 1 of the Schedule.
- 2.12 **“Insured Percentage”** means the percentage of the **Insured Investment** insured under this Insurance Policy as set forth in Item 10 of the Schedule.
- 2.13 **“Insured Interest”** means the rights, title and interest in the **Foreign Enterprise** acquired by the **Insured** in return for the **Insured Investment** in the **Foreign Enterprise**, as set forth in Item 5 of the Schedule.
- 2.14 **“Insured Investment”** means the investment set forth in Item 4 of the Schedule.

- 2.15 **"Insured Share"** means the **Insured's** percentage of ownership of the **Foreign Enterprise** as set forth in Item 6 of the Schedule.
- 2.16 **"Limit of Liability"** means the amount(s) set forth in Item 9 of the Schedule. **Limit of Liability** means at any time and for each coverage the maximum amount of **Compensation** that the Underwriter will pay for any **Loss** subject to the **Maximum Aggregate Limit of Liability**. The **Limit of Liability** shall be reduced automatically by the amount of **Compensation** paid by the Underwriter.
- 2.17 **"Local Currency"** means the currency of the **Host Country**.
- 2.18 **"Loss"** means a loss sustained by the **Insured** and caused by a **Political Risk Event**, and for which the **Insured** seeks **Compensation** under this Insurance Policy.
- 2.19 **"Maximum Aggregate Limit of Liability"** means the amount set forth in Item 8 of the Schedule. The amount of **Compensation** paid by the Underwriter under this Insurance Policy shall not exceed the **Maximum Aggregate Limit of Liability**, regardless of the number of Losses incurred or the **Policy Period**.
- 2.20 **"Policy Currency"** means the currency identified in Item 12 of the Schedule. The **Policy Currency** is the currency of the **Insured's** premium payments and any **Compensation** payable by the Underwriter to the **Insured**.
- 2.21 **"Policy Period"** means the period set forth in Item 11 of the Schedule.
- 2.22 **"Political Risk Event"** means an **Expropriation**, **Political Violence** and **Currency Inconvertibility** as defined in Sections 3.1, 3.2 and 3.3, respectively, herein.
- 2.23 **"Political Violence"** is defined in Section 3.2 herein.
- 2.24 **"Project"** means the **Project** owned and/or operated by the **Foreign Enterprise** as described in Item 3 of the Schedule and as further described in the **Insured's Application for Insurance**.
- 2.25 **"Reference Rate of Exchange"** means the average official exchange rate applied by the central bank or equivalent entity of the **Host Country** for the category of remittance that is the subject of a **Claim**. If the central bank or equivalent entity does not freely execute conversions of **Local Currency** into **Policy Currency** for such category of remittance, then the **Reference Rate of Exchange** shall be the effective exchange rate obtained through the most active legal and normal channel in the **Host Country** for conversion of **Local Currency** into **Policy Currency**.
- 2.26 **"Waiting Period"** means the period set forth in Item 13 of the Schedule. For **Currency Inconvertibility**, the **Waiting Period** shall commence on the date on which the **Insured** or the **Foreign Enterprise** first attempts to convert or transfer the currency pursuant to Section 3.3 of this Insurance Policy.

All other terms that appear in this Contract, the Schedule and the Endorsements have the definitions assigned to them as they appear in those documents.

ARTICLE III. POLITICAL RISK EVENTS

3.1 Expropriation

An **Expropriation** means an act or series of acts taken by the **Host Government** that:

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- (a) effectively deprives the **Insured** of all or part of its **Insured Interest** in the **Foreign Enterprise** relating to the **Project**; or
- (b) effectively prevents or restricts, through financial, regulatory or other measures, the operation of the **Foreign Enterprise** relating to the **Project**, causing the total cessation of the **Foreign Enterprise's** operations relating to the **Project**; or
- (c) effectively deprives the **Foreign Enterprise** of all or part of its real or tangible property relating to the **Project**; or
- (d) effectively prevents the **Insured** or the **Foreign Enterprise** from effectively controlling funds in the **Host Country** which constitute dividends or profits on, or proceeds from the disposal of, the **Insured Investment**;

provided such act or acts (i) are violations of international law (without regard to the availability of local remedies), and (ii) continue for the duration of the **Waiting Period**.

3.2 **Political Violence**

Political Violence means a violent act or series of acts in the **Host Country** undertaken with the primary intent of achieving a political objective, in the form of declared or undeclared war, hostile action by national or international armed forces, civil war, revolution, insurrection, civil commotion, terrorism or sabotage, which solely and directly causes (a) the damage, destruction or permanent loss of real or tangible property (other than precious metals, gems, works of art, money or documents) of the **Foreign Enterprise** relating to the **Project**; or (b) as a result of such damage, destruction or permanent loss, the cessation of essential operations by the **Foreign Enterprise** relating to the **Project** for a period of 365 consecutive days.

3.3 **Currency Inconvertibility**

- (a) an act or series of acts by the **Host Government** that prevents the **Insured** or the **Foreign Enterprise**, for the duration of the **Waiting Period**, from directly or indirectly:
 - (i) converting dividends or profits on, or proceeds from the disposal of, the **Insured Investment** from **Local Currency** into **Policy Currency**, including the denial of such conversion in an exchange rate category as favorable as the category applicable to determine the **Reference Rate of Exchange**; or
 - (ii) transferring outside of the **Host Country** the funds as described in (i) above already converted from **Local Currency** into **Policy**; or
- (b) failure by the **Host Government** (or by entities authorized under the laws of the **Host Country** to operate in the foreign exchange markets) to effect a conversion or transfer under (a) above on behalf of the **Insured** or the **Foreign Enterprise**.

ARTICLE IV. COMPENSATION FOR POLITICAL RISK EVENTS

4.1 **Expropriation**

In the event of **Expropriation**, the **Compensation** for a **Loss** shall be the following amounts, calculated as of the **Date of Loss**:

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- (a) for events qualifying under Section 3.1(a), the product of (i) the **Insured Percentage**, times (ii) the **Book Value** of the portion of the **Insured Interest** of which the **Insured** is deprived;
- (b) for events qualifying under Section 3.1(b), the product of (i) the **Insured Percentage**, times (ii) the **Book Value** of the **Insured Interest**;
- (c) for events qualifying under Section 3.1(c), the product of (i) the **Insured Percentage**, times (ii) the **Insured Share** of the **Foreign Enterprise**, times (iii) the **Book Value** of the property of which the **Foreign Enterprise** is deprived; and
- (d) for events qualifying under Section 3.1(d), the product of (i) the **Insured Percentage**, times (ii) the **Policy Currency** equivalent of **Local Currency**, or the amount in **Policy Currency**, constituting the funds of which the **Insured** or the **Foreign Enterprise** is deprived.

4.2 **Political Violence**

In the event of **Political Violence**, the **Compensation** for a **Loss** shall be:

- (a) for events qualifying under Section 3.2(a), the product of (i) the **Insured Percentage**, times (ii) the **Insured Share**, times (iii) the reasonable cost to repair or replace the damaged, destroyed or lost real or tangible property, provided the property is repaired or replaced within a reasonable period but not more than one year from the **Date of Loss**. If the property is not repaired or replaced within such one-year period, **Compensation** shall be the lesser of the **Book Value** or the fair market value of such property on the date immediately preceding the **Date of Loss**, such **Compensation** not to exceed the **Book Value** of the **Insured Interest** on the **Date of Loss**; and
- (b) for events qualifying under Section 3.2(b), the product of (i) the **Insured Percentage**, times (ii) the **Insured Share**, times (iii) the net income (net profit or **Loss** before taxes) lost by the **Foreign Enterprise** relating to the **Project** for a period not to exceed one year, determined by averaging the annual net income of the **Foreign Enterprise** relating to the **Project** over the three-year period immediately preceding the **Date of Loss**, or such lesser period of time if the **Project** has been operating for less than three years as of the **Date of Loss**; provided, however, that no **Compensation** shall be payable for events qualifying under Section 3.2(a)(ii)(b) unless there had been at least one year of **Project** operations immediately preceding the **Date of Loss**.

4.3 **Currency Inconvertibility**

In the event of **Currency Inconvertibility**, the **Compensation** for a **Loss** shall be the **Insured Percentage** of the **Policy Currency** equivalent of **Local Currency** that could not be converted; or the **Insured Percentage** of the amount in **Policy Currency** that could not be transferred. The **Policy Currency** equivalent shall be determined using the **Reference Rate of Exchange** in effect on the **Date of Loss**.

4.4 **Adjustments**

Compensation for any **Political Risk Event** shall be adjusted (i) for any compensation received from the **Host Government** or any other source on account of the **Political Risk Event**, and (ii) for any Investments or other contributions by the **Insured** to the **Foreign Enterprise** that are not **Insured** under this Insurance Policy. **Compensation** for any **Political Risk Event** shall not exceed the **Limit of Liability** set forth in Item 9 of the Schedule for the respective coverage on

the applicable **Date of Loss**. In no event shall the total amount of **Compensation** paid by the Underwriter under this Insurance Policy exceed the **Maximum Aggregate Limit of Liability**.

ARTICLE V. EXCLUSIONS

5.1 The Underwriter shall not pay **Compensation** for any **Loss** in the event that the **Loss** was directly or indirectly caused or contributed to by, or arose from:

- (a) the **Insured's** or the **Foreign Enterprise's** failure to comply with the laws of the **Host Country**, or from any failure of the **Insured** or the **Foreign Enterprise** to comply with the applicable environmental, public health and worker safety standards of the World Bank. This exclusion includes, but is not limited to, compliance with the World Bank standards existing prior to, or which may be introduced during, the **Policy Period**. Failure of the **Insured** or **Foreign Enterprise** to comply with the unreasonable requirements of national or local authorities in the **Host Country**, the stringency of which exceeds that of the comparable environmental, public health or worker safety standards of the World Bank, shall not be deemed a failure within the meaning of this exclusion;
- (b) the **Insured's** material breach of the terms of this Insurance Policy or a material misrepresentation by the **Insured** under this Insurance Policy or in its **Application for Insurance**;
- (c) the **Insured**, the **Foreign Enterprise** or their representatives engaging in any wrongful or criminal activities; or provoking the **Host Government** in some manner;
- (d) nuclear reaction, nuclear radiation or radioactive contamination, or the dispersal or application of pathogenic, toxic or poisonous biological or chemical elements, under any circumstance, including, but not limited to:
 - (i) ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
 - (iii) any weapon employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter, or pathogenic, toxic or poisonous biological or chemical elements;
- (e) the insolvency, bankruptcy or financial default of the **Insured** or the **Foreign Enterprise**, or from the repossession of property by any titleholder; or
- (f) the material breach by the **Insured** or the **Foreign Enterprise** of any contractual agreements with the **Host Government**; the material breach by the **Host Government** of any contractual agreements with the **Insured** or the **Foreign Enterprise**; or the **Host Government** acting in its capacity as a supplier, creditor, shareholder, director or manager of, or purchaser from, the **Foreign Enterprise**.

5.2 An act or series of acts taken by the **Host Government** which constitutes a bona fide non-discriminatory measure of general application of a kind that governments normally take in the public interest shall not be the basis for a **Claim of Expropriation**.

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- 5.3 A loss which results due to the failure by the **Insured** or the **Foreign Enterprise** to take all reasonable measures to protect or preserve the property of the **Foreign Enterprise** shall not be the basis for a **Claim** of **Political Violence**.
- 5.4 No claim of **Currency Inconvertibility** shall be accepted or recognized by the Underwriter, and the Underwriter shall accordingly have no liability under **Currency Inconvertibility**:
- (a) if the **Insured** or **Foreign Enterprise** would have been unable legally to convert **Local Currency** or transfer **Policy Currency** at the inception of the **Policy Period**;
 - (b) if the **Insured** or **Foreign Enterprise** fails to exercise all reasonable efforts to convert **Local Currency** or transfer **Policy Currency** during the **Waiting Period** through all lawful mechanisms that an investor could have used in the absence of this coverage;
 - (c) if the currency which cannot be converted or transferred has been the subject of an expropriatory action under Section 3.1(d) herein; or
 - (d) for devaluation or fluctuation of the **Local Currency**.

ARTICLE VI. REPRESENTATIONS, WARRANTIES AND COVENANTS BY THE INSURED

- 6.1 The **Insured** represents, warrants and/or covenants that:
- (a) as of the date of its execution of this Insurance Policy, it had no knowledge of any circumstance which could give rise to a **Loss** under this Insurance Policy;
 - (b) all the information that the **Insured** has provided in the **Application for Insurance**, and that the **Insured** will provide to the Underwriter, whether in written or verbal form, is true and correct and that no material information has been or will be withheld;
 - (c) it will implement the **Project** as described in the **Application for Insurance** and that it and the **Foreign Enterprise** have complied, and will continue to comply, with the laws of the **Host Country**, and have complied and will comply with the applicable environmental, public health and worker safety standards of the World Bank. The **Insured** and the **Foreign Enterprise** have or will obtain valid licenses and permits for the **Project** as required by law and will make all applications as required by law to extend, renew or modify such licenses and permits to comply with any new requirement promulgated during the **Policy Period**;
 - (d) it will notify the Underwriter immediately, and in no event after more than thirty (30) days, following the occurrence of any event which could give rise to a **Claim**;
 - (e) it and the **Foreign Enterprise** will take all reasonable steps to avoid or minimize any **Loss**. The **Insured** and the **Foreign Enterprise** shall cooperate fully with the Underwriter in the investigation of any **Claim**, the resolution of any potential claim situation and the pursuit of any **Claim** salvage. The **Insured** will not enter into any agreement concerning a **Loss** or potential **Loss** without the Underwriter's prior written consent. Prior to any **Compensation** payment, the **Insured** will pursue all reasonable diplomatic, legal, administrative, judicial and informal means which may be reasonably available to minimize or recover any **Loss**. The **Insured** will also preserve any legal, judicial and administrative remedies applicable to any **Claim** and furnish reasonable assistance in maintaining any rights or property transferred to the Underwriter.

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- (f) it will remain uninsured, and will at all times bear the risk of **Loss**, for the percentage of the **Insured Investment** that is not **Insured** under this Insurance Policy.
- 6.2 If there are any material breaches or misrepresentations of the above by the **Insured**, the Underwriter may void this Insurance Policy, retain the premium paid and refuse to compensate the **Insured** for any **Loss**.

ARTICLE VII. CLAIMS AND SUBROGATION

7.1 Submission of a Claim

- (a) The **Insured** must notify the Underwriter within thirty (30) days of the occurrence of any event that could give rise to a **Claim**, and submit a written **Claim**, satisfactory to the Underwriter, which demonstrates that the **Loss** was caused by a **Political Risk Event** as defined in this Insurance Policy. The **Claim** must be submitted to the Underwriter within (i) twelve (12) months from the **Date of Loss** for a **Claim** under Section 3.1 and Section 3.2(a); (ii) eighteen (18) months from the **Date of Loss** for a **Claim** under Section 3.2(b); and (iii) twelve (12) months from the commencement of the **Waiting Period** for a **Claim** under Section 3.3. Notwithstanding any other provision of this Insurance Policy, if a **Loss** occurs, the Underwriter may terminate the **Waiting Period** and demand a **Claim** filing and an assignment and subrogation under Section 7.4 herein, within ten (10) working days as a pre-condition to any **Compensation** payment; and
- (b) The **Insured** must provide any additional evidence, as requested by the Underwriter, in order to prove the **Claim**. If the **Insured** does not provide the additional evidence, as requested by the Underwriter, within six (6) months of the date of the request, then the Underwriter may deem the **Claim** withdrawn and shall not pay **Compensation** and the **Insured** shall not submit another **Claim** based upon the same **Political Risk Event**. The responsibility for proving a **Claim** under this Insurance Policy shall at all times rest with the **Insured**.

7.2 Determination of the Validity of a Claim

The Underwriter shall make a determination regarding the **Insured's Claim** promptly following the date upon which the **Insured** had provided all evidence, as reasonably required by the Underwriter, to prove the **Claim**.

7.3 Insured's Challenge of the Determination

Any action arising out of this Insurance Policy must be brought against the Underwriter within twelve (12) months from the date of the Underwriter's **Claim** determination or shall be deemed waived.

7.4 Assignment and Subrogation

- (a) In connection with a **Claim** under **Expropriation** or **Political Violence**, as a condition for any **Compensation** payment, the **Insured** shall assign to the Underwriter all of the **Insured's** right, title and interest in all or part of the **Insured Investment**, as specified by the Underwriter. In connection with a **Claim** under **Currency Inconvertibility**, as a condition for any **Compensation** payment, the **Insured** must assign and deliver to the Underwriter, by draft, subject to collection, or, at the Underwriter's option, in cash, the inconvertible **Local Currency** or nontransferable **Policy Currency** that is the subject of the

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Claim. Without prejudice to Section 5.4(c) herein, if the **Insured** is unable legally to deliver such currency to the Underwriter, then, in addition to the assignment requirements of Section 7.4(a) above, the **Insured** shall assign to the Underwriter its right, title and interest in such currency.

- (b) As a condition to any **Compensation** payment, the Underwriter shall be subrogated to all of the **Insured's** rights of recovery therefor against any person or organization in respect of the **Loss** for which the **Compensation** is to be paid, and the **Insured** shall execute and deliver all instruments and documents and do whatever is necessary to secure such rights for the Underwriter. The **Insured** shall do nothing to prejudice the Underwriter's rights.
- (c) Any assignment and subrogation made pursuant to this Section 7.4 shall be made in proportion to the amount of the **Loss** for which **Compensation** is to be paid. Any such assignment and subrogation shall be free and clear of all claims, defenses, counterclaims, rights of setoff and other encumbrances, except for those defenses relating to the **Political Risk Event**.

ARTICLE VIII. GENERAL CONDITIONS

8.1 Accounting Principles

All financial statements and accounts of the **Insured** and the **Foreign Enterprise**, as well as the calculation of any **Loss** hereunder, shall be in accordance with the principles of accounting generally accepted in the **Insured's** country, consistently applied and as used by the **Insured** in its certified financial statements.

8.2 Assignment of Insurance Policy

This Insurance Policy and any rights thereunder shall not be assigned by the **Insured** without the prior written consent of the Underwriter.

8.3 Cancellation of this Insurance Policy

- (a) By the **Insured**: The **Insured** may not cancel this Insurance Policy.
- (b) By the Underwriter: The Underwriter may cancel this Insurance Policy only for the non-payment of premium.

8.4 Complete Agreement of the Parties; Amendment and Waivers

This Insurance Policy constitutes the complete agreement between the parties, superseding any prior agreements or understandings. No provision of this Insurance Policy may be modified or supplemented except by a written agreement executed by authorized representatives of the parties. Neither party shall be deemed to have waived any of its rights under this Insurance Policy, unless expressly so stated in a written notice by the party waiving such right to the other party.

8.5 Choice of Law

Any issue relating to the construction, validity or performance of this Insurance Policy shall be governed by, read and construed in accordance with the laws of India.

8.6 Disputes and Arbitration

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If any difference arises as to the amount to be paid under this Insurance Policy (liability being otherwise admitted) or the interpretation of a clause under this Insurance Policy (including the Schedule and Endorsements), such difference shall be referred to arbitration, in accordance with the [Indian] Arbitration and Conciliation Act 1996, as amended, and the making of an award shall be a condition precedent to any liability for the Underwriter to make any payment under this Insurance Policy. Such arbitration panel shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by the Underwriter, and a third independent arbitrator selected by the first two arbitrators in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The arbitration shall be governed by Indian Law and the venue of arbitration shall be within India.

- (a) All proceedings in any arbitration shall be conducted in English and a daily transcript in English of such proceedings shall be prepared
- (b) The cost of arbitration undertaken in accordance with this section shall be borne by the parties associated with the arbitration and shall share equally in the costs of the arbitration proceedings and presiding arbitrator.
- (c) It is clearly agreed and understood that no reference to arbitration can be made if the Underwriter has either not admitted or has disputed liability in respect of any **Claim** under or in respect of this Insurance Policy.
- (d) In the event that these arbitration provisions shall be held to be invalid then all such disputes or differences shall be referred to the exclusive jurisdiction of the Indian Courts.

It is further expressly agreed and declared that if the Underwriter shall disclaim liability in respect of any **Claim** and is not within 12 calendar months from the date of such disclaimer be made the subject matter of a suit or proceeding before a Court of law or any other forum, it shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Insurance Policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

8.7 Disclosure of Existence of Insurance Policy

The **Insured** shall not disclose the existence of this Insurance Policy to any third party, with the exception of the **Insured's** bankers and other professional advisors on a confidential basis, without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld.

8.8 False or Fraudulent Statement, Reports or Claims; Concealment

This Insurance Policy shall become void, and all claims hereunder shall be forfeited, if the **Insured** makes any material statement, report, application, or claim, where the **Insured** knew or should have known that the statement, report, application or claim was false or fraudulent, or if

the **Insured** knowingly conceals any material fact, including, but not limited to, a material change in the **Project** agreements or in implementation of the **Project**.

8.9 Insured's Records

Upon reasonable notice to the **Insured**, the Underwriter may, at any time, examine or copy any records in the possession or control of the **Insured** relating to or connected with this Insurance Policy, the **Foreign Enterprise** and the **Project**. The **Insured** shall maintain all records for a period of six (6) years after the expiration of this Insurance Policy. The **Insured** shall, at the request of the Underwriter, take all reasonable steps to obtain for the Underwriter any and all of the aforesaid information in the possession of any third party relating to or connected with this Insurance Policy.

8.10 Notices

All notices under any provision of this Insurance Policy shall be in writing and given by prepaid express courier, certified mail or email to the following via the Broker:

- (a) In case of the **Insured**, at the address specified in the Schedule.
- (b) In case of Underwriter at

HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park,
Andheri Kurla Road
Andheri (East), Mumbai – 400 059, India
Toll Free Helpline 1800 226 226 / 1800 2 700 700

Such notices shall be effective on the date of receipt.

Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee or one day following the date such notice is sent, whichever is earlier.

8.11 Other Insurance

If the **Insured** has any bond, indemnity or insurance which would cover a **Loss** in whole or in part in the absence of this Insurance Policy, then this Insurance Policy shall be null and void to the extent of the amount that could have been recovered or received under such other bond, indemnity, or insurance. However, this Insurance Policy shall cover such **Loss**, subject to its exclusions, conditions and other terms, only to the extent of the amount of such **Loss** in excess of the amount recoverable or received under such other bond, indemnity or insurance.

8.12 Payment of Premium

It is hereby agreed that, as a condition precedent to any liability under this Insurance Policy, any premium due must be paid and actually realised by the Underwriter in full prior to the inception of risk. In the event of non-realisation of the premium, this Insurance Policy shall be treated as void-ab-initio.

8.13 Recoveries

After any **Compensation** payment hereunder, any sums recovered from any other source shall be paid to the Underwriter until it has completely recovered the following amounts: (i) the amount

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of the **Compensation** payment; (ii) the Underwriter's expenses associated with the **Claim**; and (iii) the Underwriter's expenses associated with recovery. Any excess amount remaining after the Underwriter is made whole shall be paid to the **Insured**.

8.14 Counterparts

This Insurance Policy may be executed in separate counterparts, each of which when so executed shall be an original, and shall together constitutes one and the same Insurance Policy.