Digit Bioconversion Plant Performance Insurance Policy

PROSPECTUS

UIN: IRDAN158CPLB0001V01202425

Go Digit General Insurance Ltd.

Go Digit General Insurance Ltd. ("Digit") is a new general insurance company being set up in India and is backed by Fairfax Financial Holdings Ltd. Fairfax is a large Canada based diversified financial services group engaged in General Insurance, Reinsurance and Investment management across more than 30 countries.

At Digit, our mission is to make Insurance products that are simple and transparent. For us, making Insurance simple translates into – Easy interface for customers to interact with us, Simple products, Simple and effective claims' process. Our goal is to offer products and services that customers really want and back it by service, that we can be proud of. We have a team that brings in years of experience in Insurance and technology companies. We want to become a part of consumers' lives and enable them to live without worrying about uncertain future.

Coverage Provided under the Product

The insurance coverage will insure processing of Municipal Solid Waste (MSW) into a defined amount of pipeline quality biogas, for the long-term operation of the plant and insure the product output to generate related Revenue commensurate with the schedule of Loan repayments shown in the Project Financials in annexure attached to this Policy for the Policy Term as mentioned in the Policy Schedule.
For avoidance of doubt, this Long-term Output Cover Policy will only indemnify for output shortfall that causes a Loan repayment or OPEX shortfall.

Who can buy this product?

This Product can be bought by entities/ firms/ trusts/ companies/ organisations, who need to cover any loss due to shortfall in plant output.

What are the exclusions under this product?

Coverage is provided only for the Insured Perils specifically identified in the Policy. Unless otherwise stated in any Section or section of this Policy, the Insurer shall not indemnify the Policyholder or otherwise be responsible or liable in respect of any Loss or damage directly or indirectly resulting from or aggravated by or in connection with:

a. Any physical loss or material damage caused by any peril other than an Insured Peril, including, but not limited to fire, lightning, explosion, windstorm, hail, flood, earth movement, earthquake, mine subsidence, riot, civil commotion, vandalism and malicious mischief;
b. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water or spray from any of these, all whether or not driven by wind (excluding storm surge);
c. Mudslide or mudflow;
d. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
e. Water damage caused by the discharge or leakage of a sprinkler system or domestic water piping; the Sprinkler system and domestic water piping are not parts of the equipment within the Waste Emulsification Processing Process
f. Water under the ground surface pressing on, or flowing or seeping through: (1) foundations, walls, floors, or paved surfaces; (2) Basements, whether paved or not, (3) Doors, windows, or other openings;
g. Waterborne material carried or otherwise moved by any of the water referred to in point (b), (d) or (f), or material carried or otherwise moved by mudslide or mudflow;
h. Collapse of the buildings or appurtenant structures;
i. Cracking, shrinking, settlement, bulging or expansion of foundations;
j. Acts of sabotage;
k. Riot or civil commotion, vandalism or terrorism;
l. War, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportion of or amounting to an uprising;
m. The acts of any person or persons acting on behalf of or in connection with any organization with activities

directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;

n. Confiscation, requisition, sequestration, nationalization or similar act;

o. Enforcement of any governmental law, ordinance, regulation or rule regulating or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of the Project;

p. Any liability for Loss based upon, arising out of or in connection with any violation of any country, province, city or local laws or regulations by the Named Insured;

q. Any fines or penalties, whether assessed by a government, regulator, or lender;

r. Criminal acts by the Named Insured independently;

s. Theft of tangible property;

t. Any act of Terrorism including loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism;

u. Nuclear reaction, nuclear radiation, radioactive contamination, all whether controlled or uncontrolled and wherever occurring, except controlled reactions occurring as part of the Process of Record;

v. Any weapon or device employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter;

w. Discharge, dispersal, seepage, migration, release or escape of hazardous substances, contaminants or pollutants;

x. Any pollution and/or contamination, directly or indirectly, arising from any cause whatsoever and any loss cost or expense due to any request, demand or order that the Insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, “pollutants”; or any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, pollutants;

y. Any willful act or gross negligence on the part of the Policyholder, its employees, agents, in house or appointed technicians and experts or other representatives;

z. Prevention of access to the Project; if necessary maintenance or repair works cannot be performed due to lack of access (strike / riot of plant, natural disaster etc)

aa. The loss or alteration of any electronic data, electronic information, computer applications software, computer operations software or any other similar data, information or software in any computer hardware, computer system, computer network, or the Internet;

bb. Damage to any computer hardware, computer system, computer network, or the Internet as result of loss or alteration of any electronic data, electronic information, computer operations software or any similar data, information or software.

cc. Any cyber-attack or any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon;

dd. Inadequate or improper metering, or failure to maintain Insurer’s access to meter data;

ee. Fees, assessments or tax liabilities; loss in debt shortfall due to increased fees or tax liabilities;

ff. Disconnection of the Project due to an emergency;

gg. Any consequential loss or damage of any kind including any business interruption, loss of profits or loss minimizing costs or expenditure and any damage or injury to any property or person caused directly or indirectly by or attributable to the performance or failure by the Project other than as expressly set forth in this Policy;

hh. Any fault or defect of the equipment existing at the commencement of the Policy Term that is known by the Policyholder or any representative or the Policyholder or should have been known through reasonable inspection and/or testing;

ii. Any loss during an idle period, including but not limited to when production, operation or service would cease, or would not have taken place or would have been prevented due to planned or rescheduled shutdown and workforce strike or other work stoppage;

jj. Inability to operate or curtailment of the Project due to infringement of patents;

kk. Utility outages or shortages; loss in output due to lack of electricity supply is not covered

ll. Inadequate supply or poor quality of feedstock which does not meet the specifications of the feedstock supply agreement as per annexure attached and/or expectation of feedstock supply defined in the Project Financials as mentioned in the annexure attached to this Policy.

mm. Any damage to the Project caused by processing such insufficient feedstock or by processing feedstock that does not conform to the specifications for Feedstock as defined above;
nn. Loss of Output due to storage or transportation; If raw material (EPR waste) or final products (pyrolysis mixed oil) cannot be transported to/from site or can not be stored at site, the resulting interruption of production will be excluded from our coverage under named perils.
oo. Loss of market or reduction of revenues due to decline in the prices or demand for any Product;
pp. A rise in operating expenses in excess of Project Financials, except costs that arise directly and exclusively as a result of an Insured Event;
qq. Abandonment of the Project by the Policyholder, Owner or O&M Contractor;
rr. Non-compliance with all instruction manuals for operation and maintenance, harmful overloading or any other misuses of the insured Project in accordance with the O&M Agreement;
ss. Material changes of the original construction or installation of additional parts or accessories without prior approval of the manufacturer(s) of the relevant equipment, the Independent Engineer and Insurer;
tt. Material changes to the O&M Agreement without the consent of Insurer;
uu. Offtake price risk, financial and currency risks or credit risks associated with vendors or Off-takers;
vv. Any losses related to animal, rodent, vermin, bird or insect activity at the Project; and
ww. Any losses related to communicable disease.

For avoidance of doubt, the following Exclusion Clauses apply to the Policy, as mandated and required under relevant insurance regulation:

(a) any war or civil war;

Notwithstanding anything to the contrary contained herein this Policy does not cover loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority. **(War And Civil War Exclusion Clause – NMA464)**

(b) any act of Terrorism;

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this Exclusion an Act of Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear. This Exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism. If the Insurer alleges that by reason of this Exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured. In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. **(Terrorism Exclusion Endorsement – NMA2920)**

(c) **any radioactive contamination, chemical, biological, bio-chemical and electromagnetic weapons;**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to or arising from:

- ionizing radiations from or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel;
- the radioactive, toxic, explosive or otherwise hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- any weapon or device employing atomic or nuclear fission and/or fusion or any other similar reaction or radioactive force or matter;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

- any chemical, biological, bio-chemical, or electromagnetic weapon or related emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind;

(Institute radioactive contamination, chemical, biological, bio-chemical and electromagnetic weapons exclusion clause – CL370)

(d) **any Cyber Act, Cyber Incident, Cyber Loss** or any electronic means including but not limited to computer/electronics hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon;

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes,

- any Cyber Loss, unless subject to any stated provisions;
- any loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to any stated provisions;

Regardless of any other cause or event contributing concurrently or in any other sequence thereto. In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

Cyber Act means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

- any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility; owned or operated by the Policyholder or any other party.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

(Property Cyber and Data Exclusion – LMA5401)

(e) any losses from Communicable Disease;

Notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

This exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).
(Communicable Disease Exclusion) LMA5397

(f) any fraudulent claim;
If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claim hereunder shall be forfeited.
(Fraudulent Claim Clause – LMA5062)

(g) 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.
1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
(Institute Cyber Attack Exclusion Clause – CL380)

(h) Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy, this Policy does not insure:
1) any loss, damage, cost or expense; or
2) any increase in insured loss, damage, cost or expense; or
3) any loss, damage, cost, expense, fine, penalty or other sum which is incurred, sustained or imposed by, or by the threat of, any judgement, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation);

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination, or threat thereof.
The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Policy includes (but is not limited to):
1) seepage of or pollution and/or contamination by anything, including but not limited to that which is designated by any governmental, public or regulatory body or authority as toxic, hazardous, dangerous or deleterious to persons, property or the environment under any law, ordinance, regulation or decree;
2) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

Seepage, pollution and contamination caused by pollutants are hereby defined as, but not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapours, soot, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon an object, property, land, the atmosphere or any water course or body of water. Waste includes material to be recycled, reconditioned or reclaimed.
(Seepage and/or Pollution and/or Contamination Exclusion Clause III – NMA2560)

Policy Limit and Indemnification applicable to this Policy

The Policy Limit is the amount defined in the Schedule and shall be the maximum amount of Loss payable by the Insurer under this Policy.

1. In the event that the Actual Output at the end of the Event Period plus any Surplus Production carried forward in accordance with this Clause is below 80% or percentage mentioned in the policy schedule of the Expected Output for such Event Period resulting from an Insured Event, the Insurer shall indemnify the Loss Payee for a Loss sustained during the Event Period and not cured;
2. The indemnity for Loss shall be only to the extent that (i) the Policyholder did not achieve sufficient Revenue out of the Actual Output plus Surplus Production, if any, to meet its obligation to repay the outstanding Loan or shortfall of OPEX as of the end of the relevant Event Period and according to the Project Financials as per annexure attached to this Policy and (ii) the Policyholder is not otherwise compensated or reimbursed for any such loss or damage from third paties, including equipment vendors or other insurances;
3. For any given Event Period, the indemnity shall not exceed the amount of the schedule of Revenue specified in the Project Financials in annexure attached to this Policy.
4. The Policyholder shall notify the Insurer about the Actual Output of each Event Period and corresponding Revenue as approved by the Independent Engineer no later than 14 days after the end of the relevant Event Period. Any Surplus Production, if any, shall also be agreed.
5. **BASIS OF LOSS SETTLEMENT.** As a basis for Loss settlement under this Policy, the Insurer shall pay to the Loss Payee as indemnity the amount obtained by multiplying the applicable Product Price of each Product shortfall within the relevant Event Period.

Calculation of Loss under this Policy

Calculation of Loss under this Policy is as follows:

If an Insured Event occurs, and a Claim of Loss has been made and validated, this Policy shall pay Loss based on the Measure of Product Output defined herein and equivalent to lesser of:

Root Cause Attributable Loss *

*[((Required RNG output – Actual RNG output – Surplus RNG output) * Product Price RNG reference price)*

(However, for surplus, surplus production accumulated after the first claim is applied)

AND

The difference in the Loan/Debt payment and OPEX cost according to the Project Financials and the actual cash available from Product sales and gate fee from the treatment of waste within the applicable Event Period and aggregated over such Event Period.

Amounts paid for Loss in any one Event Period shall not exceed aggregated Loan payment and OPEX cost according to the Project Financials over any given Event Period.

The total amount of Loss paid, is net of payments from any cash available under the O&M Agreements or any OEM Warranty(s), not to exceed the Policy Limit, net of Loss already paid.

In any Event Period, Claim and payment for Loss for any Insured Event under, such individual Claim according to its Root Cause Attributable Loss, if not cured, will be limited to the Annual Limit. Losses shall be paid to the designated Loss Payee.

How do I get the premium amount for this Insurance Cover?

Based on filled proposal form and information furnished, we will provide you with the premium amount.

What do I claim under this Policy?

In case of a claim, we request you to register a claim by contacting our Customer Service No. 1800 258 5956: You can, alternatively, also register a claim by email on: hello@godigit.com

Please keep below details handy at the time of registering claims as this information will help us serve you faster: Policy Number, Location of Accident, Date and Time of Accident & Contact Number of the Insured/Caller.

What do I do in case of any grievance?

Customer Grievance Redressal Policy:

We hope that we never leave you dissatisfied. However, if you ever wish to lodge a complaint, please feel free to call our 24 × 7 Toll free number 1800-258-5956 or email the customer service desk at hello@godigit.com .

Senior citizens can now contact us on 1800-258-5956 or write to us at seniors@godigit.com.
After investigating the matter internally and subsequent closure, we will send you, our response.
If you do not get a satisfactory response from us and you wish to pursue other avenues for redressal of grievances, you may approach Insurance Ombudsman appointed by IRDAI under the Insurance Ombudsman Scheme.
If Insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer at grievance@godigit.com
For updated details of grievance officer, kindly refer the link:
https://www.godigit.com/claim/grievance-redressal-procedure
The policyholder or the claimant also has the option to register the complaint on-line at IRDAI's Bima Bharosa by visiting https://bimabharosa.irdai.gov.in/

IMPORTANT NOTE: Above is a summary of Coverage and Exclusions, please refer to detailed Policy Terms & Conditions and Policy Schedule for full description which shall prevail in the event of any claim/complaint/dispute.