



Combined Engineering Insurance Policy Document



Index

Contract Works and Public Liability.	Pg.
Advance Loss Of Profits.	Pg.
Machinery Breakdown.	Pg.
Loss of Profit.	Pg.
Deterioration Of Stock.	Pg.
Computer; Electronics; Data Processing Equipment.	Pg.
Plant All Risk.	Pg.
Transit and Erection.	Pg.
Works Damage.	Pg.
Road Risk Liability	Pg.

Sections applicable as per policy schedule attachments

Our Promise

We wish to provide you with a high standard of service and to meet any claims covered by this policy honestly, fairly and promptly. Should you have any reason to believe that we have not done so, and you wish to make a complaint, please in the first instance contact your broker or agent or if you do not have a professional adviser please contact your C & G Underwriting Managers Regional Manager who has wide authority. He will be ready to assist you with your problems.

Your Policy

You have been prudent enough to effect this policy – may we suggest that you read it carefully.

It consists of

- a SCHEDULE – this gives details of the property covered or the risks insured against
- a printed POLICY WORDING – this sets out our standard insurance cover

Please check the policy frequently to make sure that you have sufficient and appropriate cover at all times. Should you ask us to alter the cover, you will be given a new SCHEDULE incorporating the amendments you request.

Engineering Insurance

General exceptions conditions and provisions

In Consideration of the prior payment of the premium by or on behalf of the insured and the receipt thereof by or on behalf of the Company the Company agrees to indemnify the Insured for losses incurred within the period of insurance by payment or at the option of the Company by replacement reinstatement or repair in respect of the Insurance provided in the Insuring Clause with the proviso that the premium is payable on or before the inception date or renewal date as the case may be. The Company shall not be obliged to accept the premium tendered to it or to any intermediary after inception date or renewal date as the case may be but may do so upon such terms as it, in its sole discretion, may determine.

Providing that the liability of the Company shall not exceed the sums insured or other limits expressed in the Schedule.

Where more than one Insurance Company participates in this insurance the expression "Company" shall be deemed to be "Insurers" wherever it appears in this Policy.

In this event the percentage share of each Insurer will be as expressed in the Schedule of this Policy.

General Exceptions

1. (a) This Policy does not cover loss of or damage to property related to or caused by
 - (i) civil commotion labour disturbances riot strike lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above.
 - (ii) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) or civil war.
 - (iii) (1) mutiny military rising military or usurped power martial law or state of siege or any other event or cause which determines the proclamation or maintenance of law or state of siege.
(2) insurrection rebellion or revolution.
 - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial local or tribal authority with force or by means of fear terrorism or violence.
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim objective or cause or to bring about any social or economic change or in protest against any state or government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof.
 - (vi) any attempt to perform any act referred to in clause (iv) or (v) above.
 - (vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in clauses (i) (ii) (iii) (iv) (v) or (vi) aboveIf the Company alleges that by reason of clause a(i) (ii) (iii) (iv) (v) (vi) or (vii) this exception loss or damage is not covered by this Policy the burden of proving the contrary shall rest on the Insured.
(b) Any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976).

2. (a) This Policy does not cover

- (i) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
- (ii) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exception only combustion shall include any self-sustaining process of nuclear fission.
- (b) The indemnity provided by this Policy shall not apply to nor include any loss destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

3. Asbestos

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any legal liability,

Engineering insurance policy

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Engineering insurance policy

loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

General conditions

1. Change of interest

The Policy shall be void with respect to any item thereof in regard to which there may be any alteration

after the commencement of this insurance whereby the Insured's interest ceases and until the Company by endorsement herein declares the insurance to be continued. Where the interest ceases except by death or operation of law this condition will not apply provided notice has been given to the Company as soon as practical after such alteration.

2. Other interests

Nothing contained herein shall give any rights against the Company to any person other than the Insured. The extension of the Company's liability in respect of any person other than the Insured shall give no right of claim hereunder to such person, the intention being that the Insured shall in all cases at his discretion claim for and on behalf of such persons and the receipt of the Insured in any case shall absolutely discharge the Company's liability hereunder.

3. Notification

The Insured or his representative shall on the happening of any event likely to result in a claim under this Policy:

- (a) Give notice thereof to the Company by the quickest means (facsimile or telegram if possible).
- (b) Send to the Company without delay full details in writing of the event giving rise to the claim.
- (c) Preserve any damaged or defective Insured Property.
- (d) In the event of theft or any attempt thereat or of loss of Property inform the Police.

In respect of (a) and (b) above, time shall be the essence of this condition.

4. Due observance

The due observance and the fulfilment of the terms, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the insured shall be conditions precedent to any liability of the Company to make any payment under this Policy. If any claim made shall be fraudulent or intentionally exaggerated or any false declaration or statement made in support thereof then this Policy shall be void and the Company shall not be liable to make any payments hereunder.

5. Contribution

If at the time of any loss or damage covered by this Policy there shall be any other insurance (other than Marine Assurance) covering damage effected by or on behalf of the Insured, the Company shall not be liable for more than its rateable proportion of such damage. If such other insurance is subject to any condition of advantage to the Insurer, this Policy shall be subject to such condition in similar manner. The Company shall not be liable for damage which is or would be (but for the existence of this Policy) insured by any Marine Policy.

6. Arbitration

Should any difference arise between the Company and the Insured as to the amount of any claim under this Policy the same shall be referred to Arbitration in accordance with the Statutory Provisions for the time being in force applicable thereto and the obtaining of any award shall be a condition precedent to any right of action against the Company.

7. Subrogation

The Company shall be entitled if it so desires to prosecute in the name of the Insured for its own benefit any claim for indemnity or otherwise against any third party and shall have full discretion in the conduct of any proceedings or settlement of any such claim and the Insured shall wherever possible give all such information and assistance as the Company may require.

8. Prescription

- (a) The Company shall not be liable for any loss of or damage to the Insured Property after the expiration of twelve months or such further time as the Company may allow from the happening of such loss or damage unless the claim is the subject of a pending court action or arbitration.
- (b) If any claim is made under this Policy and rejected and an action or suit be not commenced by the Insured within twelve months after such rejection, all benefits under this Policy in respect of such claim shall be forfeited.

9. Misdescription

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particular.

10. Company's rights after an event giving rise to a claim

- (a) The Company shall be entitled in the name of the Insured to have the absolute conduct and control of all or any proceedings it may consider necessary for the purpose of tracing, recovering or of securing reimbursement in respect of the Insured Property lost or damaged and the Insured shall at the Company's expense furnish all such assistance as may reasonably be required by the Company in connection with such proceedings.
- (b) The Insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not.

11. Average (except where stated as First Loss, Market value or Agreed value)

The Sum Insured stated against each item of Insured Property must at all times be equal to the installed new replacement value unless otherwise stated. If the Insured Property is at the commencement of any loss or damage to such Insured Property by an indemnifiable event be of greater value than the Sum Insured thereon then the Insured shall be considered as being their own insurer for the difference and

shall bear a rateable share of the loss accordingly. Every item if more than one shall be separately subject to this condition.

12. Cancellation

The Company may by giving thirty days notice in writing by telex, facsimile or other similar communication to the insured or his representative, cancel this Policy at any time, paying on demand a proportion of the premium of the unexpired risk under the Policy. The Insured may likewise terminate this Policy at any time by giving thirty days' notice in similar fashion to the Company, in which event the last premium paid less the customary short period charge will be refunded on demand but only insofar as condition 15 can be reasonably satisfied.

13. Premium credit facility

Notwithstanding anything to the contrary contained in this Policy; if any amount due in terms of the Premium Credit Facility in respect of this Policy is not paid by no later than 14 (fourteen) days after due date for payment thereof, then this Policy shall thereupon be cancelled without further notice to the Insured with immediate effect.

14. Reasonable precautions

The insured shall in all circumstances take all reasonable precautions for the maintenance and safety of the Insured Property and for the prevention of loss or damage and that only steady and competent employees are employed and that all buildings ways works plant and machinery are substantial and sound and in proper order and fit for the purpose for which they are used and that all Acts of Parliament and all by-laws and directions made by Statutory or Local Authority are duly observed and complied with. If any defects or conditions of working which render the risk more than usually hazardous be discovered the Insured shall immediately notify the Company and take steps to remedy the said defects or conditions and shall in the meantime cause such additional precautions to be taken as circumstances require.

15. Automatic reinstatement

The Sum Insured by this Policy shall not be reduced by any claim hereunder and the Insured hereby agrees to pay the premium for the amount of the claim for the period pro rata from the date of the occurrence of the loss or damage to the next renewal date of the Policy or expiry date of the relevant Contract.

16. Company's right of suspension of insurance

If any Insured Property be discovered in a condition which in the opinion of the Company is unsafe or worsens the risk, the Company reserves the right to suspend the insurance in respect of such insured Property by verbal or written notice to the Insured.

General memoranda

1. (a) Any memoranda endorsement extension or warranty added or attached to any section of this policy will be subject to the exceptions conditions and provisions of the policy.
- (b) Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

Engineering insurance policy

Engineering insurance policy

2. Amendment to general exception 1 (applicable to sections 3, 4 and 5 of the policy)

It is agreed that notwithstanding anything in the Policy to the contrary and subject otherwise to the terms contained therein, this Policy is extended to cover loss or damage directly occasioned by or through or in consequence of

- (a) civil commotion, labour disturbances, riot, strike and lockout or any act or activity which is calculated or directed to bring about any of the above (this sub-clause (a) applies only to property outside the Republic of South Africa, and Namibia).
- (b) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (a) above.
- (c) the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage.

Provided that this Extension does not cover

- (a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- (b) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- (d) loss or damage related to or caused by any occurrence referred to in General Exception 1a (ii), (iii), (iv), (v) or (vi) of this Policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrences.

It is agreed that the reverse onus of proof clause contained in exception 1(a) shall only apply to this extension to the extent that such clause refers to the exceptions mentioned in (d) above.

3. Jurisdiction clause

This insurance is governed by the laws of the Republic of South Africa and the courts of the Republic of South Africa shall have jurisdiction in all matters arising hereunder.

4. Interests of banks or other financial institutions (applicable to sections 1, 3, 4, 5 and 6 of

the policy)

Where a bank or other financial institution has an interest in any of the property insured hereunder, their interests are deemed to be noted, provided that such interest in the property insured is subject to

- (a) the Policy being in force at the time of loss or damage.
- (b) the Insured complying with all the requirements of the Policy following loss or damage.
- (c) the Insured advising Zurich Insurance Company South Africa Limited of your interest in the property insured at the time of the loss or damage.

5. Payments on account

In respect of any section where amounts recoverable from the Company are delayed pending finalisation of any claim, payments on account may be made to the insured, if required, at the discretion of the Company.

6. First amount payable

Except where provided for more specifically in any section of this policy the First Amount Payable shown in the schedule or endorsed hereon in respect of loss damage or liability as the case may be shall be deducted from the assessed value of any claim. Where an excess is stated as a percentage of a claim with a minimum monetary excess the maximum monetary excess will be ten times that of the minimum excess unless otherwise stated.

7. Territorial limits

The republic of South Africa and to the extent permitted by the relevant insurance acts, Namibia, Lesotho, Swaziland, Botswana, Zimbabwe and Malawi.

8. Sums insured/excesses

All sums insured and excesses catered for within this policy are deemed to be VAT Inclusive unless otherwise stated.

The indemnity and standard extensions to the policy

In the event of indemnity being granted the amount(s) claimable in terms of the policy shall not exceed the limit(s) specified in the schedule in respect of any one occurrence or series of occurrences arising out of any one event plus any additional costs in connection with the operation of any of the extensions (1-5) listed below.

1. Claims preparation costs

The costs and expenses necessarily and reasonably incurred in producing and certifying any particulars or details required by the Company in connection with an indemnifiable event but limited to:

- (a) Additional Costs incurred by the Insured's employees.
- (b) Additional fees incurred by the Insured's usual auditors.
- (c) Costs of materials used in furnishing the Company's requirements.
- (d) P2,000 or 10% of the claim up to a maximum of P20,000.

2. Automatic additions

The policy is extended to provide indemnity at the Insured's premises or site for additional equipment of a similar nature to that specified in the Plant Inventory provided that:

- (a) Successful installation commissioning and normally accepted operating standards have been achieved.
- (b) The Total Sum Insured of such Additional Equipment does not exceed 15% of the Total Sum Insured on the schedule. Where such additions result in an increase of Gross Profit the amount of Gross Profit will also be increased up to 15%.
- (c) The Insured undertakes to advise the Company of such additions within 3 months of purchase or change.
- (d) The Insured agrees to pay the appropriate premium effective from the date of purchase.

3. Architects and other professional fees

Professional Fees necessarily and reasonably incurred in the reinstatement or replacement of equipment following indemnifiable loss or damage provided that the total amount payable in respect of such fees does not exceed 15% of the total amount of the claim but shall not include expenses incurred in connection with the preparation of the Insured's claim.

4. Clearance costs

Costs necessarily and reasonably incurred by the Insured in respect of demolition or dismantling of equipment and/or removal of debris and in providing/erecting/maintaining hoardings required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss or damage to such equipment including any costs arising from the activities of any Public Authority in dealing with the consequences of an insured peril having operated provided that the total amount recoverable does not exceed 15% of the total amount of the claim.

5. Express delivery and overtime

Extra charges for express delivery airfreight overtime Sunday and holiday rates of wages are payable in respect of the necessary and reasonable additional costs incurred by the Insured for effecting repairs or replacement by the Company limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

Engineering

CONTRACT WORKS INSURANCE

In consideration of the payment of the premium by or on behalf of the insured the Company specified in the schedule agree to indemnify the insured as provided hereinafter subject to the terms contained herein or attached hereto or as amended by endorsement hereon

Where more than one insurance company or insurer participates in this insurance the percentage share of each insurer will be expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name

Territorial Limits the republic of South Africa and to the extent permitted by the relevant insurance acts Namibia Lesotho Swaziland Botswana Zimbabwe and Malawi.

Contract Site any site(s) within the territorial limits where work in terms of the insured contract(s) is undertaken together with so much of the surrounding area as is required for the performance of such work

The Insured When required in terms of the conditions of contract the insured shall include all or any of the following but only to the extent required by the contract

- (a) the principal or employer
- (b) the contractor and their sub-contractors
- (c) to the extent required by any contract or agreement suppliers manufacturers hirers lessors or any other Company person or party engaged on the contract site but only to the extent of loss damage or liability originating at the contract site arising out of their performance of their contract site obligations.

Provided that the insurance by this policy shall not apply in respect of loss damage or liability arising from any professional activity or off site manufacture

Excluded Contracts (Applicable to annual policies only)

The Company shall not be liable in respect of loss of or damage to Contracts connected to underground working of any colliery or mine foul berthing stevedoring work at or about or connected with docks harbours piers wharfs jetties water-breaks or harbour or dock-side services

reservoirs dams weirs canals water channels bridges or structures near water viaducts over water channels shafting tunneling-shaft equipping and any other works where a major wet/water or structural subsidence/landslip or geological hazard are known to exist or that risks and contracts with an initial period in excess of 24 months unless otherwise stated in the schedule.

SECTION 1 – MATERIAL DAMAGE

The indemnity Accidental physical loss or damage to the property insured within the territorial limits

Property insured

Permanent works and temporary works and all materials and other things intended for incorporation in the permanent or temporary works belonging to the insured or for which they are responsible or for which they are required to insure and pertaining to the insured contract

For the purposes of this insurance “temporary works” shall include to the extent that the value thereof is included in the estimated contract value constructional aids equipment structures property and works used or intended for use on the insured contract but excluding

Property forming part of the permanent works
Self propelled wheeled or tracked plant, tools and equipment
Property which has no residual value (other than scrap value) on completion of the contract
Property which is removed from the site and intended for re-use on any other contract

Employers property (surrounding property)

Property (other than contract works or construction plant and equipment used or intended for use on the insured contract) being worked upon which is the responsibility contractually or otherwise or in the care custody and control of the insured and

arising from or in connection with the performance of the insured contract provided that this indemnity shall only apply to the extent that indemnity is not obtained under any other policy of insurance effected for the benefit of the insured

Limited of indemnity following an occurrence or series of occurrences R250 000 unless stated otherwise In the schedule

The insurance shall apply

During dismantling loading transit unloading and storage and the performance of the insured contract(s) at the contract site and other places as provided herein until completion of and transfer of risk in the whole of the permanent works under the insured contract(s) to the employer

For the purposes of this insurance completion of the contract(s) shall be deemed to occur only after the successful completion of testing and commissioning (limited to 30 days not necessarily consecutive) and the issuing of a certificate of completion or the taking into beneficial use by the employer

Should part(s) of the permanent works be taken into use for the benefit of the employer or a conditional certificate of handover be issued cover under this insurance shall cease in respect of such part(s) or in respect of conditional handover shall cease save for part(s) listed in conditional handover certificate except for as follows

During the maintenance or defects liability period (as may be described in the insured contract but limited to a maximum of 12 months unless agreed otherwise) pertaining to any part of the permanent works but only loss or damage manifesting itself during this period and

arising from a cause occurring prior to commencement of such period and

arising from any act or omission of the insured their servants agents suppliers or sub-contractors or in pursuance of their obligations under the conditions of contract

Additional costs defined events

For the provision of hoarding, shoring propping covering and protection of property extinguishing and fighting of fire recovery demolishing and removal of property and disposal of wreckage detritus debris water and other matter restoring the contract site regaining access to the contract site or the works and restoring normal working conditions complying with the requirements of the insured contract or any statutory body professional fees removing property to suitable premises for repair delivering repaired or replacement property to the situation where the loss or damage occurred or to premises as directed by the insured establishment supervision and overhead charges. This extension shall be limited to R250 000 any one event unless otherwise stated in the schedule

Expediting measures express delivery (including airfreight) customs dues and charges overtime and holiday rates of wages limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

Additional costs no damage to works

All costs necessarily or reasonably incurred by the insured in respect of the removal of debris detritus and water providing erecting and maintaining any hoarding required during demolition site clearing or reconstruction or in protecting the property insured against further loss or damage regaining access to the works or in restoring working conditions following the operation of any peril cause or occurrence within the territorial limits not excluded by the exceptions and notwithstanding that no physical loss or damage to property insured has occurred. This extension shall only apply at the contract site(s) and the area(s) immediately adjacent and be limited to R250 000 any one event unless otherwise stated in the Schedule.

Claims preparation costs

Costs and expenses incurred in producing or certifying any particulars or details required by the Company or to investigate or substantiate the amount of any claim under this insurance. The liability of insurers in respect of any one claim shall not exceed R50000 unless stated otherwise stated in the Schedule

Contract escalation re-valuation, devaluation in the contract price occurring during the period of the contract and during any period of repair up to an amount not exceeding 30% of the original contract price.

Open Trench Warranty

The Company will indemnify the Insured for any loss damage or liability due to the flooding or silting of pipes trenches or shafts only to a maximum length of open trench partially or completely excavated of 1000 metres any one loss event unless otherwise noted provided the pipes immediately after laying have been secured in such a manner by backfilling and compacting that they cannot be displaced if the trench is flooded and the tested parts of the lines have been completely backfilled and compacted after pressure test.

Roadworks Warranty

It is hereby warranted the maximum area of road with unprimed base course layer at any one time shall not exceed 1000 linear metres and the maximum area of road with layerworks other than base course under construction at any one time shall not exceed 1000 linear metres unless otherwise noted.

Damage to the road under construction caused by or aggravated by traffic is excluded.

The liability of the insurer(s) following any one occurrence or series of occurrences attributable to one original cause giving rise to a claim under this insurance shall not exceed the estimated contract price or the limits stated in the schedule

This insurance shall not be reduced by the amount of any claim paid or payable by the insurer(s) subject to the insured paying on demand additional premium on the amount of such claim

Exceptions to Section 1

The Company will not be liable for:

- 1 Loss or destruction of or damage to any plant machinery or equipment due to its own explosion mechanical or electrical breakdown
- 2 Consequential loss of any kind or description whatsoever other than as provided elsewhere in this insurance
- 3 Loss of any property insured by disappearance or by shortage or theft where such loss is revealed only by the taking of an inventory or periodic stocktaking
- 4 Loss or damage to and the costs necessary to replace repair or rectify
 - i) property insured which is in a defective condition due to a defect in design plan specification materials or workmanship of such property insured or any part thereof
 - ii) property insured lost or damaged to enable the replacement repair or rectification of the property insured excluded by (i) above.. Exclusion (i) above shall not apply to other property insured which is free of the defective condition but is damaged as a consequence thereof.

For the purpose of the Policy and not merely this exclusion the property insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the property insured or any part thereof
 - iii) re-design improvement betterment or alteration on the occasion of repair replacement or reinstatement of loss or damage
- 5 Loss or damage due to total cessation of work and abandonment of the insured contract for a period exceeding 90 consecutive days
- 6 The cost of replacing or rectifying normal wasting wearing away or wearing out gradual deterioration and normal up-keep or making good. This exception shall not apply to other loss or damage resulting from such events
- 7 The cost of continuous dewatering to maintain working conditions following ingress into the property insured of normally expected inflow of water from naturally occurring underground sources
- 8 Loss or damage to property insured arising during the continuation of any marine or air transport or whilst in storage thereafter unless the property has been examined for damage and found to be in good order before onward shipment or storage. Should loss or damage to property insured due to a peril insured against being discovered after cover under an applicable marine insurance policy has terminated and it is not possible to ascertain whether the cause of such loss or damage happened prior to the marine venture or subsequently then it is understood and agreed that insurer(s) shall only contribute 50% of the properly adjusted claim
- 9 To refractory linings after the first application of heat
- 10 Loss or damage due to acts of the Insured or of his competent and authorized agent or representative which are contrary to the recognized rules of engineering or to any legislation or regulations issued by any authority
- 11 Loss occasioned by or through or in consequence of the destruction of or damage to the Property Insured by order of any lawfully constituted authority

SECTION 2 - PUBLIC LIABILITY

The Indemnity

All amounts which the insured is or may become legally liable to pay as compensation or damages or costs and expenses arising out of or in connection with:

- a) accidental death of or bodily injury to or illness or disease of any person

- b) accidental physical loss of or damage to tangible property occurring as a result of an accident at the situation of the contract and arising out of the performance of an insured contract

All costs and expenses incurred with the consent of the insurer(s) in connection with the defence settlement or investigation of any claim under this insurance

Limit of indemnity

The limit of insurer(s) liability inclusive of any claimants costs recoverable from the insured and all other costs and expenses incurred with its consent shall not exceed for any one event or series of events arising from one cause the amount stated in the schedule

Exceptions to section 2

The Insurer(s) will not indemnify the insured for

- 1 the amount stated in the schedule as the deductible
- 2
 - a) death or bodily injury including illness to any person employed by the insured under a contract of service or apprenticeship if death or bodily injury arises out of or in course of such employment
 - b) any sums payable by the insured under legislation relating to occupational death bodily injury or illness
- 3 Loss of or damage to property
 - a) belonging to or in the care custody or control of the insured or any servant or agent of the insured
 - b) which forms part of or should form part of the contract works
 - c) being that part of any property on which the insured or any servant or agent of the insured has been working if the loss or damage results directly from such work

For the purpose of this exception the terms "care custody or control" does not apply to property of employees or visitors vehicles including their contents and accessories not hired or lent to the insured using the contract site for parking and property not hired by or lent to the insured for which the insured has agreed to provide storage facilities
- 4 Legal liability
 - a) arising out of or in connection with the ownership possession or use by or on behalf of the insured of any mechanically propelled vehicle or trailer but this exclusion shall not apply to mechanical plant while in operation as a tool of trade the loading or unloading of such vehicle or trailer
 - b) arising by or through or in connection with the ownership possession or use by or on behalf of the Insured of any aircraft or watercraft
 - c) for damages or penalties for delay or detention or in connection with guarantees of performance or efficiency
 - d) for any part of the insured property designed by or any error or omission in any specification drawn by the insured
 - e) arising from or connected with any professional advice remedial or other treatment (other than first aid) given by the insured or any person acting for or on behalf of the insured
 - f) caused by or in connection with the intentional removal or weakening of or interference with the support to any land structures building or other property. This exception shall not apply to liability arising out of shock or vibration or negligence of the contractor
- 5 Liability assumed by the insured by agreement if liability would not have attached in the absence of such agreement but this exception shall not apply to
 - a) the insured contract or sub contract agreements
 - b) any other specific agreement which has been advised to and accepted by the insurer(s) in writing
- 6 The cost of doing and redoing or making good faulty material workmanship plan design or specification of the insured property
- 7 liability in respect of death injury damage or loss of use of property directly or indirectly caused by seepage pollution or contaminating substances unless the seepage pollution or contamination is caused by a sudden unintended and unforeseen occurrence
- 8 the cost of removing nullifying or cleaning up seepage polluting or contaminating substances unless the seepage polluting is caused by a sudden unintended unforeseen occurrence
- 9 such sums as the Insured shall become legally liable to pay as damages consequent upon the accidental loss of or

damage to existing underground cables or pipes of any kind unless prior to the commencement by the Insured of the works the exact location position function and importance of all such cables sewers or pipes has been established and furnished to the Insured in writing under the hand of the relevant authority owner person or body concerned.

- 10 Liability for punitive exemplary or vindictive damages fines or penalties awarded in any court
- 11 Any legal liability loss damage cost or expense whatsoever or any consequential loss directly or indirectly caused by arising out of resulting from in consequence of in any way involving or to the extent contributed to by the hazardous nature of asbestos in whatever form or quantity
- 12
 - a) compensation for damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the area which on 1 January 1976 constituted South Africa Namibia Botswana Lesotho and Swaziland
 - b) costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in (a) above

Memoranda

Cross Liabilities

Where the insured comprises more than one person this insurance shall apply to each such insured person separately and not jointly and as if a separate policy had been issued in respect of each of such insured persons

Joint Insured

- a) any person or body (including any owner of plant or other property hired by or on loan to the insured) with whom the Insured enters into agreement for the purpose of the contract but only to the extent that is a requirement of such agreement
- b) any officer or employee of the insured in respect of liability for which the insured would have been entitled to indemnity if the claim had been made against the insured
- c) the personal representatives of the insured and any person or party treated as the insured in respect of liability incurred by the insured or by such person or party Provided always that all persons and parties so treated as the insured shall as though they were the insured observe fulfill and be subject to the terms exceptions and conditions so far as they can apply.

GENERAL PROVISIONS

1 The deductibles

Unless otherwise agreed the deductibles detailed in the schedule shall be applicable in respect of each and every occurrence or series of occurrences arising out of or in connection with any one event at any one site giving rise to loss or damage or liability insured by this policy

It is agreed that in the event of an occurrence where one or more of the deductibles could be reasonably applied then only the largest applicable deductible will be applied

2 Non-contribution (Annual policies)

This policy is not to be called into contribution and is only to pay any claim hereon to the extent of and liability loss or damage against which the insured is not indemnified by a more specific insurance if any effected for the contract

3 Premium adjustment

Where the premium is based on estimates of contract values or contractual turnover the insured shall as the case may be declare the final contract value at completion of the contract or declare the total contractual turnover achieved during the period of insurance. The premium shall thereupon be adjusted and the difference paid by or allowed to the insured as the case may be. Provided always that the maximum refund to the Insured shall not exceed 40% of the provisional premium.

Final contract value shall be the total amount of works certified as executed plus the value of any free issue materials supplied.

Contractual turnover shall be the total value of work undertaken by the Insured plus the value of any free issue materials supplied.

4 Cancellation (applicable to annual policies only)

Unless otherwise agreed this policy or any portion thereof may be cancelled by the insurer(s) or the insured by giving 30 days notice in writing to the other party

Provided that:

- a) as a result of payment having been stopped by the Insured this policy will be cancelled from the date that the premium was due to be paid.
- b) for any reason other than described in (a) above the Company will redebit in the following month and should the outstanding premium not be paid when redibited, the policy will be cancelled from the date that the first unpaid premium was due to be paid

GENERAL EXCEPTIONS

This insurance shall not provide indemnity in respect of:

- 1 (a) Loss of or damage to property related to or caused by:
 - i) Civil commotion labour disturbances riot strike lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above
 - ii) war invasion act of foreign enemy hostilities or warlike operations(whether war be declared or not) or civil war
 - iii)
 - a) mutiny military uprising military or usurped power martial law or state of siege or any other event or cause which determined the proclamation or maintenance of martial law or state of siege
 - b) insurrection, rebellion or revolution
 - iv) any act (whether on behalf of any organization body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial local or tribal authority with force or by means of fear terrorism or violence
 - v) any act which is calculated or directed to bring about loss or damage in order to further any political aim objective or cause or to bring about any social or economic change or in protest against any state or government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof
 - vi) any attempt to perform any act referred to in clause(iv) or (v) above
 - vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in clause (i) (ii) (iii) (iv) (v) or (vi) above

If the company allege that by reason of clause (i) (ii) (iii) (iv) (v) (vi), or (vii) of this exception loss or damage is not covered by this insurance the burden of proving the contrary shall rest on the insured
 - (b) loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the war damage insurance compensation act 1976 (No 85 of 1976)
 - (c) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss damage or expense

For the purpose of this general exception 1 (c) an act of terrorism includes without limitation the use of violence or force or the threat thereof whether as an act harmful to human life or not by any person or group of persons whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons committed for political religious personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof

If the company alleges that by reason of clause 1(c) of this exception loss or damage is not covered by this policy the burden of proving the contrary shall rest on the insured
- 2 Loss or damage or destruction to any property whatsoever or any loss or expense whatsoever arising there from or any consequential loss and any legal liability of whatsoever nature
 - i) directly or indirectly caused by or contributed to by ionizing radiations or contamination by radioactivity from

- ii) nuclear fuel or from nuclear waste from the combustion of nuclear fuel
- iii) nuclear material nuclear fission or fusion nuclear radiation
- iv) nuclear explosives or any nuclear weapon
- v) nuclear waste in whatever form

regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission

3 Computer Losses

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion this policy does not cover

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from
- b) any legal liability of whatsoever nature
- c) any consequential loss

directly or indirectly caused by or contributed to by or consisting of or arising from incapacity or failure of any computer correctly or at all

- i) to treat any date as the correct date or true calendar date or correctly or appropriately to recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such date or to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command that causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such date or
- ii) to capture save retain or process any information or code due to program errors incorrect entry or the inadvertent cancellation or corruption of data and or programs
- iii) to capture save retain or process any data as a result of the action of any computer virus or other corrupting harmful or otherwise unauthorised code or instruction including any Trojan horse time or logic bomb or worm or any other destructive or disruptive code media or program or interference

A computer includes any computer data processing equipment microchip integrated circuit or similar device In computer or non-computer equipment or any computer software tools operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above whether your property or not

GENERAL CONDITIONS

1 This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear. The expression Conditions of the Contract shall mean the Conditions stipulated by the Principal and agreed by the Insured in connection with the Contract

2 Material Change

The insured agrees to notify the company immediately they become aware of any material change in any risk insured by this policy in consideration of which the company undertakes to continue the insurance subject to such adjustments such change may necessitate

3 Prevention of loss

The Insured shall take all reasonable precautions in the selection of labour and for the safety of the Property Insured and shall at all times maintain in efficient condition all plant machinery and equipment used in connection with the Contract. The Insured shall also take all reasonable precautions to prevent accidents and shall ensure that all plant machinery and equipment requiring inspection under any statute or order shall be so inspected

4 Claims

On the happening of any event giving rise or likely give rise to a claim under this insurance coming to the knowledge of the insured the insured shall

- a) give notice thereof to the insurer(s) as soon as reasonably possible and give such additional information as the insurer(s) may reasonably require
- b) take all steps within its power to minimize the extent of the loss or damage and in the event of property lost stole or wilfully damage inform the police
- c) preserve any damaged parts or things which might prove necessary or useful by way of evidence in connection with the claim
- d) not be entitled to abandon any property to the insurer(s) whether taken possession of by the insurer(s) or not

5 Insurer(s) rights after claim

No admission offer promise payment or indemnity shall be made or given by or on behalf of the insured without the consent of the insurer(s) who shall take over and conduct in the name of the insured the defense settlement of any claim or to prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in settlement of any claim and the insured shall give such information and assistance as the insurers may reasonably require

6 Enforcing of rights

The insured shall at the expense of the insurer(s) do or permit to be done such acts and things as may be necessary and reasonably required by the insurer(s) for the purpose of enforcing any rights or remedies against or obtaining relief or indemnity from other parties to which the insurer(s) shall or would become entitled or subrogated under this insurance whether such acts and things shall be or become necessary and reasonably required before or after indemnification by the insurer(s)

7 Abandonment of claims

If the insurer(s) shall in writing disclaim liability for any claim for indemnity made by the insured and the insured does not institute proceedings for an action or suit at law within twelve months of the date of receipt of such written disclaimer the insurer(s) shall be entitled to assume that has been abandoned and shall not thereafter be liable to make any payment whatsoever in connection therewith. This condition shall not apply to claims made against the insured by third parties

8 Arbitration

If any difference shall arise as to the amount to be paid under this insurance (liability being otherwise admitted) such difference shall be referred to arbitration in accordance with the statutory provisions in force at the time. Where any difference is by this provision to be referred to arbitration the making of an award shall be a condition precedent to any rights of action against the insurer(s) or insured

9 Breach

A breach of or other non-compliance with anything to be done or not done under this insurance (whether expressed or implied) shall not invalidate the insurance or prejudice an insured person other than the particular insured person guilty of such breach or non-compliance and then only to the extent that such breach or non-compliance was to the prejudice of the insurer(s)

10 Fraud

If a claim (or any part thereof) made by any insured party shall be in any respect be fraudulent then such claim shall not be recoverable by the person making the claim

11. The due observance and fulfilment of the terms conditions and endorsements of this Policy by the Insured in so far as they relate to anything to be done or complied with by him and the truth of the statements and answers in the Proposal shall be conditions precedent to any liability on the Company to make any payment under this Policy

ADVANCE LOSS OF PROFITS

The Company agrees subject to the provisions contained herein or endorsed or otherwise expressed hereon that if during the Period of Insurance covered by this Policy any part of The Project described in the Schedule hereto to be used by The Insured for the purpose of the Business be affected by loss or damage inemnifiable in terms of **The Specified Policy** (hereinafter

called **Indemnifiable Damage**) notwithstanding the Deductible and **The Business** at **The Site** be in consequence thereof interrupted or interfered with.

The Company will indemnify the Insured subject to the terms Exceptions and Conditions contained herein for the amount of loss resulting from such interruption or interference in accordance with the provisions contained in the Specification hereto.

The Insurer's agreement to insure and to indemnify the insured is conditional upon the prior payment of the premium by or on behalf of the Insured and the receipt thereof by or on behalf of the Company.

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

This insurance, including any sections, schedules, provisions, clauses and extensions attached hereto, shall be read together as one contract and any word or expression to which a particular meaning has been attached shall bear such meaning wherever it may appear.

This Insurance and subsequent amendments shall be construed as having been worded by the Company

THE PROJECT:

THE CONTRACT SITE:

The amount payable as indemnity there under shall be:

IN RESPECT OF LOSS OF PROFITS: The amount by which the anticipated Gross Profits during the Indemnity Period shall in consequence of the indemnifiable damage fall short of the anticipated.

DEFINITIONS

INDEMNIFIABLE DAMAGE:

Physical Loss of or Damage to The Property Insured described in the Schedule from any cause as provided under this Section liability under this section shall except for the provision of the Condition relating to the Deductible be a condition precedent to liability hereunder.

INDEMNITY PERIOD AND TIME EXCLUSION:

The period beginning with the date upon which but for the Indemnifiable Damage commercial operation would have commenced at the site and ending not later than 9 months thereafter during which the anticipated results of the business shall be affected in consequence of the Indemnifiable Damage, but The Insurer shall not be liable for the amount of the Loss(es) arising during the first 28 days immediately following the anticipated Date of Commercial Operation.

COMMERCIAL OPERATION:

The date of certified occupation by prospective owners following the Provisional Date of Occupation which is expected to be

ANTICIPATED GROSS PROFIT

The Gross Profit which but for the Accident would have been earned during the Indemnity Periods.

Based upon the estimated Gross Profit of the business to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Indemnifiable Damage or which would have affected the Business had the Indemnifiable Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable, the results which but for the Indemnifiable Damage would have been obtained.

STANDARD GROSS PROFIT

The Gross Profit which but for the Indemnifiable Damage would have been Earned during the Indemnity Period.

SPECIFIC EXCEPTIONS:

The Company shall not indemnify The Insured in respect of:

1. any delay of or interference with the Business directly or indirectly attributable to:-
 - (a) loss or damage to any contractors' plant or equipment
 - (b) non-availability of funds for the repair or replacement of destroyed or damaged items.
 - (c) any restrictions on reconstruction or operation imposed by a public

2. any amount of delay or interference with the Business not solely due to loss or damage insured under Contract Works Policy.

MEMORANDA

MEMO 1

If during the Indemnity Period The Business shall be rendered elsewhere than at The Contract Site either by The Insured or by others on his behalf the Gross Profit derived shall be brought into account in arriving at the Gross Profit during the Indemnity Period.

MEMO 2

Any participants or details contained in The Insured's books of account or other business books or documents which may be required by the Company under Condition 3 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by Professional Accountants if at the time they are regularly acting as such for The Insured and their report shall be prima facie evidence of the particulars and details to which such report relates.

MEMO 3

In the event of loss as insured by this Policy payments on account will be made to The Insured during the Indemnity Period if desired.

MEMO 4

If the business be conducted in Departments the independent trading results of which are ascertainable the provisions of clauses (a) and (b) of Item No. 1 shall apply separately to each Department affected by the Indemnifiable damage except that if the Sum Insured by the relative Item is less than the aggregate of the Anticipated Gross Profit for each Department of the Business (whether affected by the Indemnifiable damage or not) to its relative Anticipated Gross Profit thereof the amount payable shall be proportionately reduced.

MEMO 5 – MANUFACTURED AND SUPPLIERS PREMISES

It is agreed that Indemnifiable Loss or Damage as provided for under The Specified Policy shall extend to include loss or damage to any item intended for incorporation in The Project whilst at manufacturers or suppliers premises caused by fire, lightning, explosion, storm, wind, water, hail, snow, tempest, flood, bursting or overflowing of water tanks, apparatus or pipes, earthquake, landslip, aircraft and other aerial devices or articles dropped there from, impact by animals, vehicles or accidental damage.

Provided that The Company shall not be liable for any loss arising out of damage to The Property Insured caused by the misapplication of tools.

MEMO 6 – FAILURE OF UTILITIES

It is hereby agreed and declared that Indemnifiable Damage shall include delay of The Project resulting from interruption of or interference with the business in consequence of the accidental failure of the public supply of water, gas, or electricity to the site provided that this does not cover loss resulting from damage directly or indirectly caused by:-

- 7.1 load shedding or the deliberate withholding or restricting supply by an authority empowered by law to supply gas, water or electricity
- 7.2 shortage of fuel or water
- 7.3 drought
- 7.4 pollution of water
- 7.5 any interruption or interference not exceeding 48 hours in duration

MEMO 7 – PREVENTION OF ACCESS

It is hereby agreed and declared that Indemnifiable Damage extends to include delay of The Project resulting from delay to interruption of or interference with the business to be carried out by the Insured at The Contract Site in consequence of:-

- (a) destruction of or damage to property in the vicinity of The Contract Site, which shall prevent or hinder the use of The Contract Site or access thereto, whether The Property Insured at The Contract Site thereon shall be damaged or not.
- (b) Action by the police or any other authority following danger or disturbance in the vicinity of The Contract Site.

MEMO 8 – VALUE ADDED TAX

All Limits, Sums Insured, claim amounts, Deductibles, or any other amounts stated in the Policy are deemed to be inclusive of Value Added Tax and to the extent that the Insured is accountable to the authorities for Value Added Tax in respect of any claim payment in terms of this Policy the Insurer will include the amount of such Value Added Tax in the settlement of any claim under this Policy.

CONDITIONS

1. This Policy shall be voidable in the event of misrepresentation, mis-description or non-disclosure in any material particular or if the Insured's interest ceases.
2. If at the time of any Indemnifiable Damage there be any other insurance effected by or on behalf of the Insured covering any of the loss hereby insured against, the liability of the Insurer hereunder shall be limited to their rateable proportion of such loss.
3. On the happening of any Indemnifiable Damage in consequence of which a claim is or may be made under this Policy the Insured shall as soon as practicable give notice thereof to the Company and shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with commencement of the Business or to avoid or diminish the loss of Interest.

In the event of a claim being made under this Policy the Insured shall as soon as possible deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurances (if any) covering the Indemnifiable damage or any part of it or consequential loss of any kind resulting therefrom.

The Insured shall produce, procure and give to the Company such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may be reasonably required by or on behalf of the Company for the purpose of investigating or verifying the claim, together with a declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith any payment on account of the claim already made shall be repaid to the Company forthwith.

4. Any claimant under the Policy shall at the request and at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their paying for any loss under this Policy whether such acts or things shall become necessary or required before or after indemnification by the Company.
5. If a claim or any part thereof made by or on behalf of any Insured party is in any respect fraudulent and the responsible management of such Insured party has actual or constructive knowledge of the fraudulent nature of such claim or part thereof, then such part of the claim by such party shall not be recoverable by the Insured party making the claim.
6. If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference may be referred to an Arbitrator (or Arbitrators) to be appointed by the parties concerned in accordance with the applicable statutory provisions in force. The making of an Award shall be a condition precedent to any right of action against The Insurer to recover such amount in dispute.
7. If The Company shall disclaim liability for any claim for indemnity made by The Insured and The Insured does not institute proceedings for an action or suit at law within twelve months of the date of such disclaimer, The Company shall be entitled to assume that the claim has been abandoned and shall not thereafter be liable for any payment whatsoever in connection therewith.

MACHINERY BREAKDOWN

Conditional upon the prior payment of premium by the Insured and the receipt thereof by or on behalf of C & G Underwriting Managers trading as a division of Natsure Limited (hereinafter called the Company) the Company shall insure and agrees subject to the terms exceptions limits and conditions contained herein or endorsed hereon to indemnify the Insured against damage to the defined events under the within sections whilst at the premises mentioned therein occurring during the period of insurance

Any proposal declaration or statement made by or on behalf the Insured shall be the basis of the contract

This insurance contract is conditional upon and will come into effect only following payment of the premium by the Insured and the receipt thereof by or on behalf of the Company

GENERAL EXCEPTIONS

This Policy does not cover

- 1 (i) civil commotion labour disturbance riot strike lock-out or public disorder of any act or activity which is calculated or directed to bring about any of the above
- (ii) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) or civil war
- (iii) (a) mutiny military rising military or usurped power martial law or state of siege or any other event or cause which determines the proclamation or maintenance of martial law or state of siege
(b) insurrection rebellion or revolution
- (iv) any act (whether on behalf of any organization body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial local or tribal authority with force or by means of fear terrorism or violence
- (v) any act which is calculated or directed to bring about loss or damage in order to further political aim objective or cause or to bring about any social or economic change or in protest against any state or government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof
- (vi) any attempt to perform any act referred to in clause (iv) or (v) above
- (vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in clause (i)(ii)(iii)(iv)(v) or (vi) above

If the Company alleges that by reason of clauses (i)(ii)(iii)(iv)(v)(vi) or (vii) of this exception loss or damage or liability is not covered by this policy the burden of proving the contrary shall rest on the Insured

2. any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976) or any similar Act applicable to any of the territories to which this applies
3. nuclear weapons material ionising radiations or contamination by radio-activity from any nuclear waste from the combustion of nuclear fuel for the purposes of this exception on combustion shall Include any self-sustaining process of nuclear fission

4. Computer Losses

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion this policy does not cover

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from
- b) any legal liability of whatsoever nature
- c) any consequential loss

directly or indirectly caused by or contributed to by or consisting of or arising from incapacity or failure of any computer correctly or at all

- i) to treat any date as the correct date or true calendar date or correctly or appropriately to recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such date or to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command that causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such date or
- ii) to capture save retain or process any information or code due to program errors incorrect entry or the inadvertent cancellation or corruption of data and or programs
- iii) to capture save retain or process any data as a result of the action of any computer virus or other corrupting harmful or otherwise unauthorised code or instruction including any trojan horse time or logic bomb or worm or any other destructive or disruptive code media or program or interference

A computer includes any computer data processing equipment microchip integrated circuit or similar device In computer or non-computer equipment or any computer software tools operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above whether your property or not

MACHINERY BREAKDOWN – SECTION 1

INSURED EVENT

Sudden and unforeseen physical damage to the insured machinery described in the Machinery Breakdown Schedule from any cause not hereinafter excluded whilst

- (a) at work or at rest
- (b) being dismantled, moved or re-erected for the purpose of cleaning, inspection, repair or installation in another position within the premises;

resulting from any cause not hereinafter excepted.

SPECIAL EXCEPTIONS

This policy does not cover:-

1. damage due to fire direct lightning explosion extinguishing of a fire or subsequent demolition aircraft or other aerial devices or articles dropped there from thefts or attempts thereat collapse of buildings storm flood inundation hail snow escape of water from water-containing apparatus earthquake subsidence landslide avalanche hurricane cyclone volcanic eruption or similar natural catastrophe;
2. breakdown due to the imposition of abnormal conditions directly or indirectly resulting from testing intentional overloading or experiments;
3. damage for which a supplier contractor or repairer is legally responsible by contract or otherwise;
4. damage due to faults or defects known to the Insured or any of his responsible employees at the time the contract was arranged and not disclosed to the Company;



5. damage to
 - (i) foundations and masonry – unless specifically included in and described in the schedule of Machinery;
 - (ii) parts which by their use and/or nature suffer a high rate of wear or depreciation such as crushing grinding or hammering surfaces wear plates screens sieves flexible pipes jointing and packing materials filter cloths ropes belts straps elevator and conveyor belts or bands cables (other than electrical conductors) brushes batteries refractory materials heating elements fire bars burner jets exchangeable and replaceable parts such as bits drills knives saw blades dies moulds patterns blocks stamps punches coatings or engravings on cylinders or similar fragile materials but if as the results of other indemnifiable damage provided for by the policy the above items are damaged then the Company shall indemnify the Insured for any remaining residual value;
6. wasting wearing away or wearing out of any part of the machinery caused by or resulting from ordinary use or other gradual deterioration but a resultant insured event shall not be excluded;
7. consequential loss delay or interruption of the business or liability of any nature whatsoever other than losses specifically provided herein

BASIS OF INDEMNIFICATION

In the settlement of claims for damage covered under this Policy, the basis of indemnification are:

- (1) in the case of repairable damage – the cost of restoration to normal working order, comprising the value of replacement parts, labour charges at standard rates of wages, transport costs at ordinary rates (any additional charges resulting from the use of air freight are excluded) and the cost of dismantling and re-erection, customs dues and taxes. The value of damaged parts replaced, which can be used again in any way whatsoever, may be deducted. The liability of the Company is limited to the reinstatement of the item to its condition immediately prior to the Breakdown. If the value of an item or part thereof is increased by the repair, the liability of the Company shall be reduced by the amount of such increase.
- (2) in the case of total loss – the market value of the item immediately before the breakdown, together with the cost of dismantling the damaged machinery and the cost of delivering and erecting a replacement item, but less the value of any salvage.

An item will be deemed to be a “total loss” if the cost of repair, as defined in (a) above equals or Exceeds the market value immediately before the occurrence.

CONDITIONS

- (a) The work of replacement or reinstatement (which may be carried out at other premises and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made
- (b) The Company reserves the option to repair replace or reinstate any damage identifiable by this section of the policy or pay cash-in-lieu thereof
- (c) In either event (1) or (2) the amount claimable shall not exceed the amount specified in the Machinery Breakdown Schedule.

CLAUSES

1. ADDITIONAL COSTS

- (a) **Expediting**
The costs of express delivery (including air freight charges) overtime work night work or work on public holidays subject to a limit of 50% (fifty percent) of the amount which the repair replacement or reinstatement would have cost had such additional expenses not been incurred
- (b) **Refrigerant**
The cost of the renewal refrigerant of the same type necessitated by an insured event is included on refrigeration plant
- (c) **Transformer/Switchgear oil**



the cost of the renewal of oil necessitated by an insured event is included on transformers and or switchgear

2. **ADDITIONAL NEWLY ACQUIRED MACHINERY**

The Policy will extend to provide indemnity at the Insured's premises for newly acquired machinery of a similar nature to that specified on the Machinery Breakdown Insurance Schedule provided that

- (a) installation and successful commissioning to acceptable operating standards has been achieved
- (b) the sums insured for such additional machinery in total does not exceed 25% of the total sum Insured on the existing Machinery Breakdown Insurance Schedule
- (c) the Insured advises the Company of such additional machinery as soon as practicable but Not exceeding 3 months from the date of its installation or at the policy renewal whichever occurs first
- (d) the Insured agrees to pay additional premium effective from the date of its acquisition subject always to all terms exceptions and conditions of the Policy

MACHINERY CONSEQUENTIAL LOSS

GROSS PROFIT-ADDITIONS BASIS/ DIFFERENCE BASIS

INSURED EVENT

If the business is interrupted or interfered with in consequence of damage (as defined) the Company will indemnify the Insured in terms of this section

SPECIAL EXCEPTIONS

The Company shall not be liable for interruption of or interference with the business

- (a) arising from alterations additions improvements or overhauls being carried out following an insured event and the indemnity period shall be exclusive of the time required for such work
- (b) due to the non-availability for immediate use of any item of machinery which is specified as a standby for another item

INDEMNITY

The amount payable is limited to loss of gross profit due to

- (a) **reduction in turnover**

being the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall in consequence of the insured event fall short of the standard turnover

- (b) **increase cost of working**

Being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the insured event but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided less any sum saved during the indemnity period in respect of such of the charges or expenses of the business payable out of gross profit as may cease or be reduced in consequence of the insured event if the sum insured in respect of gross profit be less than the sum produced by applying the rate of Gross profit to the annual turnover (or a proportionately increased multiple thereof when the indemnity Period exceeds 12 months) the amount payable shall be proportionally reduced

DEFINITIONS



DAMAGE

Damage shall mean as defined in the Machinery Breakdown Section occurring during the period of insurance to the machinery described in the Machinery Consequential Loss of Profits schedule in respect of which the Company has admitted liability for such damage but for the application of the deductible

TURNOVER

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises

GROSS PROFIT (Additions Basis)

The sum produced by adding to the net profit the amount of the insured standing charges or if there be no net profit the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business

GROSS PROFIT (Difference Basis)

The amount by which (a) the sum of turnover closing stock and work in progress exceeds (b) the sum of opening stock and specified working expenses

Memo

The amount of opening and closing stock and work in progress shall be arrived at in accordance with the Company's normal accounting methods due provision being made for depreciation

NET PROFIT

The net profit (exclusive of all capital receipts and all outlay property chargeable to capital) resulting from the business of the Insured at the premises after due provision for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits

INSURED STANDING CHARGES (Additions Basis)

As stated on the policy schedule

INSURED SPECIFIED WORKING EXPENSES (Difference Basis)

As stated on the policy schedule

INDEMNITY PERIOD

The period during which the results of the business shall be affected in consequence of the damage not exceeding the indemnity period stated in the Machinery Consequential loss schedule commencing with the occurrence of the damage. Provided always that the Company are not liable for the amount of loss arising during the stated time excess which commences with the occurrence of the damage

GROSS PROFIT

RATE OF GROSS PROFIT

The rate of gross profit earned on the turnover during the financial year immediately before the date of the insured event

ANNUAL TURNOVER

The turnover during the twelve months immediately before the date if the insured event

STANDARD TURNOVER

The turnover during that period in the twelve months immediately before the date of the insured event which corresponds with the indemnity period to which such adjustments shall be made as by be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the insured event or which would have affected the business had the insured event not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for he insured event would have been obtained during the relative period after the insured event

CLAUSES

1. AUDITORS

The Insured's auditors certify from the Insured's books of account or other business books any detail required by the Company in connection with an insured event and their certificate shall be accepted as prima facie evidence of such detail

2. ACCUMALATED STOCK



In adjusting a loss an equitable allowance shall be made if any shortage in turnover due to an insured event is postponed by reason of the turnover being temporarily maintained from accumulated stock

3. **DEPARTMENT/BRANCHES**

If the business be conducted in departments/branches the independent trading results of which are ascertainable the provisions of the statement of indemnity shall apply separately to each department/branch affected by the insured event except that if the sum insured be less than the aggregate of the sums produced by applying the rate of gross profit (whether affected by the insured event or not) to its relative annual turnover (or to a proportionately increased multiple thereof where the indemnity period exceeds twelve months) the amount payable shall be proportionately reduced

4. **OUTPUT ALTERNATIVE**

Output which is defined as the sale or transfer value of goods manufactured or processed by the Insured in the course of the business at the premises may be substituted at the Insured's option for the word "turnover" wherever it appears (other than in the definition of gross profit) provided that

- (a) only one such meaning shall be operative following an insured event
- (b) if output is adopted the accumulated stock clause is deemed to be cancelled

5) **UNINSURED STANDING CHARGES**

If any standing charges of the business are not insured by this policy (having been deducted in arriving at the gross profit as defined herein) then in computing the amount recoverable as increase in cost of working that proportion only of any additional expenditure shall be brought into account which the gross profit bears to the sum of the gross profit and the uninsured standing charges

6) **ALTERNATIVE TRADING CLAUSE**

In arriving at the turnover during the indemnity period account must be taken of goods sold and services rendered by the Insured or anyone acting on his behalf elsewhere than at the premises for the benefit of the business

GENERAL CONDITIONS

1. **CLAIMS PREPARATION COSTS**

The Insurance by each section of this Policy is extended to include all costs and expenses reasonably incurred by the Insured producing and certifying any particulars or details required by the Company in connection with an indemnifiable event but excluding costs incurred in proving or attempting to prove damage as indemnifiable by this policy but limited to the Sum Insured specified in the schedules for each section of this policy. Should no Sum Insured be shown then this extension of cover does not apply

2. **THE DEDUCTIBLE**

Unless specifically provided to the contrary the amount payable under any section is reduced by the amount of any deductible applicable to an insured event under that section

3. **PAYMENTS ON ACCOUNT**

Payment on account may be made to the Insured at the discretion of the Company if the payment of the amount recoverable from the Company is delayed pending finalisation of a claim

4. **COLLECTIVE POLICIES**

Where more than one Insurance Company or Insurer is stated in the schedule as participating in this insurance the word "Insurers" is deemed to be substituted for "Company" wherever it appears in the policy except in the conditions where "the Company" shall mean the leading office on behalf of the Insurers

The participation of each insurer shall be for the percentage set against its name in the schedule and the liability of each individually shall be limited to that percentage

5. **INTERPRETATION**

The schedule and any endorsement thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear

7. **PREMIUM PAYMENT**

Premium is payable on or before the inception date or renewal date as the case may be the company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be but may do so upon such terms as it at its sole discretion may determine

7. **SCHEDULE SUMS INSURED BLANK**



If in a schedule of this policy the sum insured limit of indemnity or compensation is

- (i) left blank or has no monetary amount stipulated against it
- (ii) reflected as nil or not applicable or not covered or no indemnity extended

This means the defined event or circumstance shown in the schedule is not insured by this policy

8. **MISDISCRIPTION**

This policy shall be voidable in the event of misdescription, misrepresentation or non disclosure of any material particular.

9. **AVERAGE**

If on the occurrence of an insured event the sum insured against an item is less than the installed new replacement value thereof then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss. Each item shall be separately subject to this condition

10. **PREVENTION OF LOSS OR DAMAGE**

The Insured shall in all circumstance take all reasonable precautions for the maintenance and safety of the Insured Property and for the prevention of Loss or Damage and that all building ways works plant and machinery are substantial and sound and in proper order and fit for the purpose for which they are used and that all Acts of Parliament and by-laws and directions made by Statutory or Local Authority are duly observed and complied with. If any defects or conditions of working which render the risk more than usually hazardous be discovered the Insured shall immediately notify the Company and take steps to remedy the said defects or conditions and shall in the meantime cause such precautions to be taken as circumstances require

11. **CLAIMS**

On the happening of any event giving rise or likely to give rise to a claim under this Policy coming to the knowledge of the Insured the Insured shall

- (i) give notice thereof to the Company or its nearest representative as soon as possible
- (ii) take precautions to prevent any further loss or damage. The Company shall not be liable in respect of any further damage arising out of the continued use of damaged Machinery until such Machinery shall have been repaired to the satisfaction of the Company
- (iii) take precautions to preserve any thing which might prove necessary or useful by way of evidence in connection with any claim and so far as may be reasonably practicable no alteration or repair shall without the consent of the Company be made after the event until the Company shall have had an opportunity of inspection
- (iv) when called upon to do so deliver to the Company or its representative a Statement in writing of all particulars and details of the Machinery affected and the value thereof and the damage thereto and furnish all such vouchers Proofs explanations and other evidence as may be reasonably required by the Company together with a statutory declaration if required in verification of the Statement
- (v) the Insured shall at the expense of the Company do or permit to be done all such acts and thing as may be necessary or reasonably required by the Company for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Company

12. **PRESCRIPTION**



- (i) The Company shall not be liable for any loss of or damage to the insured property after the expiration of twelve months or such further time as the Company may allow from the happening of such loss or damage unless the claim is the subject of a pending court action or arbitration.
- (ii) If any claim is made under this policy and rejected and an action or suit not be commenced by the insured within twelve months after such rejection all benefits under this policy in respect of such claim shall be forfeited.

13. **THE COMPANY'S RIGHTS**

On the occurrence of an insured event the Company or its representative may without incurring any liability or in any way diminishing its rights

- (i) take enter or keep possession of any damaged insured property and deal with it in any reasonable manner but this conditions does not grant the Insured licence to abandon any property to the Company whether already in its possession or not
- (ii) take legal action in the name of the Insured in respect of any recovery of or contribution to a claim
- (iii) take over and conduct in the name of the Insured the defence and settlement of any claim
- (iv) discharge its obligations at any time under any section providing indemnity for liability to third parties by paying to the Insured the limit of liability or such lesser sum for which the claim can be settled which can be settled which shall be inclusive of legal fees and other expenses agreed by the Company and incurred prior to the date of payment

15. **OTHER INSURANCES**

The Company shall not be liable

- (i) to contribute more than its rateable proportion where there is another policy in force covering partially or fully an insured event also insured by this policy and
- (ii) when such policy contains any provision excluding it from ranking concurrent with or contributing rateably to this policy for more than such proportion of the loss or damage as the sum insured hereby bears to the value of the insured property and if such other policy is subject to a condition of average this policy of not already subject to such conditions shall also be subject to average

15. **ADJUSTMENT OF PREMIUM**

When the premium for any section or any part thereof is subject to adjustment on declaration such adjustment shall be made at the expiry of each twelve consecutive months of insurance (calculated from the inception of this policy) and the Insured shall at all times keep adequate records of the particulars relative to the declaration required and shall make such records available to the Company at the intervals provided for in the section or on request

16. **REINSTATEMENT OF SUM INSURED**

In consideration of the sum insured in a section not being reduced by the amount of any valid claim the Insured shall (if required) pay a pro-rate premium calculated on the amount of the valid claim from the date of reinstatement or replacement (which ever is the later) to the expiry of the period of insurance

17. **FRAUD**

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any Breakdown be occasioned with the connivance of the Insured all benefit under this Policy shall be forfeited

18. **JURISDICTION**

This Policy is subject to the laws of the Republic of South Africa whose courts shall have sole jurisdiction to the exclusion of the courts of any other country

Where payment is to be made to or by the Company it shall be made in the currency of The Republic of South Africa at the Company's head office unless the Company allows otherwise

19. **MONTHLY QUARTERLY AND HALF-YEARLY POLICIES**



When the premiums are stated to be made payable "monthly" "quarterly" of "half yearly" they must be received by the Company within thirty days from the commencement of the period of insurance to which they relate failing which the policy shall be deemed to be cancelled from the expiry of the preceding period of insurance unless the Insured can prove that failure to make payment was an error on the part of his banker or other paying agent

20. TERMINATION OF COVER

This policy may be cancelled

- (a) by the Insured at any time and the Company will be entitled to retain the customary short term premium or minimum premium
- (b) by the Company by thirty days notice given in writing and the Company will retain a pro-rata premium

Provided that if the premium is payable by bank debit order

If any premium is not paid on the date that it was due to be paid

- (i) as a result of payment having been stopped by the Insured this Policy will be cancelled from the date that the premium was due to be paid
- (ii) for any reason other than as described in (i) above the Company will re-debit in the following month and should the outstanding premium not be paid when re-debited, the Policy will be cancelled from the date that the first unpaid premium was due to be paid.

21. COMPANY'S RIGHT OF SUSPENSION

If any insured property be discovered in a condition which in the opinion of the Company is unsafe or worsens the risk, the Company reserves the right to suspend the insurance in respect of such insured property by verbal or written notice to the insured.

DETERIORATION OF STOCK EXTENSION – SECTION 3

INSURED EVENT

The machinery breakdown section is extended to include damage by deterioration or contamination of stock owned by or for which the Insured is responsible whilst contained within refrigerators cold rooms or a temperature controlled environment as a direct consequence of

- 1) an indemnifiable event as defined to machinery described in the Machinery Breakdown Insurance Schedule
- 2) the loss of refrigerant following an indemnifiable event as defined to machinery described in the Machinery Breakdown Insurance Schedule

INDEMNITY

The amount payable shall be the replacement cost price less any amount realized from the sale of the damaged insured stock and such charges or expenses of the business as shall cease or be reduced and additional reasonable charges incurred by the Insured for

- (i) the cost of disposal
- (ii) the cost of packaging damaged as a result of an Insured event

But not exceeding the sum insured stated the Machinery Breakdown Insurance Schedule

AVERAGE

The sum insured stated represents the maximum replacement cost price that shall be stored (inclusive of additional charges indemnifiable) at any time but if on the occurrence of damage as insured by this extension the value of the insured stock is greater than the sum insured thereon then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss

SPECIAL EXCEPTIONS

This section does not cover loss or damage due to



- (i) the deliberate act of the Insured
- (ii) faulty packing or storage inherent defect or disease
- (iii) contamination by refrigerant unless caused by an indemnifiable event as defined to machinery as defined in the Machinery Breakdown Schedule





Computer /Electronic Data Processing Equipment Section

Specification – Section I: Material Damage

Insuring Clause

The insurance is in respect of physical loss of or damage to Property belonging to or leased by the Insured as described in the schedule from any cause not hereinafter excluded whilst contained within the Insured's premises, in transit or at any other short term temporary premises

Exceptions to Section I

The Company will not indemnify the insured in respect of

1. Derangement unless accompanied by physical damage otherwise covered by this policy.
2. The first amount payable as stated in the schedule in respect of each and every event giving rise to a claim. Where more than item of property insured suffer physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured (accept for fire and theft) where the excess will be 10% of the total claim.
3. Loss or damage to the Insured Property which is covered in terms of a maintenance or leasing agreement.
4. Loss or damage arising from faults or defects in the Insured property known to the Insured or his responsible employees at the time this insurance was arranged or during the currency of the insurance and not disclosed to the Company, or any consequences thereof.
5. Wastage of material or the like or wearing away or wearing out of any part of the Insured Property caused by or naturally resulting from ordinary usage or working or other gradual deterioration or scratching of painted or polished surfaces.
6. Exchangeable or expendable parts such as (but not limited to) bulbs valves tubes contacts if such parts are damaged as a result of physical loss or damage as provided for by the policy to other parts of the Insured Property the Company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts.
7. The cost of reproducing data whether recorded on cards, tapes, disks or otherwise, unless specifically provided for herein.
8. Loss of use of the Insured Property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein
9. Loss by theft or disappearance of the Insured Property
 1. from the premises specified or any other temporary premises unless
 - (a) occasioned by fraudulent means / impersonation or
 - (b) accompanied by visible forcible and violent entry or exit to or from any premises or
 - (c) entry to the premises specified is effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the Insured shall establish to the satisfaction of the Company that such a skeleton key or device was used



Exclusion (8) 1 does not apply to laptops notebooks palmtops

2. in transit from a motor vehicle in the custody or control of the Insured or employee unless

- (a) the insured property is obscured from view in a closed compartment within the vehicle
- (b) when unattended the vehicle is closed and securely locked
- (c) when held overnight in the vehicle the vehicle must be held within a secure protected environment
- (d) by necessity and beyond the control of the driver the property is left unprotected following hijacking accident or breakdown of the vehicle

In respect of 2 (a), (b), (c) and (d) (where applicable) theft or disappearance must be occasioned by visible forcible and violent means.

Basis of Indemnification

(1) Partial Loss

If the Insured Property suffers damage the basis of indemnification shall be the cost and expenses reasonably and necessarily incurred to restore the damaged property to its working condition immediately before the occurrence of the damage including the costs of dismantling re-erection as well as ordinary freight and customs dues provided that

- (a) The value of parts which can be used in any way whatsoever will be deducted.
- (b) The costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this Policy.



- (c) If without the consent of the Company, temporary repairs are carried out by the Insured in the interests of safety or to minimize further loss or damage to the insured Property, the cost of such temporary repairs will be borne by the Company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the Insured Property, any additional costs so incurred or consequence arising there from will be for the account of the insured.
- (d) Where the damage is restricted to a part or parts of an insured item, the Company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged as allowed for within the Sum Insured.

(2) Total Loss

The amount payable shall be the cost of reinstatement of property insured lost or destroyed to its condition when new provided that

- (a) reinstatement shall mean replacement of any item lost destroyed or damaged beyond repair by new property of equal performance and/or capacity or if such be impossible its replacement by new property having the nearest higher performance and/or capacity to the item lost or damaged including any ordinary freight and erection costs, dues and customs duties, and the cost of removing (if applicable) the destroyed equipment less the value of any salvage.
- (b) Reinstatement shall be carried out within delay and in the most economical manner
- (c) Where any property insured is damaged or lost in part only the Company's liability shall not exceed the cost of reinstatement had it been wholly lost.
- (d) No payment shall be made until reinstatement has been carried out. If reinstatement is not carried out the amount payable shall be the cost of indemnifying the insured provided such cost does not exceed the cost of reinstatement.

MEMORANDA TO SECTION I

Memo 1: Laptops / Portables / Programmes / Dongles

Unless otherwise stated

- (a) The cover in respect of laptops palmtops and other similar portable units is applicable worldwide
- (b) Laptops palmtops and other similar portable units along with programmes (software) and dongle controlled software packages must be listed separately on the schedule.



Memo 2: Tenants

This insurance will not be invalidated by any act or neglect on the part of a tenant of the Insured (where the Insured owns the building) or another tenant or the owner of the building (where the Insured is a tenant provided that the Insured notifies the insurer as soon as such an act or neglect comes to his knowledge and pays on demand the appropriate additional premium

Memo 3: Security and Warranties

The insurance by this policy is deemed to include any security requirements or security warranties imposed by any other policy of insurance issued by this Company pertinent to the risk in respect of any premises containing Insured Property.

Memo 4: Transit

Unless otherwise stated by endorsement any loss or damage occasioned during transit is limited to R100,000.

Specification – Section II : Consequential Loss

Insuring Clause

The insurance provided by this section of the Policy (if specified) shall include

(i) Increased cost of Working

All additional costs and expenses necessarily and reasonably incurred by the Insured during the Indemnity Period for the sole purpose of preventing or minimizing the interruption of or the interference with the Business. The indemnity period shall be that period during which the results of the business shall be affected in the consequence of the loss or damage commencing the number of days shown in the schedule under “Indemnity Excess” after the occurrence of the loss or damage and ending not later than the period shown under “ Indemnity Period”

Each and every occurrence giving rise to claim for losses incurred during the time excess stated in the schedule shall be the responsibility of the insured for any expenditure for which provision is made and of any expenditure by the Company in the exercise of any discretion it may have under this insurance. if



the expenditure incurred by the Company shall include losses incurred during the time excess of which the insured is responsible, such amount shall be paid by the Insured to the Company forthwith.

Provided that the Company shall have the benefit of any saving in expenditure during the indemnity period as a result of the loss or damage.

Any property insured by Section 1 (material damage) and cover provided for in Section II (Consequential Loss) part (ii) are specifically excluded from the increased cost of working provided herein

(ii) Reconstitution of Data

All costs and expenses necessarily and reasonably incurred by the Insured for the reinstatement of data comprising the costs of time to reinstall and re-configure operating systems reinstall and render operational proven licensed software packages and to re-enter data lost as the result of indemnifiable loss. The cost of software packages specially written or otherwise loss of data emanating from operation of the system including errors in programming incorrect entry the effects of magnetism erasure or destruction/corruption of data is excluded. It is conditional that the Insured shall back up data records no less frequently than seven days and retain duplicate records away from the insured's premises

Provided that

The insurance stated in (i) and (ii) above is consequent upon indemnifiable loss or damage being admitted as provided for in Section 1 of the Policy notwithstanding Exception 2 Section 1

Specific Exceptions to Section II

1. Fines and Damages

The Company shall not be liable to indemnify the insured in respect of fines or damages for breach of contract for late or non-completion of orders or any penalties of whatsoever nature

2. Loss of Profit

The company shall not be liable to indemnify the Insured in respect of loss of profit or consequential loss of whatsoever nature unless specifically provided for herein

Memoranda to Section II

1. Reinstatement



Notwithstanding anything to the contrary contained in this policy, it is hereby declared and agreed that: In the event of any interruption , following loss or damage, being aggravated by

- (a) The Insured being unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement, within a reasonable time, or
- (b) Additions, alterations or improvements being effected to the Insured property on the occasion of its repair the Insurer's liability under this section, shall be related solely to the business interruption which would have arisen in the absence of (a) and (b)

2. Prevention of Access

If during the Indemnity Period the business at the premises be interrupted or interfered with in consequence of the Insured being prevented from having access to the insured property situated at the premises caused by damage to premises near or adjacent to those occupied by the Insured as described in the Schedule by fire lightning explosion storm tempest flood water inundation earthquake impact by vehicles the insurer shall indemnify the Insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

Provided always that

- (a) The Insured is not entitled to indemnity as provided for in this memorandum under any other policy or policies
- (b) This policy shall not be brought into contribution with any other policy or policies bearing a like memorandum.

3. Telkom Land Access Lines Extension (if stated in the schedule)

Subject to the limits specified in the schedule Consequential Loss as provided for under (1) and (2) of Section II of the policy arising from accidental failure of the Telkom Land Access Lines is included provided always that the insurance under this extension shall be subject to the following special conditions below:

4. Failure of Electricity Supply Extension (if stated in the schedule)

Subject to the limits specified in the schedule Consequential Loss as provided for under (1) and (II) of Section II of the policy arising from accidental failure of the public supply of electricity at the terminal ends of the supply authorities service feeders at the premises is included provided always that the insurance under this extension shall be subject to the following special conditions below:

Special Conditions applicable to Memos: 3 & 4

- (a) The liability of the company shall not exceed the sum insured by this Policy.



- (b) The Indemnity Period in respect of increased cost of working shall commence 24 hours after the failure and end not later than 14 days after such failure
- (c) The insurance provided in Memo 3 does not cover loss occasioned by the deliberate act of Telkom nor by the exercise by Telkom of its power to withhold or restrict access to its lines
- (d) (I) the insurance provided in Memo 4 does not cover loss occasioned by the deliberate act of any electrical supply authority of its power to restrict supply or (II) loss occasioned by drought or shortage of fuel at any power station

5. Incompatibility of Computer Media (if stated in the schedule to be included)

If so extended the indemnity shall include the costs of

- (a) Modification of the Computer equipment or
 - (b) Replacement of Computer Media together with the restoration of data or software on such media whichever is the lesser amount to achieve compatibility in the event that the loss of Computer Equipment covered by Section (I) has resulted in undamaged Computer Media being incompatible with the replacement computer equipment.
- Provided that the amount payable shall not exceed in respect of any one occurrence twenty percent (20%) of the sums insured in respect of Section (I) and (II) in the aggregate or R25 000 whichever is the lesser amount unless otherwise stated.

General Exclusion Applicable to Section I and II

The company will not indemnify the insured for loss damage of whatsoever nature arising directly or indirectly or in conjunction with the action of any computer virus, Trojan or worm(s) or other similar disruptive media.

COMPUTER; ELECTRONICS; DATAPROCESSING EQUIPMENT

In consideration of the payment of the premium by or on behalf of the insured the Company specified in the schedule agree to indemnify the insured as provided hereinafter subject to the terms contained herein or attached hereto or as amended by endorsement hereon



Where more than one insurance company or insurer participates in this insurance the percentage share of each insurer will be expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name

GENERAL EXCEPTIONS

This policy does not cover loss damage or liability directly or indirectly caused by related to or in consequence of

- 1 (i) civil commotion labour disturbances riot strike lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above
- (ii) war invasion act of foreign enemy hostilities or warlike operations (*whether war be declared or not*) or civil war
- (iii) (a) mutiny military rising military or usurped power martial law or state of siege or any other event or cause which determines the proclamation or maintenance of martial law or state of siege
- (b) insurrection rebellion or revolution
- (iv) any act (*whether on behalf of any organisation body or person or group of persons*) calculated or directed to overthrow or influence any state or government or any provincial local or tribal authority with force or by means of fear terrorism or violence
- (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim objective or cause or to bring about any social or economic change or in protest against any state or government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof
- (vi) any attempt to perform any act referred to in clause (iv) or (v) above
- (vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in clauses (i) (ii) (iii) (iv) (v) or (vi) above

If the Company alleges that by reason of clauses (i) (ii) (iii) (iv) (v) (vi) or (vii) of this exception loss damage or liability is not covered by this policy the burden of proving the contrary shall rest on the Insured

- 2 any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976) or any similar Act applicable to any of the territories to which this policy applies
- 3 nuclear weapons material ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel for the purposes of this exception only combustion shall include any self-sustaining process of nuclear fission
- 4 consequential loss of any description or delay
- 5 otherwise subterranean fire volcanic eruption or other convulsion of nature tidal wave subsidence or landslide
- 6 an insured event occurring elsewhere than in the Republic of South Africa, Lesotho, Swaziland, Botswana and Mozambique unless otherwise stated in a Section

GENERAL PROVISIONS

1 CLAIMS PREPARATION COSTS

The insurance by this policy is extended to include costs reasonably incurred by the Insured in producing and certifying any particulars or details required in terms of general condition 3 up to the lesser of R1 000 or 10% of the sum insured limit of indemnity for the item affected

In addition the Company will pay any additional amount actually expended up to the sum for additional claims preparation costs stated in the schedule of the section concerned



2 **THE DEDUCTIBLE**

Unless specifically provided to the contrary the amount payable under any section is reduced by the amount of any deductible applicable to an insured event under that section

3 **PAYMENTS ON ACCOUNT**

Payment on account may be made to the Insured at the discretion of the Company if the payment of the amount recoverable from the Company is delayed pending finalisation of a claim

4 **PERIOD OF INSURANCE**

Where the expression "twelve consecutive months of insurance (*calculated from the inception of this policy*)" appears in a section it shall be interpreted literally except where the first or a subsequent period of insurance is for a shorter or longer period than the normal frequency of premium payment to comply with the requirements of the Insured in which case such shorter or longer period shall be interpreted as being the same duration as the normal frequency for the purposes of the said expression

5 **COLLECTIVE POLICIES**

Where more than one Insurance Company or Insurer is stated in the schedule as participating in this insurance the word "Insurers" is deemed to be substituted for "Company" wherever it appears in the policy except in the conditions where "the Company" shall mean the leading office on behalf of the Insurers

The participation of each insurer shall be for the percentage set against its name in the schedule and the liability of each individually shall be limited to that percentage

6 **LIMITATION OF LOSS**

The Company shall not be liable under more than one section of this policy in respect of liability loss or damage arising from the same happening in respect of the same liability loss or damage

7 **INTERPRETATION**

The schedule and any endorsement thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear

SECTION 1 - ALL RISKS

INSURED EVENT

Accidental loss of or damage to the equipment as specified in the schedule

INDEMNITY

1 **Partial Loss**

If the insured equipment suffers damage that can be repaired the basis of indemnification shall be the costs and expenses reasonably and necessarily incurred to restore the damaged equipment to its working condition immediately before the occurrence of the damage including the costs of dismantling re-erection as well as ordinary freight and customs dues provided that

- (a) the value of damaged parts which can be used will be deducted

- (b) the costs of any alteration addition improvement or overhaul carried out at the time of repair are not recoverable under this section
- (c) if without the consent of the Company temporary repairs are carried out by the Insured in the interests of safety or to minimise further loss or damage to the insured equipment the cost of such temporary repairs will be borne by the Company provided that in the event that the temporary repairs aggravate the loss or cause additional loss or damage to the insured equipment any additional costs so incurred or consequence arising therefrom will be for the account of the Insured
- (d) where the damage is restricted to a part or parts of insured equipment the Company will not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured
- (e) if no repair is possible owing to the unavailability of parts or the obsolescence of the damaged equipment the Company will pay for the estimated costs of repair or replacement of such parts had they been available but to no greater amount than the cost of repair or replacement of like damage to similar available equipment or the sum insured for the equipment stated in the schedule whichever is the lesser

2 Total Loss

- (a) In the event of equipment not exceeding 5 years from date of manufacture being totally lost or damaged the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating the equipment with equipment of the same kind or type but not superior to or more extensive than the insured equipment when new including freight and erection costs customs duties and the cost of removing the destroyed equipment less the value of the remains subject to provisos 1 and 2
- (b) In the event of equipment exceeding 5 years from date of manufacture the basis upon which the amount payable will be calculated shall be the cost of replacement at market value and the cost of removing the destroyed equipment less the value of the remains subject to provisos 1 and 2

1 the work of replacement or reinstatement (*which may be carried out at other premises and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased*) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made

2 if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the equipment covered had been lost or damaged exceeds the sum insured thereon then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly

Each item of this section (*if more than one*) to which these conditions apply shall be separately subject to this proviso

General proviso for basis of Indemnification

- (a) if in terms of (1) Partial Loss no repair is possible owing to the unavailability of parts or the obsolescence of the damaged equipment the Company will pay for the estimated costs of repair or replacement of such parts had they been available but to no greater amount than the cost of repairs or replacement of like damage to similar available equipment
- (b) if in terms of (2) Total Loss no similar replacement of like equipment exists through unavailability or obsolescence the Company will pay the value of the item immediately before the loss or damage occurred which value to be calculated by deducting equitable depreciation from the installed new replacement value of the equipment



In either event (a) or (b) the amount claimable shall not exceed the amount specified against each item in the schedule or the total sum stated in the schedule subject to the limit of liability

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) the amount of the deductible stated in the schedule unless the insured event arises from fire or explosion
- (b) an insured event for which the supplier contractor or repairer of the equipment is responsible by contract maintenance agreement or otherwise
- (c) the cost of reinstatement of data
- (d) wasting wearing away or wearing out of any part of the equipment caused by or resulting from ordinary use or working or gradual deterioration rust oxidation corrosion or erosion scratching of painted or polished surfaces
- (e) the cost of alterations additions improvements and overhauls carried out at the time of repair
- (f) consequential loss of any description
- (g) loss by theft or disappearance of the insured equipment unless accompanied by forcible and violent entry or exit to or from that part of the building occupied by the Insured at the premises

- (h) theft from any unattended vehicle unless the property is contained out of sight in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit
- (i) expendable parts such as (but not limited to) X-ray tubes cathode ray tubes valves fuses belts bands and objects made of glass porcelain or ceramics but if such parts are damaged as a result of an indemnifiable event the Company will pay the residual value thereof
- (j) Any legal liability loss damage cost or expense whatsoever or any consequential loss directly or indirectly caused by arising out of resulting from in consequence of in any way involving or to the extent contributed to by the hazardous nature of asbestos in whatever form or quantity
- (k) Computer Losses
Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion this policy does not cover
 - i) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising there from
 - ii) any legal liability of whatsoever nature
 - iii) any consequential loss

directly or indirectly caused by or contributed to by or consisting of or arising from incapacity or failure of any computer correctly or at all

- a) to treat any date as the correct date or true calendar date or correctly or appropriately to recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such date or
to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command that causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such date or
- b) to capture save retain or process any information or code due to program errors incorrect entry or the inadvertent cancellation or corruption of data and or programs



- c) to capture save retain or process any data as a result of the action of any computer virus or other corrupting harmful or otherwise unauthorised code or instruction including any Trojan horse time or logic bomb or worm or any other destructive or disruptive code media or program or interference

A computer includes any computer data processing equipment microchip integrated circuit or similar device In computer or non-computer equipment or any computer software tools operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above whether your property or not

SECTION 2 - REINSTATEMENT OF DATA

INSURED EVENT

The cost of reinstating data on to data carrying media provided that the loss of data is directly caused by damage insured under Section 1

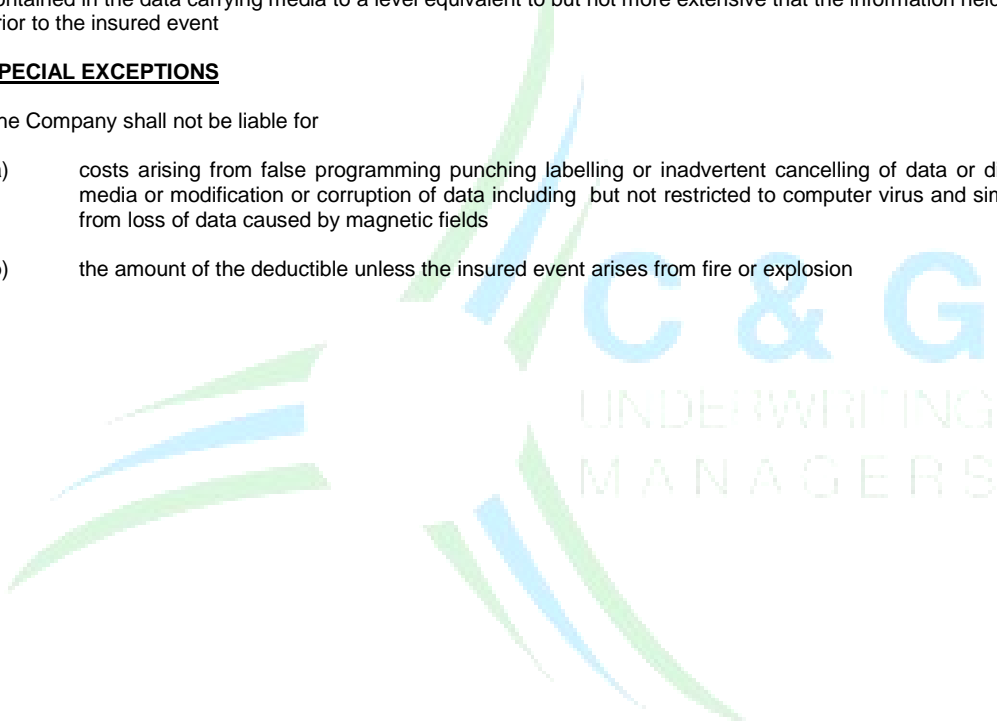
INDEMNITY

The amount payable shall be the reasonable necessary costs incurred for recapturing and or restoring the information contained in the data carrying media to a level equivalent to but not more extensive that the information held immediately prior to the insured event

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) costs arising from false programming punching labelling or inadvertent cancelling of data or discarding of data media or modification or corruption of data including but not restricted to computer virus and similar occurrences from loss of data caused by magnetic fields
- (b) the amount of the deductible unless the insured event arises from fire or explosion





SECTION 3 - INTERRUPTION

INSURED EVENT

- (a) If following an insured event for which the Company has admitted liability under Section 1 the business at the premises is interrupted or interfered with
- (b) if the Insured is denied access to the equipment due to accidental loss or damage as provided in terms of section 1 to other property in its vicinity

the Company will indemnify the Insured in terms of this section

INDEMNITY

The amount payable shall be the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the interruption of or interference with the business which but for such expenditure would have taken place during the indemnity period in consequence of the insured event

less any sum saved during the indemnity period in respect of such charges and expenses of the business as may cease or be reduced in consequence of the insured event

SPECIAL EXCEPTIONS TO SECTION 3

The Company shall not be liable for interruption of or interference with the business

- (a) arising during the period of the time excess in the schedule
- (b) arising from alterations additions improvements or overhauls being carried out following an insured event and the indemnity period shall be exclusive of the time required for such work
- (c) being aggravated by obsolescence or the unwillingness of the Insured to replace or reinstate the property destroyed or damaged or failing to carry out such replacement or reinstatement within a reasonable time

SPECIAL EXTENSIONS TO SECTION 3

If stated in the schedule an insured event shall for the purpose of this section include

- 1 failure of the public supply of electricity at the terminal ends of the supply authority's in service feeders at the premises from any accidental cause other than
 - (a) the deliberate act of the Insured or any supply authority
 - (b) drought or shortage of fuel at the power station provided that the liability of the Company only commences twelve hours after the occurrence of the insured event and ending not later than fourteen days after such occurrence
- 2 any additional expenditure necessarily and reasonably incurred by the Insured following damage to the Telkom access lines which would have been indemnifiable under this policy had the equipment been insured
 - provided that the liability of the Company only commences twenty four hours after the occurrence of the damage and ending not later than fourteen days after such failure

DEFINITIONS

DATA CARRYING MEDIA

Tapes discs magnetic cards and other materials used to carry data in a form directly assimilable by the equipment but specifically excluded are input documents (*invoices bills and the like*) and equipment printed output

INDEMNITY PERIOD

The period commencing with the insured event and ending not later than the number of months thereafter stated in the schedule during which the results of the business are affected in consequence of the insured event



MAINTENANCE AGREEMENT

The agreement by which the Insured receives maintenance services for the insured equipment from the owners suppliers or a company approved by the suppliers

CLAUSES

1 CAPITAL ADDITIONS

The insurance by Section 1 includes alterations additions and improvements (*but not appreciation in value in excess of the sum insured*) to the equipment for an amount not exceeding twenty five percent of the sum insured thereon it being understood that the Insured undertakes to advise the Company within the period of insurance of such alterations additions or improvements and pay any additional premium required

2 EXTRA CHARGES

The sum insured under Section 1 includes provision for overtime nightwork work on public holidays and express or airfreight transportation but the Company's liability is limited to fifty percent of the total repair or reinstatement costs

3 ADDITIONAL COSTS

The sum insured in respect of equipment insured under Section 1 includes

- (a) any cost incurred due to the necessity to comply with building or other regulations of any public authority in repair or reinstatement provided that such costs do not include
 - (i) anything for which notice had been served on the Insured prior to the insured event
 - (ii) anything connected with undamaged equipment or undamaged portions of equipment
 - (iii) rates taxes duties development or other charges payable under the said regulations due to capital appreciation of the insured equipment
- (b) fees for the examination of municipal or other plans
- (c) costs incurred in the necessary demolition removal of debris and the erection and maintenance of hoardings during demolition or rebuilding
- (d) professional fees of architects quantity surveyors and other consultants
- (e) charges levied by any authorised fire brigade for their services the Company shall not be liable under (a) (b) (c) or (d) above unless the damaged equipment is repaired or reinstated and such work is carried out without undue delay

4 ALTERATIONS AND MISDESCRIPTION

This policy shall not be prejudiced by any alterations or misdescription of occupancy due to

- (i) the transfer of processes or equipment
- (ii) structural alterations or the acquisition of additional premises
- (iii) repairs to buildings or equipment

provided that notice is given to the Company as soon as practicable after such event and the Insured agrees to pay any additional premium required

5 SUSPENSIVE SALE / LEASE AGREEMENTS

Provided that the Company has been notified prior to the occurrence of an insured event it will note and protect the interest of any owner of insured equipment which is the subject of a suspensive sale / lease agreement

6 **TEMPORARY REMOVALS**

The equipment insured by Section 1 is covered while temporarily removed in or from the premises (*including while in transit but restricted to transit by rail road or inland waterway*) for alteration cleaning repair renovation or similar process up to fifteen percent of the sum insured thereon

7 **TEMPORARY REPAIRS**

After notifying the Company of the occurrence of an insured event the Insured may effect necessary repairs or replacements of a minor nature provided he first obtains a detailed estimate or prepares a separate job card and retains this together with any replaced parts for the Company's inspection

8 **TENANTS**

The Insured shall not be prejudiced by the act of any tenant in the premises provided he notifies the Company as soon as he becomes aware of the act and pays any additional premium required

9 **HIRE PURCHASE / FINANCE COMPANIES**

The respective rights and interest of Hire Purchase and / or Finance Companies are automatically held covered in terms of this section of the policy

10 **INTENTION TO REPLACE OR REINSTATE**

This policy shall be without force or effect if the Insured fails to intimate to the Company within 6 months from the date of loss or damage or such further time as the Company may in writing allow his intention to replace or reinstate the equipment lost or damaged

11 **DATA BACK-UP**

It is a condition precedent to liability that the Insured will at intervals of not exceeding one week make a back-up of all programmed information and store such back-up discs or other data carrying media in a secure place away from the premises or alternatively locked in a South African Bureau of Standards approved fire resistant cabinet

GENERAL CONDITIONS

1 **GENERAL**

This policy shall be voidable in respect of any item or section in priority to the policy as a whole if

(a) *non-disclosure*

there is misrepresentation misdescription or non-disclosure of any material particular

(b) *insurable interest*

the Insured's interest ceases except by will or operation of law unless such alteration has been accepted by the Company

(c) *increase in risk*

the risk of accident loss damage or liability is increased other than in circumstances for which provision is made in a section or for which the Company has given its prior consent

(d) *breach of warranty*

the Insured breaches any warranty

2 **PREVENTION OF LOSS**

The Insured shall take all reasonable precautions for the maintenance and safety of insured property and for the prevention of accidents or losses

3 CLAIMS

- (a) On the occurrence of an event which may give rise to a claim under this policy the Insured shall as soon as practicable and at its own expense *(except as otherwise provided herein)*
- (i) notify the Company and give details of any other insurance covering the same event
 - (ii) inform the police of any claim involving theft or loss of property and take all practical steps to discover the guilty party and recover the stolen or lost property
 - (iii) co-operate with the Company or its nominee in minimising the resultant loss damage injury or liability
 - (iv) supply full details of the event in writing supported by such proofs information and sworn declarations as the Company requires
 - (v) forward any notice of claim communication writ summons or other legal process connected with the event to the Company
- (b) A claim shall not be payable if
- (i) The Insured makes any admission statement offer promise payment or indemnity without the prior written consent of the Company
 - (ii) twenty four months *(or such other period as is provided in a section)* has elapsed since the occurrence of the insured event *(or in respect of a business interruption section thirty days has elapsed since the expiry of the indemnity period)* unless the claim is the subject of the Insured's legal liability to third parties or pending legal action
 - (iii) it is rejected and legal action is not commenced within twelve months of the rejection

4 THE COMPANY'S RIGHTS

On the occurrence of an insured event the Company or its nominee may without incurring any liability or in any way diminishing its rights

- (a) take enter or keep possession of any damaged insured property and deal with it any reasonable manner but this condition does not grant the Insured licence to abandon any property to the Company whether already in its possession or not
- (b) take legal action in the name of the Insured in respect of any recovery of or contribution to a claim
- (c) take over and conduct in the name of the Insured the defence and settlement of any claim
- (d) discharge its obligations at any time under any section providing indemnity for liability to third parties by paying to the Insured the limit of liability or such lesser sum for which the claim can be settled which shall be inclusive of legal fees and other expenses agreed by the Company and incurred prior to the date of payment

5 OTHER INSURANCES

The Company shall not be liable

- (a) to indemnify the Insured for any insured property which is or would but for the existence of this policy be insured or be insurable by a marine insurance policy except in respect of any excess beyond the amount that would have been recoverable under such marine insurance policy



- (b) (i) to contribute more than its rateable proportion where there is another non marine policy in force covering partially or fully an insured event also insured by this policy and
- (ii) when such policy contains any provision excluding it from ranking concurrent with or contributing rateably to this policy for more than such proportion of the loss or damage as the sum insured hereby bears to the value of the insured property and

if such other policy is subject to a condition of average this policy if not already subject to such condition shall also be subject to average

6 CANCELLATION

Unless otherwise agreed this policy or any portion thereof may be cancelled by the Company(s) or the insured by giving 30 days notice in writing to the other party

Provided that:

- a) as a result of payment having been stopped by the Insured this policy will be cancelled from the date that the premium was due to be paid.
- b) for any reason other than described in (a) above the Company will debit in the following month and should the outstanding premium not be paid when redibited, the policy will be cancelled from the date that the first unpaid premium was due to be paid

7 ADJUSTMENT OF PREMIUM

When the premium for any section or any part thereof is subject to adjustment on declaration such adjustment shall be made at the expiry of each twelve consecutive months of insurance (*calculated from the inception of this policy*) and the Insured shall at all times keep adequate records of the particulars relative to the declaration required and shall make such records available to the Company at the intervals provided for in the section or on request

8 REINSTATEMENT OF SUM INSURED

In consideration of the sum insured in a section not being reduced by the amount of any valid claim the Insured shall (*if required*) pay a pro-rata premium calculated on the amount of the valid claim from the date of reinstatement or replacement (*whichever is the later*) to the expiry of the period of insurance

9 FRAUD

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this policy or if any loss damage or liability be occasioned by the wilful act or with the connivance of the Insured all benefit under this policy in respect of such claim shall be forfeited

10 JURISDICTION

This policy is subject to the laws of the Republic of South Africa whose courts shall have sole jurisdiction to the exclusion of the courts of any other country

Where payment is to be made to or by the Company it shall be made in the currency of the Republic of South Africa at the Company's head office unless the Company allows otherwise

11 MONTHLY QUARTERLY AND HALF-YEARLY POLICIES

When the premiums are stated to be payable "monthly" "quarterly" or "half yearly" they must be received by the Company within thirty days from the commencement of the period of insurance to which they relate failing which the policy shall be deemed to be cancelled (*notwithstanding general condition 6*) from the expiry of the preceding period of insurance unless the Insured can show that failure to make payment was an error on the part of his bankers or other paying agent



PLANT ALL RISKS

In consideration of the payment of the premium by or behalf of The Insured the Company agrees to indemnify the Insured as provided hereinafter subject to the terms contained herein or attached hereto or as amended by endorsement hereon.

Where more than one insurance company or insurer participates in this insurance the percentage share of each insurer will be expressed in the schedule of this policy and the liability of each insurer individually shall be limited to the percentage share set against its name

Section i Material Damage - Own Plant and Equipment (Own use or hired out)

The insurance granted by this section of the policy is in respect of physical loss of or damage to the insured property as described in the plant inventory occurring within the territorial limits from any cause other than those excluded herein.

Section ii Hire in cost following an identifiable loss and /or damage to the items insured under section i or section iii (a)

The insurance granted by this section of the policy is in respect of hire in cost incurred by the insured during the indemnity period as specified in the schedule for the hire of similar substitute plant and equipment of equal performance and capacity consequent upon indemnifiable damage occurring to the insured property listed under section i of the policy or insured in terms of section iii clause (a)

Section iii Legal liability (material Damage only) and Continuing Hire Charges

In respect of:

- a) Plant hired during the normal course of the business.
- b) Plant hired in following indemnifiable loss/damage under section i

Insuring clause (a)

The insurance granted by this section of the policy is in respect of the insured's legal liability under the terms of hiring agreement entered into to pay compensation for loss or damage to the plant hired in but always subject to the limits; terms; conditions and exclusions of the policy.

Insuring clause (b)

The insurance granted by section of the policy is in respect of the insured's legal liability under the terms of the hiring agreement entered into to pay continuing hire charges following loss or damage to the plant hired in indemnifiable under section iii (a)

In addition to section iii (a) and (b) the company where legal proceedings have been defended with the companies written consent pay all legal expenses that the insured may be liable for.

Exceptions to Sections i and iii (a)

The Company will not indemnify the insured in respect of:

- 1 The amount specified in the plant inventory as the deductible in respect of each and every occurrence of physical loss of or damage to insured property.
- 2 Loss or damage to any item of insured property cause by initial and/or uninterrupted train of events arising solely from the internal explosion mechanical or electrical breakdown or derangement of the item of insured property.

Should:

- (a) the item of insured property suffer extraneous loss or damage as insured by this policy consequent upon such internal explosion mechanical or electrical breakdown then any costs incurred in the rectification of such extraneous damage are not excluded.
- (b) any other indemnifiable loss or damage give rise to electrical / mechanical breakdown or failure the such breakdown is not excluded.



- 3 Loss or damage to expendable or exchangeable parts and attachments such as but not limited to bits; blades; drills; pulverizing and crushing surfaces; screens sieves; ropes; belts; batteries; tyres and other components regularly replaced unless caused by an indemnifiable loss or damage to the insured property such indemnity will be limited to a reasonable amount representing the residual value of such expendable or exchangeable parts and attachments excluding drills bits and drill strings while been used as a tool of trade for under surface drilling raise or blind hole box boring machinery unless agreed by endorsement.
- 4 Loss or damage to fuel lubricants or coolant unless as a consequence of an indemnifiable loss or damage to the insured property.
- 5 Loss or damage from wear and tear gradual deterioration rust or other atmospheric action resulting from ordinary usage or working but indemnifiable loss or damage resulting from the aforementioned is not excluded.
- 6 Loss or damage to waterborne vessels or craft.
- 7 Loss or damage arising from faults or defects known to the insured or his responsible employees at the time this insurance was arranged or during the currency of this insurance and not disclosed to the company.
- 8 Loss or damage arising from tandem or multi-lifting operations unless specifically requested by the insured or his representative and agreed to by the Company and all such operations to be under the control of a qualified engineer.
- 9 Loss or damage caused by or arising from the wilful act or wilful neglect of the insured's responsible employees.
- 10 Damage discovered during routine servicing unless associated with a specific event or loss of any insured property by disappearance or shortage discovered on the taking of an inventory or stocktaking.
- 11 Loss or damage occurring whilst any item of insured property is undergoing tests of any kind deliberately overloaded or is being used in a manner or for any purpose other than that it was designed for.
- 12 Loss or damage whilst underground unless otherwise agreed by endorsement.
- 13 Consequential loss or liability of any nature whatsoever loss of use or depreciation other than as specifically provided elsewhere within the policy.
- 14 Liquidated damages or penalties or penalties for delay or detention or in connection with guarantees of performance or efficiency.
- 15 Loss or damage arising from detention confiscation destruction or requisition by customs or other officials or authorities.
- 16 Loss of the insured property due to abandonment of any nature.

Memo 1

It is a condition precedent to liability that in respect of section i and iii (a) of the policy that plant hired out be hired under conditions no more onerous than the standard form of contract of the Contractors Plant Hire Association as may be in use at the time of hire.

Memo 2

The insurance granted under sections i ii and iii of the policy shall not be applicable to vehicles used predominantly for road transportation such as but not limited to tipper trucks, mechanical horses, trailers and low bed trailers. Vehicles such as but not limited to dump trucks, water carriers, TLB's and other similar site vehicles shall not be excluded whilst being used on public roads in or around a contract site.

Memo 3

Where the policy is based on the plant hired in – out and the premium is:

- a) Base upon the value of the plant hired in/ out there is no adjustment.
- b) Based upon
 - (i) fees received for the hire in of the plant, or
 - (ii) fees receive for the hired out of plant,

The premium shall be regarded as a deposit premium. At the end of the period of the insurance the premium will be adjusted up or down in a accordance with the declaration save for any minimum deposit premium.

As a consequence of ii (b) unless otherwise agreed to by endorsement the cover afforded by the policy is restricted to loss or damage arising to the plant hired out whiles under the control of the hirer or in transit to / from the hirer.



Basis of Indemnification

Sections i and iii (a)

1) Partial Loss

If the insured property suffers loss or damage the basis of indemnification shall be the costs and expenses reasonably and necessarily incurred to restore the damaged property to its working condition immediately before the occurrence of the damage including the costs of dismantling re-erection as well as ordinary freight and customs dues provided that:

Extra charges for airfreight express delivery overtime Sunday and holiday rates are limited to 50% of the costs and expenses that would normally have been incurred.

The value of damaged parts which can be used in any way whatsoever will be deducted.

The cost of any alteration addition improvement or overhaul carried out at the time of repair are not recoverable under this policy.

If without the consent of the company temporary repairs are carried out by the insured in the interests of safety or to minimise further loss or damage to the insured property the costs of such temporary repairs will be borne by the company.

In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the insured property then the cost of temporary repairs and any additional costs so incurred or consequences arising there from will be for the account of the insured.

Where damage is restricted to a part or parts of an insured item, the Company shall not be liable for an amount greater than the value of such parts which are lost or damaged as allowed for within the sum insured.

2) Total Loss

In the event that the insured property is totally lost or destroyed the amount payable shall be the cost of removing the damaged property (limited to 15% of the loss) less the value of the remains plus

- i) The cost of replacing or reinstating on the same site property of equal performance capacity and age but not superior to or more extensive than the insured item insofar as is practicable. **or**
- ii) The local open market value of the insured item immediately before the damage took place such value to be calculated by deducting reasonable equitable depreciation from the installed new replacement value of the item whichever is the lower.

The insured item will be regarded as totally destroyed if the repair costs as defined in partial loss equal or exceed the value as defined in 2 (ii) above immediately before the accident.

Section ii

Consequent upon indefinable loss or damage (that for the application of the excess) been admitted under section i and iii (a) of the policy the amount payable as indemnity under section ii of the policy shall be the additional cost necessarily and reasonably incurred by the insured from the date of the loss for the cost of hiring similar equivalent substitute plant for the period commencing after the number of days specified in the schedule as the time excess and ending not later than the period specified in the schedule as the indemnity period less any cost that may cease or be reduced in consequence of the indemnifiable loss or damage. Payment under this section of the policy will be paid proportionately over the period of the loss in the ratio that the sum insured bears to the indemnity period and will cease one day after completion of repairs or seven days after cash settlement in lieu of repairs or replacement or the end of the indemnity period whichever is the earlier. Any cost in this respect rising from extended outage caused by alterations; addition; improvement or overall carried out at the same time of repairs are excluded. The sum insured stated in the schedule will be regarded as a first loss sum insured.

Section iii (b)

Consequent upon indefinable loss or damage (that for the application of the excess) been admitted under section iii (a) of the policy the amount payable is limited to the insured's liability in terms of the hiring agreement to pay continuing hiring charges for the period commencing after the number of days specified in the schedule as the time excess and ending not later than the period specified in the schedule as the indemnity period. Payment under this section of the policy will be paid proportionately over the period of the loss in the ratio that the sum insured bears to the indemnity period. The sum insured stated in the schedule will be regarded as a first loss sum insured.



GENERAL EXCEPTIONS

This insurance shall not provide indemnity in respect of:

- 1 (a) Loss of or damage to property related to or caused by:
 - i) Civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above;
 - iii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii) a) mutiny, military uprising, military or usurped power, martial law or state of siege, or any other event or Cause which determined the proclamation or maintenance of martial law or state of siege;
 - b) insurrection, rebellion or revolution;
 - (iv) any act (whether on behalf of any organization, body or person, or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial, local or tribal authority with force, or by means of fear, terrorism or violence;
 - v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof;
 - vi) any attempt to perform any act referred to in clause (iv) or (v) above
 - vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii), (iv), (v) or (vi) above;

If the Company allege that by reason of clause (i), (ii), (iii), (iv), (v), (vi), or (vii) of this exception, loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on the insured.
- (b) loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a Fund has been established in terms of the war damage insurance compensation act, 1976 (No 85 of 1976)
- (c) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this general exception 1 (c) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons , whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the company alleges that, by reason of clause 1(c) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.
- 2 Loss of or damage or destruction to any property whatsoever or any loss or expense whatsoever arising there from or any consequential loss and any legal liability of whatsoever nature.
 - a) directly or indirectly caused by or contributed to by ionizing radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel;

For the purpose of this exception the term "combustion" shall include any self sustaining process of nuclear fission
- b) directly or indirectly caused by or contributed to by nuclear weapons material;



GENERAL CONDITIONS

1 Change of Interest

The policy shall be void with respect to any item thereof in regard to which there may be any alteration after the commencement of this insurance whereby the insured's interest ceases and until the company by endorsement herein declares the insurance to be continued. Where the interest ceases except by death or operation of law this condition will not apply provided notice has been given to the company as soon as practical after such alteration.

2 Other Interest

Nothing contained herein shall give any rights against the company to any person other than the insured. The extension of the company's liability in respect of any person other than the insured shall give no right of claim hereunder to such person, the intention being that the insured shall in all cases at his discretion claim for and on behalf of such persons and the receipt of the insured in any case shall absolutely discharge the company's liability hereunder.

3 Notification

The insured or his representative shall on the happening of any event likely to result in a claim under this policy

- (i) Give notice thereof to the company as soon as reasonably possible.
- (ii) Send to the company without delay full details in writing of the event giving rise to the claim.
- (iii) Preserve any damaged or defective insured property.

In respect of (i) and (ii) above time shall be the essence of this condition.

4 Due Observance

The due observance and the fulfilment of the terms, conditions, and endorsements of this policy in so far as they relate to anything to be done or complied with by the insured shall be conditions precedent to any liability of the company to make any payment under this policy. If any claim made shall be fraudulent or intentionally exaggerated or any false declaration or statement made in support thereof then this policy shall be void and the company shall not be liable to make any payments hereunder.

5 Contribution

If at the time of any loss or damage covered by this policy there shall be any other insurance (other than marine assurance) covering damage effected by or on behalf of the insured, the company shall not be liable for more than its rateable proportion of such damage. If such other insurance is subject to any condition of advantage to the insurer, this policy shall be subject to such condition in similar manner. The company shall not be liable for damage which is or would be (but for the existence of this policy) insured by any marine policy.

6 Arbitration

Should any difference arise between the company and the insured as to the amount of any claim under this policy the same shall be referred to arbitration in accordance with the statutory provisions for the time being in force applicable thereto and the obtaining of any award shall be condition precedent to any right of action against the company.

7 Subrogation

The company shall be entitled if it so desires to prosecute in the name of the insured for its own benefit any claim for indemnity or otherwise against any third party and shall have full discretion in the conduct of any proceedings or settlement of any claim and the insured shall wherever possible give all such information and assistance as the company may require.

8 Prescription



The Company shall not be liable for any loss of or damage to the insured property after the expiration of twelve months or such further time as the Company may allow from the happening of such loss or damage unless the claim is the subject of a pending court action or arbitration.

If any claim is made under this policy and rejected and an action or suit be not commenced by the insured within twelve months after such rejection, all benefits under this policy in respect of such claim shall be forfeited.

9 Misdescription

This policy shall be voidable in the event of misrepresentation, Misdescription or non-disclosure of any material particular.

10 Company's rights after an event giving rise to a claim

The company shall be entitled in the name of the insured to have the absolute conduct and control of all or any proceedings it may consider necessary for the purpose of tracing, recovering or of securing reimbursement in respect of the insured property lost or damaged and the insured shall at the company's expense furnish all such assistance as may be reasonably be required by the company in connection with such proceedings.

The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not.

11 Average (except where stated as first loss value or agreed value)

The sum insured stated against each item of insured property must at all times be equal to the installed new replacement value unless otherwise stated. If the property is at the commencement of any loss or damage to such property by an indemnifiable event be of greater value than the sum insured thereon then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item if more than one shall be separately subject to this condition.

12 Cancellation

Unless otherwise agreed this policy or any portion thereof may be cancelled by the insurer(s) or the insured by giving 30 days notice in writing to the other party

Provided that:

- a) as a result of payment having been stopped by the Insured this policy will be cancelled from the date that the premium was due to be paid.
- b) for any reason other than described in (a) above the Company will re-debit in the following month and should the outstanding premium not be paid when re-debited, the policy will be cancelled from the date that the first unpaid premium was due to be paid

13 Premium credit facility

Notwithstanding anything to the contrary contained in this policy, if any amount due in terms of the premium credit facility in respect of this policy is not paid by no later than fourteen days after due date for payment thereof, then this policy shall thereupon be cancelled without further notice to the insured with immediate effect.

14 Reasonable precautions

The insured shall in all circumstances take all reasonable precautions for the maintenance and safety of the insured property and for the prevention of loss or damage and that only steady and competent employees are employed and that all buildings ways works plant and machinery are substantial and sound and in proper order and fit for the purpose for which they are used and that all acts of parliament and all by-laws and directions made by statutory or local authority are duly observed and complied with. If any defects or conditions of working which render the risk more than usually hazardous be discovered the insured shall immediately notify the company and take steps to remedy the said defects or conditions and shall in the meantime cause such additional precautions to be taken as circumstance require.

15 Automatic reinstatement



The sum insured by this policy shall not be reduced by any claim hereunder and the insured hereby agrees to pay the premium for the amount of the claim for the period pro rata from the date of occurrence of the loss or damage to the next renewal date of the policy or expiry date of the contract.

16 Suspension of insurance

If any insured property be discovered in a condition which in the opinion of the company is unsafe or worsens the risk, the company reserves the right to suspend the insurance in respect of such insured property by verbal or written notice to the insured.

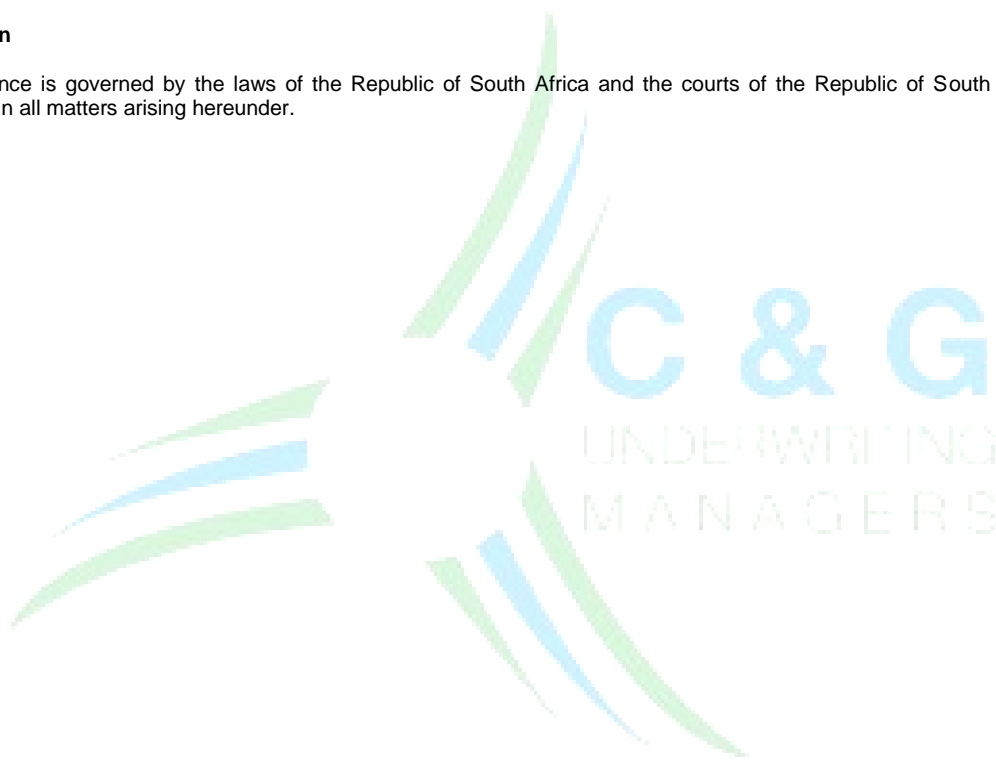
17 Interest of banks or other financial institutions

Where a bank or other financial institution has an interest in any of the property insured hereunder, their interests are deemed to be noted, provided that such interest is subject to;

- The policy being in force at the time of loss or damage;
- The Insured complying with all the requirements of the policy following loss or damage;
- The insured advising the company of the interest in the property at the time of loss or damage.

18 Jurisdiction

This insurance is governed by the laws of the Republic of South Africa and the courts of the Republic of South Africa shall have jurisdiction in all matters arising hereunder.



TRANSIT AND ERECTION

In consideration of the payment of the premium by or behalf of the insured the Company agrees to indemnify the insured as provided hereinafter subject to the terms contained herein or attached hereto or as amended by endorsement hereon.

Where more than one insurance company or insurer participates in this insurance the percentage share of each insurer will be expressed in the schedule of this policy and the liability of each insurer individually shall be limited to the percentage share set against its name.

The insurance granted by this policy during the period of insurance specified in the schedule is in respect of physical loss of or damage to the insured property as described in the schedule arising out of the performance of the operations specified in the schedule within the territorial limits from any cause other than those excluded herein.

Territorial Limits the Republic of South Africa and to the extent permitted by the relevant insurance acts, Namibia , Lesotho, Swaziland, Botswana, Zimbabwe and Malawi.

The Operations (as may be stated in the schedule)

Dismantling Disconnection dismantling or stripping into component form including packing of the insured property prior to movement within the premises.

Positioning Movement of the insured property within the premises.

Storage Storage of the insured property at the premises specified.

Transit All risk including loading and offloading and any necessary deviation of route and associated storage.

Erection Erection (as designed in memo 1) of the insured property at the situation designated.

Maintenance Maintenance (as defined in memo 2).

Public Liability Liability to third parties.

Memo 1 Erection

From the time of commencement of erection at the place designated until

In the case new property the completion of erection or installation including all intermediate testing followed by a final testing/commissioning period of 30 days or part thereof or handover/takeover by the principal whichever is the earlier date.

In the case of used property as above but intermediate or final testing/commissioning of used property is excluded.

Memo 2 Maintenance

Accidental loss of or damage to new insured property or plant occurring after the completion of erection and arising from or occasioned by.

Any defective workmanship or materials which may have occurred during erection prior to the commencement of maintenance.

Negligence of the insured or his employees in the course of any operations carried out by the insured or his employees in pursuance of the insured's obligations under the contract for erection.

Occurring during the maintenance period as described in the contract for erection or 12 months whichever is the earlier date.



Memo 3

Claims Preparation Costs

Costs and expenses incurred in producing or certifying any particulars or details required by the Company or to investigate or substantiate the amount of any claim under this insurance. The liability of the Company in respect of any one claim shall not exceed R50000 unless stated otherwise stated in the Schedule

GENERAL EXCEPTIONS

This insurance shall not provide indemnity in respect of:

- 1 (a) Loss of or damage to property related to or caused by:
 - i) Civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above;
 - iv) war, invasion, act of foreign enemy, hostilities or warlike operations(whether war be declared or not) or civil war;
 - (iii) a) mutiny, military uprising, military or usurped power, martial law or state of siege, or any other event or Cause which determined the proclamation or maintenance of martial law or state of siege;
b) insurrection, rebellion or revolution;
 - (iv) any act (whether on behalf of any organization, body or person, or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial, local or tribal authority with force, or by means of fear, terrorism or violence;
 - v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof;
 - vi) any attempt to perform any act referred to in clause(iv) or (v) above
 - vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii), (iv), (v) or (vi) above;

If the company allege that by reason of clause (i), (ii), (iii), (iv), (v), (vi), or (vii) of this exception, loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on the insured.

- (b) loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a Fund has been established in terms of the war damage insurance compensation act, 1976 (No 85 of 1976)
- (c) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this general exception 1 (c) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons , whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the company alleges that, by reason of clause 1(c) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.



2 Loss or damage or destruction to any property whatsoever or any loss or expense whatsoever arising there from or any consequential loss and any legal liability of whatsoever nature

- i) directly or indirectly caused by or contributed to by ionizing radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel
- ii) nuclear material nuclear fission or fusion nuclear radiation
- iii) nuclear explosives or any nuclear weapon
- iv) nuclear waste in whatever form

regardless of any other cause or event contributing concurrently or in any other sequence to the loss

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission

THE EXCEPTIONS

The Company will not indemnify the insured in respect of;

- 1 The amount of the deductible specified in the schedule.
- 2 Unexplained losses or shortages revealed by stocktaking or inventory.
- 3 The cost of repairing replacing reinstating or making good that part of the property insured which is itself defective in material workmanship design plan or specification. If any such defect gives rise to loss or damage which but for this exception is insured under this policy the company shall in respect of such damage be liable for costs additional to the costs that would have been incurred in rectifying such defects had the resultant damage not occurred.

Redesign improvement betterment or alteration on the occasion of repair replacement reinstatement or making good the loss or damage.
- 4 Normal wear and tear gradual deterioration due to atmospheric conditions or otherwise rust erosion corrosion or oxidation unless caused as a direct result of loss or damage which is insured by this policy.
- 5 Consequential loss of whatsoever nature other than as provided for elsewhere in the policy liquidated damages or penalties for delay or detention or in connection with guarantees of performance or efficiency.
- 6 Where applicable loss of or damage to any item of new property due to its own explosion breakdown or derangement occurring after 30 days on which the property has operated under load conditions prior to the commencement of the maintenance period.
- 7 Loss damage or liability arising from electrical or mechanical breakdown or explosion of any item of used property or plant.
- 8 Loss or damage to the insured property or part thereof occurring during the maintenance period other than provided for under memo 2.
- 9 Loss or damage to refractories arising from the application or withdrawal of heat.
- 10 Computer Losses

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion this policy does not cover
 - a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom
 - b) any legal liability of whatsoever nature
 - c) any consequential loss

directly or indirectly caused by or contributed to by or consisting of or arising from incapacity or failure of any computer correctly or at all
 - iv) to treat any date as the correct date or true calendar date or correctly or appropriately to

recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such data or to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command that causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such data or

- ii) to capture save retain or process any information or code due to program errors incorrect entry or the inadvertent cancellation or corruption of data and or programs
- iii) to capture save retain or process any data as a result of the action of any computer virus or other corrupting harmful or otherwise unauthorised code or instruction including any Trojan horse time or logic bomb or worm or any other destructive or disruptive code media or program or interference

A computer includes any computer data processing equipment microchip integrated circuit or similar device In computer or non-computer equipment or any computer software tools operating system or any computer hardware or peripherals and the informatioelectronically or otherwise stored in or on any of the above whether your property or not

Basis of Loss Settlement

- 1 In the case of new property or plant machinery and equipment forming part of the property insured the Company will in the event of loss or damage which forms a valid claim under this policy have the option to repair replace reinstate or pay cash in lieu of repairs.
- 2 In the case of used or second hand plant machinery and equipment as in 1 above but not exceeding the market value of such plant machinery and equipment.

Provided always that the Company's liability shall not exceed the limit of liability stated in the schedule.

In addition the basis of loss settlement in 1 and 2 shall include the necessary and reasonable costs incurred.

In respect of express delivery overtime and Sunday and holiday rates of pay in connection with repair or replacement subject to a limit of 50% of the amount which the repair or replacement would had cost had these extra expenses not been incurred.

By the insured in respect of dismantling or demolition of structures or the removal of debris or in providing erecting and maintaining any hoarding propping or shoring up limited to 20% of claim.

For legal and professional fees (excluding any such fees incurred in connection with the preparation of a claim hereunder) in connection with the replacement or reinstatement of the property insured but not in respect of any improvement or extension to the property limited to 20% of the claim.

For establishment and supervisory charges incurred in connection with repair reinstatement or replacement following indemnifiable loss or damage.

GENERAL CONDITIONS

1 Change of Interest

The policy shall be void with respect to any item thereof in regard to which there may be any alteration after the commencement of this insurance whereby the insured's interest ceases and until the Company by endorsement herein declares the insurance to be continued. Where the interest ceases except by death or operation of law this condition will not apply provided notice has been given to the Company as soon as practical after such alteration.

2 Other Interest

Nothing contained herein shall give any rights against the Company to any person other than the insured. The extension of the Company's liability in respect of any person other than the insured shall give no right of claim hereunder to such person, the intention being that the insured shall in all cases at his discretion claim for and on



behalf of such persons and the receipt of the insured in any case shall absolutely discharge the Company's liability hereunder.

3 Notification

The insured or his representative shall on the happening of any event likely to result in a claim under this policy

- (i) Give notice thereof to the Company as soon as reasonably possible.
- (ii) Send to the Company without delay full details in writing of the event giving rise to the claim.
- (iii) Preserve any damaged or defective insured property.

In respect of (i) and (ii) above time shall be the essence of this condition.

4 Due Observance

The due observance and the fulfillment of the terms, conditions, and endorsements of this policy in so far as they relate to anything to be done or complied with by the insured shall be conditions precedent to any liability of the Company to make any payment under this policy. If any claim made shall be fraudulent or intentionally exaggerated or any false declaration or statement made in support thereof then this policy shall be void and the Company shall not be liable to make any payments hereunder.

5 Contribution

If at the time of any loss or damage covered by this policy there shall be any other insurance (other than marine assurance) covering damage effected by or on behalf of the insured, the Company shall not be liable for more than its rateable proportion of such damage. If such other insurance is subject to any condition of advantage to the Company, this policy shall be subject to such condition in similar manner. The Company shall not be liable for damage which is or would be (but for the existence of this policy) insured by any marine policy.

6 Arbitration

Should any difference arise between the Company and the insured as to the amount of any claim under this policy the same shall be referred to arbitration in accordance with the statutory provisions for the time being in force applicable thereto and the obtaining of any award shall be condition precedent to any right of action against the Company.

7 Subrogation

The Company shall be entitled if it so desires to prosecute in the name of the insured for its own benefit any claim for indemnity or otherwise against any third party and shall have full discretion in the conduct of any proceedings or settlement of any claim and the insured shall wherever possible give all such information and assistance as the Company may require.

8 Prescription

The Company shall not be liable for any loss of or damage to the insured property after the expiration of twelve months or such further time as the Company may allow from the happening of such loss or damage unless the claim is the subject of a pending court action or arbitration.

If any claim is made under this policy and rejected and an action or suit be not commenced by the insured within twelve months after such rejection, all benefits under this policy in respect of such claim shall be forfeited.

9 Misdescription

This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particular.

10 Company's rights after an event giving rise to a claim

The Company shall be entitled in the name of the insured to have the absolute conduct and control of all or any proceedings it may consider necessary for the purpose of tracing, recovering or of securing reimbursement in respect of the insured property lost or damaged and the insured shall at the Company's expense furnish all such assistance as may be reasonably be required by the company in connection with such proceedings.

The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not.

11 Average (except where stated as first loss, market value or agreed value)

The sum insured stated against each item of insured property must at all times be equal to the installed new replacement value unless otherwise stated. If the property is at the commencement of any loss or damage to such property by an indemnifiable event be of greater value than the sum insured thereon then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share if the loss accordingly. Every item if more than one shall be separately subject to this condition.

12 Cancellation

Cancellation (applicable to annual policies only)

Unless otherwise agreed this policy or any portion thereof may be cancelled by the insurer(s) or the insured by giving 30 days notice in writing to the other party

Provided that:

- a) as a result of payment having been stopped by the Insured this policy will be cancelled from the date that the premium was due to be paid.
- b) for any reason other than described in (a) above the Company will redebit in the following month and should the outstanding premium not be paid when redibited, the policy will be cancelled from the date that the first unpaid premium was due to be paid

13 Premium credit facility

Notwithstanding anything to the contrary contained in this policy, if any amount due in terms of the premium credit facility in respect of this policy is not paid by no later than fourteen days after due date for payment thereof, then this policy shall thereupon be cancelled without further notice to the insured with immediate effect.

14 Reasonable precautions

The insured shall in all circumstances take all reasonable precautions for the maintenance and safety of the insured property and for the prevention of loss or damage and that only steady and competent employees are employed and that all buildings ways works plant and machinery are substantial and sound and in proper order and fit for the purpose for which they are used and that all acts of parliament and all by-laws and directions made by statutory or local authority are duly observed and complied with. If any defects or conditions of working which render the risk more than usually hazardous be discovered the insured shall immediately notify the company and take steps to remedy the said defects or conditions and shall in the meantime cause such additional precautions to be taken as circumstance require.

15 Automatic reinstatement

The sum insured by this policy shall not be reduced by any claim hereunder and the insured hereby agrees to pay the premium for the amount of the claim for the period pro rata from the date of occurrence of the loss or damage to the next renewal date of the policy or expiry date of the contract.

16 Suspension of insurance

If any insured property be discovered in a condition which in the opinion of the company is unsafe or worsens the risk, the company reserves the right to suspend the insurance in respect of such insured property by verbal or written notice to the insured.

17 Interest of banks or other financial institutions

Where a bank or other financial institution has an interest in any of the property insured hereunder, their interests are deemed to be noted, provided that such interest is subject to;

The policy being in force at the time of loss or damage;
The Insured complying with all the requirements of the policy following loss or damage;
The insured advising the company of the interest in the property at the time of loss or damage.

18 Jurisdiction

This insurance is governed by the laws of the Republic of South Africa and the courts of the Republic of South Africa shall have jurisdiction in all matters arising hereunder.



PUBLIC LIABILITY

The Indemnity

All amounts which the insured is or may become legally liable to pay as compensation or damages or costs and expenses arising out of or in connection with:

- a) accidental death of or bodily injury to or illness or disease of any person
- b) accidental physical loss of or damage to property
occurring as a result of an accident at the situation of the contract and arising out of the performance of an insured contract.

All costs and expenses incurred with the consent of the insurer(s) in connection with the defence, settlement or investigation of any claim under this insurance.

Limit of indemnity

The limit of Company's inclusive of any claimants costs recoverable from the insured and all other costs and expenses incurred with its consent shall not exceed for any one event or series of events arising from one cause the amount stated in the schedule.

THE EXCEPTIONS

The Company will not indemnify the insured for

- 1 the amount stated in the schedule as the deductible
- 2
 - a) death or bodily injury including illness to any person employed by the insured under a contract of service or apprenticeship if death or bodily injury arises out of or in course of such employment.
 - b) any sums payable payable by the insured under legislation relating to occupational death bodily injury or illness.
- 3 Loss of or damage to property
 - a) belonging to or in the custody or control of the insured or any servant or agent of the insured.
 - b) which forms part of or should form part of the contract works.
 - c) being that part of any property on which the insured or any servant or agent of the insured has been working if the loss or damage results directly from such work.

For the purpose of this exception the terms "custody or control" does not apply to property of employees or visitors vehicles including their contents and accessories not hired or lent to the insured using the contract site for parking property not hired by or lent to the insured for which the insured has agreed to provide storage facilities.

- 4 Legal liability
 - a) arising out of or in connection with the ownership possession or use by or on behalf of the insured of any mechanically propelled vehicle or trailer but this exclusion shall not apply to
mechanical plant while in operation as a tool of trade
the loading or unloading of such vehicle or trailer
 - b) arising by or through or in connection with the ownership possession or use by or on behalf of any aircraft or watercraft.
 - c) for damages or penalties for delay or detention or in connection with guarantees of performance or efficiency
 - d) for any part of the insured property designed by or any error or omission in any specification drawn by the insured
 - e) arising from or connected with any professional advice remedial or other treatment (other than first aid)



given by the insured or any person acting for or on behalf of the insured

- f) caused by or in connection with vibration or the intentional removal or weakening of or interference with the support to any land structures building or other property
- 5 Liability assumed by the insured by agreement if liability would not have attached in the absence of such agreement but
This exception shall not apply to
- a) the insured contract or sub contract agreements
 - b) any other specific agreement which has been advised to and accepted by the insurer(s) in writing
- 6 The cost of doing and redoing or making good faulty material workmanship plan design or specification of the Insured property.
- 7 liability in respect of death injury damage or loss of use of property directly or indirectly caused by seepage pollution or contaminating substances unless the seepage pollution or contamination is caused by a sudden unintended and unforeseen occurrence.
- 8 the cost of removing nullifying or cleaning up seeping polluting or contaminating substances unless the seeping polluting is caused by a sudden unintended unforeseen occurrence.
- 9 Liability for punitive exemplary or vindictive damages fines or penalties awarded in any court.
- 10 Any legal liability loss damage cost or expense whatsoever or any consequential loss directly or indirectly caused by arising out of resulting from in consequence of in any way involving or to the extent contributed to by the hazardous nature of asbestos in whatever form or quantity

Memoranda

Cross Liabilities

Where the insured comprises more than one person this insurance shall apply to each such insured person separately And not jointly and as if a separate policy had been issued in respect of each of such insured persons

Joint Insured

- a) any person or body (including any owner of plant or other property hired by or on loan to the insured) with whom the insured enters into agreement for the purpose of the contract but only to the extent that is a requirement of such agreement.
- b) any officer or employee of the insured in respect of liability for which the insured would have been entitled to indemnity if the claim had been made against the insured.
- c) the personal representatives of the insured and any person or party treated as the insured in respect of liability incurred by the insured or by such person or party.

Provided always that all persons and parties so treated as the insured shall as though they were the insured observe fulfill And be subject to the terms exceptions and conditions so far as they can apply.

WORKS DAMAGE



In consideration of the prior payment of the premium by or on behalf of the Insured receipt thereof by or on behalf of the Company the Company agrees to indemnify the Insured for losses incurred within the period of insurance by payment or at the option of the Company by replacement reinstatement or repair in respect of the Insurance provided in the Insuring Clause with the proviso that the premium is payable on or before the inception date or renewal date as the case may be. The Company shall not be obliged to accept the premium tendered to it or to any intermediary after inception date or renewal date as the case may be but may do so upon such terms as it in its sole discretion may determine.

Providing that the liability of the Company shall not exceed the sums insured or other limits expressed in the Plant inventory.

Where more than one Insurance Company participates in this insurance the expression "Company" shall be deemed to be "Insurers" wherever it appears in this Policy.

General Exceptions

1. (A) This Policy does not cover loss of or damage to property related to or caused by:
 - (i) civil commotion labour disturbances riot strike lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above.
 - (ii) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) or civil war
 - (iii)
 - (a) mutiny military rising military or usurped power martial law or state of siege or any other event or cause which determines the proclamation or maintenance of law or state of siege
 - (b) insurrection rebellion or revolution
 - (iv) any act (whether on behalf of any organisation body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial local or tribal authority with force or by means of fear terrorism or violence
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim objective or cause or to bring about any social or economic change or in protest against any state or government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof
 - (vi) any attempt to perform any act referred to in clause (iv) or (v) above
 - (vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any

occurrence referred to in clauses (i) (ii) (iii) (iv) (v) or (vi) above

If the Company alleges that by reason of clause A (i) (ii) (iii) (iv) (v) (vi) or (vii) this exception loss or damage is not covered by this Policy the burden of proving the contrary shall rest on the Insured

- (B) Any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (no. 85 of 1976)
2. (i) This Policy does not cover
 - (a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - (b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

For the purpose of this exception only combustion shall include any self-sustaining process of nuclear fission.
- (ii) The indemnity provided by this Policy shall not apply to nor include any loss destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

General Conditions

1. Change of Interest

The Policy shall be void with respect to any item thereof in regard to which there may be any alteration after the commencement of this insurance whereby the Insured's interest ceases and until the Company by endorsement herein declares

the insurance to be continued. Where the interest ceases except by death or operation of law this condition will not apply provided notice has been given to the Company as soon as practical after such alteration.

2. Other Interests

Nothing contained herein shall give any rights against the Company to any person other than the Insured. The extension of the Company's liability in respect of any person other than the Insured shall give no right of claim hereunder to such person, the intention being that the Insured shall in all cases at his discretion claim for and on behalf of such persons and the receipt of the Insured in any case shall absolutely discharge the Company's liability hereunder.

3. Notification

The Insured or his representative shall on the happening of any event likely to result in a claim under this Policy:

- (i) Give notice thereof to the Company by the quickest means
- (ii) Send to the Company without delay full details in writing of the event giving rise to the claim.
- (iii) Preserve any damaged or defective Insured Property

In respect of (i) and (ii) above, time shall be the essence of this condition.

4. Due Observance

The due observance and the fulfilment of the terms conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured shall be conditions precedent to any liability of the Company to make any payment under this Policy. If any claim made shall be fraudulent or intentionally exaggerated or any false declaration or statement made in support thereof then this Policy shall be void and the Company shall not be liable to make any payments hereunder.

5. Contribution

If at the time of any loss or damage covered by this Policy there shall be any other insurance (other than Marine Assurance) covering damage effected by or on behalf of the Insured, the Company shall not be liable for more than its rateable proportion of such damage. If such other insurance is subject to any condition of advantage to the Company this Policy shall be subject to such condition in similar manner. The Company shall not be liable for damage which is or would be (but for the existence of this Policy) insured by any Marine Policy.

6. Arbitration

Should any difference arise between the Company and the Insured as to the amount of any claim under this Policy the same shall be referred to Arbitration in accordance with the Statutory Provisions for the time being in force applicable thereto and the obtaining of any award shall be a condition precedent to any right of action against the Company.

7. Subrogation

The Company shall be entitled if it so desires to prosecute in the name of the Insured for its own benefit any claim for indemnity or otherwise against any third party and shall have full discretion in the conduct of any proceedings or settlement of any such claim and the Insured shall wherever possible give all such information and assistance as the Company may require.

8. Prescription

- (i) The Company shall not be liable for any loss of or damage to the Insured Property after the expiration of twelve months or



such further time as the Company may allow from the happening of such loss or damage unless the claim is subject of a pending court action or arbitration.

(ii) If any claim is made under this Policy and rejected and an action or suit be not commenced by the Insured within twelve months after such rejection, all benefits under this Policy in respect of such claim shall be forfeited.

9. Misdescription

This Policy shall be voidable in the event of misrepresentation misdescription or non-disclosure of any material particular.

10. Company's Rights after an Event Giving Rise to a Claim

(i) The Company shall be entitled in the name of the Insured to have the absolute conduct and control of all or any proceedings it may consider necessary for the purpose of tracing recovering or of securing reimbursement in respect of the Insured Property lost or damaged and the Insured shall at the Company's expense furnish all such assistance as may reasonably be required by the Company in connection with such proceedings.

(ii) The Insured shall not be entitled to abandon any property to the Company whether taken possession of by the Company or not.

11. Average (Except where stated as First Loss Market Value or Agreed Value)

The Sum Insured stated against each item of Insured Property must at all times be equal to the installed new replacement value unless otherwise stated. If the Insured Property is at the commencement of any loss or damage to such Insured Property by an indemnifiable event of greater value than the Sum Insured thereon then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item if more than one shall be separately subject to this condition.

12. Cancellation

The Company may give thirty days notice in writing to the Insured or his representative to cancel this Policy at any time paying on demand a proportion of the premium of the unexpired risk under the Policy. The Insured may likewise terminate this Policy at any time by giving thirty days notice in writing to the Company, in which event the last premium paid less the customary short period charge will be refunded on demand but only insofar as condition 15 can be reasonably satisfied.

13. Reasonable Precautions

The Insured shall in all circumstances take all reasonable precautions for the maintenance and safety of the Insured Property and for the prevention of loss or damage and that only steady and competent employees are

employed and that all buildings ways works plant and machinery are substantial and sound and in proper order and fit for the purpose for which they are used and that all Acts of Parliament and all by-laws and directions made by Statutory or Local Authority are duly observed and complied with. If any defects or conditions of working which render the risk more than usually hazardous be discover the Insured shall immediately notify the Company and take steps to remedy the said defects or conditions and shall in the meantime cause such additional precautions be take as circumstances require.

14. Automatic Reinstatement

The Sum Insured by this Policy shall not be reduced by any claim hereunder and the Insured hereby agrees to pay the premium for the amount of the claim for the period pro rata form the date of the occurrence of the loss or damage to the next renewal date of the Policy or expiry date of the relevant Contract.

15. Company's Right of Suspension of Insurance

If any Insured Property be discovered in a condition which in the opinion of the Company is unsafe or worsens the risk the Company reserves the right to suspend the insurance in respect of such Insured Property by verbal or written notice to the Insured.

General Memoranda

1. Specific exceptions conditions and provisions shall override general exceptions conditions and provisions.

2. Amendment to General Exception 1

It is agreed that notwithstanding anything in the Policy to the contrary and subject otherwise to the terms contained therein this Policy is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) civil commotion labour disturbances riot strike and lockout or any act or activity which is calculated or directed to bring about any of the above (this sub-clause (i) applies only to property outside the Republic of South Africa and Namibia)
- (ii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in (i) above
- (iii) the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage.

Provided that this Extension does not cover:

- (a) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured;
- (b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority
- (d) loss or damaged related to or caused by any occurrence referred to in General Exception 1 (A) (ii) (iii) (iv) (v) or (vi) of this Policy or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrences.

It is agreed that the reverse onus of proof clause contained in exception 1 A shall only apply to this extension to the extent that such clause refers to the exceptions mentioned in (d) above.

3. Jurisdiction Clause

South Africa shall have jurisdiction in all matters arising hereunder. This insurance is governed by the laws of the Republic of South Africa and the courts of the Republic of

4. Interests of Banks or other financial institutions

Where a bank or other financial institution has an interest in any of the property insured hereunder their interest are deemed to be noted provided that such interest in the property insured is subject to:

- (a) the Policy being in force at the time of loss or damage
- (b) the Insured complying with all the requirements of the Policy following loss or damage



©
damage

the Insured advising the Company of your interest in the property insured at the time of the loss or

Insuring Clause

The insurance is in respect of physical loss of or damage to the Insured Property described in the Schedule arising from impact caused by falling dropping swinging overturning or collision whilst contained anywhere within the insured's premises.

Schedule

The Insured Property (if so stated)

Section (I) Plant and Machinery belonging to the Insured (as per the Schedule).

Section (II) Property whilst being worked upon for the purpose of repair refurbishment or alteration in the care

Section (III) custody or control of the Insured.

In respect of Sections (II) and (III) the cover is restricted to loss or damage as insured occurring, in the case of Section II, during the period of manufacture and in the case of Section III, during the period of repair alteration or refurbishment only.

Specific Exclusions

1. Loss or damage occurring to Insured Property during storage after completion of manufacture repair alteration or refurbishment (Section II and III) is excluded unless agreed to by endorsement whereupon the cover and conditions will revert to that applicable to Section I.
2. Irrespective of the proximate cause of the damage the indemnity granted by this Policy shall not apply to nor include damage directly or indirectly caused by or arising out of
 - (a) fire extinguishing of a fire explosion directly/indirect lightning strikes
 - (b) convulsions of nature such as subsidence landslide rockfall storm flood inundation hail snow earthquake or earthtremor (whether as a result of mining operations or not) or volcanic eruption
 - (c) theft collapse of buildings impact by animals vehicles aircraft or other aerial or space devices or objects dropped therefrom sonic shockwaves
 - (d) water or water which escapes from water-containing apparatus leakage or discharge from any sprinkler or other extinguishing agent
 - (e) Loss or damage arising from faults or defects in the Insured Property known to the Insured or his responsible employees at the time this insurance was arranged or during the currency of the insurance and not disclosed to the Company or any consequences thereof.
3. Damage resulting from deliberate overloading tests or experiments requiring the imposition of abnormal conditions or damage caused due to the misapplication of tools or equipment or damage caused by risks inherent in any trade or manufacturing process.
4.
 - (a) Repair or replacement due to inherent defects normal wearing away of the material of the Property Insured slowly developing deformation distortion or other gradual deterioration but resultant insured events are not excluded hereby.
 - (b) Loss of or damage to refractories exchangeable or expendable parts and tools such as but not limited to bits cutters
5. Consequential loss delay or interruption of the business or liability of any nature whatsoever other than losses specifically provided for herein.

Basis of Indemnification

(1) Partial loss – Section I, II and III

If the insured Property suffers damage the basis of indemnification shall be the costs and expenses reasonably and necessarily incurred to restore the damaged property to its condition immediately before the occurrence of the damage including the costs of dismantling/re-erection as well as ordinary freight and customs dues provided that

- (a) the value of damaged parts which can be used in any way whatsoever will be deducted
- (b) the costs of any alteration addition improvement or overhaul carried out at the time of repair are not recoverable under this Policy
- (c) if without the consent of the Company temporary repairs are carried out by the Insured in the interests of safety or to minimise further loss or damage to the Insured Property, the cost of such temporary repairs will be borne by the Company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the Insured Property, any additional costs so incurred or consequences arising therefrom will be for the account of the Insured.
- (d) where the damage is restricted to a part or parts of an insured item, the Company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged as allowed for within the Sum Insured

(2) Total Loss

In the event that the plant or machinery is totally destroyed the amount payable shall be the cost of removing the damaged machinery less the value of the remains plus

- (a) the cost of replacing or reinstating on the same site machinery of equal size output or capacity but not superior to or more extensive than the insured item insofar as is practicable or
- (b) (i) the local market value of the machinery immediately before the loss being the value of similar machinery of equal age size output or capacity.
(ii) where similar machinery is not available the amount payable shall be the installed new replacement value of the nearest higher equivalent machinery depreciated by normally accepted industrial rates of depreciation prevailing in the local market.

whichever is the lower of (a) or (b), (i) and (ii).

The insured item shall be regarded as totally destroyed if the repair costs (as defined under (1) Partial Loss) equal or exceed the values as defined in 2(b) (i) or (ii) (whichever is applicable) immediately before the loss. No depreciation will be applied to machinery under 3 years of age. In any event the Sum Insured in the schedule or free form endorsement plus any other Insured supplementary costs will not be exceeded.

Memo to basis of indemnification (2) Total Loss

Should the basis of Insurance between the Insured and the Company comprise mutually agreed and accepted amounts of indemnity stated by free form endorsement then the amounts claimable under (1) Partial Loss, will be as stated and (2) Total Loss, will be the mutually agreed and accepted amounts stated in the free form endorsement.

Basis of Declaration and Premium Adjustment

Section I

The Sum Insured should represent the new replacement value of the Plant and Machinery insured under this section of the Policy at the commencement of the period of insurance. To this value should be applied the agreed rate and the premium determined. The Sum Insured will be reviewed at the commencement of subsequent periods of insurance.

Section II

The Sum Insured should represent a reasonable expectation of the Insured's manufacturing turnover under this section of the Policy at the commencement of the period of insurance. To this turnover should be applied the agreed rate and a deposit premium determined. At the end of the period of insurance the Insured shall declare to the Company within 60 days the actual manufacturing turnover and the premium adjusted accordingly as the case may be. (Subject to any Minimum Deposit Premium.) Premium for subsequent periods of insurance will be determined in like manner.



The manufacturing turnover should include all costs, free issue materials and the like that subscribe to the manufacturing turnover.

Section III

The Sum Insured should represent a reasonable expectation of –

- (a) the value of the goods that will be under the care custody and control of the Insured during the period of insurance as far as is practicable or
- (b) the fees generated for the service given by the Insured during the period of insurance.

Whichever is agreed with the Company prior to the commencement of the insurance.

In both cases the value in (a) or (b) shall be applied to the respective rates agreed upon and a deposit premium determined. At the end of the period of insurance the Insured shall declare to the Company within 60 days the actual amounts in (a) or (b) whichever applies and the premium adjusted accordingly as the case may be. (Subject to any Minimum Deposit Premium.) Premium for subsequent periods of insurance will be determined in like manner.





ROAD RISK LIABILITY (Applicable to Plant All Risk)

Liability to third parties Defined events

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the insured and/or any passenger becomes legally liable to pay all sums including claimant's costs and expenses in respect of

1. death of or bodily injury to any person, but excluding death of or bodily injury to any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured. SAIA/413/042002 (MULTIMARK) MMIII 2003 SAIA/413/042002 (MULTIMARK) MMIII 2003
2. damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.
The company will also, in terms of and subject to the limitations of and for the purposes of this sub-section,
 - (i). pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this sub-section, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B.
 - (ii). indemnify any person who is driving or using such vehicle on the insured's order or with the insured's Permission provided that
 - (a) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply.
 - (b) such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer.
 - (c) indemnity shall not apply in respect of claims made by any member of the same household as such person.
 - (d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable there under.
3. indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition 2(a) or (b) and provided the company shall not be liable for damage to the vehicle being driven or used.
4. indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided the company shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

Exceptions

The company shall not be liable under this sub-section in respect of

1. so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected.
2. death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition 2(b), (c), (d) or (e) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1500kg).
3. liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant. This exclusion shall not apply to forklift trucks.



Limits of indemnity

Unless otherwise stated, the liability of the company under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.

Specific exceptions

1. The company shall not be liable for any accident, injury, loss, damage or liability
 - (a) whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use clause.
 - (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, but the insurers will indemnify the insured against loss of or damage to any vehicle while in transit by sea or air between ports or places in these territories including loading and unloading incidental to such transit.
 - (c) incurred while any vehicle is being driven by
 - (i) the insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle;
 - (ii) any other person with the general consent of the insured who, to the insured's knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or who is not licensed to drive such vehicle, but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the company that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles; provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any of the territories referred to under Specific exception (b), or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal, or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learners.
2. The company shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.