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DISMANTLING, TRANSIT, ERECTION AND TESTING POLICY

THE INTRODUCTION

Whereas the Insured named in the Schedule attached has made to the Company (Rena Insurance Company Ltd) a written proposal by completing a questionnaire which together with any other statements made in writing by the Insured for the purpose of this Policy is deemed to be incorporated herein.

This policy of insurance witnesses that subject to the Insured having paid to the Insurers the premium mentioned in the Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon or endorsed here on the Insurers will indemnify the Insured in the manner and to the extent hereinafter provided.

GENERAL EXCEPTIONS

1. WAR

- 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, acts 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 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 reform any act referred to in clause (iv) or (v) above;
- vii) The act of 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 Clause (i), (ii), (iii), (iv), (v) or (vii) of this exception, loss or damage is not covered by the Policy, the burden of proving the contrary shall rest on the insured.

- B. This policy does not cover loss or damage caused directly or indirectly by or through or in sequence of 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 operative in any of the territories to which this Policy applies.

2. NUCLEAR

- A. This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:
 - i) Ionizing, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use 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.

For the purpose of this exception only combustion shall include 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. OTHER GENERAL EXCEPTIONS

The Company shall not be liable for any claim in respect of loss damage or liability directly or indirectly caused by or arising out of:-

- 3.1 Confiscation nationalization or requisition or destruction of or damage to property by or under the order of any Government de jure or de factor or of any Public or Local Authority;
- 3.2 Willful act or willful negligence of the Insured or his representative.

4. ASBESTOS EXCLUSION

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 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.

5. POLLUTION AND CONTAMINATION EXCLUSION CLAUSE

- 5.1 For any Third Party Liability section covered under this policy, the reinsurance shall not cover any liability for Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property or costs of removing, nullifying or cleaning up of pollutants due to contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning and impurity.
- 5.2 This exclusion does not apply of any liability mentioned under paragraph 5.1 arises our of a sudden, accidental, identifiable and unexpected event not otherwise excluded.
- 5.3 All other terms and conditions of the reinsurance treaty shall be unaltered and especially the exclusions shall not be superseded by this clause.

MATERIAL DAMAGE

The Insurers hereby agree with the Insured that if at any time during the period of cover the items or any part thereof entered in the Schedule shall suffer any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Insurers will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement or repair (at Insurers option) up to an amount not exceeding in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in any one event the limit of indemnity where applicable and not exceeding in all the total sum expressed in the Schedule as insured hereby.

The Insurers will also reimburse the Insured for the cost of clearance of debris following upon any event giving rise to a claim under this Policy provided a separate sum therefore has been entered in the Schedule.

SPECIAL EXCUSIONS

The Insures shall not, however, be liable for:

1. The deductible stated in the schedule to be borne by the Insured in any one occurrence.
2. Consequential loss of any kind or description whatsoever including penalties, losses due to delay, lack of performance, loss of contract;
3. Loss or damage due to faulty design, defective material or casting, bad workmanship other than faults in erection;
4. Wear and tear, corrosion, oxidation, encrustation;
5. Loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt notes, securities, cheques, packing materials such as cases, boxes, crates;
6. Loss discovered only at the time of taking an inventory;
7. Loss of or damage to surrounding property except as provided in memo 4;
8. Earthquake, volcanic eruption or subterranean fire.

PROVISIONS

Memo 1

Sums Insured

It is a requirement of this insurance that the sums insured stated in the Schedule shall not be less than the full new replacement value of each item at the completion of the erection, inclusive of freight, customs duties, dues, erection cost, and the Insured undertakes to increase or decrease the amounts of insurance in the event of any material fluctuation in the level of prices always that such increase or decrease shall take effect only after the same has been recorded on the Policy by the insurers.

If, in the event of loss or damage, it is found that the sums insured are less than the amounts required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sums insured bear to the amounts required to be insured. Every object and cost item is subject to this provision separately.

Average

The meaning of subject to Average:

1. This Insurance policy contains a provision making it "subject to Average:
2. That provision will have effect only if the property insured under the Policy is underinsured at the time of loss
3. If the property insured under the policy is underinsured at the time of loss, the following rules apply:
 - a) If you suffer a total loss, the provision will have no effect
 - b) If you suffer a partial loss, the maximum amount that you may recover will bear the same proportion to your actual loss as the amount for which the property is insured bears to the full value of the property;
 - c) Whatever your loss in no case will you be entitled to recover more than the amount for which the property is insured e.g.: Your property is worth R20 000. You insure it for R10 000. You suffer a loss of R5 000. If your policy is 'subject to Average', the maximum amount that you may recover will be R2 500.

Memo 2

Basis of settlement

In the event of any loss or damage the basis of any settlement under this policy shall be:

- a) In the case of damage which can be repaired the cost of repairs necessary to restore the items to their condition immediately before the occurrence of the damage less salvage, or
- b) In the case of a total loss – the actual value of the items immediately before the occurrence of the loss less salvage

However, only to the extent the costs claimed had to be borne by the insured and to the extent they are included in the sums insured and provided always that the provisions and conditions have been complied with.

The Insurers will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) above.

The cost of any provisional repairs will be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements shall not be recoverable under this Policy.

Memo 3

Extension of Cover

1. Extra charges for overtime, night work, work on public holidays, express freight are covered by this insurance only if an amount is entered in the Schedule.
2. Loss or damage to the contract works during the maintenance period specified in the Schedule
 - a) Caused by the Insured Contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract
 - b) Occurring during the maintenance period provided such loss or damage was caused on the site during the period of cover
3. Loss or damage of all materials to be incorporated in the contract works and for which the Insured is responsible whilst at any situation in The Republic of South Africa.

Memo 4

Surrounding Property

Loss of or damage to property located on or adjacent to the site and belonging to or held in care, custody or control of the Principal(s) or the Contractor(s) shall only be covered if occurring in direct connection with the erection, construction or testing of the items insured under section 1 and happening during the Period of Cover, and provided that a separate sum therefore has been entered in the Schedule. This cover does not apply to construction/erection machinery and construction/erection plant and equipment.

PERIOD OF COVER

The liability of the Insurers shall commence, notwithstanding any date to the contrary specified in the Schedule, directly upon commencement of work or after the unloading of the items entered in the Schedule at the site and shall continue until immediately after taking over or after the first test operation or test loading is completed whatever is the earlier, but not beyond four weeks (unless otherwise agreed in writing) from the date of

commencement of the test, if, however, a part of a plant or one or several machine(s) is/are tested and/or put into operation or taken over, the cover for that particular part of the plant or machine(s) and any liability resulting there from ceases whereas the cover continues for the remaining parts.

In the case of second – hand items, the Insurance hereunder shall, however, cease immediately on the commencement of the test.

At the latest the Insurance shall expire on the date specified in the Schedule. Any extensions of the Period of insurance are subject to the prior written consent of the Insurers.

GENERAL CONDITIONS

1. DUE OBSERVANCE

The due observance and fulfillment of the terms of this policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statement and answers to any questions and or proposal made by the Insured shall be a condition precedent to any liability of the Insurer(s).

2. RIGHT OF INSPECT

Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk.

3. BREACH

A breach of or 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/Insured Company other than the Insured Person/Company 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 Insurers.

4. MATERIAL CHANGE IN RISK

The Insured shall immediately notify the Insurers in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance is confirmed in writing by the Insurers.

5. INSURED'S OBLIGATIONS FOLLOWING AN INSURED EVENT AND CLAIMS NOTIFICATION PROCEDURE

Should and insured event or possible Insured event occur which will or may give rise to a claim under this policy of Insurance, the Insured shall:

- a) Immediately notify Insurers in writing of the event, provide any additional information required as well as to the nature and extent of loss or damage;
- b) Notify the Policy in the event of theft or burglary, in the event of other perils, keep and store the parts effected and make them available to the Insurers representatives;

- c) Take all redeemable steps to minimize the extent of the loss of damage;
- d) The Insurers shall not be liable for damage, loss or liabilities unless notice is received within 14 (Fourteen) days of the occurrence. All summons or notice of other proceedings which may be brought against the Insured should be notified to the insurers as soon as possible.

6. ABANDONMENT OF CLAIMS

This condition should not apply to third party claims made against the insured. If Insurers disclaim liability in writing for any claim made by the Insured and the Insured institutes no action or suit at law against the insurers within 6 (six) months from the date of receipt of the written disclaimer, the Insurers shall assume that the claim has been abandoned and the Insurers shall not be liable to make any payment in connection with the relevant claim.

7. MISREPRESENTATION AND MISDESCRIPTION

This policy of Insurance shall be void if and in the event of:-

- a) Misrepresentation
- b) Misdescription
- c) Non disclosure of any material fact
- d) Any breach of any condition or warranty applicable thereto
- e) Fraud

8. REASONABLE PRECAUTIONS IN THE PREVENTION OF LOSS

The Insured shall always, in all circumstances and under all conditions, take all reasonable precautions to prevent Loss or Damage, maintain all Insured Property in proper working order, employ competent employees that are correctly trained to perform their designated work, comply with all Acts of Parliament and By-Laws and ensure that Statutory or Local Authority Laws are observed and complied with.

Fraudulent claims or exaggerated or false declarations/statements that are made in respect to any claim, the Policy will be void and the Company shall not be liable to make any payments in respect of this Policy. The Company may suspend cover by written notice, of in the opinion of the Company, the Insured Property or contract site is discovered to be in a condition which is unsafe or worsens the Risk.

9. CONTRIBUTION

If at the time of any Damage or Loss covered by this Policy and agreed with The Company, there shall be any other Insurance Policy, covering damage, effected by or on behalf of the Insured, the Company shall not be liable for more than its ratable proportion of such damage. If any other insurance, covering this Loss or Damage, shall be subject to any conditions of average, this Policy shall be subject to average in like manner, if such other Insurance is subject to any condition of advantage to the other Insurer, this Policy shall be subject to such condition in similar manner.

10. ARBITRATION

If the Company or the Insured so require and should any difference arise between the two as to the amount of any claim settlement under this Policy, the same shall be referred to arbitration in accordance with statutory provision in force with the Law in the Republic of South Africa and the obtaining of any award shall be a condition precedent to any Right of Action against The Company.

11. PRESCRIPTION

The Company shall only be liable for any Loss or Damage to the Insured's property for a period of 12 (Twelve) months, after which time indemnity expires. The Company may, on request in writing, extend the prescription period. The above prescription period does not apply when the Loss or Damage is the subject of a pending Court action or arbitration.

Should The Company reject a claim and the Insured has not commenced with an action or suit against the Company within 6 (Six) months after such rejection, all benefits in respect of this Policy of Insurance and in respect of the relevant claims shall be forfeited.

12. THE COMPANY'S RIGHTS AFTER DAMAGE GIVING RISE TO A CLAIM

On the happening of any event that may give rise to a claim, The Company shall be entitled to, in the name of the Insured:-

- i) Enter, take or keep possession of or collect, have delivered to The Company, any of the Insured's property which it may retain and with which it may deal for all reasonable purposes and manner;
- ii) Have the absolute conduct and control of any proceedings that The Company, for time to time, may consider necessary for the purpose of locating or recovering or securing reimbursements in respect of the Insured's property whether Lost or Damaged;

The Insured may not abandon any property that is the subject matter of this particular claim.

If the Insured or the representative of the Insured will not comply with or hinder or obstruct with the reasonable requests and requirements of the Company, then all benefits in terms of this Policy shall be forfeited.

13. CANCELLATION

This Policy of Insurance may be cancelled by either the Company or the Insured, by giving 30 (Thirty) days notice in writing.

If any amount due, in terms of the debit order facility in respect of this Policy of Insurance is not paid by later than 15 (Fifteen) days after the "due date" of payment, the Policy of Insurance shall be cancelled without further notice.

14. POLICY OF INSURANCE AND SCHEDULE

This Policy of Insurance and Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached, shall bear such meaning, wherever it may appear. The limit of indemnity payable under this Policy of Insurance in respect of any one item is the "sum insured" as stated in the Schedule against such item.

15. SUBROGATION

The Insured shall at the expense of the Insurers do or permit to be done all such acts and things as may be necessary and required by the Insurer(s) for the purpose of enforcing any rights of remedies against or obtaining relief on Indemnity from other parties to which the Insurers shall be entitled to subrogate against under this Policy.

16. PREMIUM ADJUSTMENT

The premium is based on estimates provided by the Insured. It is agreed that the Insured shall, after completion of the Insured Contract, declare actual applicable contracting expenditure to the Insurer, who will then adjust the premium accordingly. A Minimum deposit premium of 80% (eighty percent) will apply to all contracts.

17. ENTIRE AGREEMENT

This Policy of Insurance shall form the entire agreement between the Insurance and the insuring party and any party claiming as an Insured and supercedes and replaces all prior communications, representations, undertakings and agreements between the parties whether oral or written.

Riot and strike extension (if stated in the schedule to be included)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of: (i) civil commotion, labour disturbances, riot, strike or lockout;

(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; provided that this extension does not cover:

- (a) Loss or damage occurring in the Republic of South Africa and Namibia;
- (b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- (c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) Loss or damage 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 occurrence.
If the company alleges that, by reason of provisos (a), (b), (c) (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.