

ELECTRONIC POLICY WORDING

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 landslip
- 6 an insured event occurring elsewhere than in the Republic of South Africa, Lesotho, Swaziland, Botswana and Mozambique unless otherwise stated in a Section
- 7 Sanctions

This policy does not provide cover and no insurer is liable to pay any claim or provide any benefit under this policy to the extent that:

- i such cover, payment or benefit would expose the insurer;
- ii any reinsurer is not obliged to or refuses to provide cover, make a payment or provide a benefit under a reinsurance policy reinsuring the obligations under this policy because the reinsurer is exposed

to any sanctions, prohibition, penalty or restriction imposed by the United Nations or any trade or economic or other sanctions, prohibition, penalty or restrictions, laws or regulations of the European Union, United Kingdom or United States of America or any other international body or country entitled to impose any such provision on the insurer or reinsurer.

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- 8 Communicable disease exclusion
1. 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 any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

 2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 2.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 2.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 2.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

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

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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

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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 of the obsolescence of the damaged equipment the Company will pay for the estimated costs of repair of 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 therefrom
 - 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

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- 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

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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 of 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

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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

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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

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- (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 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

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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