

 <p>FDM ENGINEERING UNDERWRITERS (PTY) LTD 2004/009147/007</p>	<p>Tel: +27 11 823-6368/90 Fax: +27 11 823-6295 Fax to email: 086-511-6607 Cell: 082-493-4090 Email: Fergus@oaktreesa.co.za</p> <p>P.O. Box 10522 Fonteinriet 1464</p>
<p>Authorised Financial Services Provider – FSP NO.: 20816</p> <p>38 Turton Road, Boksburg West 1459</p>	

ELECTRONICS ALL RISKS INSURANCE POLICY

PREAMBLE

Whereas an application has been made to **THE RENASA INSURANCE CO. LTD** or Co-Insurers and the Insured have paid the premium for the Insurance described herein.

THE RENASA INSURANCE CO. LTD (hereinafter referred to as **THE COMPANY**), agrees, subject to the Terms, Exceptions, Definitions and Conditions and/or Endorsements and/or otherwise expressed hereon, to indemnify the Insured against Physical loss of or Damage to the Insured's property always occurring during the Period of Insurance or any Renewal thereof. The Company's Liability in respect of each Insurance shall not exceed the specified Limits of Indemnity / Liability or Sum Insured stated herein.

Signed at ___BOKSBURG___ on this the ___AS PER POLICY SCHEDULE

For and on behalf of

F.F. McNAMARA_____

FDM Engineering Underwriters (Pty) Ltd

For and on behalf of THE RENASA INSURANCE CO. LTD



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, 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 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), (vi) 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.
- 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 clause C of this General exception, 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 organisation or government or for the purpose of inspiring fear in the public or any section thereof.

If the company alleges that, by reason of clause 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. 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

3. 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 facto 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 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.

5. COMPUTER VIRUS EXCLUSION

Loss or Damage of whatsoever nature arising directly or indirectly out of or in connection with the action of any computer virus, Trojan or Worms or other similar destructive media.

COMPUTER LOSS GENERAL EXCEPTION

General Exception applicable to all sections of this policy insuring damage to property or the consequences of damage to property or any liability.

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exception, 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 or arising from the 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 recognize 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
- ii) 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 which causes the loss of data or the inability to capture save retain or correctly to process such data in regard to or in connection with any such date or
- iii) to capture save retain or to process any information or code due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and or programmes
- iv) to capture save retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorized code or instruction including any Trojan horse, time or logic bomb or worm or any other destructive code, media or programme 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 the property of the Insured or not.

Special Extension to the above General Exception

- A Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to in B below .
- B. The special perils that are not excluded for the purpose of this special extension are damage caused by:
 - 1. storm, wind, water, hail or snow excluding damage to property
 - a) caused by tidal wave originating from earthquake or volcanic eruption;
 - b) in the underground workings of any mine;

- c) in the open (other than buildings structures and plant designed to exist or operate in the open);
- d) in any structure not completely roofed;
- e) being retaining walls,



Unless so described and specifically insured as a separate item.

- 2. aircraft and other aerial devices or articles dropped therefrom;
- 3. impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

These special perils do not cover wear and tear or gradual deterioration.

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.

SECTION A: MATERIAL DAMAGE

DEFINED EVENTS

Physical loss of or damage or sudden and unforeseen breakdown to the property insured described in the schedule from any cause not hereinafter excluded whilst

- a) at work or at rest anywhere within the insured premises as specified and within the territorial limits;
- b) in transit including loading and unloading or whilst temporarily stored at any premises en route;
- c) temporarily removed from the insured premises to any other location.

EXCEPTIONS TO SECTION A: MATERIAL DAMAGE

The company will not be liable to indemnify the insured irrespective of the original cause in respect of:

1. the first amount payable as stated in the schedule in respect of Section A, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured;
2. derangement unless accompanied by physical damage otherwise covered by this section;
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment;
4. faults or defects known to the insured (or their 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 out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature;
6. parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this section to other parts of the property insured, The Company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts;
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise unless specifically provided for in Section B hereof;
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein;

9. a) loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit from the insured premises/situation;
- b) loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and The Company.

The Company shall not indemnify the insured for the theft of the property insured from any motor vehicle where the property insured has been:

- a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit;
- b) contained in a compartment of the motor vehicle and is visible to passers-by,

provided that:

a) and b) above shall not apply to theft of the property insured where the transport vehicle:

- i) has been hijacked or
- ii) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew/driver, the property insured is of necessity left unprotected.

BASIS OF INDEMNIFICATION

The indemnity of this Section subject always to the sums insured contained in the schedule or any specific limit of liability contained in this Section, shall be as hereinafter provided and as appropriate including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable, importation duties and value added tax.

The indemnity shall included costs necessarily and reasonably incurred in respect of express delivery, overtime and Sunday and Holiday rates of wages in connection with repairs, reinstatement, or replacement, subject however to a limit of 50% (Fifty percent) of the amount which the repair or replacement would have cost, had these extra expenses not been incurred. Always subject to the overall limit of the sum insured in respect of each item of the property insured as listed in the schedule.

(1) Partial loss

If the property insured suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order, 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 minimize further loss or damage to the property insured, 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 property insured, 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 damage allowed for within the sum insured.

(2) Total Loss

- A In cases where the new property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged, provided always that:
- i) the work of replacement or reinstatement (which may be carried out upon another site 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 exceeding the market value of the property insured immediately before the damage shall be made;
 - ii) until expenditure has been incurred by the insured in replacing or reinstating the property insured, The Company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;
 - iii) these conditions shall be without force or effect if
 - a) the insured fail to intimate to The Company within six (6) months of the date upon which the damage occurred (or such further time as The Company may in writing allow) their intention to replace or reinstate the property insured
 - b) the insured are unable or unwilling to replace or reinstate the property insured on the same or another site;
 - iv) at the sole option of The Company, following commercial and technical appraisal by a representative of The Company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this policy.

Definition of new property insured

New property shall mean property purchased no more than seven (7) years (or such extended period as may be approved by The Company in writing) prior to the defined event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.

B In respect of property insured not provided for in A above, the basis of indemnification shall be the market value of the property insured immediately before the loss or damage. At the option of The Company, the property insured shall be regarded as totally destroyed if the repair costs as defined in (1) above equal or exceed its market value immediately before the damage.

Definition of market value

The current day purchase price of secondhand/used property of equal performance and/or capacity to the property lost or damaged and of substantially similar condition. Where no similar property is available, market value shall be calculated by deducting from the current new replacement value of the nearest equivalent property, an amount representing

- i) 20% (twenty percent) for the first year after the date of purchase; and
- iii) 10% (ten percent) per year for each succeeding year

subject always to minimum indemnity of 40% (forty percent) of the current new replacement value of the nearest equivalent property.

Average

In respect of (1) and (2) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement, reinstatement if the whole of the property insured had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

LIMIT OF LIABILITY

The amount of liability shall not exceed, in respect of any of the items specified in the schedule, the sums insured set opposite thereto respectively and, in addition thereto, the following:

a) Professional fees

Professional fees necessarily and reasonably incurred in the repair or reinstatement of property following an indemnifiable loss or damage. The amount payable in respect of such fees will not exceed 15% (fifteen percent) of the total amount of the claim.

b) Clearance costs

Costs necessarily and reasonably incurred by the insured in respect of demolition or dismantling of the property and/or removal of debris and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss of or damage to such property, provided that the total amount recoverable does not exceed 15% (fifteen percent) of the total amount of the claim.

c) Express delivery and overtime

Extra charges for express delivery, airfreight, overtime, Sunday and Holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by the insured for effecting repairs or replacement approved by The Company, limited to 50% (fifty percent) of the amount which the repair or replacement would have cost had these additional costs not been incurred.

CLAUSES AND EXTENTIONS

Power surge or lightning strikes

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional first amount payable of 10% (ten percent) of the net amount payable for the items so damaged subject to a minimum of R1,000 (One Thousand Rand), but not exceeding R2,000 per occurrence: However, should the property insured be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

Fire brigade charges

If any public authority empowered to do so shall charge the insured with any costs arising from their activities in dealing with the consequences of an insured peril having operated, such costs will be deemed to be damage to the property insured and will be payable in addition to any other payment for which The Company may be liable in terms of this insurance.

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 Company as soon as such act or neglect comes to their knowledge and pay on demand the appropriate additional premium.

Hire purchase/finance agreements

Where The Company has knowledge of the property insured or any individual item thereof being the subject of a suspensive sale or similar agreement, payment hereunder shall be made to the owner described therein whose receipt shall be a full and final discharge to The Company in respect of loss or damage indemnifiable by this section of the policy.

Territorial limits

Territorial limits: The Republic of South Africa and to the extent permitted by the applicable insurance acts, the territories of Botswana, Lesotho Namibia and Swaziland.

SECTION B: CONSEQUENTIAL LOSS

DEFINED EVENTS

The insurance provided by this sub-section (if stated in the schedule) shall be subject to the limits of indemnity stated in the schedule and shall include:

i) Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the insured during the indemnity in consequence of the accident for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the insured less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the accident.

The indemnity by this item shall not apply directly or indirectly to

- a) the cover provided for in item ii) of this section;
- b) the intrinsic value (including reinstatement value) of the property insured by Section A of this section

ii) Reinstatement of data/programs

Costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and/or programs recorded on or stored in data-carrying medial which are lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to Section A of this section) or by theft or by the deliberate willful or wanton intention of causing the cancellation or corruption of data or programs as provided for in the Section A of this section, provided that:

- a) the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data an/or programs;
- b) in respect of each and every event or series of events arising out of or in connection with any one event or cause indemnifiable by this item, the insured shall bear the amount stated in the schedule as the first amount payable.;
- c) where the insured elects to insure programs (software), a schedule of such programs shall be lodged with The Company at the commencement of each period of insurance.

iii) Special extension of cover

In the case of laptop, notebook or palmtop computers, the territorial limits shall be worldwide, whilst such insured property is temporarily located outside of the aforementioned territorial limits, always subject to written confirmation of The Company.

DEFINITIONS

Indemnity period

The period during which the results of the business shall be affected in consequence of the accident beginning with the number of hours/days detailed in the schedule as the time excess after the occurrence of the accident and ending not later than the expiry of the period detailed in the schedule as the indemnity period after such occurrence.

The time excess shall not apply to loss or damage directly caused by fire, storm (excluded lightning), subsidence, wind or the collapse of buildings.

Accident

1. (Applicable to increased cost of working only) physical loss of or damage to the property insured described in the schedule from any cause as provided for under Section A of this section, liability under which section shall, except for the provisions relating to the first amount payable or the maintenance/lease agreements, be a condition precedent to liability hereunder.
2. Failure of the public supply of electricity at the terminal ends of the service feeders in 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 any electricity utility.

Special conditions applicable to failure of the public supply of electricity:

- a) The liability of The Company shall not exceed the sum insured by this section;
- b) The indemnity period shall commence 12 hours after the failure and end not later than 30 (thirty) days after such failure.

The limit of liability

The liability of The Company shall not exceed the amounts specified in the schedule (relating to Section B) in respect of any one accident or series of accidents arising out of or in connection with any one event.

In the event of the payment by The Company of any sum or sums in discharge of The Company's liability in terms of this section, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance.

The insured shall pay to The Company the additional premium required by The Company calculated pro rata from the day of the accident to the end of the period of insurance.

SPECIFIC EXCEPTIONS TO SECTION B

Unless specifically provided for

1. Fines and penalties

The Company shall not be liable to indemnify the insured in respect of fines or penalties 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.

CLAUSES AND EXTENSIONS

Reinstatement

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

- a) the insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or
- b) addition, alteration or improvements being effected to the property insured on the occasion of its repair,

The Company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of a) and b)

Telkom access lines (if stated in the schedule to be included)

Subject to the limits specified in the schedule, consequential loss as provided for under defined events i) and ii) of Section B arising from accidental failure of the telkom access lines is included, provided always that the insurance under this extension shall be subject to the special conditions below.

Special conditions applicable to Telkom access lines

- a) The liability of The Company shall not exceed the sum insured by this section;
- b) The indemnity period shall commence 12 (twelve) hours after the failure and end not later than 30 (thirty) days after such failure;
- c) The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by the exercise of such Telkom authority of its power to withhold or restrict access to its lines.

GENERAL MEMORANDA

Memo 1 – Capital additions and currency fluctuations

The indemnity by this section shall include:

- a) additional equipment or programs purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical, mechanical or electronic breakdown or explosion, the insurance shall only commence after satisfactory completion of installation or commissioning/testing and put into use at the insured's premises;
- b) provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured,

provided that the increase shall not exceed, by more than 25% (twenty five percent), the total sum insured for Section A specified in the schedule, it being agreed that the insured will advise The Company of such alterations after the expiry of each period of insurance and pay the appropriate premium thereon but not exceeding 50% (fifty percent) of the difference.

Memo 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 property insured situated at the premises caused by damage to property within a 10 km (ten kilometer) radius of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, The Company shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein, provided that:

- i) the insured is not entitled to indemnity as provided for in this extension under any other policy or section of this policy;
- ii) this section shall not be brought into contribution with any other policy or section of this policy bearing a like extension.

SPECIAL EXCEPTION (SECTIONS A & B)

Viruses, Trojans and worms

The Company shall not indemnify the insured for loss or damage of whatsoever nature arising directly or indirectly out of or in connection with the action of any computer virus, Trojan or worm(s) or other similar destructive media.

GENERAL EXTENSION

Incompatibility cover (if stated in the schedule to be included)

Notwithstanding anything contained to the contrary in the policy, the indemnity by Sections A & B of this section shall indemnify the insured for costs incurred in respect of:

- a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system;
- b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system;
- c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;

provided always that:

- 1) the costs provided for in a), b) and c) above shall be necessarily and reasonably incurred to maintain normal working conditions;
- 2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of Section A or B (item ii) of this section;
- 3) the cover afforded hereunder shall be restricted to:
 - i) parts or components of the electronic system which are not indemnifiable under Section A hereof;
 - ii) programs or data reinstated not indemnifiable under item ii) of Section B hereof;
- 4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% (twenty percent) of the applicable total sum insured under Section A (The limit of indemnity) and Section B (item ii) or R25,000 (Twenty Five Thousand Rand), whichever is the lesser.

Failure of public supply of electricity

Accident as defined shall include failure of the public supply of electricity at the terminal ends of the Supply Authority's service feeders in the premises from any accidental cause other than drought or shortage of fuel at any power station; The deliberate act of the insured and/or any Supply Authority.

GENERAL CONDITIONS (SECTIONS A & B)

1. Misrepresentation, misdescription and non-disclosure

Misrepresentation, Misdescription or non-disclosure in any material particular shall render voidable the particular item or section of the policy, as the case may be, affected by such misrepresentation, Misdescription or non-disclosure.

2. Other insurance

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against the defined events, The Company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

3A. Cancellation

This policy or any section may be cancelled at any time by The Company giving 30 (thirty) days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice. On cancellation by the insured, The Company shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by The Company, the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation.

3B. Continuation of cover (where premium is payable by bank debit order or by transmission account)

The premium is due in advance and, if it is not received by The Company by due date, this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance unless the insured can show that failure to make payment was an error on the part of his bank or other paying agent.

Due date will be the first day of every calendar month where premium is payable monthly, the first day of:

- a) each third;
- b) each sixth; or
- c) each twelfth calendar month following inception where premium is payable quarterly, half-yearly or annually.

4. Adjustment of premium

If the premium for any section of this policy has been calculated on any estimated figures, the insured shall, after the expiry of each period of insurance, furnish The Company with such particulars and information as The Company may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to be insured as the case may be.

5. Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses.

6. Claims

- a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense:
 - i) give notice thereof to The Company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured;
 - ii) as soon as practicable after the event inform the policy of any claim involving theft or (if required by The Company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property;
 - iii) as soon as practicable after the event submit to The Company full details in writing of any claim;
 - iv) give The Company such proofs, information and sworn declarations as The Company may require and forward to The Company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim and make all salvage available to The Company.
- b) No claim shall be payable after the expiry of 12 (twelve) months or such further time as The Company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- c) No claim shall be payable unless the insured claims payment by serving legal process on The Company within 6 (six) months of the rejection of the claim in writing and pursues such proceedings to finality.
- d) If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by The Company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the Company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to The Company all amounts paid in respect of the claim.
- e) Exercise all means in his power to limit the loss to salvage the insured items and to ensure their preservation and to do all things which may be reasonably practicable to minimize or check any interruption with the business.
- f) The Company must be notified within 30 (thirty) days of the loss or damage in writing, alternatively all benefits under this policy will be forfeited.

7. Company's rights after an event

- a) On the happening of any event in respect of which a claim is or may be made under this policy, The Company and every person authorized by them may, without thereby incurring any liability and without diminishing the right of the Company to rely upon any conditions of this policy,
- i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and license of the insured to The Company to do so. The insured shall not be entitled to abandon any property to The Company whether taken possession of by The Company or not;
 - ii) take over and conduct in the name of the insured the defense or settlement of any claim and 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 and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of The Company
- b) The insured shall, at the expense of The Company, do and permit to be done all such things as may be necessary or reasonably required by The Company for the purpose of enforcing any rights to which The Company shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.

8. 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 their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the willful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

9. Reinstatement of cover after loss

In consideration of sums insured not being reduced where appropriate by the amount of any loss, the insured shall pay additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is later) to expiry of the period of insurance.

10. Breach of conditions

The conditions of this policy and sections thereof shall apply individually to each of the risks insured and not collectively to them so that any breach shall render voidable the section only in respect of the risk to which the breach applies.

11. No rights to other persons

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of claim to such person, the intention being that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to The Company.

12. Recourse

The Company and/or their agent be entitled, in the name of the insured, to the absolute control and conduct of any or all proceedings necessary for the purpose of recovering compensation from any third party in respect of anything covered by this policy of insurance and the insured shall furnish all such assistance as may be reasonably required by The Company.

13. Arbitration

Should a difference arise between the insurer and the insured as to the amount payable under this policy of insurance (liability be otherwise admitted) such difference can be referred to an Arbitrator.

GENERAL PROVISIONS

A. Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by The Company in terms of general condition 6 or substantiate the amount of any claim, provided that the liability of The Company for such costs in respect of any one claim shall not exceed in respect of a particular section R1000 (One Thousand Rand) or 10% (ten percent) of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claims preparation costs.

B. Payments on account

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

C. First amount payable

Except where provided for specifically in any section, the amount payable under this policy/section for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

D. Meaning of words

The schedules and any endorsements 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.

E. 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.

F. Holding covered

If The Company is holding covered on a risk they will not reject a claim on the basis that the premium has not been agreed.

G. 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 the policy.

H. 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 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.