

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

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

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

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

**The Operations** (as may be stated in the schedule)

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

**Positioning** Movement of the insured property within the premises.

**Storage** Storage of the insured property at the premises specified.

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

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

**Maintenance** Maintenance (as defined in memo 2).

**Public Liability** Liability to third parties.

**Memo 1 Erection**

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

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

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

**Memo 2 Maintenance**

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

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

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

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

**Memo 3 Claims Preparation Costs**

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

This insurance shall not provide indemnity in respect of:

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

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

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

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

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

- 2 Loss or damage or destruction to any property whatsoever or any loss or expense whatsoever arising there from or any consequential loss and any legal liability of whatsoever nature
  - i) directly or indirectly caused by or contributed to by ionizing radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel
  - ii) nuclear material nuclear fission or fusion nuclear radiation
  - iii) nuclear explosives or any nuclear weapon
  - iv) nuclear waste in whatever form

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

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

- 3 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.

## THE EXCEPTIONS

The Company will not indemnify the insured in respect of;

- 1 The amount of the deductible specified in the schedule.
- 2 Unexplained losses or shortages revealed by stocktaking or inventory.
- 3 The cost of repairing replacing reinstating or making good that part of the property insured which is itself defective in material workmanship design plan or specification. If any such defect gives rise to loss or damage which but for this exception is insured under this policy the company shall in respect of such damage be liable for costs additional to the costs that would have been incurred in rectifying such defects had the resultant damage not occurred.  
  
Redesign improvement betterment or alteration on the occasion of repair replacement reinstatement or making good the loss or damage.
- 4 Normal wear and tear gradual deterioration due to atmospheric conditions or otherwise rust erosion corrosion or oxidation unless caused as a direct result of loss or damage which is insured by this policy.
- 5 Consequential loss of whatsoever nature other than as provided for elsewhere in the policy liquidated damages or penalties for delay or detention or in connection with guarantees of performance or efficiency.
- 6 Where applicable loss of or damage to any item of new property due to its own explosion breakdown or derangement occurring after 30 days on which the property has operated under load conditions prior to the commencement of the maintenance period.
- 7 Loss damage or liability arising from electrical or mechanical breakdown or explosion of any item of used property or plant.
- 8 Loss or damage to the insured property or part thereof occurring during the maintenance period other than provided for under memo 2.
- 9 Loss or damage to refractories arising from the application or withdrawal of heat.
- 10 Computer Losses  
  
Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion this policy does not cover
  - a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom
  - b) any legal liability of whatsoever nature
  - c) any consequential loss  
  
directly or indirectly caused by or contributed to by or consisting of or arising from incapacity or failure of any computer correctly or at all
  - i) to treat any date as the correct date or true calendar date or correctly or appropriately to recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such date or

to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command that causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such date or

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

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

### **Basis of Loss Settlement**

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

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

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

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

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

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

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

## **GENERAL CONDITIONS**

### **1 Change of Interest**

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

### **2 Other Interest**

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

### **3 Notification**

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

- (i) Give notice thereof to the Company as soon as reasonably possible.

- (ii) Send to the Company without delay full details in writing of the event giving rise to the claim.
- (iii) Preserve any damaged or defective insured property.

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

#### **4 Due Observance**

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

#### **5 Contribution**

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

#### **6 Arbitration**

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

#### **7 Subrogation**

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

#### **8 Prescription**

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

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

#### **9 Misdescription**

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

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

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

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

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

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

**12 Cancellation**

Cancellation (applicable to annual policies only)

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

Provided that:

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

**13 Premium credit facility**

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

**14 Reasonable precautions**

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

**15 Automatic reinstatement**

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

**16 Suspension of insurance**

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

**17 Interest of banks or other financial institutions**

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

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

**18 Jurisdiction**

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

## **PUBLIC LIABILITY**

**The Indemnity**

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

- a) accidental death of or bodily injury to or illness or disease of any person
- b) accidental physical loss of or damage to property

occurring as a result of an accident at the situation of the contract and arising out of the performance of an insured contract.

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

#### Limit of indemnity

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

### THE EXCEPTIONS

The Company will not indemnify the insured for

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

For the purpose of this exception the terms "custody or control" does not apply to property of employees or visitors vehicles including their contents and accessories not hired or lent to the insured using the contract site for parking property not hired by or lent to the insured for which the insured has agreed to provide storage facilities.
- 4 Legal liability
  - a) arising out of or in connection with the ownership possession or use by or on behalf of the insured of any mechanically propelled vehicle or trailer but this exclusion shall not apply to  
mechanical plant while in operation as a tool of trade  
the loading or unloading of such vehicle or trailer
  - b) arising by or through or in connection with the ownership possession or use by or on behalf of any aircraft or watercraft.
  - c) for damages or penalties for delay or detention or in connection with guarantees of performance or efficiency
  - d) for any part of the insured property designed by or any error or omission in any specification drawn by the insured
  - e) arising from or connected with any professional advice remedial or other treatment (other than first aid) given by the insured or any person acting for or on behalf of the insured
  - f) caused by or in connection with vibration or the intentional removal or weakening of or interference with the support to any land structures building or other property
- 5 Liability assumed by the insured by agreement if liability would not have attached in the absence of such agreement but  
This exception shall not apply to
  - a) the insured contract or sub contract agreements
  - b) any other specific agreement which has been advised to and accepted by the insurer(s) in writing
- 6 The cost of doing and redoing or making good faulty material workmanship plan design or specification of the Insured property.



- 7 liability in respect of death injury damage or loss of use of property directly or indirectly caused by seepage pollution or contaminating substances unless the seepage pollution or contamination is caused by a sudden unintended and unforeseen occurrence.
- 8 the cost of removing nullifying or cleaning up seeping polluting or contaminating substances unless the seeping polluting is caused by a sudden unintended unforeseen occurrence.
- 9 Liability for punitive exemplary or vindictive damages fines or penalties awarded in any court.
- 10 Any legal liability loss damage cost or expense whatsoever or any consequential loss directly or indirectly caused by arising out of resulting from in consequence of in any way involving or to the extent contributed to by the hazardous nature of asbestos in whatever form or quantity

#### **Memoranda**

#### **Cross Liabilities**

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

#### **Joint Insured**

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

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