



LOMBARD

Commercial

ASSETS ALL RISKS POLICY FOR



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GROUND FLOOR • BUILDING C • SUNNYSIDE OFFICE PARK • 2 CARSE O'GOWRIE ROAD • PARKTOWN 2193 • PO BOX 2740 • PARKLANDS 2121 • T +27 11 551 0600 • F +27 11 551 0603

DIRECTORS: ML JAPHET Chairman • PJ ORFORD Managing Director • CE BACKEBERG • GJM CARLIN • A MAGWENTSHU • A PIENAAR • RJ SYMMONDS

Reg No: 1990/001253/06 • VAT Reg no: 4360121331 • Lombard Insurance Company Limited is a licensed Insurer and Authorised Financial Services Provider: (FSP 1596)

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Preamble

Subject to the terms, exceptions and conditions (precedent or otherwise) and in consideration of, and conditional upon prior payment of premium by the policyholder and the receipt thereof by or on behalf of Lombard Insurance Company Ltd (hereinafter called "the Insurer") the Insurer shall cover and agree to indemnify the policyholder by payment or at its option by replacement, reinstatement or repair or to pay compensation in respect of the defined events as provided hereinafter in the sections forming part of this policy occurring during the period of cover but not exceeding in respect of each section or item the sum insured, limit of indemnity, amount of compensation or other amounts specified forming part of the policy schedule and the limits of liability as stated .

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

General exceptions and conditions shall apply in all respects to the cover granted by this policy except as they may be varied by any specific exception or condition in any section specification or annexure to any section and endorsement, which are to be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning whenever it may appear.

The schedule 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.

General Provisions:

1. Limits of Liability

Subject always to any applicable specific sub-limit, the Insurer's maximum liability shall be one of the following:

- 1.1 If the Maximum Limit of Liability applicable is stated in the Schedule to be Full Value, the Insurer shall be liable for the Full Value (as defined) at risk; or
- 1.2 If the Maximum Limit of Liability applicable is stated in the Specification to be Maximum Loss Limit, the Insurer's liability for all losses arising out of one Occurrence shall not exceed the specified Limit; or

The Limits shall apply:

1. separately in connection with each and every Occurrence.
2. in excess of the applicable Primary Deductible and Secondary Deductible, if any.

Any extension of cover incorporated in this Policy will be included in the Limits of Liability applicable to the peril but no provision for such extensions has been made in the Declared Values. However, where the property is insured for Full Value, the liability of the Insurer will extend to cover any extensions included in addition to the Declared Value.

2. First Amount Payable - Deductible

The Insured shall bear the first amount, reflected in the Schedule of Deductibles, of specified losses (hereinafter referred to as the Primary Deductible) provided that such Primary Deductible shall apply once only in connection with each and every Occurrence notwithstanding the intervention of any other cause not excluded by this insurance.

3. Definitions

3.1 **Occurrence** shall mean an event or series of events attributable to one source or original cause giving rise to loss as insured in terms of this Policy.

3.2 **Average Daily Value** if used in connection with Business Interruption, shall mean the sum arrived at by dividing the total amount of the loss by the total number of days of the Indemnity Period applicable to the specific Occurrence.

3.3 **Full Value** shall mean:

3.3.1 For the purposes of any property damage Section of the Policy, the Declared Value at inception or at the last renewal immediately before

the Occurrence plus an allowance calculated at the date of reinstatement for trends, (which term shall include inflationary impact on costs of repair or reinstatement both before and after the occurrence of damage), additions, extensions, acquisitions and new locations between the effective date of declarations and the date of the Occurrence, which shall be the amount to be utilized for any application of Average, provided that the Insurer's liability shall not exceed the Declared Value plus the Full Value Margin stated in the Specification.

3.3.2 for the purposes of the Business Interruption Section of the Policy, the Declared Value at inception or at the last renewal immediately anterior to the loss subject always to the Special Circumstances clause.

3.4 **Escalation due to currency Fluctuation:** In the event of fluctuation of the South African currency against the country of the origin in respect of any repair or replacement the basis of settlement as provided for in the basis of the loss settlement shall be increased accordingly provided that the settlement so adjusted shall not exceed a percentage of the sum insured as stated in the specifications.

3.5 **Damage** shall, unless specifically otherwise stated, wherever used mean physical loss, destruction or breakage.

3.6 **Reinstatement Value** shall mean the cost of replacing or reinstating on the same site property of the same kind or type equal to, but not superior to or more extensive than, the Insured Property when new

General Conditions

1. Misrepresentation, Misdescription and Non-Disclosure

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

2. Prevention of Loss

The Insured shall take reasonable steps to:

- 2.1 safeguard the Insured Property.
- 2.2 prevent accidents and minimise loss or damage.

3. Claims

On the happening or discovery of any Damage which may result in a claim under this Policy, the Insured shall:

- 3.1 notify the Insurer as soon as reasonably possible of such Damage and provide particulars of any other insurances covering Damage hereby insured.
- 3.2 as soon as reasonably possible after the Damage occurred submit to the Insurer full details of any claim.
- 3.3 as soon as practicable after the event inform the police of any loss involving theft and, if required by the Insurer, of loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property.

4. Other Insurances

If, at the time of any Damage in respect of which a claim is or may be made under this Policy, there be any other insurance effected by or on behalf of the Insured covering the Damage the Insurer shall not be liable to pay or contribute more than its rateable proportion of any sum payable in respect of such Damage.

If any such other insurance shall be subjected to any condition of average this policy if not already subject to any condition of average shall be subject to average in a like manner.

If any other insurance effected by or on behalf of the policyholder is expressed to cover any of the defined events hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this policy either in whole or in part or from contributing ratably to the loss destruction damage or liability the company shall not be liable to pay or contribute more than its ratably proportion of

any loss destruction or damage which the sum policyholder hereby bears to the value of the property or of any liability.

5. Holding Covered

If the Insurer is holding covered on a risk it will not reject a claim on the basis that the premium has not been agreed. If the premium has not been agreed at the time a claim arises it will be based on the reasonable amount an Insurer would have charged for the risk concerned at the inception date of the policy and which will not be out of line with market premium levels at that time.

6. Premium Payment

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

7. Financial Interest

This insurance is extended to include the interests of any bank or financial institution in the subject matter of this insurance provided that such interest in the property in the Property Insured is subject to:

- a) the policy being in force at the time of loss or damage
- b) the Insured complying with all the requirements of the Policy following loss or damage
- c) the financial interest in the property insured shall be disclosed at the time of lodging a claim

8. Reinstatement

If the Insurer elects to reinstate or replace any property, the Insured shall at their own expense, except to the extent otherwise provided by the Claims Preparation Costs extension, provide the Insurer with all such plans, documents, books and information as the Insurer may reasonably require. The Insurer shall not be bound to reinstate exactly or completely but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the applicable Limit of Liability.

9. Insurer's Rights

9.1 On the happening of any loss in respect of which a claim is or may be made under this Policy, the Insurer and every person authorised by the Insurer may, without thereby incurring any liability and without diminishing the right of the Insurer to rely upon any of the conditions of this Policy :

- 9.1.1 enter, take or keep possession of any Damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the Insured to the Insurer to do so, but this condition does not

grant the Insured licence to abandon any property to the Insurer whether taken possession of by the Insurer or otherwise.

9.1.2 take over and conduct in the name of the Insured the defence or settlement of any claim and present 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.

9.2 The Insured shall, at the request, and at the expense of the Insurer, do and permit to be done all things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights to which the Insurer shall or would become subrogated upon indemnification of the Insured whether such things shall be required before or after such indemnification.

10. **Fraud**

If any claim under this Policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on the Insured's behalf or with their knowledge or consent to obtain any benefit under this Policy, or if any Damage be occasioned by the wilful or wanton act of the Insured or with their connivance, the benefit afforded under this Policy in respect of any such claim shall be forfeited.

11. **Cancellation**

This Policy or any Section may be cancelled at any time by the Insurer giving 45 days' notice (or such other period as may be mutually agreed) in writing or by the Insured giving immediate notice. On cancellation by the Insured the Insurer shall be entitled to retain short period or minimum premium for the period the Policy or Section has been in force. On cancellation by the Insurer, 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.

12. **Subrogation**

In the event of any payment under this Policy, the Insurer, where legally permitted, shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall do anything that may be necessary at the expense of the Insurer to secure such rights.

The Insurer will act in concert with all other interests concerned, i.e., the Insured and any other insurer(s) participating in the payment of any loss either as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the cost of recovery shall be divided between the interested parties concerned in the proportion of their respective interests. If there should be no recovery, the expense of the proceeding shall be borne by the parties in proportion to their interest in the proceedings.

13. Arbitration

If any difference shall arise as to the amount to be paid under this Policy, liability being otherwise admitted, such difference shall be referred to an arbitrator or arbitrators to be appointed by the parties concerned in accordance with the applicable statutory provisions in force. The making of an award shall be a condition precedent to any right of action against the Insurer to recover such amount in dispute.

14. No Rights to Other Persons

Unless otherwise provided, nothing in this insurance shall give rights to any person other than the named Insured. Any extensions providing indemnity to any person other than the Insured shall not give any right 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 insurers.

General Exclusions

1. Asbestos Exclusion

It is hereby understood and agreed that this Contract shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses 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 quality.

2. Avian influenza Exclusion

This Policy does not cover any claim in respect of loss:

- 2.1 directly or indirectly caused by, happening through, in consequence of or contributed to by Avian Influenza or any mutant variation thereof.
- 2.2 arising from any fear or threat (whether actual or perceived) of such Avian Influenza.
- 2.3 directly or indirectly caused by, resulting from or in connection with any action taken
in controlling, preventing, suppressing or in any way relating to any outbreak of such Avian Influenza.

If the Insurers allege that by reason of this exclusion, any claim is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

3. Computer Loss Exclusion

Notwithstanding any provision of this Policy including any specific exclusion or extension or other provision not included herein which would otherwise override a General Exception, this Policy does not cover:

- 3.1 loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- 3.2 any legal liability of whatsoever nature;
- 3.3 any consequential loss;

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

1. 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
2. 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

3. 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
4. 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 unauthorised 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 Exclusion

- 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 or indemnified by the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor sections (if included) is not excluded by this General Exception.
- 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) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake or volcanic eruption;
 - c) in the underground workings of any mine;
 - d) in the open (other than buildings }
structures and plant designed to exist } Unless so described
or operate in the open); } and specifically insured
 - e) in any structure not completely } as a separate item
roofed; }
 - f) being retaining walls;
 2. aircraft and other aerial devices or articles dropped therefrom;
 3. impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

These special perils do not cover wear and tear or gradual deterioration.
- C. The above General Exception also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in A above.

- D. This Special Extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Loss General Exception and this Special Extension.

4. Electronic Data Exclusion

4.1 Electronic Data

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- 4.1.1 This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of **electronic data** from any cause whatsoever (including but not limited to **computer virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **Computer virus** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- 4.1.2 However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

4.2 Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the **electronic data** from back-up or from originals of a previous generation.

These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **electronic data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such **electronic data** to the Assured or any other party, even if such **electronic data** cannot be recreated, gathered or assembled.

5. Mould and Fungi Exclusion

- 5.1 This Policy only insures Damage by mould, mildew, fungus or spores to insured Property when directly caused by Damage to Insured Property during the Period of Insurance by Insured Events that fall under Section A- Property Damage.

This coverage is subject to all limitations of this policy and in, addition, to each of the following specific limitations:

5.1.1 The said property must be otherwise insured for Damage by that Listed Peril.

5.1.2 The Insured must report to the insurer the existence and cost of the Damage by mould, mildew, fungus or spores as soon as practicable, but no later than six (6) months after the listed peril first caused any damage to such insured property during the period of insurance. This Policy does not insure and damage by mould, mildew, fungus or spores first reports to the insurer after that six (6) month period.

- 5.2 Except as set forth in the foregoing Part 5.1 of this General Exclusion, this Policy does not insure any loss, damage, claim, cost, expense, or other sum directly or indirectly arising out of or relating to mould, mildew, fungus or spores of any type, nature or description.

However, Damage caused by a peril not otherwise excluded resulting from the presence of mould, mildew, fungus or spores is not hereby excluded.

6. Nuclear Energy Risks Exclusion.

This Policy does not cover any Nuclear Energy Risks whether such risks are written directly and/or by way of reinsurance and/or via Pools and/or Associations.

For all purposes of this Policy, Nuclear Energy Risks shall mean all first and/or third party insurances or reinsurances (other than Workers' Compensation and Employers' Liability) in respect of:

6.1 All Property on the site of a nuclear power station. Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.

6.2 All Property, on any site (including but not limited to the sites referred to in 6.1 above used or having been used for:

6.2.1 the generation or nuclear energy or

6.2.2 the production, use or storage of nuclear material.

- 6.3 Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- 6.4 The supply of goods and services to any of the sites, described in 6.1 to 6.3, above unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.
- Except, as undernoted, Nuclear Energy Risks shall not include:
1. Any insurance or reinsurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning or Property as described in 6.1 to 6.3 above (including contractors' plant and equipment).
 2. Any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of 6.1 above.

Provided always that such insurance or reinsurance shall exclude the perils or irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:-

- 1 The provision of any insurance or reinsurance whatsoever in respect of:-
 - 1.1 Nuclear Material;
 - 1.2 Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or for reactor installations – as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
- 2 The provision of any insurance or reinsurance for the under-noted perils:-
 - Fire, lightning, explosion;
 - Earthquake;
 - Aircraft and other aerial devices or articles dropped there from;
 - Irradiation and radioactive contamination;

Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association; in respect of any other Property not specified in (1) above which directly involves the production, use or storage of Nuclear material as from the introduction of Nuclear Material into such Property.

Definitions:

“Nuclear Material” means Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material;

and

“Radioactive Products or Waste” means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which

have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

“Nuclear Installation” means:

1. Any Nuclear Reactor;
2. Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
3. Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

“Nuclear Reactor” means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without any additional source of neutrons.

“Production, use or storage of Nuclear Material” means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

“Property” shall mean all land, buildings, structures, plant equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

“High Radioactivity Zone or Area” means:

1. For Nuclear Power Stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store;
and
2. For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

7. Pollution and Contamination Exclusion

This policy does not cover:

7.1 Material Damage

Loss or destruction or damage caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured, not otherwise excluded, caused by:-

7.1.1 pollution or contamination which itself results from an Insured Event

7.1.2 an Insured event which itself results from pollution or contamination

7.2 Consequential Loss

Loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the

Insured at the Premises for the purpose of the Business, not otherwise excluded, caused by:-

7.2.1 pollution or contamination which itself results from an Insured Event

7.2.2 an Insured event which itself results from pollution or contamination

This coverage is subject to all limitations of the Policy

8. Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion

This exclusion shall be paramount and shall override anything contained in this insurance inconsistent therewith:

8.1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:-

8.1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

8.1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

8.1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

8.1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

8.1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

9. Seepage, Pollution and Contamination

This Policy does not cover any liability in respect of:

1. Loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph shall not apply to loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is a consequence or the sudden unintended and unexpected physical operation of one and the same manifestation of an original insured peril otherwise covered under this Contract.

2. The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is a consequence of the sudden, unintended and unexpected physical

operation of one and the same manifestation of an original insured peril otherwise covered under this Contract.

10. War, Terrorism & Riot Exclusion

This Policy does not cover:

- 10.1 Loss of or damage to property related to or caused by:-
 - 10.1.1 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;
 - 10.1.2 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - 10.1.3
 - 10.1.3.1 mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
 - 10.1.3.2 insurrection, rebellion or revolution;
 - 10.1.4 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;
 - 10.1.5 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
 - 10.1.6 any attempt to perform any act referred to in clause 10.1.4 or 10.1.5 above;
 - 10.1.7 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause 10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5 or 10.1.6 above.

If the Insurers allege that by reason of clause 10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6 or 10.1.7 of this General Exclusion, loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on the Insured.
- 10.2 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 War Damage Insurance and Compensation Act, 1976 [No. 85 of 1976] (Republic of South Africa) or any similar Act in any territory to which this Policy applies.
- 10.3 Notwithstanding any provision of this Policy including any exclusion, exception or extension or other provision not included herein which would

otherwise override a general exclusion 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 10.3 of this General Exclusion, 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 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.

This policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Insurers allege that, by reason of clause 10.3 of this General Exclusion, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured

11. Transmission and Distribution Lines Exclusion

All above ground transmission and distribution lines, including wire, cables, poles, pylons, standards, towers, other supporting structures and any equipment of any type which may be attendant to such installations of any description, for the purpose of transmission and distribution of electrical power, telephone or telegraph or telegraph signals, and all communication signals whether audio or visual.

This exclusion applies to all equipment other than those on or within **150 meters** from the insured structure.

This exclusion applies both to physical loss or damage to the equipment and all business interruption, consequential loss, and/or other contingent losses related to transmission and distribution lines, other than contingent property damage/business interruption losses (including expenses), arising from loss and/or damage to lines of third parties.

12. War and Civil War Exclusion

Notwithstanding anything to the contrary contained herein, this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

13. Terrorism Exclusion

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

14. Consequential loss

The material damage section of this policy does not insure delay, loss of market or consequential loss of any description, other than as specifically provided for.

General Extensions

1. Claims Preparation Costs

This insurance covers costs and expenses incurred with the knowledge and consent of Insurer in producing and certifying any particulars or details required by the Insurer in terms of General Condition 3 or to substantiate the amount of any valid claim, provided that the Insurer's liability in respect of any one claim shall not exceed the limit stated in the Schedule.

2. Acquisitions and Divestments

2.1 Difference in Conditions

This insurance will cover any difference in scope of cover and limits of indemnity between the terms of the current insurance arrangements of any new acquisition or entity merged with the Insured hereinafter referred to as an "acquisition", and the cover applying to the Insured in terms of this Policy, provided that:

1. the period of cover will be from the date of the letter of intent provided by the Insured;
2. the liability of the Insurer shall not exceed the Limits of Liability applying to this Policy;
3. the Property and Business Interruption values of such acquisitions shall be determined in accordance with the Insured's basis of declaration;
4. the Insurer reserves the option to amend cover afforded to acquisitions which are based in countries or locations that have special risk exposures which require the Insurer to follow local practice in terms of the scope of cover offered. Should the acquisitions be in a territory where certain perils are automatically not insured by the local market, then such perils will in likewise manner not be insured hereunder;
5. this Policy will not be called into contribution with any existing policy held by such acquisition;
6. this Policy will not pay for shortfall as a result of the application of average or in respect of any first amount payable in terms of such insurance.

In the event of a claim occurring during the initial period, it will only be paid once a final decision has been taken by the Insured to conclude the acquisition.

2.2 Automatic Inclusion – Primary Insurance

Subject otherwise to the terms and conditions of the Policy, this insurance automatically extends to include the interests and property, in respect of which there is no existing insurance, of any new acquisition or new entity formed by or merged with the Insured hereinafter referred to an "acquisition", subject to the following premium considerations:

1. Acquisition with - Business activities similar to those insured
 - 1.1 If the total Property and Business Interruptions values are no greater than the limit for this Extension stated in the Specification, no premium will be paid for the pro rata period commencing from the attachment date up to renewal date.
 - 1.2 If the total Property and Business Interruption values exceed the limit for Acquisitions stated in the Specification a premium is to be agreed for period commencing from attachment date of the cover up to the renewal date.

2.3 Acquisition with - Business activities not similar to those insured

An additional premium will be required by the Insurer for the pro rata period commencing from the attachment date of the cover up to renewal date irrespective of the Property and Business Interruption values.

If the Insured decides not to conclude the acquisition the cover which applied for the interim period becomes void and no premium will be paid for such interim period irrespective of the total Property Damage and Business Interruption values.

2.4 Divestments

In the event of divestment where the total Property and Business Interruption values exceed the limit for Acquisitions stated in the Specification, the Insured shall be entitled to a pro rata refund of premium from the date of such divestment until expiry of the Period of Insurance.

3. Difference in Conditions and Difference in Limits

In respect of operations in territories outside of the Republic of South Africa this Policy covers any difference in the scope of cover and the limits of indemnity between the insurances existing in those territories and that provided by this Policy, provided that the minimum amount of the underlying insurance shall not be, or deemed to be, less than the amount stated in the Specification and the liability of the Insurer shall only attach in excess of such stated amount.

Where any limit in any Section is referred to as a combined limit, any claim under this extension shall also be dealt with on the basis of a combined limit.

The insurance provided by this Policy is not to apply as contributing to that part of any loss which is insured or is required to be borne by the Insured under a local policy.

Any decision of the underlying insurer to accept a claim "ex gratia" or "without prejudice" shall not be binding on the Insurer.

No action or decision of the underlying insurer which prejudices the Insurer in the conduct or settlement of any claim under this Policy shall be binding on Insurer

If no insurance of the class insured in terms of this policy is purchased locally provided that cover is not available, this policy shall act as primary insurance subject

to a self-insured retention of the difference in conditions deductible stated in the specifications or the equivalent in the local currency.

4. Capital Additions

This insurance automatically covers alterations, improvements and additions (but not appreciation in value) to the property insured hereby, provided the value thereof does not exceed the limit stated in the specifications.

5. Guarantees and Warranties

Subject to the basis of indemnification of each section, in the event of damage by an event or by an insured peril to the insured property which is still the subject of a supplier's manufacture's guarantee or warranty, the repair, replacement or reinstatement of such property shall include everything reasonably necessary to preserve all benefit under such residual guarantee or warranty, provided that the total amount recoverable shall not exceed the sum insured or limit of indemnity of the particular section or item as the case may be.

General Memoranda

1. Waiver of Rights

- 1.1 In the event of any rights of recovery having been waived by the Insured under a contract, agreement, lease or other undertaking entered into in the ordinary course of business, this insurance shall not be prejudiced thereby provided such waiver has occurred and is evidenced in writing prior to the loss or damage.
- 1.2 In the event of a claim arising under this insurance, the Insurer agrees, at the request of the Insured, to waive any rights, remedies or relief to which they might become entitled by subrogation (but only in excess of the amount recoverable under any policy providing indemnity for liability to third parties) against :
 - 1.2.1 any company standing in relation to the Insured of holding company to subsidiary or controlled company.
 - 1.2.2 any company standing in relation to the Insured of subsidiary or controlled company to holding company.
 - 1.2.3 any company which is a subsidiary or controlled company of the same holding company of which the Insured are themselves a subsidiary or controlled company as defined in any applicable legislation.
 - 1.2.4 any director or employee of the Insured or member of their families unless the loss or damage has been caused by the wilful act or dishonesty of such person.
 - 1.2.5 any company forming part of a joint venture with the Insured when the Insured has assumed responsibility for insurance.

2. Breach of Conditions

The breach of any Terms or Conditions of this Policy shall void the Policy in respect only of that portion of the Insured Property or that Section to which the breach applies and not in respect of the remainder of the property or Sections of the Policy.

3. Recoveries

All recoveries shall be applied as if recovered prior to any settlement by the Insurer.

4. Value Added Tax

To the extent that the insured is accountable to the Tax Authorities for the Value Added Tax in respect of this policy, the insurer will include the amount of such tax in the final settlement of any claim under this policy, provided that the insurer's liability shall not exceed the applicable Limit of Liability

5. **Interest of Others**

The interests (in terms of various agreements entered into by the Insured) of others including, but not limited to, mortgagees, lessors and owners of certain Property insured by this Policy are hereby noted, provided they are notified to the Insurer.

6. **Payments on Account**

In the event of a claim arising, the Insurer having accepted the claim, the Insurer will make payments on account to the Insured if required.

7. **72 Hour Provision**

It is understood and agreed that all loss of or damage to property occurring during any one period of 72 consecutive hours directly caused by cyclone, hurricane, typhoon, windstorm, rainstorm, hailstorm, tornado, earthquake, seaquake, tidal wave and/or volcanic eruption shall be deemed to have been caused by a single event and therefore to constitute one loss for the purpose of this Policy, if such peril is insured in terms of this Policy. Whatever period of 72 consecutive hours is used for the purpose of this clause shall also be used for the purpose of any Deductible provisions in this Policy.

At the option of the Insured an event which continues uninterrupted for a period exceeding 72 hours shall not, however, be regarded as more than one Occurrence for the purposes of both the indemnity limit and the application of the Deductible.

Should any loss referred to above commence prior to expiration and extend beyond the expiration date of this Policy, the Insurer shall pay all such loss as if occurring entirely within the term of this Policy.

The Insurer shall not be liable, however, for any loss occurring before the inception date and time or commencing after the expiration date and time of this Policy.

8. **Jurisdiction Clause**

Any dispute, concerning the interpretation of the terms, Conditions, Limitations and/or Exclusions contained herein, is understood and agreed by both the Insured and the Insurer to be subject to the courts and law of the Republic of South Africa.

9. **Automatic Reinstatement of Limit after Loss**

(not applicable to stock on declaration basis nor to any section where it is stated to be not applicable).

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 the later) to expiry of the period of insurance.

10. **Joint Ventures**

The definition of the Insured is extended to include any joint venture in which the Insured has an interest. Indemnity will apply provided that:

- 10.1 the Insured has sole responsibility for the joint venture and provided that the value of all property of the joint venture to be insured is declared to Insurers; or
- 10.2 the Insured is contractually obligated to provide insurance such as is afforded by this Policy for the joint venture in its entirety provided that the value of all property of the joint venture to be insured is declared to Insurers; or
- 10.3 where insurance, as provided in terms of this Policy, is separately purchased on behalf of the joint venture, this Policy will indemnify the Insured named in the General Schedule for its percentage share in the joint venture only in respect of any shortfall in terms of the limit of indemnity between such separately purchased insurance and that provided in terms of this Policy;
- 10.4 where insurance, as provided in terms of this Policy, is not separately purchased on behalf of the joint venture, this Policy will indemnify the Insured named in the General Schedule for its percentage share in the joint venture only, in respect of any loss subject to the terms, Indemnity Limits and Deductibles of this Policy.

11. **Voidability of Cover**

This policy shall be void, except with the written agreement of the insurer, if the Business be wound up or carried on by a liquidator or judicial manager or is permanently discontinued.

12. **Accounts**

Any particular or details contained in the Insured's books of accounts or other business or documents which may be required by insurers for the purpose of investigating or certifying any claims may be produced and certified by the insured's auditors or accounts and their certificate shall be prima facie evidence of the particulars and details to which such certificates relates.

13. **Co-Insurers Agreement**

By participating in this policy, subscribing insurers hereby agree to follow and be bound by the Lead Insurer in all matters relating to acceptance of liability or settlement of claims and shall pay them proportion share of any claim when requested to do so. However, this agreement shall not bind subscribing insured to follow any repudiation of liability or payment of any claim on an ex gratia basis by the lead insurer.

Section A- Property Damage

Insured Events:

Damage to Insured Property, Money or Documents by any cause

1. not expressly excluded, and
2. where the words 'Insured' appear in the Schedule against any specific form of cover.
3. where it is indicated in the Schedule that the insurance by a clause or extension is included

Definitions:

1. Insured Property shall mean all real and personal, tangible property of every description belonging to the Insured or held by them in trust and/or on commission and/or for which they are responsible within the Territorial Limits including whilst in Transit and includes personal effects, the property of the Insured's directors and employees travelling on the business of the insured anywhere in the world provided that such personal effects are not otherwise insured.

For the purpose of determining where property is insured, the Insurer agrees to accept the designation under which such property has been entered in the Insured's books.

The following property is not covered:

- 1.1 Bullion.
- 1.2 Precious and semi-precious stones, Kruger Rands and similar coins, rare books, jewellery, gold and furs not forming part of the Insured's stock in trade and not excluding such items held for the purpose of staff presentations.
- 1.3 Motor vehicles, not being stock in trade, mobile plant and other mechanically or electrically propelled vehicles and trailers but this exclusion does not apply to lawnmowers, forklifts and mechanically propelled plant operated on or about the premises.
- 1.4 Locomotives, railway rolling stock, railway sidings, railway lines unless they are the Insured's own property or for which they are responsible, in which event cover is restricted to damage by a peril listed under the Fire and Allied Perils definition.
- 1.5 Dams, dam walls, dam contents and reservoirs other than tanks nor forming part of any sprinkler system.
- 1.6 Canals, pipelines, tunnels and bridges, but this exclusion shall not apply to Damage by a peril included in Definition 2, 3, (if insured) and 5 provided it is on insured property

- 1.7 Land which term shall include earthworks, top soil, backfill, drainage or culverts other than landscaped gardens and sport grounds.
- 1.8 Property in the course of construction, erection, dismantling or testing including materials and supplies therefor, provided that this exclusion shall not apply to any section of such incomplete property which has been handed over for use by the Insured.
- 1.9 Property in the possession of customers under rental agreements, or hire purchase, credit or other suspensive sale agreements but not excluding consignment stocks.
- 1.10 Aircraft.
- 1.11 Watercraft
- 1.12 Explosives
- 1.13 Property more specifically insured
- 1.14 Docks, piers, wharves, runways, driveways, pavements, roads other than by a peril included in Definition 2.
- 1.15 Radioactive materials.
- 1.16 Animals, birds, livestock.
- 1.17 Overhead transmission and distribution lines and their supporting structures other than those on or within 150 metres of the Insured's premises.
- 1.18 Oil rigs.
- 1.19 Growing or felled timber, growing crops, saplings or seedlings.
- 1.20 Property which at the time of Damage is, or would but for the existence of this Policy be, insured by any marine policy except in respect of any excess beyond the amount which would have been payable under such marine policy had this Policy not been in force, other than any Deductible.

Fire and Allied Perils shall mean:

- 2.1 Fire, lightning, explosion, implosion, smoke including fumes and gases.
- 2.2 Volcanic eruption, earthquake, including earth tremor arising from mining operations.
- 2.3 Malicious Damage as further defined.
- 2.4 Storm, wind, water (including flood), hail or snow.
- 2.5 Aircraft or other aerial devices or articles dropped therefrom.
- 2.6 Impact by animals or vehicles, including railway locomotives, rolling stock or articles dropped therefrom, satellite dishes or antennae.

- 2.7 Spontaneous fermentation, spontaneous heating or combustion, charring.
- 2.8 Falling trees or parts thereof.
- 2.9 Acts of any lawfully constituted authorities in dealing with occurrences referred to in 2.1 to 2.8 above.
- 2.10 Power surge arising from lightning, electricity power-sharing, “spiking” as a result of load-shedding, provided that the insurer’s liability shall not exceed the amount stated in the schedule.
- 2.11 Contamination of the Insured Property arising out of Damage which results from any peril listed in 2.1 to 2.10 above.

Subsidence and Landslip shall mean: movement, heave or sinking of ground upon which Insured Property or structures containing Insured Property are located.

Accidental Damage shall mean: accidental physical loss, destruction or damage by any cause including discharge or leakage from tanks, pipes, apparatus or fire extinguishing equipment, which shall include Damage to such items or their contents, not initiated by Fire or Allied Perils, other than as described under Fire and Allied Perils, Subsidence and Landslip or Theft and not otherwise excluded.

Malicious Damage shall mean:

Loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage, other than loss of or damage to:

1. movable property which is—
 - 1.1 stolen
 - 1.2 damaged in an attempt to remove it or part of it from any premises owned or occupied by the policyholder.
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the policyholder.
3. immovable property owned or occupied by the policyholder occasioned by or through or in consequence of—
 - 3.1 the removal or partial removal or any attempt thereat or
 - 3.2 the demolition or partial demolition or any attempt thereat of the said immovable property or any part thereof with the intention of stealing any part thereof

Provided that this extension does not cover:

- a) Loss or damage related to or caused by fire or explosion.
- 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 Exceptions A(i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppression 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 policy, the burden of proving the contrary shall rest on the policyholder.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, the insurance in respect of the extension is suspended as regards the property affected unless the policyholder before the occurrence of any damage obtains the written agreement of the company to continue this extension.

During the period of the initial unoccupancy of 30 consecutive days, the policyholder shall become a co-Insurer with the company and shall bear a proportion of any damage equal to 20 percent of the claim before deduction of any first amount payable.

Theft shall mean: Loss of or damage by theft (or similar unlawful acts) or any attempt thereof, but excluding unattended property left outside any building or enclosed area.

Money shall mean: cash, bank and currency notes, cheques, travellers' cheques, crossed cheques, postal orders, money orders, current postage and revenue stamps, U.I.F. stamps, embossed stamps, credit card vouchers, smart cards, scratch cards, airtime vouchers, phone sim cards, coupons, credit cards, casino chips, saving certificates, bills of exchange, promissory notes, securities for money, gift vouchers, stock and share certificates and/or other documents and/or instruments of a negotiable nature, the property of the Insured or for which they are responsible.

Documents shall mean: films, photographs, tapes, computer systems records, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the Insured in the business and owned by them or for which they are responsible excluding Money.

The Insurer's liability in respect of Documents is limited to the value of the materials as stationery together with the cost of clerical labour expended in writing up but in no event shall the Insurer be liable in respect of the value to the Insured of the information contained therein.

Transit shall mean: the physical relocation of Insured Property other than by sea or international flight, within the Territorial Limits including loading, unloading, and storage or deviations on route unless otherwise specifically insured for such transit.

In respect of Insured Property in Transit the Insurer will also pay reasonable costs incurred by the Insured in:

- 9.1 Reloading onto a road vehicle, Insured Property which has fallen off.
- 9.2 The transfer of Insured Property to another vehicle for final delivery to the original destination or return to the place of despatch necessitated by fire, collision or overturning of any road vehicle operated by or on behalf of the Insured.
- 9.3 The removal of debris and site clearance consequent upon the destruction of or damage to the Insured Property.

For the purposes of this definition, Transit shall not mean the routine conveyance of portable equipment and personal possessions normally carried about the person or by an individual or the relocation of the Insured Property within the Insured's premises.

Specific Exclusions:

This Section does not cover Damage to Insured Property:

1. resulting from any peril stated in the Schedule to be specifically excluded.
2. due to storm, wind, water (including flood), hail or snow:
 - 2.1 in the open, other than buildings, structures and plant designed to exist or operate in the open or in Transit.
3. being vehicles, plant or mobile equipment or to property in or on such vehicles.
4. due to Subsidence and Landslip caused by or attributable to:
 - 4.1 faulty design or construction of or the removal or weakening of support, to any building situated at the Insured premises.
 - 4.2 workmen engaged in making any structural alterations, additions or repairs to any building situated at the Insured's premises.
 - 4.3 excavation on or under land other than excavation in the course of mining operations.
 - 4.4 or occasioned by the settlement or movement of made up ground or by coastal or river erosion.
 - 4.5 consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

In any action, suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

5. caused by drought.
6. damage caused by material breakout/ solidification, unless where applicable caused by an event not otherwise excluded and provided that damage caused by a peril not otherwise excluded resulting from the aforementioned is not hereby excluded
7. constituting only denting, scratching, chipping or cracking and not affecting the operation of the insured property.
8. caused by:
 - 8.1 wear and tear or gradual deterioration.
 - 8.2 shrinkage, loss of weight or evaporation.
 - 8.3 colour, texture or flavour change.
 - 8.4 inherent vice or latent defect.
 - 8.5 exposure to light.
 - 8.6 its undergoing any form of processing.
 - 8.7 its undergoing any process of heating or drying.
 - 8.8 the solidification of molten material.
 - 8.9 water as a consequence of the insured property undergoing any process necessarily involving the use or application of water.
 - 8.10 contamination.
 - 8.11 dampness in atmosphere, rusting, corrosion, wet or dry rot, mildew, mold, fungi.
 - 8.12 its own settling, cracking, expansion, collapse or bulging of buildings and structures other than shelving and storage platforms.
 - 8.13 the removal or weakening of its support.
 - 8.14 vermin, insects.
 - 8.15 its own electrical, electronic or mechanical derangement or breakdown.
 - 8.16 due to defective materials or defective workmanship or faults, defects, errors or omissions in design, plan or specification.unless, where appropriate, specifically included and stated in the policy or its schedule and not caused by an event not otherwise excluded
9. any loss, damage, cost or expense directly or indirectly arising from detention, confiscation, forfeiture, impounding or requisition legally carried out by

customs, SA Police Services, crime prevention units or other officials or authorities.

10. due to the Insured voluntarily parting with title to or possession of any property or being induced to do so by any fraudulent schemes, tricks, devices or false pretences.
11. due to theft from any unattended vehicle in the custody or control of the Insured unless the property is contained in a completely closed or securely locked portion of the vehicle or the vehicle itself is housed in a securely locked building.
12. the result of fraud or dishonesty of directors, employees, partners, trustees or committee members of the Insured other than the loss of Money discovered within 14 days of its theft.
13. due to clerical or accounting error or omission.
14. by disappearance or by shortage where such loss is revealed only by a routine inventory or periodic stocktaking.
15. damaged by the deliberate withholding by the supply authority of water, electricity, gas, fuel, steam or refrigerant.

Specific Clauses:

1. Protection (Theft from premises)

It is a condition to liability of the Company that a burglar alarm shall be installed at the insured premises and such burglar alarm shall be made fully operative whenever the premises are not open for business unless a principal partner, director or employee of the insured is on the premises.

2. Money in Safe Limits

In respect of any safe or strongroom the limit shall be according to the grading of such safe or strongroom as follows:

a) No SABS grading	R5 000
b) SABS category 1 grading	R10 000
c) SABS category 2 grading	R20 000
d) SABS category 2 HD grading D3	R40 000
e) SABS category 2 ADM grading	R100 000
f) SABS category 2 ADM grading D3	R125 000
g) SABS category 3 grading	R175 000
h) SABS category 4 grading	R350 000
i) SABS category 5 grading	R500 000

3. Money in Transit Warranty

It is a condition precedent to liability that any transport of money as defined in excess of R25,000 shall be by a recognised and professional cash carrier.

4. Money in Transit - Uninterrupted Transit Warranty

It is a condition precedent to liability that any transport of money as defined being transported to or from the premises of the insured as stated in the schedule to any bank by the insured shall be uninterrupted.

5. Brands and Labels:

In the event of damage to Insured Property carrying a brand name, trade mark or label or where the sale of such property in any way carries a guarantee or where the sale of such property might have an adverse effect upon the market value of similar property, this insurance extends to include the cost of removing all such brand names, trademarks, labels or guarantees before disposal and determination of the value of the salvage. It is further agreed that, in respect of any containers from which the brand name, trade mark, label or guarantee cannot be removed, the contents shall be removed to plain containers.

In the event of damage to labels or names, the amount payable shall be the cost of relabelling or reconditioning the property.

6. Destruction of Salvage: (Applicable to Stock-In-Trade)

The Insurer will pay a total loss under this insurance on any item of stock in trade which is damaged by an Insured Event and which the Insured elects in consultation with the Insurer to destroy, but in the event of the Insured electing to recondition the damaged property, the Insurer shall be entitled to deduct the salvage value from the settlement amount.

7. Disposal of Salvage:

The Insurers agree they will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the written consent of the Insured provided that the Insured can show to the satisfaction of the Insurer that to do so would be prejudicial to their interests, in which event the Insured agrees to allow the Insurer to deduct from the amount of the claim an amount equivalent to the intrinsic value of any such property to the Insured and the Insured will retain such salvage.

8. Reinstatement Conditions: (Applicable to Stock-In-Trade)

Notwithstanding anything contained in this Policy to the contrary in the event of damage to stock, the basis of indemnification shall be the cost to the Insured for stock and materials in trade at the time of replacement, including delivery to the place where such damage occurred, provided that :

- 8.1 The total value of stock is determined on reasonable estimates of replacement costs.

- 8.2 An order for replacement of stock lost or damaged is placed as soon as practicable unless otherwise instructed by the Insurer.

9. Reinstatement Conditions:

(Not applicable to Mobile Plant (other than forklift trucks) and Mobile Machinery, stock-in-trade, motor vehicles, works of art and library items)

- 9.1 Unless otherwise stated in respect of any specific property, in the event of Damage the basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the property lost, destroyed or damaged which for the purposes of this Clause shall mean the rebuilding or replacement of the Insured Property by new, similar property acceptable to the Insured (the cost of replacement shall be the new installed cost of the property at the time of replacement, including installation costs and all expenses incurred in connection therewith) to a condition equal to but not more extensive than nor superior to the Insured Property when new.
- 9.2 The work of 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 Insurers not being thereby increased) must be commenced and carried out with reasonable despatch.
- 9.3 The Insured shall have the right to decide whether or not property shall be reinstated following Damage provided that the liability of the Insurers in respect of Insured Property not reinstated shall be the installed new replacement value of such Property less equitable deduction for depreciation commensurate with the age and usage of the Damaged Property at the time of the Damage applied to such new replacement value.

10. Fire Protection or Security Installation Inoperative:

This insurance shall not be prejudiced in the event of any automatic fire protection or security installation being temporarily inoperative for the purpose of maintenance, repair or alteration to the premises provided that in such event cover shall not apply for a period exceeding 14 days unless the Insurer has agreed thereto.

11. Replacement Capacity Conditions: (Not applicable to mobile plant and mobile machinery)

Unless otherwise stated in respect of any specific property, if this insurance includes property other than mobile plant and mobile machinery which has a measurable function, capability or output and which is capable of replacement with a new item or items with similar capability or output then, at the option of the Insured, such property shall be valued for insurance purposes as follows and the values for settlement of any loss or damage in respect thereof shall be on the same basis:

- 11.1 If the property lost or damaged is to be replaced by an item or items which have the same or lesser total function, capability or output, then

the insurable value thereof shall be the new installed cost of such replacement item or items as would give the same total function, capability or output as the property lost or damaged.

11.2 If the property lost or damaged is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of the property lost or damaged then no deductions shall be made from any claim for the improved function, capability or output of the replacement property.

11.3 If the property lost or damaged is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the property lost or damaged, then the insurable value of such property lost or damaged is either:

11.3.1 the estimated cost of reinstatement of such property lost or damaged as defined in the Reinstatement Conditions Clause;

or

11.3.2 that portion of the new installed cost of the replacement item or items which the output of the property lost or damaged bears to the output of the replacement item or items;

whichever is the lesser.

The difference between the insurable value as defined and the new installed cost of the replacement item or items shall be borne by the Insured

provided that

11.3.3 in the event of partial loss or damage where the property is to be repaired, this insurance shall pay the cost of restoration of the property to a condition substantially the same as but not better or more extensive than its condition when new but the liability of the Insurer shall not exceed the sum representing the cost which the Insurer would have been called upon to pay if such Insured Property had been wholly destroyed.

12. Basis of Indemnity in Respect of Mobile Plant and Mobile Machinery:

12.1 Where the market value of the item immediately prior to Damage is equal to or greater than 60% of the new replacement value:

12.1.1 in the event of total loss or destruction, the rebuilding or replacement of the Insured Property by new, similar property acceptable to the Insured, the cost of replacement shall be the new cost of the property at the

time of replacement, including all costs and expenses incurred in connection therewith

12.1.2 in the event of partial damage, the repair of such damage.

12.2 Where the market value of the item immediately prior to Damage is less than 60% of the new replacement value:

12.2.1 in the event of total loss or destruction, the market value immediately prior to Damage.

12.2.2 in the event of partial damage, the repair of such damage. However the Insurers shall not be liable for any amount exceeding the market value of the item immediately prior to Damage.

13. Deterioration/Obsolescence of undamaged stock and equipment:

The insurance under this item is limited to (i) the deterioration of undamaged stocks due to the Insured's inability to process such stocks or (ii) undamaged equipment and / or spare parts becoming obsolete following an insured event under this Section provided

that:

(a) such stocks would have been utilised by the Business had the insured event not occurred

(b) such stocks cannot be utilised before or, so far as can reasonably be foreseen, after the expiry of two years from the date of the occurrence

(c) the amount payable as indemnity hereunder shall be limited to the actual purchase costs incurred by the Insured for such stocks or, the manufacturing costs actually incurred by the Insured in producing such stocks up until the occurrence of the insured event, less, if the goods are sold for salvage, the net amount realised from such sale.

14. Deterioration of Stock Extension: (if stated in a schedule to be included)

Notwithstanding anything contained herein to the contrary, it is hereby agreed that in the event of deterioration of stock in trade in any refrigeration unit or deep-freezer at the premises occupied by the insured caused by:

(i) accidental, unforeseen and sudden physical damage to the refrigeration machinery

(ii) failure of power from any accidental cause, except shortage of fuel or water at any power station or drought

(iii) contamination by refrigeration fumes arising as a direct result of unforeseen and sudden physical damage to the refrigeration machinery.

The Company will indemnify the insured for loss of such stock in trade not exceeding the amount specified in the schedule in respect of each and every claim. The Company will not be responsible for the first 10%, minimum R250 of each and every claim.

15. Expenses in reinstating office records:

The cover provided by this policy includes all costs, charges and expenses incurred by the insured in replacing or restoring any documents, manuscripts, business books, plans, designs and specifications in consequence of such items being lost or damaged by a defined event.

The maximum liability of the company for any one event or series of events attributable to one original cause shall not exceed the limit shown in the schedule.

16. Replacement of locks and keys:

In addition to the limits of liability this section includes the costs and expenses reasonably and necessarily incurred as a direct consequence of the loss of any keys, including any remote alarm controller and, if necessary, the reprogramming of any coded alarm system, to the insured's premises including the cost of replacing locks or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key and / or alarm controller

17. Tenants Clause:

This insurance shall not be invalidated by any act or neglect on the part of any tenant (or subtenant of such tenant) other than the Insured (where the Insured owns a building) or another tenant or the owner of the building (where the Insured is a tenant) occurring without the knowledge of the Insured as landlord or tenant provided that notice be given to the Insurer as soon as reasonably practicable after the Insured become aware of same.

18. Mortgagee:

Any act or omission on the part of the mortgagor occurring without the mortgagee's knowledge shall not prejudice the interest of any mortgagee in this insurance. The mortgagee shall, however, inform the Insurer as soon as any such act or omission comes to its knowledge.

19. Constructive Total Loss:

In the event of damaged or undamaged equipment or other property insured in terms of this Policy becoming inaccessible due to the operation of an event not excluded by this Policy, the Insurer agrees to pay the Reinstatement Value of such property or on the agreed basis of settlement as appropriate, except for property not replaced, in which event the Insurers will pay the actual cash value for such property. In the event of the property/equipment being subsequently recovered the salvage will be the property of the Insurers.

20. Designation of Property:

For the purpose of determining the existence or location of Insured Property, Insurers agree to accept the record of such property entered in the books accounts (Assets register) or to which the Insured's auditors and accountants have given certification as to the existence of such property at the time of loss together with the purchase price or value thereof.

21. Construction:

Unless otherwise stated the buildings referred to herein or In any endorsement hereto are constructed of brick stone or concrete and roofed with slates tiles metal concrete or asbestos.

22. Indemnity to Rail Service Provider/Transnet:

The signing by the Insured of an indemnity to any provider of rail services or the acceptance of any special conditions relating to traffic consigned to a private siding shall not invalidate this insurance.

23. Functional Unit:

In the event of Loss or Destruction of part of any combination of separate items of insured property comprising a functional unit, whether the items are at the same location or not, which renders the remaining part or parts of the unit unusable, Insurers agree to indemnify the Insured for the full value of such functional unit.

24. Temporary Removal:

Except insofar as it is otherwise insured the Property Insured is covered whilst temporarily removed elsewhere on the premises stated in The Schedule or to any other premises including transport by road, rail or inland waterway anywhere within the territorial limits as stated in The Schedule. Provided that the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on that premises from which the property is temporarily removed.

25. Valuation of Works of Art, Historical Documents and Manuscripts:

The basis for the application of average and for the settlement of any loss or damage in respect of works of art, historical documents and manuscripts shall be the value as certified by a professional valour prior to loss.

26. Valuation of Library Items:

The basis of valuation and loss settlement in respect of loss or damage to library items which term shall exclude historical documents and manuscripts is to be calculated as follows:

The aggregate price paid for all items purchased in the year prior to the period of insurance divided by the number of items purchased in such year multiplied by the total number of items in the library at the time of the loss or damage plus 30%.

Should the sum insured be greater than the average value required in respect of a book or periodical then its existence and replacement or intrinsic value must be substantiated by verifiable documentary evidence from a recognized or professional source.

In addition, this insurance also covers costs and expenses incurred in re-indexing as a result of loss or damage.

Specific Conditions:

Average Clause: (Applicable only to Property Damaged by Fire + Allied Perils or Accidental Damage (if not on First Loss Basis))

If the Insured Property shall, at the commencement of the insurance period immediately preceding an occurrence, be collectively of greater value than the Declared Value thereon, the Insured shall be considered as being their own insurer for the difference, and shall bear a rateable share of the loss accordingly.

Premium Adjustment- Stock and Materials in Trade Applicable if Stated in the Specifications:

The premium, which the Insured has agreed to pay, is based on values of insured property declared at inception of the period of insurance. The premium is provisional being calculated on 75% of the declared values of stock or materials in trade at inception of the period of insurance.

The Insured shall declare to the Insurer the value of stock or materials in trade on the last day of each quarter and make such declaration within thirty days thereof, such declaration to be signed by the Insured, if an individual, or by a responsible person authorised to sign on behalf of the Insured.

In the event of a declaration not being made within the thirty days mentioned above then the Insured shall be deemed to have declared the value declared at inception as the value at risk.

The total of the values declared or deemed to have been declared shall be divided by the number of declarations due to have been made and the premium shall be calculated at the rate or rates on the average declared value. If the resultant premium is greater than the provisional premium the Insured shall pay the difference; if it is less the difference shall be repaid to the Insured.

The value of stock or materials in trade declared at inception of the Period of Insurance is as reflected in the Specification.

Specific Extensions:

Provided that the Insurer's liability shall not exceed in respect of any one Occurrence the amount stated in the Specification, unless the words "Not Insured" appear in the Specification against the specific extension, this Section is extended to indemnify the Insured for :

1. Clearance Costs:

Costs necessarily incurred by the Insured in demolishing or dismantling Insured Property and in removing debris from the site and providing, erecting and maintaining any hoarding required during such demolition, shoring up or propping and site clearance operations following Damage, provided that the Insurers' liability shall not exceed the amount stated in the Schedule.

2. Clearance Costs- No Damage to Property Insured:

Costs and expenses necessarily and reasonably incurred in removing silt, water or debris from or within a radius of 10km of any premises owned or used by the Insured in connection with the Business in order to regain access to, or to restore original working conditions to, such premises or site. Such silt, water or debris shall be deemed to constitute Damage within the meaning of this Section provided that the costs and expenses are incurred as a result of an Insured Event and provided that the Insurers' liability shall not exceed the amount stated in the Schedule.

3. Municipal or Other Local Authority Plans Scrutiny Fees:

Fees for the inspection of municipal or other plans incurred by the Insured as a result of Damage to Insured Property.

4. Protection of Property:

The cost of reasonable precautions, taken by the insured or others on the behalf, to prevent the imminent occurrence (i.e. not loss or damage which may or may not occur at some future date) of, or to minimise the effects or extent of such imminent Damage by peril insured by this policy.

5. Protection Fees:

Costs necessarily incurred:

- 4.1 For the employment of a watchman to guard any premises following damage.
- 4.2 In boarding up of windows prior to replacement of damaged glass, removal and reinstallation of fixtures and fittings following such damage.
- 4.3 For all reasonable precautions taken by the Insured or others on their behalf, to prevent or minimise further damage or to prevent the imminent occurrence of Damage.

6. Fire Protection System Updating:

Where, following the happening of a loss under this insurance, it is necessary for the Insured, in terms of Public Authorities or Automatic Sprinkler Inspection Bureau or Insurers requirements to update or replace the damage or undamaged if it has a direct effect on the damaged portion, portion of their Automatic Sprinkler system with an updated or altered design system, the insurance by this section shall indemnify the Insured in respect of the additional costs and expenses up to the limit stated in the schedule.

7. Material Breakout/Solidification:

Loss or damage resulting from:-

- 7.1 the accidental discharge of molten material, or
- 7.2 solidification of material caused by:
 - 7.2.1 failure of electricity or heat source to melting pots and ancillary equipment
 - 7.2.2 any Insured Event of this policy

The amount payable as indemnity shall be:

- 1. the value of material contained and not re-usable
- 2. the cost of removal of the material
- 3. the cost of cleaning up or making good resultant damage
- 4. the cost of repairs or replacement as necessary of pot linings, pipelines or other receptacles
- 5. the cost of repairs or replacement as necessary of electrical terminals and other heating or cooling source outlets
- 6. any ancillary costs associated with the above

Provided that the Insurers' liability shall not exceed the amount stated in the Schedule.

8. Property in Course of Construction:

Notwithstanding the provisions of Insured Property exclusion 1.10, property in the course of construction which pertains to repairs, maintenance or alterations to existing property where the contract value or the budgeted cost at the inception of the contract or work does not exceed the limit stated in the Schedule.

9. Statutory Duties:

Statutory duties and levies actually paid or incurred as a result of damage for the replacement of the Insured Property.

10. Loss of Rent:

Loss of rent following damage to office premises, consulting rooms, executive dining rooms, canteens, private dwelling houses, clubs and laboratories but only in respect of the period necessary for reinstatement and for an amount not exceeding twenty-five percent of the insured value of the building affected or such other amount, if any, as provided for in the Schedule. The basis of calculation shall be the rent receivable or payable immediately preceding damage or its equivalent in rental value.

11. Capital Additions:

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property other than stock and materials in trade for an amount not exceeding 15 per cent of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

12. Additional Expenditure:

This Policy extends to include additional expenditure incurred for demurrage, dead freight charges and the like following Damage to property insured.

13. Damage by Thieves:

Damage to receptacles and buildings (including landlord's fixtures and fittings) and all contents, the property of the Insured, or for which they are responsible at the insured premises in the course of Theft or any attempt thereat in addition to the Limit of Liability for Theft.

Receptacles shall mean any safe, strong box, till, cash register, cash box or other receptacle for money or any franking machine.

14. Import Surcharge:

Import Surcharges levied in terms of any customs and excise legislation, and the amount payable shall be the actual import surcharges incurred in replacement of property following Damage, provided that the Insurers' liability shall not exceed the amount stated in the Schedule.

15. Incompatibility:

Costs incurred by the Insured to maintain normal operations in consequence of indemnifiable damage to electronic equipment in respect of:

- 15.1 Modification of or alteration to the Insured Property to ensure the operating integrity of the electronic system.
- 15.2 Replacement or system upgrading of legal programmes to achieve compatibility with the modified or altered electronic system.

16. Riot, Strike and Civil Commotion (Applicable to territories indicated in the schedule, other than RSA and Namibia)

Damage caused by:

- 16.1 Civil commotion, labour disturbances, riot, strike or lockout.
- 16.2 The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 17.1 above.

Provided that this insurance does not cover:

- 16.3 Loss or damage occurring in the Republic of South Africa and Namibia.
- 16.4 Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- 16.5 Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- 16.6 Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- 16.7 Loss or damage related to or caused by any occurrence referred to in the General Exclusions any such occurrence, 1.1.2, 1.1.3, 1.1.4, 1.1.5 or 1.1.6 of this Policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with.

If the Insurer alleges that by reason of provisos 15.3, 15.4, 15.5, 15.6 and 15.7, loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on the Insured.

17. Accidental damage to Supply Services- Private dwellings, offices and clubs:

Damage to water, sewerage, gas, electricity and communications supply lines and connections between the building of any office, club house or private dwelling house or any outbuildings appertaining thereto and supply or mains.

18. Replacement Spares:

The cost of equivalent spares for replacement property to that previously held by the Insured for insured property scrapped in consequence of damage less the amount, if any, realised from the sale of the previously held spares provided that this clause shall not apply in respect of mobile plant and mobile machinery whose market value prior to damage is less than 30% of new replacement cost.

19. Power/ Gas Supply:

This section is extended to cover loss, destruction, damage or spoilage of stocks caused by an interruption in the supply of water, electric power or gas at the Insured's premises in excess of 24 hours following destruction of or damage to

property of any power supply or gas supply authority or company by any peril not hereby excluded.

20. Wearing Apparel and Personal Effects:

This section includes damage to wearing apparel and personal effects not otherwise insured and being the property of any principal director or employee of the policyholder such damage arising whilst the principle director or employee is engaged on the business of the policyholder anywhere in the world.

21. Personal Accident-Assault Cover:

Payments made to, or on behalf of, any partner in or of or any director or employee of the Insured (hereinafter referred to as such person) or the estate of such person in the amounts stipulated herein consequent upon bodily injury caused by accidental, violent, external and visible means as a result of theft or any attempt thereat to such person while acting in the course of their duties in the Insured's employ, provided bodily injury to any such person results within twenty-four calendar months in :

21.1 Death: The Capital Sum stated in the Schedule.

21.2 Permanent Disability: The percentage of the Capital Sum specified in 22.1 above.

	Percentage of Capital Sum
1. Loss by physical separation at or above the wrist or ankle of one or more limbs	100
2. Permanent and total loss of	
• whole eye	100
• sight of eye	100
• sight of eye, except perception of light	75
3. Permanent and total loss of hearing	
• both ears	100
• one ear	75
4. Injuries resulting in Permanent Total Disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training	100
5. Permanent and total loss of speech	100
6. Loss of four fingers	70
7. Loss of thumb - both phalanges	25
- one phalanx	10
8. Loss of index finger - three phalanges	10
- two phalanges	8

	- one phalanx	4
9.	Loss of middle finger-three phalanges	6
	- two phalanges	4
	- one phalanx	2
10.	Loss of ring finger -three phalanges	5
	-two phalanges	4
	-one phalanx	2
11.	Loss of little finger- three phalanges	4
	- two phalanges	3
	- one phalanx	2
12.	Loss of metacarpals - first or second, additional	3
	- third, fourth and fifth additional	2
13.	Loss of toes	
	- all one foot	30
	- great, both phalanges	5
	- great, one phalanx	2
	- other than great, if more than one toe lost, each	30 2

22.2.1 Where the injury is not specified, the Insurer will pay such sum as in their opinion is not inconsistent with the above provisions.

22.2.2 Permanent total loss of use of part of the body shall be treated as loss of such part.

22.2.3 100 percent shall be the maximum percentage of compensation payable for Permanent Disability resulting from an accident or series of accidents arising from one cause in respect of any one such person.

22.3. Temporary Total Incapacity from attending to usual business or occupation.

The Weekly Sum stated in the Specification but not exceeding the employee's normal earnings.

22.4 Medical, surgical, dental, nursing home or hospital treatment including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety incurred as a reasonable expenses incurred up to the sum for Medical Expenses stated in the Specification as a result of the described bodily injury.

The reasonable expenses incurred up to the sum for Medical Expenses stated in the Specification.

Provided that:

- 22.5 the Insurer shall not be liable to pay in respect of any one such person more than the Capital Sum plus the sums specified under Items 21.3 and 21.4 of this Extension.
- 22.6 the sum specified under Item 21.3 of this Extension shall be payable only for the duration of the incapacity of such person for not more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that Permanent Disability may remain.
- 22.7 this insurance shall not apply to any such person under 15 or over 75 years of age.
- 22.8 after suffering bodily injury for which benefit may be payable under this insurance, such person shall submit to medical examination and undergo any treatment specified. The Insurer shall not be liable to make any payment unless this proviso is complied with to their satisfaction.
- 22.9. compensation payable under Item 21.4 of this Extension shall be reduced by an amount equal to the amount paid or payable under any Workmen's Compensation Enactment in respect of any treatment for which compensation is payable under Item 4 of this Extension.
- 22.10 in respect of this Extension only, General Exclusion 1 is deleted and replaced by the following:

This Extension does not cover death or bodily injury directly caused by or in consequence of war, invasion, act of foreign enemy, hostilities, whether war be declared or not, civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
- 22.11 Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat.
- 22.12 In the event of disappearance of any such person in circumstances which satisfy the Insurer that they have sustained injury to which this insurance applies and that such injury has resulted in the death of such person, the Insurer will for the purpose of this insurance, presume their death.

23. Undamaged Stock/Equipment:

Loss incurred less the amount of any salvage money obtained in the event of undamaged equipment stock and or materials in trade becoming unusable for any reason whatsoever resulting solely from Damage insured by this policy.

24. Inflation and Currency Contingency:

In the event of property as insured being damaged or destroyed and provided the Insured (or their appointed agent) commence replacement or reinstatement to such property as insured within 3 (three) calendar months from the date of the quantification and settlement of the claim; Insurers will indemnify the Insured for the difference of cost between the agreed settlement of claim and the replacement or reinstatement cost incurred by the Insured solely due to an escalation in costs (inclusive of fluctuating currency rates) beyond the control of the Insured over and above the replacement or reinstatement cost between the initial settlement of the claim and the date of final replacement or reinstatement; provided there shall be no interruption of the process of replacement or reinstatement on behalf of the Insured or their appointed agent.

Provided that at the time of loss the Insured is not entitled to any indemnity in terms of any other policy of insurance other than for an amount being the difference between the amount payable by this policy and the amount of loss.

The indemnity for such additional costs shall be limited to the percentage shown in the schedule or ten percent (10%) of the agreed claim settlement, whichever is the lesser amount.

The costs provided for by the provisions of this clause are in addition to any amount being agreed in settlement of the claim for the cost of replacement or reinstatement of damaged property as insured in the first instance and shall be subject to the conditions of Average on a proportional basis of the initial claim in the event of such claim being subject to Average.

25. Public Supply Connection and Foundations

The insured in respect of any buildings described herein extends to include the foundations thereof and the water sewerage gas electricity and telephone connections the property of the policyholder or for which they are responsible between the buildings insured and the public supply or mains provided the total amount recoverable does not exceed the sum insured but the item affected.

Automatically Included Extensions:

Glass Reinstatement:

The increased costs in the event of Damage glass by a cause not excluded by this Policy due to the Insured being obliged in terms of the National Building Regulations or similar legislation to replace with glass of a superior quality including but not limited to frames thereof.

Fire Extinguishing Charges:

Any costs relating to the extinguishing or fighting of fire, shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

Professional Fees:

Professional fees for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement or replacement of Insured Property following damage.

It is understood and agreed that the amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the Insured's claim provided that the Insurer's liability shall not exceed 15% of the cost of reinstatement.

Public Authorities Requirements:

Such additional costs of repairing or rebuilding the Insured Property as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament or Ordinance of any Provincial, Regional, Divisional, Municipal or other Local Authority provided that:

- 4.1 the amount recoverable under this clause shall not include:
 - 4.1.1 the cost incurred in complying with any of the aforesaid regulations:
 - 4.1.1.1 in respect of loss or damage occurring prior to granting this clause.
 - 4.1.1.2 in respect of loss or damage not insured.
 - 4.1.1.3 under which notice had been served upon the Insured prior to the happening of loss or damage.
 - 4.1.1.4 in respect of undamaged property other than foundations.
 - 4.1.2 the additional cost that would have been required to make good the property lost or damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen.
 - 4.1.3 the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Insured Property or by the owner thereof by reason of compliance with any of the aforesaid regulations.
- 4.2 the work of rebuilding or repair must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site if the aforesaid regulations so necessitate, subject to the liability of the Insurer under this clause not being thereby increased.

4.3 if the liability of the Insurer, apart from this clause, shall be reduced by the application of any of the terms of this insurance, then the liability of the Insurer under this clause shall be reduced in like proportion.

Acts of Authorities:

Damage sustained by the Insured due to the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any Insured Event or an event which may give rise to damage insured in terms of this Policy

Section B Business Interruption

DEFINED EVENTS

The event insured by this section are as follows

If any building or other property or any part thereof used by the policyholder for the purpose of the business

- a) At the premises described in the schedule
- b) At any other situation described in the material damage section of this policy
- c) Insured by the material damage section of this policy

suffers damage by an event insured by the Material Damage section, the company will pay to the policyholder the amount of loss resulting from interruption of or interference with the Business carried on by the policyholder at the premises in consequence of the damage (such loss being hereinafter termed consequential loss) in accordance with the provisions contained in this section

Provided that at the time of the happening of the damage there shall be in force under the Material Damage section of this policy or otherwise an Insurance covering the Interest of the policyholder in the property at the premises or elsewhere as described therein against such carnage and that

1. payment shall have been made or liability admitted therefore

Or

2. payment would have been made or liability would have been admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount

SPECIAL CONDITIONS

Bases of Indemnification

Item 1 Gross profit (additions basis)

The insurance under this item is limited to loss of gross profit due to

- a) **Reduction in turnover** and
- b) **Increase in cost of working**

and the amount payable as indemnity hereunder shall be

a) **In respect of reduction in turnover** the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover

b) **In respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or

diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such of the policyholder standing charges as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Memo

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the net profit and the insured standing charges bears to the sum of the net profit and all the standing charges.

Item 2 Gross Profit (Difference Basis)

The insurance under this item is limited to loss of gross profit due to

- a) **reduction in turnover** and
- b) **increase in cost or working**

and the amount payable as indemnity hereunder shall be

- a) **in respect of reduction in turnover** - the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover
- b) **In respect of increase in cost of working** – the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceed 12 months.

Item 3 Gross rentals

The insurance under this item is limited to

- a) **Loss of gross rentals** and
- b) **Increase in cost of working**

And the amount payable as indemnity hereunder shall be

- a) **in respect of loss of gross rentals** the amount by which the gross rentals during the indemnity period shall in consequence of the damage fall short of the standard gross rentals
- b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of the loss of gross rentals thereby avoided less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross rentals as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross rentals is less than the annual gross rentals where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual gross rentals where the maximum indemnity period exceeds 12 months.

Item 4 Gross Revenue

The Insurance under this item is limited to

- a) **Loss of revenue** and
- b) **Increase in cost of working**

And the amount payable as indemnity hereunder shall be

- a) **in respect of loss of revenue** the amount by which the revenue during the indemnity period shall, in consequence of the damage, fall short of the standard revenue
- b) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of loss of revenue thereby avoided

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

Item 5 Additional increase in cost of working

The insurance under this item is limited to the amount stated in the schedule being the reasonable additional expenditure (not recoverable under other items) incurred with the consent of the company during the indemnity period in consequence of the damage for the purpose of maintaining the normal operation of the business.

Item 6 Wages (Number of weeks basis)

The insurance under this item is limited to the loss incurred by the payment of wages for a period beginning with the occurrence of the damage and ending not later thereafter than the specified number of weeks.

The amount payable as indemnity under this item will be the actual amount which the policyholder shall pay as wages for such period to employees whose services cannot, in consequence of the damage, be utilized by the policyholder at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the damage, be utilized by the policyholder to the full

provided that if the sum insured by this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the damage had the damage not occurred, the amount payable will be proportionately reduced.

Item 7 Fines and penalties for breach of contract

The insurance under this item is limited to fines and penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the policyholder shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of damage for non-completion or late completion of orders.

Item 8. Increase in Cost of Working (Applicable to Non-Income Generating Location)

The Insurance hereby is limited to the reasonable increase in expenditure incurred by the Insured during the Indemnity Period in consequence of damage for the purposes of maintaining the normal operation of the Business

Item 9. Accounts Receivable

This insurance extends to include loss sustained by the Insured in consequence of or Damage to the Insured's records in respect of customers' outstanding debit balances and the amount payable as indemnity hereunder shall be calculated as follows:

1.1 the difference between:

1.1.1 the total of such balances as are outstanding at the date of Damage

and

1.1.2 the total of all sums in respect thereof as are actually received from customers or traced to them and for which they have accepted responsibility

plus

1.2 the reasonable additional expenditure incurred after the damage, with the prior consent of the Insurers, in tracing and establishing the said outstanding debit balances

plus

1.3 loss of interest.

For the purpose of this extension the term "outstanding debit balance" shall mean the total of the outstanding balance as reflected on the Insured's statements at the end of the month preceding the corruption or damage, adjusted for;

1. bad debts;
1. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which the said statement relates and the date of the damage and any abnormal condition of trade which had, or could have had, a material effect on the business so that the figure thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred.

The cover provided extends to include loss sustained by the Insured in consequence of loss or damage to documents relating to outstanding claims against any rail service provider or suppliers, provided that the Insurers' liability shall not exceed the **limit stated in the Schedule**.

Definitions:

Business Any activity of the Insured.

Premises Any premises used for the purpose of the Business and/or as per Extended Premises definitions.

It is understood and agreed that the words and expressions used in these Definitions (other than Wages) shall have the meaning usually attached to them in the books of the Insured but in respect of Gross Profit it shall be the Basis identified in the Specification being either Difference Basis or Additions Basis.

Indemnity Period

The period during which the results of the Business shall be affected in consequence of the Damage beginning with the commencement of the Damage and ending not later than the number of months/weeks thereafter stated in the Specification.

Gross Profit (Difference Basis)

The amount by which the sum of the turnover and the amount of the closing stock shall exceed the sum of the amount of the opening stock and the amount of the Uninsured Working Expenses.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

Uninsured Working Expenses

As stated in the Specification, or as otherwise provided by the Insured to the Insurer.

Gross Profit Additions Basis

The sum produced by adding to the Net Profit the amount of all Standing Charges, or if there be no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss, as the amount of the Insured Standing Charges bears to all the charges of the Business.

Net Profit

The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the Business of the Insured at the Premises after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

Wages

The remuneration including allied payments of all employees other than those whose remuneration is treated as salaries in the Insured's books of account.

Insured Standing Charges

As stated in the Specification, or as otherwise provided by the Insured to the Insurer.

Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises.

Gross Rentals

The money paid or payable to the Insured by tenants in respect of rentals, and/or assessed rental value of the Premises and for services rendered.

Gross Revenue

The money paid or payable to the Insured for goods sold and for services rendered in the course of the Business at the Premises.

Output

The sale or transfer value, as shown in the Insured's books of goods manufactured or processed by the Insured.

Standing Charges - Standing Charges Only Basis

The Standing Charges of the Business as declared by the Insured.

Standard Turnover
Standard Gross Revenue

Standard Gross Rentals

The Turnover/Gross Revenue/Gross Rentals during that period in the twelve months immediately before the date of Damage which corresponds with the Indemnity Period.

Annual Turnover
Annual Gross Revenue
Annual Gross Rentals

The Turnover/Gross Revenue/Gross Rentals during the twelve months immediately before the date of the Damage.

Rate Of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.

Rate of Standing Charges

The rate of Insured Standing Charges to Turnover during the financial year immediately preceding the date of Damage.

Rate of Wages

The rate of wages to turnover during the financial year immediately before the date of the damage

Note:

If the Damage occurs before the completion of the first year's trading of the Business at the Premises, the value of these items shall be calculated by using

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Special Circumstances Clause

To which such adjustment shall be made as may be necessary to provide for the trend of the Business and for the variation in other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be Reasonably practicable the results which but for the Damage would have been obtained during the relevant period after the Damage.

values proportionate to the results obtained during the period between the commencement of the Business and the date of the Damage.

Extensions

1. Declared Value

For the purpose of the Business Interruption Section of the Policy the Declared Value at inception or at the last renewal immediately anterior to the loss plus an allowance calculated at the date of loss for trends in the business and for variations or other circumstances affecting the business either before or after the loss or damage giving rise to the interruption or interference subject to a maximum of 110%

2. Goods Sold and Services Rendered

If during the indemnity period goods shall be sold or services shall be rendered for the benefit of the business either by the insured or by others on the insured's behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover/ gross revenue during the indemnity period.

3. Output VS Turnover

In adjusting any loss under this section at the option of the insured the Term "Output" maybe be substituted for the Term "Turnover" if this will achieve a more equitable results.

Provided always that

a) For the purpose of such loss adjustment

i. the word "Turnover" wherever used in this section shall have the word "Output" substituted therefore

for the purpose of this substitution the definition of "Output" shall be the sale value of goods manufactured by the insured in the course of the business at the premises

ii. Memo 2 shall read

if during the Indemnity Period goods shall be produced elsewhere than at the premises for the benefits of the business either by the insured or by others on behalf of the Insured the sale value of such goods shall be brought into account in arriving at the Output during the Indemnity Period.

b) Only one such term shall be operative in connection with any one occurrence

c) The Clause "Accumulated Stocks" is deleted

4. Accumulated Stocks

In adjusting any loss, account shall be taken and an equitable allowance made, including to the indemnity period, if necessary, if any shortage in Output or turnover, due to the damage is postponed by reason of the output or turnover being temporarily maintained from accumulated stocks or stockpiles of finished goods, raw material or work in progress in warehouse, depots or other relevant holding areas.

5. Delayed Indemnity Period

(not applicable to Machinery Breakdown or Electronic Breakdown, if insured)

In the event of interruption of or interference with the business, as a result of damage, where the results of the business are affected commencing at a date later than that of the damages, insurers shall agree if required to amend the period during which indemnity is proved by this Policy, provided that:

- a. the commencement date of the indemnity Period may be up to but not exceeding 6 months after the date of damage;
- b. the indemnity Period shall cease at the number of months specified in the Specifications after the commencement of the indemnity period;
- c. there is no interruption of/ or interference with the business, as a result of damage, during the indemnity period between the date of damage and such deferred commencement date of the indemnity period.
- d. the insured has been operating for a minimum of a full duration of the indemnity period prior to the damage.

6. Departments

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of clauses a. and b. of item 1 shall apply separately to each department affected by the Insured Event except that if the Sum Insured by the said item be less than the aggregate of the sums produced by applying the Rate of Gross Profit for each department of the business (whether affected by the insured Event or not) to the relative Annual Turnover thereof the amount payable shall be proportionately reduced.

7. Salvage Sale:

If, following damage giving rise to a claim this section, the insured shall hold a salvage sale during the indemnity period suitable adjustment shall be made in the calculation of the loss.

8. Discontinuation of Business

Notwithstanding the provisions of specific conditions 1 of this section in the event of the business being liquidated or permanently discontinued after damage, this insurance shall subject to the agreement of the insurer (which agreement shall not be unreasonable withheld) and the terms and conditions hereof, cover loss as insured for a period not exceeding the maximum indemnity period and not exceeding

the period that would have been necessary to reinstate the premises or property therein damaged or destroyed, which period shall be mutually agreed by the insured and the insurer.

9. Interest on Lost Sales

Business interruption loss adjustment will take cognisance of the interest that would have been earned on the proceeds of sales, had the damage not occurred, between the time that payment would have been received from the sale of goods and the time of receipt of payment in settlement of the claim.

10. Refund Premium

In the event of Gross Profit earned during the accounting period of twelve months most nearly concurrent with and period of insurance as certified by the Insured's professional accounts being less than the Sum Insured thereon a pro-rata return of premium not exceeding fifty percent of the premium paid on Sum Insured for such Period of Insurance will be made in respect of the difference.

Where the Indemnity Period exceeds twelve months the amount of Gross Profit shall for the purpose of this calculation be adjusted in the proportion which the Indemnity Period bears to twelve months.

If any Insured Event shall have occurred giving to a claim under this Policy such return shall be made in respect only of so much of the said difference as is not due to such Insured Event.

11. Group Interdependency

It is hereby declared and agreed that loss as insured by this policy resulting from interruption of or interference with the business in consequence of damage to property at the premises of the insured's subsidiary companies, shall be deemed to be loss resulting from damage/accident to property used by the insured at the premises.

Specific Conditions

1. Average

(Applicable only to Property Damaged by Fire and Allied Perils)

If, at inception of the period of insurance, the total Declared Value is less than the sum produced by applying the Rate of gross Profit/Standing Charges as defined to the projected Turnover or if the Declared Value is less than the budgeted Gross Revenue/ Gross Rental (as applicable), (proportionately adjusted if the number of months referred to in the Definition of Indemnity Period exceeds twelve), the amount payable in terms of the in during items 1 to 4 of the Bases of Settlement shall be proportionately reduced.

It is understood and agreed that special circumstances clause shall not be taken into account when calculating the Rate of Gross Profit/Standing Charges or the projected turnover in terms of this condition.

Special Extensions:

Provided that the Insurer's liability shall not exceed in respect of any one Occurrence the amount stated in the Specification, unless the words "Not Insured" appear in the Specification against the specific extension, the indemnity in terms of this Section is extended to include:

1. Extended Premises

Loss due to interruption of or interference with the Business in consequence of Damage as insured by this Policy to property of a type not specifically excluded by the Property Damage Section but this exclusion shall not apply to 1.1.3 and 1.4 below described hereunder or to property at locations as hereunder:

1.1 Property in Storage, in Transit, in Vehicles

1.1.1 At premises where the Insured or others on the Insured's behalf have stored or temporarily deposited property either for processing or storage purposes or are fulfilling a contract.

1.1.2 Whilst in transit.

1.1.3 Being in motor vehicles, railway rolling stock, aircraft or watercraft on inland waterways used by the Insured or carriers.

1.1.4 At premises of the Insured's controlled and/or subsidiary companies unless such controlled and/or subsidiary companies have an interest as insured under this Policy.

1.2 New/Additional Premises

At Premises in respect of which the Insured have entered into a contract to purchase, lease or tenant.

1.3 Prevention of Access

To property within 10 km of the buildings of the Insured's Premises preventing or hindering the use thereof or access thereto whether the premises or property therein be damaged or not.

1.4 Roads, Bridges, Railway and Cargo Loading Facilities

To any road, bridge, railway line, railway yard including equipment, airport, airstrip and / or cargo loading facilities including those at docks, canals or pipelines, not the property nor the responsibility of the Insured over which the property is conveyed between any of the Insured's Premises and/or supplier's and/or customer's premises.

1.5. Specified suppliers/sub-contractors (if stated in the schedule to be included)

The premises of the suppliers and sub-contractors specified in the schedule subject to stated limits.

1.6. Unspecified suppliers (if stated in the schedule to be included)

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water subject to the limit stated in the schedule.

1.7. Public Utilities

Loss due to interruption of or interference with the Business in consequence of total or partial failure of the supply to the Insured of electricity, gas, water, communications and data processing facilities, steam, sewerage and other similar services through any cause other than :

- (i) Drought.
- (ii) Shortage of fuel or water.
- (iii) The deliberate act of the supplier, including the right of the supplier to withhold or restrict supply following failure of the Insured to comply with any contractual obligation, unless such act arises solely from the operation of damage as insured by this Policy.

There shall be no liability under this Extension for such interruption or interference of the Business which endures for less than 48 hours.

For the purposes of this Clause, supply shall be considered to have failed when the quantity or quality is inadequate for the purpose for which it is required.

1.8 Infectious and Contagious Disease

Loss as insured by the Business Interruption Section resulting from interruption of or interference with the Business in consequence of Infectious or Contagious Disease as stated below, shall be deemed to be loss resulting from an insured event to Property used by the insured at the premises provided that after the application of all other terms, conditions and exceptions of this policy, subject to the limit of indemnity as stated on the schedule.

Infectious or contagious disease manifested by any person whilst at the premises or an outbreak of a notifiable infectious or contagious disease within 10 kilometres of the premises

Notifiable diseases shall mean illness sustained by any person resulting from:-

- (i) Food or drink poisoning or
- (ii) Any human infectious or human contagious disease excluding:
 - (ii) 1 Acquired immune deficiency Syndrome (AIDS) or any related condition
 - (ii) 2 SARS corona virus (SARS-CoV)
 - (ii) 3 Influenza A virus
 - (ii) 4 Or any virus and/or conditions derived from the forgoing including but not limited to H1N1, H7N7, H5N1

an outbreak of which the competent local authority has stipulated shall be notified to them.

The Indemnity field for this Specific Extensions is limited to 3 months

1.9 Miscellaneous Risk Extensions:

Loss due to interruption of or interference with the Business in consequence of outbreak or occurrence as stated below, shall be deemed to be loss resulting from an insured event to Property used by the insured at the premises provided that after the application of all other terms, conditions and exceptions of this policy, subject to the limit of indemnity as stated in the schedule.

- a) Murder or Suicide or any attempt thereof at the premises
- b) Injury or Illness sustained by any person arising from or traceable to foreign or injuries matter in food or drunk provided from the premises
- c) Closing of the whole or part of the premises by order of a competent Public Authority consequence upon vermin or pests or defects in the drains or other sanitary arrangements at the premises.
- d) Vermin and / or pests
- e) The presence of noxious fumes
- f) Water pollution, other than drinking water, including pollution of any sea, beach, waterway, dam or river
- g) Shark attack.

2. Maximum Demand Charges

Maximum demand charges incurred by the Insured during the Indemnity Period in consequence of loss of or damage to the Insured Property, which exceeds the normal rate payable by the Insured and/or those maximum demand charges which are not proportionally reduced in relation to the reduction in the amount of electricity or gas consumed.

3. **Hired-in Plant**

Loss due to interruption or interference with the Business following upon Damage to hired-in plant, whilst being used as replacement of Insured Property, whether or not such hired-in plant is insured.

4. **Royalties**

Loss of income to the insured under royalty, licensing fees, or commission agreements between the Insured and another party which is not realisable due to Damage, from any cause not excluded by this Policy, occurring during the Period of Insurance to property of the other party. Such other party referred to herein, may be located anywhere in the world, but such party shall not be an Insured under this Policy.

The amount of the indemnity shall be determined by:

- 4.1 The loss occurring within the Indemnity Period.
- 4.2 The difference between the royalties actually realised and that earned during the period in the preceding 12 months which corresponds with the Indemnity Period, adjusted as provided for by the Special Circumstances Clause.

The Insured shall, to the extent possible, influence the party with whom the agreement exists to use any other machinery, supplies or locations in order to resume business so as to reduce the amount of loss hereunder and the Insured shall co-operate with that party in every way to effect this, but not financially, unless such expenditures shall be authorised by the Insurer.

5. **Water Pollution**

Loss directly resulting from interruption of or interference with the Business in consequence of:

- 5.1 The use of suddenly and accidentally polluted water, provided the Insured is unaware of the use of such polluted water; or
- 5.2 The cessation of supply of water as a direct result of its sudden and accidental pollution or suspected sudden and accidental pollution, provided that a competent Public Authority shall have condemned the water as being unfit for use in the Business.

6. **Third Party IT Services**

Loss due to interruption or interference with the Business in consequence of loss of or damage to computer equipment, the property of suppliers of information technology services to the Insured as insured under Section A or C.

7. **Public Relations Expenses**

The cost of employing suitable public relations personnel to deal with press and public announcements and other necessary activities reasonably incurred in consequence of Damage.

8. **Tax Allowance**

The non-receipt, whether wholly or partially of any tax allowance which, but for the interruption of the Business in consequence of Damage, would have been granted plus interest lost less any savings as a result of Damage, as a consequence of such non-receipt during the Indemnity Period.

The insurance by this item extends to include the loss of Tax Benefits derived solely from the export of any product which is manufactured at the premises of the Insured or for which the Insured is an agent, following upon an insured event which results in a Shortfall of Turnover as defined.

Provided that such benefits are directly attributed to Export Tax benefits and which may be adjusted by any Tax Allowance or Tax concession which was provided by Statute or any other recognised authority to which the Insured could have had benefit after the date of Damage but because of the Damage could not benefit from such allowance or concession.

9. **Depreciation of Undamaged Stock**

Loss sustained in respect of stocks and materials in trade not directly affected by physical loss or damage which:

11.1 Would have been utilised by the Business or sold during the Indemnity Period had the Damage not occurred, and

11.2 Cannot be utilised or sold before, or as far as can reasonably be foreseen, after the expiration of the Indemnity Period.

Solely due to their obsolescence resulting from changes in designs or elapse of time and the amount payable as indemnity hereunder shall be the value of such goods immediately anterior to the loss or damage less, if the goods be sold for salvage, the net amount realised from such sale.

10. **Port Blockage (RSA Only)** **(Not applicable to Machinery breakdown or Electronic Equipment, if sections insured)**

Loss due to interruption of or interference with or delay in the recommencement of the business in consequence of blockage of any port or harbour in the Republic of South Africa - by standing, grounding, sinking or capsizing of any vessel or craft or through collision or conduct with any other vessel, craft, structure or other object in the harbour or approaches thereto.

Provided the insurer shall not be liable under this extension for loss as a consequence of any sinking, stranding and other blockage caused directly or indirectly by silting and /or failure to dredge or otherwise maintain adequate navigation channels and provided that the insurer's liability shall not exceed the limit stated in the schedule of limits of liability.

There shall be no liability under this extension for such interruption or interference of the business for the first number of hours stated as time exclusions in the specifications.

11. Forward Exchange Losses

This insurance extends to include loss which the insured may sustain in consequence of damage which results in the insured's forward exchange cover in respect of sell contracts entered into exceeding foreign currency receipts provided that the insurer's liability shall not exceed the sum stated in the schedule.

12. Research Re-Establishment, Expenditure

The insured shall indemnify the insured for:

1. research establishment and development expenditure lost in consequence of damage, and
2. increase in cost of working incurred in consequence of damage

The amount payable as indemnity hereunder shall be limited to:

3. the cost of redevelopment of any projects (commenced prior to the damage) up to the stage reached at the time of damage
4. the increased costs incurred by the insured to return the projects to the point in time which would have been reached had the damage not occurred.

Less any savings in the expenditure not incurred in consequence of the damage.

Payment under this item shall cease once the project is again on schedule but not exceeding the number of months stated in the specification as the indemnity period.

13. Fines and Penalties

This insurance shall indemnify the insured in respect of all sums that the insured shall be liable to pay and shall pay in discharge of contracts, cancellation charges or fines or penalties for breach of contract, dead freight and demurrage charges and pre-booked freight on air, land, sea, or other means of conveyances and the amount payable as indemnity hereunder shall be such sum as insured shall be liable to pay to such contractors in respect of such charges incurred solely in consequence of damage during the indemnity period.

Section C- Electronic Equipment

Sub-Section A- Material Damage

Defined Events:

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

(a) at work or at rest anywhere within that part of the building occupied by the insured at the insured premises described in the schedule

(b) in transit anywhere in the world including loading and unloading or whilst temporarily stored at any premises en route

(c) temporarily removed from that part of the building occupied by the insured at the insured premises described in the schedule to any other building or place anywhere in the world.

Exceptions to sub-section A:

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

1. loss or damage measured under any other section of this policy.
2. the first amount payable as stated in the schedule in respect of sub-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
3. derangement unless accompanied by physical damage otherwise covered by this section
4. 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
5. 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
6. 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
7. 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 sub-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

8. the cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise unless specifically provided for in sub-section B hereof
9. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein
10. (a) loss by theft or by disappearance of the property insured (other than laptop, palmtop or notebook computers and other portable electronic equipment) unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from that part of the building occupied by the insured at the insured premises described in the schedule or as a result of theft or any attempt thereat, following violence or threat of violence
 (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 Indemnity:

The indemnity by this sub-section subject always to the sums insured contained in the schedule or any specific limit of liability contained in this sub-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.

(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 sub-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 therefrom will be for the account of the insured
- (d) where the damage is restricted to a part or parts of an insured item, the company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged 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 fails 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 is 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 section.

Definition of new property insured

A) 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.

(A) 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 second-hand/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 per cent) for the first year after the date of purchase

and

(ii) 10% (ten per cent) per year for each succeeding year subject always to a minimum indemnity of 40% (forty per cent) 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 or 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.

Declared Value

“Declared Value” shall mean the value declared to Insurers as the Insured’s assessment of the Reinstatement Value of the Insured Property exclusive of VAT, as at the first day of the Period of Insurance immediately anterior to Damage, without provision for inflation either before or after Damage.

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) Architects' and other professional fees

Professional fees necessarily and reasonably incurred in the repair or reinstatement of property following indemnifiable loss or damage, provided that the amount payable in respect of such fees does not exceed 25% of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the insured's claim.

(b) Clearance costs

Costs necessarily and reasonably incurred by the insured in respect of demolition or dismantling of 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 25% 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% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

(d) Protection (Theft from premises)

It is a condition to liability of the Company that a burglar alarm shall be installed at the insured premises and such burglar alarm shall be made fully operative whenever the premises are not open for business unless a principal partner, director or employee of the insured is on the premises.

Clauses and extensions

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% of the net amount payable for the items so damaged subject to a minimum of R1 000, but not exceeding R2 000 per occurrence. However, should the property insured be protected against electrical supply fluctuations, then this additional first amount payable will be waived.

Fire extinguishing charges clause:

Any costs relating to the extinguishing or fighting of fire or dealing with the consequences of any other insured peril shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the

company may be liable in terms of this section provided the insured is legally liable for such costs and the property insured was in danger from the fire or other insured peril.

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 pays 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 subsection of the section.

Sub-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 policyholder during the indemnity period in consequence of the accident for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the policyholder

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 I item (ii) of this sub-section
- (b) the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

(ii) Reinstatement of data/programmes

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

Provided that

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

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 the loss or damage directly caused by fire, storm (excluding 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 incurred described in the schedule from any cause as provided for under sub-section A of this section, liability under which sub-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 policyholder or any supply authority
 - (b) drought or shortage of fuel at any electricity utilitySpecial conditions applicable to failure of the public supply of electricity
 - (a) the liability of the company shall not exceed the sum insured by this sub-section
 - (b) the indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.

The limit of liability:

The liability of the company shall not exceed the amounts specified in the schedule (relating to sub-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 sub-section, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance. The policyholder 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 sub-section B

Unless specifically provided for

1. Fines and penalties

the company shall not be liable to indemnify the policyholder 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 policyholder 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 sub-section, it is hereby declared and agreed that, in the event of any interruption, following loss or damage, being aggravated by:

- (a) the policyholder 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) additions, alterations or improvements being affected 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)

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%, the total sum insured for sub-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% of the difference.

Memo 2 - Prevention of access

If, during the indemnity period, the business at the premises is 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 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 (sub-sections A and 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 Extensions

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

Notwithstanding anything to the contrary contained in the policy, the indemnity by sub-sections A and B of this section shall indemnify the insured for 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 sub-sections 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 sub-section A hereof
 - (ii) programs or data reinstated not indemnifiable under item (ii) of sub-section B hereof;
 - (4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to twenty per cent (20%) of the applicable total sum insured under sub-section A (the limit of indemnity) and sub-section B (item (ii)) or R25 000, whichever is the lesser.

2. **Increased Operating Costs (if stated in the schedule to be included)**

All costs and expenses which insured shall reasonably and necessarily incur during the indemnity period stated in the specifications as a result of damage resulting in the failure of telecommunication links subject to the insurer not being liable for loss occurring during the first 24 hours of each indemnifiable loss, provided that the insurers' liability shall not exceed the limit stated in the schedule.

3. **Temporary Replacement Property: (if stated in the schedule to be included)**

Charges for substitute or temporary replacement property during the period commencing immediately after the occurrence of damage, provided that the insurers liability shall not exceed the limit stated in the schedule.

4. **Increased Leasing/Hire Costs: (if stated in the schedule to be included)**

The additional costs resulting from the cancellation of any lease/hire contract in force at the time of damage, and replacement thereof by a new lease/hire contract in respect of similar property, at a rental charge rate above that

payable under the cancelled contract, as a direct result of damage. The additional lease/hire charges are to be paid for the remainder of the contract subject to a maximum period of 12 months, provided that the insurers' liability shall not exceed the limit stated in the schedule.

Section D- Machinery Breakdown

Indemnity Clause

The company will indemnify the insured against Breakdown of any part of the property insured from any cause occurring within the insured's premises other than as hereinafter excepted.

BREAKDOWN shall mean sudden and unforeseen physical damage to the property insured described in the schedule from any cause whilst:

1. Working or at rest
2. Being dismantled moved or re-erected for the purpose of cleaning inspection repair or installation in another position.

Insured Property

All plant, machinery (including electronic equipment forming an integral part thereof and ancillary equipment, including foundations owned by or leased to the Insured or for which the Insured has accepted responsibility to insure.

Basis of Indemnification

The indemnity by this Section, subject always to the Declared Value stated in the Specification or any specific Limit of Liability contained in the Policy, shall be:

1. in cases where the Damage can be repaired - the cost of restoring the Insured Machinery to working order.
2. in cases where the Insured Machinery is totally destroyed:
 - 2.1 in respect of New Machinery - the Replacement Value cost of replacing or reinstating on the same site property identical in every respect to the Insured Machinery provided always that
 - 2.1.1 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 Insurer not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the Market Value of the Insured Machinery immediately before the Damage shall be made
 - 2.1.2 until expenditure has been incurred by the Insured in replacing or reinstating the Insured Machinery the Insurer 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
 - 2.1.3 these conditions shall be without force or effect if the Insured fail to intimate to the Insurer within three months of the date upon which the Damage occurred (or such further time as the Insurer may in writing allow) their intention to replace or reinstate the Insured Machinery or if the Insured are unable or unwilling to replace or reinstate the Insured Machinery on the same or another site

- 2.1.4 at the sole option of the Insurer, following commercial and technical appraisal of a representative of the Insurer, the period referred to in the Definition of New Machinery may be extended on an annual basis from Renewal Date subject always to such extension of period being admitted by Memorandum to the Policy.

Definition of New Machinery:

New Machinery shall mean Insured Machinery installed for the first time where the period after completion of erection does not exceed three years or such extended period as may be approved by the Insurer as hereinafter provided.

- 2.2. in respect of Insured Machinery not provided for in 2.1 above the Market Value of the Insured Machinery immediately before the damage together with the cost of removing the Damaged Machinery but less the value to the Insured of the remains.

The Insured Machinery 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:

Market Value - shall mean the current day purchase price of second-hand/used property identical in every respect to the Insured Machinery which has been Damaged and substantially of similar condition prior to the Damage. Where no similar property is available Market Value shall be calculated by deducting from the current New Replacement Value of the Insured Machinery reasonable amount for use based on an appropriate depreciation scale

Specific Exclusions:

The Insurer shall not be liable under this Section in respect of Damage:

1. Loss or Damage insured under any other section of this policy.
2. resulting from, caused by or occasioned through the intentional act or wilful neglect of the Insured
3. consisting solely of scratching or chipping of painted or polished surfaces not affecting the operation of the Insured Machinery
4. caused to a component or part of the Insured Machinery due to
 - 4.1 any inherent vice or latent defect in the Insured Machinery of which the Insured was aware immediately prior to the Damage
 - 4.2 normal wear and tear, gradual deterioration, corrosion, rust, or wastage of material or the like, or wearing away or wearing out, caused by or naturally resulting from ordinary usage or working
 - 4.3 abnormal wear and tear, gradual deterioration, gradually developing defects, corrosion, rust or wastage of material or the like, or wearing

away or wearing out, caused by ordinary usage or working but only where the Insured was aware or ought reasonably to have been aware of such Damage;

However, this Exclusion shall not apply to Damage caused by such component or part of the Insured Machinery to any other part of the Insured Machinery on condition that the Insured has implemented a reasonable maintenance program;

5. to refractories, exchangeable parts and tools such as, but not limited to, bits, cutters, knives, saw blades, dies, patterns or rollers, sieves, chains, belts, ropes, conveyor belting, jointing and packing material, fuses, contacts at which arcing and sparking occurs, heating elements and collecting brushes, unless as a direct result of Damage provided that the Insurer will indemnify the Insured for any residual value of any of the aforementioned items.
6. to parts having a short life such as (but not limited to) X ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are Damaged the Insurer shall indemnify the Insured for the residual value of such parts;
7. due to faults or errors already existing at commencement of this insurance and which were known or should have been known to the Insured as well as Damage caused intentionally or with the approval or complicity of the Insured;
8. resulting from experiments, trials or constant overloading provided that verification of good functioning shall not be regarded as trials;
9. for which a supplier, repairer, manufacturer or assembler is responsible provided that this exclusion shall not apply if:
 - 9.1 such supplier, repairer, manufacturer or assembler shall contest or dispute liability; and
 - 9.2 the amount recoverable by the Insured would have been recoverable under this Policy; and
 - 9.3 such rights, remedies or reliefs to which the Insurer may be entitled by subrogation are not waived by the Insured intentionally or otherwise;
10. consequential loss due to delay or interruption to the business or liability of any nature whatsoever other than as specifically provided for in this Policy;
11. additions, alterations or improvements undertaken on the occasion of repair of Damage;
12. insured under any other section of this policy.

Specific Clauses:

1. Replacement Capacity Conditions

At the option of the Insured, the Reinstatement Value of Insured Machinery declared may be the new installed cost of a new item or items of similar quality and capacity or output ("the Item") provided that, following Damage,

1.1 if the replacement item has a greater capacity or output than the Insured Machinery being replaced, and the replacement value is not greater than the Declared Value, then no deduction shall be made from any claim for the improved capacity or output

1.2 in the event of repair, the liability of the Insurer shall not be reduced should the Declared Value be less than the Reinstatement Value of the Insured Machinery

1.3 under no circumstances will the Insurer be liable for any amount in excess of the Declared Value

2. Emergency Repairs

The Insured may proceed with the repair of insured machinery before inspection by or on behalf of the Insurer provided that the liability of the Insurer is not thereby increased and that any damaged part requiring replacement is retained for inspection by the Insurer.

Specific Conditions

1. It is an express condition of this insurance that the Declared Value of all insured machinery shall be the Replacement Value of such machinery.

2. If the Reinstatement Value of the insured machinery shall at the inception of this insurance or any renewal hereof, collectively be greater than the Declared Value the Insured shall be considered their own insurer for the difference and bear a ratable share of the loss accordingly

3. reinstatement value shall mean the cost of replacing or reinstating on the same site property identified in every respect to the insured property as new.

The insured shall notify the insurers of any faults or defects in the insured property known to the insured at inception or renewal anterior thereto or during the currency of any period of insurance indemnified by the insurance.

Failure to notify the insured of such faults or defects will result in the insurers not being liable to indemnify the insured irrespective of the original cause.

Specific Conditions: (Optional)

Provided that the Insurer's liability shall not exceed in respect of any one occurrence the amount stated in the Schedule, unless the words "Not Insured" appear in the Specification against the specific extension, this Section is extended to indemnify the Insured for

1. Deterioration of Refrigerated Property

any Damage to the contents of any refrigeration cabinet or compartment at the Insured's premises by deterioration or putrefaction caused by

1.1 rise in temperature in consequence of

1.1.1 the failure of the plant due to its own inherent defects or accidental means

1.1.2 the accidental failure of the public supply of electricity at the terminal ends of the electricity authority's service feeders at the Insured's premises including (notwithstanding anything herein to the contrary in this Section) accidental failure due to destruction or damage by fire, lightning, explosion or earthquake elsewhere than at the said premises

1.2 accidental leakage of refrigerant or refrigerant fumes

provided that the Insurer shall not be liable under this extension in respect of

1.2.1 consequential loss of any kind

1.2.2 loss or damage occasioned by failure of the public supply of electricity occasioned by to the deliberate act of any electricity authority or by the exercise by any such authority of its power withhold or restrict supply.

It is a condition of this extension that the Insured shall take all reasonable precautions for the safety of the property and immediately upon having knowledge of any event giving rise or likely to give rise to a claim under this extension shall give immediate notice thereof to the Insurer and the Insurer's risk in respect of the plant shall forthwith cease until the said plant shall have been repaired to the satisfaction of the Insurer.

2. Spoilage of Product

Spoilage of product arising out of and as a result of an Insured Event, provided that the deductible stated in the Schedule shall apply in respect of each and every occurrence.

3. Foundations, Refractories and Brickwork

3.1 Physical damage to foundations, refractories and brickwork as a result of damage to its related Insured Machinery notwithstanding Specific Exclusion 6;

- 3.2 Costs necessarily and reasonably incurred for the modification, removal or replacement of foundations, refractories and brickwork as a direct consequence of such damage

provided always that in the event of a loss involving replacement, reinstatement or repair of refractories, the liability of the Insurer will be limited to the proportion of the new replacement value at the time of Damage that the unexpired life of such refractory bears to the original expected life.

4. Undamaged Equipment/Stock

Loss incurred less the amount of any salvage money obtained in the event of undamaged equipment, stock and or materials in trade becoming unusable or devalued for any reason whatsoever resulting solely from Damage insured by the Section of the Policy.

5. Increased Leasing/Hiring Costs

Additional costs resulting from the cancellation of any lease/hire contract in force at the time of damage and replacement thereof by a new lease/hire contract in respect of similar property, at a rental charge rate above that payable under the cancelled contract, as a direct result of damage. The additional lease/hire charges are to be paid for a maximum period of 12 months

6. Replacement Spares

The cost of equivalent spares for replacement property to that previously held by the Insured for the scrapped property less the amount, if any, realised from the sale of the previously held spares in the event of Insured Property being scrapped by the Insurer following damage hereby insured.

7. Loss of Contents of Tanks/Storage Vessels

The loss of contents of tanks or storage vessels and cleaning up costs incurred as a result of an Insured Event to the tanks/vessels as provided for herein but subject to the following additional Exceptions:

- 7.1 Loss by evaporation, pollution, trade losses
- 7.2 Loss resulting from valves being left open

provided that the deductible as stated in the Schedule shall apply in respect of each and every occurrence.

8. Hire of Air Compressors

- 8.1 The reasonable cost incurred in respect of the hire of any air compressor set/s in temporary replacement of the items insured hereunder should these be rendered inoperative as a result of and solely due to an Insured Event;
- 8.2 the additional expenditure necessary and reasonably incurred for the sole purpose of avoiding or diminishing the costs in respect of the hire of any air

compressor set/s which but for that expenditure would have taken place but not exceeding the amount of the reduction thereby avoided.

Provided that:

1. the liability of the Insurer under this extension in respect of any one air compressor set shall not exceed the limit stated in the Specification.
2. the underlying deductibles shall not apply to this extension of cover.
3. the liability of the Insurer under this extension shall commence with the occurrence of the damage and end not later than the number of days/weeks/months thereafter stated in the Schedule.

9. Import Surcharge:

Include import surcharge levied in terms of the Customs and Exercise Act 1964 (as amended) or similar legislation in any other territory, and the amount payable shall be the actual import surcharge incurred in the replacement of property following damage.

10. Lifted Goods:

Cover is extended to provide for damage to goods whilst being lifted or lowered belonging to or in the custody or control of the insured and arising as a direct result of an indemnifiable occurrence to or defect in the insured machinery.

Provided that:

10.1 the deductible stated in the schedule shall apply in respect of each and every cover occurrence.

10.2 cover shall not extend to apply to glass, crockery and the like, liquids of any kind

11. Reconstruction of Data:

All costs are expenses which the insured shall necessarily and reasonably incur in the reconstruction or recompilation of data and programmes, recorded on data carrying media, lost as a result of damage or accidental erasure provided always that the indemnity shall not extend to nor include such costs incurred due to programme errors, incorrect entry to the cancellation or corruption of data or programme others as stated above.

12. Incompatibility:

Costs incurred by the insured to maintain normal operations in consequence of indemnifiable loss or damage in respect of:

12.1 modification of or alteration to the insured property to ensure the operating integrity of the electronic system;

12.2 replacement or system upgrading of legal programme to achieve compatibility with the modified or altered electronic system;

12.3 modifications of previously captured data which has become inaccessible due to modifications of or alteration to the electronic system or in consequence of the replacement or upgrading of legal programmes.

13. Temporary Replacement Property:

Charges for substitute or temporary replacement property during the period commencing immediately after the occurrence of damage.

Automatically Included:

1. Expediting Expenses

Reasonable expenses incurred by the Insured with the consent of the Insurer in respect of damaged insured machinery in:

1.1 making a temporary repair thereto

1.2 expediting the permanent repair or replacement thereof, including overtime working and work carried out on Sundays, holidays and at night and transport costs at express carriage rates for replacement parts

provided that the liability of the Insurer in respect of all such expenses shall not exceed, in respect of any occurrence, 50% of the sum which would have been expended had these additional expenses not been incurred.

2. Professional Fees

Architects', surveyors', consulting engineers' and other fees necessarily and reasonably incurred in the reinstatement of any insured machinery consequent upon its damage, but not for preparing any claim.

3. Operational Media

Any operational media, other than lubricants, in any Insured Machinery necessitated by damage

4. Costs of Gaining Access

Costs necessarily and reasonably incurred in gaining access for repair or replacement as a direct consequence of damage.

5. Additional/Replacement Machinery

Damage to additional property provided that cover shall attach once the installation and commissioning of such property has been satisfactorily completed and such property is put into use. This indemnity shall also include any extension to or modification of existing property.

6. **Clearance Costs**

Costs necessarily incurred by the Insured in demolishing or dismantling insured machinery, removing debris from the site and providing, erecting and maintaining any hoarding required during such demolition, shoring up, propping and site clearance operations following Damage.

7. **Wire Ropes:**

Wire ropes forming part of the insured property, but shall be limited to the normal life of the rope. The normal life shall be defined as the average life completed by the immediately preceding two sets of ropes used for the same duty. Should complete replacement become necessary during the normal life, then the insured shall only be liable pro rata for the portion of the estimated life remaining in the rope, calculated on the basis of the normal life.

This special extensions shall only apply to the complete severance of wire ropes and not to individual strands.

8. **Functional Unit:**

In the event of the loss or destruction of part of any combination of separate items of insured property comprising a functional unit, whether the items are at the same location or not, which renders the remaining part or parts of the unit unusable, insurers agree to indemnify the insured for the value of such functional unit.

9. **Additional Expenditure:**

This policy extends to include additional expenditure incurred for demurrage, dead freight charges and the like following a damage to property insured.

Section E- Machinery Breakdown Business Interruption

Defined Events

Unforeseen and sudden physical loss of or damage to the Property Insured described in the Schedule from any cause as provided under the Section E- Machinery Breakdown of this Policy insuring the item against Breakdown. Liability under this Policy shall except for the provision of the condition relating to the Deductible be a condition precedent to liability hereunder.

Bases of Indemnification

Item 1- Gross Profit

This insurance is limited to loss of Gross Profit due to a. **Reduction in Turnover** and b. **Increased Cost of Working** and the amount payable as indemnity thereunder shall be:

a. **In Respect of Reduction in Turnover:** The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Insured Event fall short of the Standard Turnover.

b. **In Respect of Increased Cost of Working:** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Insured Event but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

Less any sum saved during the Indemnity Period in respect of such the Standing Charges as may cease or be reduced in consequence of the Insured Event provided that if the Sum Insured be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover the amount payable shall be proportionately reduced.

Item 2- Additional Increased Cost of Working

This insurance is limited to additional expenditure necessarily and reasonably incurred in consequence of the Insured Event in respect of Increased Cost of Working in excess of the amount payable under item 1b, for the purpose of avoiding or diminishing the interruption or interference of the business.

Item 3- Salaries & Wages

This insurance is limited to the actual amount which the Insured shall pay as wages and salaries for such period to employees whose service cannot in consequence of the Insured Event be utilised by the Insured at all and an equitable part (based upon shortage in hours worked) of wages and salaries paid for such period the employees whose services cannot in consequence of the Insured Event be utilised by the Insured to the full.

For the purpose of Item 3 the term “Wages and Salaries” shall mean the wages of all employees other than those whose wages are insured as a standing charge under item 1.

Definitions:

Time Exclusion/ Indemnity Period

The period during which the anticipated results of the business shall be affected in consequence of the insured event beginning after the number of days as reflected in the schedule as the time exclusion and ending not later than the number of months reflected in the schedule as the indemnity period after the anticipated date of the commencement of commercial production at the premises.

Gross Profit

The sum produced by adding to the net profit the amount of all the standing charges or if there be no net profit the amount of all the standing charges less any net trading loss.

Net Profit

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

Standing Charges

All standing charges of the business

Salaries and Wages

Remuneration plus motor vehicle allowances of all employees excluding shift allowances and overtime.

Turnover

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

Rate of Gross Profit

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

Annual Turnover

The turnover during twelve months immediately before the date of the insured event.

Standard Turnover

The turnover during that period in the twelve months immediately before the date if the insured event which corresponds with the indemnity period.

In respect of **Rate Of Gross Profit, Annual Turnover and Standard Turnover** such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the insured event or which would have affected the business had the insured event not occurred so that the figures thus adjusted shall represent as near as may be reasonably practicable the results which but for the insured event would have been obtained during the relative period of the insured event.

Specific Clauses

1. Declared Value

For the purpose of the Business Interruption Section of the Policy the Declared Value at inception or at the last renewal immediately anterior to the loss plus an allowance calculated at the date of loss for trends in the business and for variations or other circumstances affecting the business either before or after the loss or damage giving rise to the interruption or interference subject to a maximum of 110%

2. Goods Sold & Services Rendered Elsewhere

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

3. Refund Premium

In the event of the Gross Profit earned during the accounting period of twelve months most nearly concurrent with any period of insurance as certified by the insured's professional accountants being less than the sum insured thereon a pro-rata return of premium not exceeding fifty percent of the premium paid on such sum insured for such period of insurance will be made in respect of the difference.

Where the indemnity period exceeds twelve months the amount of Gross Profit shall for the purpose of this calculation be adjusted in the proportion which the indemnity period bears to twelve months.

If any insured event shall have occurred giving rise to a claim under this policy such term shall be made in respect only of so much of the said difference as is not due to such insured event.

4. Interruptions Due to Alterations or Improvements

The company shall not be liable for loss resulting from interruption or interference with the business due to additional alterations or improvements being affected to the damaged item on the occasion of its repair.

5. Accumulation of Stock

In adjusting and loss account shall be taken and an equitable allowance made if any shortage in turnover due to the insured event is postponed by reason of the turnover

being temporarily maintained for accumulated stock of finished goods in warehouse and depots.

6. **Departments**

If the business be conducted in departments the independent trading results of which are ascertainable the provisions of clauses a. and b. of item 1 shall apply separately to each department affected by the insured event except that if the sum insured by the said item be less than the aggregate of the sum produced by applying the Rate of Gross profit for each department of the business (whether affected by the insured event or not) to the relative annual turnover thereof the amount payable shall be proportionately reduced.

7. **Standby Property**

Any item of property insured against the word "standby" appears in the schedule shall be maintained as standby available for immediate use in the event of the failure of the property insured to which it is standby. Should the standby position change the insured shall give notice as soon as possible to the company and pay the applicable additional premium calculated from the date that the item of property insured ceased to be standby.

8. **Output VS Turnover**

In adjusting any loss under this section at the option of the insured the term "Output" may be substituted for the term "Turnover" if this will achieve a more equitable result.

Provided always that

- a. For the purpose of such loss adjustment
 - i. the word "Turnover" wherever used in this section shall have the word "Output" substituted therefore

for the purpose of this substitution the definition of "Output" shall be the sale value of goods manufactured by the insured in the course of the business at the premises.
 - ii. Memo 2 shall read

if during the indemnity period goods shall be produced elsewhere than at the benefit of the business either by the insured or by others on behalf of the insured the sale value of such goods shall be brought into account in arriving at the Output during the indemnity period.
- b. Only one such term shall be operative in connection with any one occurrence
- c. The clause "Accumulated Stock" is deleted

All sums insured and deductibles catered for within this policy are deemed to be VAT inclusive or exclusive as stated in the Schedule of insurance.

Payment on account will be made to the insured if necessary