Business@Risk Policy Wording

Underwritten by Constantia Insurance Company Limited an authorised Financial Services Provider FSP No. 31111



CONSTANTIA

Insurance made personal

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GENERAL EXCEPTIONS CONDITIONS AND PROVISIONS

Subject to the terms, exceptions and conditions (precedent or otherwise) and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of the company, the company specified in the schedule agrees to indemnify or compensate the insured by payment or, at the option of the company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the within sections up to the sums insured, limits of indemnity, compensation and other amounts specified.

Where more than one insurance company or insurer participates in this insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event, the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

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

General exceptions

(Applicable to all sections of the Policy)

1. War, riot and terrorism

A. This policy does not cover loss of or damage to property related to or caused by:

i. civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the aforegoing;

ii. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;

iii. A. mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;

B. insurrection, rebellion or revolution;

iv. any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;

v. any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;

vi. any attempt to perform any act referred to in clause (iv) or (v) above;

vii. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.

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

B. This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of l976) or any similar Act operative in any of the territories to which this policy applies.

C. Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any 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.

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

2. Asbestos [applicable to all Sections of the Policy

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

3. Nuclear

Except as regards the Fidelity, Stated Benefits and Group Personal Accident sections, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;

ii. nuclear material, nuclear fission or fusion, nuclear radiation;

iii. nuclear explosives or any nuclear weapon;

iv. nuclear waste in whatever form;

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

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

4. Computer losses

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

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover:

a. loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;

b. any legal liability of whatsoever nature;

c. any consequential loss;

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

i. to treat any date as the correct date or true calendar date, or correctly or appropriately to 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

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

iii. to capture, save, retain or to process any information or code due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes, or

iv. to capture, save, retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorised code or instruction including any trojan horse, time or logic bomb or worm or any other destructive or disruptive 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 General exception 4

A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General exception.

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 an earthquake;

   c. in the underground workings of any mine;

   d. in the open (other than buildings structures and plant designed to exist or operate in the open), unless specifically insured as a separate item in the schedule.

   e. in any structure not completely roofed; unless specifically insured as a separate item in the schedule.

   f. being retaining walls; unless specifically insured as a separate item in the schedule.

   Provided that this special extension shall not apply to c) d) e) and f) if specifically described in the schedule

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.

B. General exception 4 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 Special Extension A above.

C. 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 Losses General exception and this Special extension.

D. This Special extension shall not apply to any Public Liability indemnity.

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 subsection of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

2. Other insurance

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

3. Cancellation

3.1 By the Company

This policy or any section may be cancelled at any time by the company giving 31 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice.

3.2 On cancellation by the insured, the company shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by the company, the insured shall be entitled to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 4.

3.3 Premium Refund

The company will not refund the Insured upon cancellation of the Policy, Policy Section or item for the remainder of the period of insurance up to renewal if the maximum amount stated in the schedule for such property or section is settled in terms of a claim.

This general condition shall apply whether the insured gave instruction for cancellation or the Company for whatever reason decided to cancel the Policy.

4. Premium Payment

4.1 Where the premium is paid annually

The premium is due and payable on or before the inception date or renewal date as the case may be but must be paid within 30 days. The Company shall not be obliged to accept premium tendered to it more than 30 days after the inception date or renewal date as the case may be but may do so upon such terms as it at it's sole discretion may determine.

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

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

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

5. Adjustment of premium

If the premium for any section of this policy has been calculated on any estimated figures, the insured shall, after the expiry of each period of twelve consecutive months from the inception date or anniversary date, furnish the company with such particulars and information as the company may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to the insured as the case may be.

6. Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses including but not limited to compliance and adherence to laws and regulations which are material to the risk.

The insured warrants that all laws, regulations, by-laws and rules that apply to the business or to any other matter for which cover is provided in terms of this policy (irrespective of whether the laws, regulations, by-laws and rules are in force at the date the policy is issued or are enacted after that date) shall be adhered to at all times. The failure to adhere to any applicable law, regulation, by-law or rule shall entitle the insurer to reject any claim where such failure is material to the claim.

6.1 Gas Installation- LP Gas

It is a condition precedent to liability that all gas installations at the insured premises must adhere strictly to the SANS 100087 – 1 Code of Practices, specifications and/or standards and any subsequent amendments thereto.

6.2 Fire protection

It is a condition precedent to liability under this Policy that all firefighting equipment or fire protection at the premises is installed, maintained and serviced in accordance with the Regulations contained in the National Building Regulations or any other regulations as may be contained in the respective Emergency Services Bye-laws.

6.3 Building maintenance

The Insured agrees that:

a. drainage systems on the insured premises;

b. gutters fitted to the building;

will be cleaned regularly and kept clean of debris, leaves, sand or other material that may cause obstruction such flow of water.

Failure to adhere to the requirements stated in 6.1, 6.2 and 6.3 above and the Company alleges the loss or damage is material to such failure the Insured shall be responsible to pay the first 10% (ten percent) of each claim with a minimum of R2 500 (two thousand five hundred Rand) in addition to any other first amount payable.

7. Claims

a. On the happening of any event which may result in a claim under this policy, the insured shall, at their own expense

i. give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured

ii. as soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property

iii. as soon as practicable after the event submit to the company full details in writing of any claim

iv. No claim (other than a claim under the business interruption, fidelity, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.

b. No claim shall be payable unless the insured claims payment by serving legal process on the company within 6 months of the rejection of the claim in writing and pursues such proceedings to finality.

c. If after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

d. If the Company rejects or disputes the Insured's claim or the amount of the claim, the Company will give the Insured notice of their reasons for their decision and inform the Insured that they may make representations to the Company within 90 (ninety) days after the date of the notice.

In addition:

7.1 The Insured must provide satisfactory proof of any loss claimed for.

7.2 After the expiry of the 90 (ninety) days referred to above, the Insured has a further 6 (six) months to institute legal action against the Company.

7.3 If the Insured does not serve summons on the Company within this time, the insured will lose the right to challenge the Company's decision.

8. Company's rights after an event

a. On the happening of any event in respect of which a claim is or may be made under this policy, the company and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the company to rely upon any conditions of this policy,

i. take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the company to do so. The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not

ii. take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the company.

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

c. In respect of any section of this policy under which an indemnity is provided for liability to third parties, the company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the company shall thereafter not be under further liability in respect of such event.

9. Fraud

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

10. Reinstatement of cover after loss (not applicable to stock on a 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 latter) to expiry of the period of insurance.

11. Breach of conditions

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

12. No rights to other persons

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

13. Collective insurances

If this insurance is a collective insurance then the following amendment is made to general condition 7 (a) (i) above: "give the leading insurer on behalf of the insurers such proof, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim." and

General condition 7 is substituted by the following:

7. Company's rights after an event

a. On the happening of any event in respect of which a claim is or may be made under this policy the leading insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this policy,

i. take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of by the leading insurer or not;

ii. take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.

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

c. In respect of any section of this policy under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event."

14. Value Added Tax (VAT)

a. Definition

VAT shall mean the amount of Value Added Tax payable by the Insured or the Company to the revenue authorities in the Republic of South Africa.

b. Value Added Tax (VAT) inclusive condition

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to the indemnity or amounts payable in terms of this Policy and to which sums the Terms, Conditions, Provisions and Limitations of this Policy shall apply, and VAT at the current rate as promulgated in legislation relating thereto.

Subject to such sums/limits of indemnity being adequate to embrace the amounts described under 14 (a) and 14 (b) above, the Company will, to the extent that the Insured is accountable to the tax authorities for value-added tax in respect of any payment in terms of this Policy, include the amount of such tax in the final settlement of any claim in terms of this Policy, provided that; the total amount payable for any Defined Event and the VAT related thereto shall not exceed the sum insured/limit of indemnity set against such Defined Event.

In circumstances referred to herein under which the Insured is required to bear the first amount of any loss (excess), such amount shall also be inclusive of VAT in like manner to the sum insured/limit of indemnity referred to above.

Furthermore, in the event of a change in the rate of VAT during the period of insurance, sums insured, limits of indemnity and, if appropriate, premiums shall be adjusted automatically.

15. Consent to disclose

The insured acknowledges that the sharing of claims information by Insurers is essential to enable the insurance industry to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims, in the public interest and with a view to limiting premiums. The insured hereby waives any right to privacy in any claims information supplied by or on behalf of the insured in respect of any insurance claim made or lodged by the insured and the insured consents to such information being disclosed to any other insurance company or its agent. The insured also waives any rights of privacy and consent to the disclosure of any information relevant to any insurance claim concerning the insured or any person that they represent. The Insured also consents to any underwriting information being verified against any legally recognised source or database. The Insured also agrees that this consent clause will survive the termination for whatever reason of the policy, including its cancellation or lapsing.

16. Interest on Payments

No interest will be payable on any amount due by the Company in terms of this Policy unless a court of law orders otherwise.

17. Jurisdiction

Any dispute between the Insured and the insurers in connection with or arising out of the Policy shall be decided exclusively in accordance with the law of the Republic of South Africa and exclusively by a competent court of South Africa.

The Insured undertakes that they will not institute any action against the insurers nor bring joinder proceedings against the insurers in the court of any country other than the Republic of South Africa.

18. Non-Disclosure

a. Before the Insured enters into a contract of Insurance with an insurer, the Insured has a duty to disclose to the insurer every matter known, or that the reasonable person in a similar position could reasonably be expected to know, that is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

b. The Insured has the same duty to disclose those matters to the Company before the Policy is renewed, extended, amended or reinstated.

c. Failure to comply with the duty of disclosure, the Company may be entitled to reduce its liability under the Policy in respect of a claim or may void the Policy from the date of the material change of risk or non-disclosure.

d. Further, the cover provided by this Policy shall be void with respect to any item insured:

i. to which any alteration after the commencement of this insurance takes place;

ii. whereby the Insured's interest ceases except by will or operation of law;

unless notice has been given to the Company in writing as soon as practicable after such alteration and an additional paid if required.

19. Alterations to the business

a. The Insured must immediately advise the Company in writing of any changes to the business that may increase the risk or result in an increased chance of destruction, loss or damage to property insured or liability to third parties.

b. The definition of change referred to in 19 (a) shall include but not be limited to:

i. changes in the name of the Insured or directors or partners;

ii. changes to the address or location of the business;

iii. changes in the nature of the business activities, trade or occupation;

iv. alterations in construction of the premises;

v. new business products not previously disclosed to the Company;

vi. change of tenants if you are leasing out property;

vii. additional premises occupied.

c. The Company may at its own discretion:

i. adjust the premium or terms of the Policy;

ii. require additional Terms, Conditions or Provisions;

iii. cancel the Policy in accordance with the Provisions of the Policy

20. Insurable Interest

a. The Insured must have an insurable interest in any item insured under this Policy at the date of the event giving rise to a claim.

b. If the Insured's insurable interest in an insured item is an interest other than as an owner or a good faith possessor of the goods (in terms of a credit agreement or any other similar agreement) who bears the risk of loss, the Insured must advise the Company of the nature and extent of the insurable interest before the cover commences.

c. The cover for any such item will start only when the Company has given written confirmation and agreed to insure the property.

d. Should the nature or extent of the insurable interest in any item insured under this Policy change, the Insured must notify the Company immediately in writing of such change.

Failure to do so may entitle the Company to reject the claim if the Insured's insurable interest was not agreed to by the Company.

21. Detention, confiscation and forfeiture

This policy does not cover 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.

22. Theft by false pretences

This Policy does not cover loss or damage resulting directly or indirectly from or in connection with any actual or purported exchange, cash or credit sale agreement including theft by false pretences.

23. Sanctions Clause

Notwithstanding any other terms under this agreement, no insurer shall be deemed to provide coverage or will make any payments or provide any service or benefit to any insured or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the insured would violate any applicable trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

24. Policy and Schedule

The Policy and the Schedule together confirm the contract between the Insured and the Company and should be read as one document. Should there be any conflict in interpretation between the contents of the printed Policy and the contents of the Schedule, the Policy Schedule shall be given precedence.

25. Defective design, lack of maintenance and cost of maintenance

The insurance provided by this Policy does not cover loss of or damage to property stated in the Schedule related to or caused by or attributable to or relating to defective design, workmanship, construction or material or lack of maintenance or the cost thereof.

26. Gradual deterioration, wear and tear

The Company shall not be responsible to pay for gradual deterioration and/or wear and tear to property stated in the Schedule which occurs over a period of time

27. Territorial Limits /sum insured limitation

Subject otherwise to the Terms, Conditions, Exclusions, Exceptions and Warranties of the Policy the maximum liability or loss in respect of any claim under Policy Sections

A. Fire;

B. Buildings Combined;

C. Office Contents;

D. Business Interruption; or

E. Accidental Damage;

is limited to 10% (ten percent) of the sum insured in respect of the Section or the amount stated in the Schedule for risks situated outside the territorial scope as described in the schedule.

28. Seepage and Pollution

The Company shall not be liable for loss, damage or liability cause by seepage, pollution or contamination, but this exclusion does not apply to the Broad Form Liability Section where cover is provided for sudden and/or accidental seepage or pollution.

29. Illegal Activities

This Policy does not cover any loss, damage or liability where the property is used for, or in connection with the committing of any illegal activities or offence including any incident relating to obtaining, using or soliciting narcotics (drugs).

30. Intentional Damage

This Policy does not cover any deliberate or intentional loss, damage or liability or omission caused or incurred by the insured, or by any person acting with the Insured's express or implied consent.

31. National Building Regulations

The Insured shall take all reasonable steps to ensure that all property insured, as defined, comply with the National Building Regulations and that plans were submitted to and approved by the local authority at the relevant time.

General provisions

A. Claims preparation costs

The insurance provided by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 7 or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of any one claim shall not exceed, in respect of a particular section, R20,000 (Twenty Thousand Rand) or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claim preparation costs.

B. Payments on account

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

C. First amount payable

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

D. Members

Wherever the word "director" is used it is deemed to include "member" if the insured is a closed corporation.

E. Liability under more than one section

The company shall not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same happening in respect of the same liability, loss or damage.

F. Meaning of words

The schedules and any endorsements thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

G. Holding covered

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

H. Schedule sums insured blank

If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is:

a. left blank or has no monetary amount stipulated against it

b. reflected as nil or not applicable or not covered or no indemnity extended

this means the defined event or circumstance shown in the schedule is not insured by the policy.

I. Security firms

If an employee of a security firm employed by the insured under a contract causes loss or damage, the company agrees, if in terms of the said contract the insured may not claim against the said security firm, not to exercise their rights of recourse against the said security firm.

The company shall not raise as a defence to any valid claim submitted under any section or subsection of this policy that the company's rights have been prejudiced by the terms of any contract entered into between the insured and any security provider relating to the protection of the insured property.

J. Arbitration

Should any difference arise between the Company and the insured or any claimant as to the amount of any claim under this policy the same shall be referred to arbitration in accordance with the statutory provisions of South Africa in force at the time and the obtaining of any award shall be a condition precedent to any right of action against the Company.

K. Power surge

The power surge provision is applicable to each of the following Sections:

Fire;

Buildings Combined;

Office Contents;

Electronic Equipment;

with a combined limit as stated below.

a. Subject to the Definitions, Provisions, Specific Exceptions, Terms and Conditions in this Section, the Company shall indemnify the Insured up to the limit as stated in the schedule for each and every occurrence or series of losses from one event;

provided that;

b. The Insured shall be responsible for the first 10% (ten percent) with a minimum of R1 000 (One Thousand Rand), but not exceeding R2 000 (Two thousand rand) per occurrence or the amount stated in the Schedule for each and every claim and if the Insured can prove to the satisfaction of the Company an approved surge protector is installed, then this additional first amount payable will be waived. However, if there are no approved surge protection devices in place, the insured shall be responsible for the first 20% (twenty percent) with a minimum of R2 000 for each and every claim.

c. this cover will include loss or damage to refrigerated stock insured under the Fire Section columns 4 and/or 5 and there shall be no liability under this Extension for such interruption or interference of the Business for the first 24 (twenty-four) hours;

d. this Provision shall not apply if the loss or damage is as a result of power surge caused by the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority.

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.

L. Warranties and endorsements

If cover is subject to a specific warranty(s) or requirement(s) or the premium was reduced as a result of receiving a discount for precautionary measures taken on any Section of this Policy and these measures are not in place, maintained and/or operational at the time of the loss or damage for which a claim is submitted, the Company may reject the claim.

ELECTRONIC EQUIPMENT SECTION

SUBSECTION 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 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.

Losses as a result of remote blocking:

If the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence will be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle.

Definition

Electronic data processing equipment is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

Exceptions to subsection A

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

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

9. (a) loss by theft or by disappearance of the property insured, other than laptops and data processing projectors, 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 indemnification

The indemnity by this subsection subject always to the sums insured contained in the schedule or any specific limit of liability contained in this subsection, 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 subsection

(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

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) his 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.

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

Definition of market value

The current day purchase price of 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

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.

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 20% (twenty percent) 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 20% (twenty percent) of the total amount of the claim.

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.

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 appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived, however if there are no approved surge protection devices in place, the insured shall be responsible for the first 20% with a minimum of R2 000 for each and every claim.

Fire brigade charges

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

Tenants

This insurance will not be invalidated by any act or neglect on the part of a tenant of the insured (where the insured owns the building) or another tenant or the owner of the building (where the insured is a tenant) provided that the insured notifies the company as soon as such act or neglect comes to their knowledge and 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.

SUBSECTION B: Consequential loss

Defined events

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

(i) Increased cost of working

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

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

(a) the cover provided for in item (ii) of this subsection

(b) the intrinsic value (including reinstatement value) of the property insured by subsection A of this section.

(ii) Reinstatement of data/programs

Costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and/or programs recorded on or stored in data-carrying media which are lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to subsection 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 subsection A of this section

provided that:

(a) the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs

(b) in respect of each and every event or series of events arising out of or in connection with one original cause or source indemnifiable by this item, the insured shall bear the amount stated in the schedule as the first amount payable

(c) where the insured elects to insure programs (software), a schedule of such programs shall be lodged with the company at the commencement of each period of insurance.

Definitions

Indemnity period

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

The time excess shall not apply to loss or damage directly caused by fire, storm (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 insured described in the schedule from any cause as provided for under subsection 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 insured or any supply authority

   (b) drought or shortage of fuel at any electricity utility.

   Special conditions applicable to failure of the public supply of electricity

   (a) The liability of the company shall not exceed the sum insured by this subsection.

   (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 subsection 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 subsection, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance.

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

Specific exceptions to subsection B

Unless specifically provided for

1. Fines and penalties

the company shall not be liable to indemnify the insured in respect of fines or penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature

2. Loss of profit

the company shall not be liable to indemnify the insured in respect of loss of profit or consequential loss of whatsoever nature unless specifically provided for herein.

Clauses and extensions

Reinstatement

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

(a) the insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or

(b) 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).

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

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

Special conditions applicable to Telkom access lines

(a) The liability of the company shall not exceed the sum insured by this subsection.

(b) The indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.

(c) The insurance provided does not cover loss occasioned by the deliberate act of any Telkom authority or by the exercise of such Telkom authority of its power to withhold or restrict access to its lines.

General memoranda

Memo 1 - Capital additions and currency fluctuations

The indemnity by this section shall include

(a) additional equipment or programs purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical, mechanical or electronic breakdown or explosion, the insurance shall only commence after satisfactory completion of installation or commissioning/testing and put into use at the insured's premises

(b) provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured provided that the increase shall not exceed, by more than 25% of the total sum insured for subsection 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.

Memo 3 – Territorial Limits

The Territorial Limits in respect of laptops, notebooks/palmtop computers as well as all other portable computer equipment temporarily located outside of the premises specified in this policy shall be deemed to be worldwide

Special exception (subsections 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 extension

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

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

(a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system

(b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system

(c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs provided always that

(1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions

(2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of subsections 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 subsection A hereof

(ii) programs or data reinstated not indemnifiable under item (ii) of subsection B hereof;

(4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to twenty percent (20%) of the applicable total sum insured under subsection A (the limit of indemnity) and subsection B (item (ii)) or R25 000, whichever is the lesser.

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

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub- section A of this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

(a) civil commotion, labour disturbances, riot, strike or lockout;

(b) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (a) above;

Provided that this extension does not cover:

(c) loss or damage occurring in the Republic of South Africa and Namibia;

(d) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;

(e) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;

(f) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;

(g) loss or damage related to or caused by any occurrence referred to in general exception 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of proviso (a), (b), (c), (d), (e), (f) or (g), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.