

ANNUAL CONTRACTORS' ALL RISKS POLICY

Whereas the Insured named in the Schedule hereto has made to Santam Limited (hereinafter called "the Insurers") a written proposal by completing a Questionnaire which together with any other written information made by the Insured for the purpose of this Policy is deemed to be incorporated herein.

Now this Policy witnesses that in consideration of the Insured having paid to the Insurers the premium shown in the Schedule the Insurers will indemnify the Insured in the manner and to the extent hereinafter provided, or as attached hereto or as amended by endorsement hereon.

Provided always that the due observance and fulfilment of the terms, conditions, exceptions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the proposal(s) shall be conditions precedent to the right of the Insured to recover hereunder.

The Schedule and the section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the section(s) shall bear such meaning wherever it may appear.

GENERAL CONDITIONS

1. Reasonable Precautions

The Insured shall take all reasonable precautions to prevent loss of or damage, or liability arising under this policy, to the property insured and comply with sound engineering practice, statutory requirements and manufacturers' recommendations. The Insured shall also maintain in efficient condition all property insured by this Policy.

2. Material Change in Risk

The Insured shall immediately notify the Insurers in writing

2.1 of any material change in the risk insured hereunder

2.2 of any cessation of work exceeding one month

2.3 the Insurer shall not be liable for any loss of or damage to property insured which would not have resulted had there not been a material change in risk unless the Insurer has agreed to the material change in risk in which case the scope of cover and premium shall, if necessary, be adjusted by the Insurer to reflect the material change in risk.

In such cases, except seasonal interruptions, continuance of the Policy shall be subject to terms and conditions to be agreed.

3. Premiums

3.1 The premium shown in the Schedule shall be considered as provisional and shall be adjusted as hereafter defined.

3.2 The Insurer shall not be liable to indemnify the Insured or any Insured Party in respect of any occurrence happening prior to the receipt of the premium.

3.3 The provisional premium is based on the estimate of contractual turnover at inception. The Insured shall at expiry of the policy period declare the total value of contractual turnover achieved during the year of insurance, whereupon the Insurer shall adjust the premium according to the rate used when determining the original premium.

3.4 The Minimum Premium retention shall not be less than 75% of the provisional premium.

4. Insurers Representatives

Representatives of the Insurers shall at any reasonable time have access to the site or premises and to all pertinent data, documents, drawings etc and shall have the right to inspect any property insured.

5. Claims

In the event of any occurrence which might give rise to a claim under the Policy, the Insured shall:

- 5.1 immediately notify the Insurers by telephone as well as in writing and supply all such particulars and proofs of claim as may be required by the Insurers
- 5.2 take all steps within his power to minimize the extent of the loss or damage
- 5.3 preserve the damaged property and make it available for inspection by a representative or surveyor of the Insurers
- 5.4 take practical steps to recover any property insured, including informing the police authorities and rendering all reasonable assistance in case of loss or damage due to fire, theft or burglary or actions by any malicious person
- 5.5 send to the Insurers immediately on receipt any writ, summons or other proceedings which may be commenced against the Insured
- 5.6 advise the Insurers of any other insurance covering all or part of the same risk
- 5.7 furnish any information and documentary evidence that the Insurer may require together with, if required, a statutory declaration of the truth of the claim.

The Insurers shall not in any case be liable for loss, damage or liability of which notice has not been received by the Insurers within 30 days of its occurrence.

Upon notification being given to the Insurers under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. Nothing herein shall prevent the Insured from taking such steps as are absolutely necessary for the security and continuance of the contract work.

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

No claim shall be payable after the expiry of twelve (12) 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.

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

6. **Subrogation**

The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers for the purpose of enforcing any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurers.

7. **Arbitration**

All differences arising out of this Policy shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing to do so by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before entering upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.

8. **Fraud**

8.1 If an Insured party makes any claim that is fraudulent or any false declaration or statement in support thereof, this Policy of insurance between the Insurer and the Insured party making such a claim shall become void and the Insurer shall not be liable to make any payment hereunder to that party.

8.2 The Insured Party shall not be entitled to any return of premium in the event that the policy of insurance is treated as void.

9. **Misrepresentation and Non-Disclosure**

Misrepresentation or non-disclosure of any material particular shall render the Policy voidable.

10. **Breach**

A breach of or other non-compliance with anything to be done or not done under this Insurance (whether expressed or implied) shall not invalidate the Insurance or prejudice an Insured person other than the particular Insured person guilty of such breach or non-compliance and then only to the extent that such breach or non-compliance was to the prejudice of the Insurers.

11. Termination of Contract

In the event of:

- i. the termination of a contract by the Principal
- ii. withdrawal from a contract by the main Contractor the Cover under this Policy for that particular contract shall cease unless its continuance be admitted by endorsement signed by the Insurers.

12. Contribution

If at the time any claim is made under this Policy of insurance there is any other insurance covering the same loss, damage or liability, the Insurer shall not be liable to pay more than the rateable portion of any claim or such loss, damage or liability.

13. Separate Application to each Contract

Insurance by this policy shall apply separately to each insured contract as if a separate policy had been issued for each such insured contract.

14. Deductibles

- 14.1 In respect of each and every occurrence of loss or damage to items of property Insured the Insurer shall not be liable for the amount of the respective deductibles stated in the Schedule
- 14.2 Any loss of or damage to the property Insured under this section arising during any one period of 72 consecutive hours caused by acts of God of the same type covered by this section shall be deemed to have been caused by a single occurrence and shall therefore be subject to one deductible.
- 14.3 For the purposes of the foregoing the commencement of any such 72-hour period shall be decided upon by and at the discretion of the Insured, it being understood and agreed that there shall be no overlapping of any two or more such 72-hour periods in the event of damage occurring over a more extended period of time.

15. Cancellation

This Policy shall continue unless terminated (cancelled or not renewed)

- i. by the Company by giving thirty days' notice in writing to the Insured
- ii. by the Insured immediately upon receipt in writing by the Company.

In the event of the Policy being cancelled or not being renewed the Insured shall provide details of all contracts in progress at the date of expiry of the Policy and subject to the Company's agreement in writing, the Insured shall pay an agreed premium thereon, in which case cover will remain in force until such contracts are completed.

In the event that the aforementioned details are not received on expiry and premium is not received within thirty days of expiry, any agreed run off cover provided in terms of this policy will lapse with effect from the date of expiry.

16. Turnover

Turnover shall mean the value of work executed in the performance of the Insured Contracts during the Period of Insurance as evidenced by the applications for payment made by the Contractor in respect of such work without reduction for retention monies plus the value of all free issue materials supplied by or on behalf of the Principal and the costs of works carried out by all sub-contractors.

GENERAL EXCEPTIONS

The Insurers will not indemnify the Insured in respect of:

1. War, Riot and Terrorism

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

If the Insurers allege that by reason of clause (i), (ii), (iii), (iv), (v), (vi) or (vii) of this Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.

- ii. 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 1976) or any similar Act operative in any of the territories to which this Policy applies.

- iii. 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 1.3, 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 Insurers allege that, by reason of clause 1.3 of this General Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured

2. **Nuclear**

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 radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- (ii) nuclear material, nuclear fission or fusion, nuclear radiation;
- (iii) nuclear explosives or any nuclear weapon;
- (iv) nuclear waste in any 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.

This exception shall not apply to Radioactive Isotopes used by or on behalf of the Insured.

3. **Computer Losses**

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

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

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

- (a) to treat any date as the correct date or true calendar date, or correctly or appropriately to recognise, manipulate, interpret, process, store, receive or to respond to any data or information, or to carry out any command or instruction, in regard to or in connection with any such date, or
- (b) 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
- (c) 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
- (d) to capture, save, retain or to process any data such as a result of the action of any computer virus, or other corruption, harmful or otherwise unauthorised code or instruction, including 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 of 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 is not excluded by this General Exclusion.
- B The special perils that are not excluded for the purpose of this special extension are damage caused by:
 - 1. storm, wind, water or snow excluding damage to property
 - a) arising from it's 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 or operate in the open)*
 - e) any structure not completely roofed;*
 - f) being retaining walls;*
 - * Unless so described and specifically insured as a separate item.
 - 2. aircraft and other aerial devices or articles dropped therefrom;

3. impact by animals, trees, 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 The 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 Exclusion and this Special Extension.
- E This Special Extension shall not apply to any Public Liability indemnity.

4. **Asbestos**

Notwithstanding any provision of this Policy including any exclusion, exception or extension or other provision which 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 contributing to by, the hazardous nature of asbestos in whatever form or quantity.

- i. the deductibles stated in the Schedule to be borne by the Insured.
- ii. confiscation nationalisation or requisition or destruction of or damage to property by or under the order of any Government de jure or de facto of any Public or Local Authority or abandonment of the Property Insured.

5. **Sanctions Limitation and Exclusion**

No (re) insurer shall be deemed to provide cover and no (re) insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re) insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union as well as United Kingdom or United States of America insofar as they are not in contradiction to the legislative provisions applicable to the (re) insurer concerned.

6. **Communicable Disease Endorsement**

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

CONTRACT WORKS SECTION

1. Basis of Indemnity

If at any time during the Period of Insurance and within the Territorial Limits stated in the Schedule, the Property Insured described in the Schedule and used in performance of the contract shall suffer any accidental sudden and unforeseen physical loss or damage at the Contract Site from any cause other than those specifically excluded, necessitating repair or replacement, the Insurers will indemnify the Insured in respect of all such loss or damage up to an amount not exceeding, in respect of each of the items specified in the Schedule, the sum set out opposite thereto and not exceeding in all the total sum expressed in the Schedule as Insured hereby.

2. Property Insured

The Contract Works (including free issue materials the Value of which has been included, if applicable) to be undertaken in terms of the Insured Contract including all Temporary Works erected or in the course of erection and all materials and other items for incorporation therein.

“Temporary Works” shall mean all constructional aids, equipment, structures or works (not being part of the permanent works) the value of which has been included in the Contract Value used or intended for use on the Insured Contracts and which:

- i do not comprise construction plant, tools and equipment;
- ii are not intended to be removed from the Contract Site on completion of the Contract (other than scaffolding shuttering and formwork as well as construction equipment specially designed and/or constructed or acquired for an Insured Contract and which is not intended for immediate re-use on another Contract); or
- iii have no residual value at the completion of the Contract (other than scrap value) solely due to their specialised nature.

3. Period of Insurance

The liability of the Insurers shall commence and expire on the dates shown in the Schedule. The Insured Contracts insured by this policy shall be subject to the following:

- i The Construction Period shall commence immediately after unloading of property to be insured on the site and the contractor has taken possession of the site of the works.
- ii The Construction Period shall end for any part of the contract works when taken over or taken into use or on the date specified in the Schedule, whichever is first.
- iii Whilst in transit, including loading and unloading, or whilst temporarily stored at any premises en route to or from the Contract Site within the Territorial Limits.
- iv Followed by the maintenance or defects liability period as stated in the Schedule.

Cover for contracts with an inception date outside the dates stated in the schedule are excluded unless otherwise agreed in writing by the Insurer.

4. **Maintenance Period / Defects Liability Period**

This insurance policy shall be extended for the maintenance period stated in the Schedule to cover loss of or damage to the contract works

- i. caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract,
- ii. occurring during the maintenance period provided such loss or damage was caused on the site during the construction period before the certificate of completion for the lost or damaged section was issued.

5. **Insured Contracts**

All contracts and or work as stated in the Schedule as Insured Business and undertaken by or on behalf of the Insured but excluding:

- i. the contract value at award exceeding the Contract Value as stated in the Schedule
- ii. contracts with a construction period which exceeds the maximum contract period as stated in the Schedule
- iii. contracts commenced prior to the inception date of this policy as stated in the Schedule
- iv. underground working of any colliery or mine
- v. on an existing airport runway or airstrip or in or on any aircraft
- vi. in or on waterborne vessels
- vii. involving harbours, jetties, offshore pipelines, piers, wharfs, dams, canals, water channels, tunnels, shaft sinking and bridges over watercourses
- viii. involving the installation of plant intended for the processing of hydrocarbons
- ix. any works where a major wet/water or structural or subsidence/ landslip or geological hazard are known to exist.
- x. thatch risks or sub-economic housing schemes unless agreed to in writing and endorsed in the Schedule

6. **Sums Insured**

The sums insured stated in the Schedule shall represent for:

Insured Contracts	the estimated value of the contract works at completion inclusive of materials, freight, customs duties, dues and cost of construction and the value of services, materials, machines and labour supplied by the Principal
Free issue material	the value of materials for which the Insured is responsible and is incorporated into the Contract Works and included in the Contract Value but not included in the Bill of Quantities

7. **Escalation**

The Insured undertakes to notify the Insurer during this Period of Insurance of any material increase or decrease in the Contract Value insured if the change exceeds the escalation percentage stated in the schedule.

8. Loss settlement

The Insurers will make payments on the basis of valid bills, documentary evidence and justification, as the case may require, that the loss or damage in respect of which a claim is made falls under the scope of this Policy.

Extra charges, incurred in connection with a claim covered by this Policy, for overtime, night work, work on public holidays, express and air freight, removal of debris, fire brigade charges shall not be reimbursed, unless specially provided for by endorsements and stated in the Schedule.

The cost of any provisional repairs will be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total repair costs.

The cost of any alterations, additions and/or improvements which may be undertaken as a result of any loss or damage shall not be recoverable hereunder.

The Insurers may at their option repair replace reinstate or pay cash in lieu of repairs and the basis of loss settlement shall include:

- i. the cost of repair, reinstatement or replacement of the Property Insured at the time of reinstatement of the loss or damage including supplementary charges such as packing costs, freight, customs dues, erection and profit to the extent that such charges have been included in the Sum Insured; plus
- ii. establishment and supervisory charges incurred in connection with repair, reinstatement or replacement following indemnifiable loss or damage to the Property Insured; plus all costs necessarily and reasonably incurred by the Insured.

9. Exceptions

The Insurers shall not be liable for

9.1 loss of or damage to

- i. repairing replacing reinstating or making good any part of the Property Insured which is defective in material workmanship design plan or specification. Should any defect in material workmanship design plan or specification give rise to loss or damage which but for this exception would be insured by this Policy the Company shall in respect of such loss or damage only be liable for costs additional to the costs that would have been incurred in replacing reinstating or repairing the defect had the resultant damage not occurred
- ii. re-design improvement betterment or alteration on the occasion of repair replacement or reinstatement

9.2 loss or damage to any locomotive, aircraft or waterborne vessel or craft

9.3 loss of or damage to any item of constructional plant tools or equipment unless endorsed on this policy and stated in the schedule

- 9.4 loss of or damage to refractory linings following application of heat thereto or from withdrawal of heat there from
- 9.5 consequential loss of any nature including penalties, fines, loss of contracts and loss arising from delay in completing or negotiating contracts
- 9.6 loss of or damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities or cheques, packing materials, such as cases, boxes or crates
- 9.7 loss of any property insured or any part thereof by disappearance or by shortage where such loss is revealed only by the taking of a routine inventory or periodic stocktaking
- 9.8 wear and tear corrosion, rust, erosion, oxidation and deterioration due to normal atmospheric conditions (unless caused as a result of a peril which is otherwise insured by this policy)
- 9.9 expenses incurred in the continuous dewatering following ingress of water into the Insured Contract from any naturally occurring underground source
- 9.10 loss or damage due to total cessation of work and abandonment of the Insured Contract for a period exceeding 90 consecutive days
- 9.11 loss of or damage to and Property Insured due to its own electrical or mechanical breakdown or explosion following the testing period stated in the schedule during which it operated under load conditions (partial or full load) prior to the commencement of any Maintenance Period (whether before or after the introduction of feed stock if applicable)
- 9.12 physical loss or damage occurring as a result of:
 - i. scheduled interruptions of the public power supply
 - ii. interruption of electricity due to shortage of primary energy at the power stations.

CONTRACTORS THIRD PARTY LIABILITY SECTION

1. Basis of Indemnity

The Insurers will indemnify the Insured against all sums not exceeding the limits of liability stated in the Schedule which the Insured shall become legally liable to pay as compensation for:

- 1.1. accidental bodily injury or illness to third parties
- 1.2. accidental loss of or damage to property belonging to third parties occurring in direct connection with the performance of the contract insured by this Policy and happening on or in the immediate vicinity of the contract site during the period of insurance as specified in the schedule.

2. Limit of indemnity

The liability of the Insurers under this section shall not exceed the limits stated in the Schedule for any one accident arising out of any one event.

3. Legal Defence Costs

In respect of a claim for compensation to which the indemnity provided herein applies, the Insurers will in addition indemnify the Insured against:

- i. all costs and expenses of litigation recovered by any claimant from the Insured, and
- ii. all costs and expenses of litigation incurred with the written consent of the Insurers in resisting any claim.

Provided that the liability of the Insurers in respect of any one occurrence shall not exceed the limit of indemnity as stated in the schedule

4. Period of insurance

The period of insurance under this section is as per the period of insurance stated in the Schedule.

5. Exceptions

The Insurers will not indemnify the Insured in respect of:

- 5.1 expenditure incurred in repairing or replacing any work or property covered or coverable under the material damage section of this Policy.
- 5.2 liability arising from loss or damage to any property or land or building caused by vibration, or by the removal or weakening of support, or injury or damage to any person or property occasioned by or resulting from any such damage unless agreed to in writing and endorsed in the Schedule
- 5.3 liability arising in respect of death, injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination unless caused by a sudden unintended and unforeseen occurrence
- 5.4 the cost of removing, nullifying or cleaning up seepage, pollution or contaminating substances
- 5.5 fines penalties punitive or exemplary damages resulting from seepage, pollution or contamination
- 5.6 liability arising out of:
 - i. bodily injury to or illness of employees or workmen of the Contractor(s) or the Principal or any other firm connected with the contract work
 - ii. loss of or damage to property belonging to or held in care, custody or control of the Contractor(s), the Principal or any other firm connected with the contract works, or of an employee or workman of one of the aforesaid
 - iii. any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft
 - iv. any contract or agreement unless such liability would have attached in the absence of such contract or agreement
 - v. technical or professional advices given by the Insured or by any person acting on behalf of the Insured.

6. **Special Conditions**

The Insured shall not negotiate, pay, settle, admit or repudiate any claim under the Policy without the consent of the Insurers, who shall be entitled, if they so desire, to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute for their own benefit in the name of the Insured any claim for indemnity or damage or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may require.

The Insurers may in respect of any claim(s) pay to the Insured the amount of the limit of indemnity, as stated in the Schedule, or such lesser sum for which the claim(s) can be settled, subject in either case to deduction of any sum(s) already paid on account of such claim(s), and thereafter the Insurers shall be under no further liability in respect of such claim(s) except for payment of costs and expenses incurred prior to the date of such payment and for which the Insurers may be liable hereunder.

7. **Special conditions concerning underground cables, pipes and other facilities**

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured in respect of loss of or damage to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of works, the Insured has inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities and takes all necessary steps to avoid damage to same.

Claims in respect of loss of or damage to such underground facilities which are in the same position as shown on the underground maps (drawings indicating the position of the underground facilities) shall be payable after applying a deductible of 20% of the loss amount or the deductible stated in the Schedule, whichever is the greater.

Claims in respect of loss of or damage to underground facilities incorrectly shown on the underground map shall be payable after applying a deductible of 25% of the loss.

The indemnity shall in any case be restricted to the repair costs of such cables, pipes or other underground facilities, any consequential damage and penalties being excluded from the cover.