

ELECTRONIC EQUIPMENT INSURANCE 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,

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. The Insured shall take all reasonable steps to maintain the insured property in efficient working order and to ensure that no item is habitually or intentionally overloaded. The Insured shall fully observe the manufacturers' instructions for operating, inspection and overhaul, as well as government, statutory, municipal and all other binding regulations in force concerning the operation and maintenance of the insured equipment.
2. The Insured shall immediately notify the Insurers in writing of any material change in the risk insured hereunder; in such case continuance of the insurance shall be subject to terms and conditions to be agreed.
3. Representatives of the Insurers shall at any reasonable time have the right to inspect and examine any property insured hereunder and the Insured shall provide the officials of the Insurers with all details and information necessary for the assessment of the risk. The Insurers shall provide the Insured with a copy of the inspection report, which shall however be treated as strictly confidential, both by the Insured and the Insurers.
4. In the event of any occurrence which might give rise to a claim under the Policy, the Insured shall:
 - 4.1 immediately notify the Insurers by telephone or telegram as well as in writing and supply all such particulars and proofs of claim as may be required by the Insurers
 - 4.2 take all steps within his power to minimise the extent of the loss or damage
 - 4.3 preserve the damaged property and make it available for inspection by a representative or surveyor of the Insurers
 - 4.4 inform the police authorities in case of loss or damage due to theft or burglary
 - 4.5 advise the Insurers of any other insurance covering all or part of the same risk.

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 14 days of its occurrence.

Upon notification being given to the Insurers under this condition, the Insured may carry out the repair 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 operations.

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

5. 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) of 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.

6. 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, if 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.
7. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action, suit, or reference to arbitration is commenced within three months after such rejection or, if arbitration takes place as provided herein, within three months after the arbitrator or arbitrators or umpire have made their award, all benefit under this Policy shall be forfeited.
8. This insurance may be terminated at the request of the Insured at any time, in which case the Insurers will retain the customary short-period premium rate for the time the Policy has been in force. This insurance may equally be terminated at the option of the Insurers by ten days notice to that effect being given to the Insured, in which case the Insurer shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred.
9. This insurance is not to be called upon in contribution and is only to pay any loss hereon if and so far as not recoverable under any other insurance.
10. No claim (other than a claim under the business interruption), 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.

GENERAL EXCEPTIONS

The Insurers will not indemnify the Insured in respect of:

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

If the 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.

- (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 1976) or any similar Act operative in any of the territories to which this Policy applies.
- (C) Notwithstanding any provision of this Policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of 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 Insurers allege that, by reason of clause 1.(C) 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 data 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 its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake or volcanic eruption;
 - c) in the underground workings of any mine;
 - d) in the open (other than buildings structures and plant designed to exist 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.

- 5. the deductibles stated in the Schedule to be borne by the Insured.
- 6. 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.

7 **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.

8. **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.

MATERIAL DAMAGE SECTION

If, at any time during the period of insurance stated in the Schedule, the equipment described in the Schedule and used in performance of its proper function shall suffer any unforeseen or accidental physical loss or damage from any cause other than those specifically excluded necessitating repair or replacement, the Insurers will indemnify the Insured in respect of such loss or damage up to an amount not exceeding in any one year 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 said Schedule as insured hereby.

The Insurers will also reimburse the Insured for the cost of clearance of debris from and cleaning of insured property damaged by any cause covered by this Policy. The indemnity shall not exceed the limit fixed in the Schedule.

INSURED PERILS

- 1 Incorrect operation, negligent or malicious acts of employees or third parties
- 2 Burglary, theft, robbery and the events related to them
- 3 Faulty design and material
- 4 Short circuit, excessive voltage, induction
- 5 Fire, lightning and explosion of all kinds (including the damage caused by fire-fighting and rescue operations)
- 6 Scorching and charring, smoke, soot
- 7 Forces of nature such as storm, flood, hail, landslide
- 8 Any influence of water and moisture and corrosion resulting from them
- 9 Any other accident not hereinafter excluded.

EXCLUSIONS

The Insurers shall not be liable for:

1. loss or damage for which the seller, the lessor, or the repair or maintenance company is legally or contractually liable
2. loss or damage resulting from faults and defects of which the Insured or the management responsible to him knew or should have known
3. loss or damage resulting from use of any insured object after damage has occurred but before permanent repair has been effected and normal operation guaranteed
4. any costs for standard adjustment, rectifying functional failures and maintenance of the insured object unless necessary in connection with the repair of an insured loss
5. loss of or damage to valves, tubes, fuses, seals, belts, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, fabrics, or any operating media (eg lubricating oil, chemicals)
6. aesthetic defects, such as scratches on painted, polished or enamelled surfaces unless such parts are directly affected by an indemnifiable loss of or damage to the insured items
7. wear and tear, corrosion, erosion, oxidation, and gradual deterioration due to lack of use and normal atmospheric conditions
8. consequential loss of any kind or loss of use
9. any costs for the replacement of data media, data and regeneration of data even if the data was lost in connection with an insured event
10. physical loss or damage occurring as a result of scheduled interruptions of the public power supply and/or the interruption of electricity due to shortage of primary energy at power stations.

PERIOD OF INSURANCE

The insurance period under this Policy begins and ends on the dates shown in the Schedule.

SUMS INSURED

It is a requirement of this insurance that the sum insured shall be equal to the cost of replacement of the insured equipment by new equipment of the same specifications and same capacity including all freight costs to site, erection costs and customs duties and other dues.

UNDERINSURANCE

If in the event of loss or damage, it is found that the sum insured is less than the amount required to be insured, then the amount recoverable by the Insured under this Policy shall be reduced in such proportion as the sum insured bears to the amount required to be insured. This condition applies separately to every object and item.

PREMIUMS

Premiums are based on the sums insured and shall be adjusted for any increase or decrease in such sums.

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, shall not be reimbursed, unless specially provided for by endorsements to the Policy.

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 basis of any loss settlement under the Policy shall be:

1. In cases where damage to an insured item can be repaired, the Insurers will pay expenses necessarily incurred to restore the damaged machine to the operating condition in which it was before the occurrence of the damage. If the value of one item or a part thereof is increased by the repair, the liability of the Insurers shall be reduced by the amount of such increase.

The Insurers will also pay dismantling and re-erection charges incurred for the purpose of effecting the repairs as well as ordinary freight charges, customs duties and dues, if any. If the repairs are executed at a workshop owned by the Insured, the Insurers will pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover the overhead charges. The value of any salvaged material shall be deducted.

2. In the case of a total loss, the actual value of the property immediately before the occurrence of the loss less salvage.

All damage which can be repaired shall be repaired, but if the repair costs equal or exceed the value of the property immediately before the occurrence of the damage, settlement shall be made on the basis provided for in 2 above.

The Insurers may at their own option repair, reinstate or replace any property lost or damaged or pay in cash the amount payable hereunder.

LOSS OF DATA AND DATA MEDIA SECTION

The Insurers hereby agree, notwithstanding exclusion 9 under the material damage section, to indemnify the Insured against all costs not exceeding the limits of indemnity stated in the Schedule which the Insured shall incur for replacement of data media, data and regeneration of data if such costs arise in connection with indemnifiable loss or damage occurring during the period of insurance to property insured under the material damage section of this Policy, provided the data media are at the locations listed in the questionnaire or in transit between those locations.

SPECIFIC EXCLUSIONS

The Insurers will not indemnify the Insured in respect of:

1. normal wear and tear of the media
2. erroneous programming, perforating, loading or printing
3. discarding or erasing of data not caused by insured damage.

PERIOD OF INSURANCE

The Period of Insurance is identical to the period of insurance specified in the Schedule.

SUM INSURED / AGGREGATE LIMIT OF INDEMNITY

The sum insured stated in the Schedule shall correspond to the total costs for the replacement of data media, data and the regeneration of the data.

It shall constitute the aggregate limit of all indemnities payable for all events occurring in any one year.

PREMIUM

The premium due for the cover under this section is included in the total premium shown in the Schedule.

LOSS SETTLEMENT

The Insurers shall indemnify those costs which are proven to have been incurred within 12 months as from the date of the event for replacement of data media, data and regeneration of data; but the indemnity shall not exceed the limit of indemnity stated in the Schedule less the agreed excess.

ADDITIONAL COSTS SECTION

The Insurers hereby agree, notwithstanding exclusion 8 under the material section of this Policy, to indemnify the Insured up to but not exceeding the limits of indemnity stated in the Schedule for all additional costs which the Insured shall incur to ensure continued data processing on substitute equipment if such costs arise as an unavoidable consequence of indemnifiable loss or damage occurring during the period of insurance to property insured under the material damage section of this Policy.

SPECIFIC EXCLUSIONS

The Insurers shall not be liable for

1. Costs for replacement of data media, data and regeneration of data.
2. Costs for loss containment unless they are the result of measures taken with the agreement of the Insurers.
3. Costs arising from circumstances which are not connected with the insured material damage. In particular, the Insurers shall not be liable for additional costs arising from
 - 3.1 bodily injuries
 - 3.2 orders or measures of a public authority
 - 3.3 expansion and improvement of equipment
 - 3.4 lack of funds causing delay in repair or replacement of equipment.
4. Any other consequential loss such as loss of market or interest.

PERIOD OF INSURANCE

The period of insurance is identical to the period of insurance specified in the Schedule.

Period of indemnity and waiting period (time excess)

The period of indemnity shall be stated in the Schedule and shall begin with the occurrence of an insured event. The waiting period stated in the Schedule and the length of the interruption shall be counted in working days.

SUM INSURED / AGGREGATE LIMIT OF INDEMNITY

The sum insured stated in the Schedule shall represent the total amount of additional costs and expenses for maintaining continued data processing on substitute equipment during an annual period.

It shall be calculated by multiplying the agreed maximum daily indemnity by the number of working days per year. It shall constitute the aggregate limit of all indemnities payable for all events occurring in an annual insurance period.

PREMIUM

The premium due for the cover under this section is included in the total premium shown in the Schedule.

LOSS SETTLEMENT

The Insurers shall indemnify those costs and expenses incurred during the period of indemnity to maintain data processing operations to their previous extent, that are additional to those which would have been incurred during the same period if no insured event had occurred.

LIMIT OF INDEMNITY PER EVENT:

The total indemnity per event shall not exceed an amount equal to the agreed maximum daily indemnity or the actual daily rate payable for the use of substitute equipment, whichever is less, multiplied by the number of working days agreed to represent the indemnity period or by the actual number of working days substitute equipment is used, whichever is less.

Additional personnel expenses and transportation costs shall also be indemnified on the basis of valid evidence provided a corresponding limit is shown in the Schedule.

Interruptions shorter than the waiting period stipulated in the Schedule shall be excluded from this insurance. If an interruption is longer than the waiting period, the Insured shall pay an amount of each claim which bears the same proportion to the total claim as the waiting period to the total interruption period.