

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.

Important: Please note: Any request for a premium refund must be made within 3 (Three) months of expiry of the period of insurance and must be accompanied by confirmation from the company's auditors of the Actual Turnover achieved in the Period of Insurance, failing which the Insured is not entitled to any refund from the Insurer.

- 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 noncompliance 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 and Terrorism Exclusion Endorsement (based on NMA2919 to allow for Reinsurance and Insurance)**

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

- (i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
- (ii) any act of terrorism.

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (i) and/or (ii) above.

If the (re)insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the Reassured/Insured.

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

2. **Nuclear Energy Risks in accordance with the Nuclear Energy Risks Exclusion Clause (1994) (Worldwide excluding U.S.A. and Canada) (based on NMA1975a to allow for Reinsurance and Insurance)**

This (re)insurance shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of (re)insurance and/or via Pools and/or Associations.

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

- (I) All Property on the site of a nuclear power station. Nuclear Reactors, reactor buildings and plant equipment therein on any site other than a nuclear power station.
- (II) All Property, on any site (Including but not limited to the sites referred to in (I) above) used or having been used for:
 - a) The generation of nuclear energy; or
 - b) The Production, Use or Storage of Nuclear Material.
- (III) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- (IV) The supply of goods and service to any of the sites, described in (I) to (III) above, unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as undernoted, Nuclear Energy Risks shall not include:

- (i) Any insurance or reinsurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (I) to (III) above (including contractors' plant and equipment);
- (ii) Any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of (i) above.

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

However, the above exemption shall not extend to

- 2.1. The provision of any insurance or reinsurance whatsoever in respect of:
 - a) Nuclear Material;
 - b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first critically where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
- 2.2. The provision of any insurance or reinsurance for the undernoted perils:
 - Fire, Lightning, explosion;
 - Earthquake;
 - Aircraft and other aerial devices or articles dropped therefrom;
 - Irradiation and radioactive contamination;
 - Any other peril Insured by the relevant local Nuclear Insurance Pool and/or Association

In respect any other Property not specified in (2.1.) above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

DEFINITIONS

NUCLEAR MATERIAL

- (i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- (ii) Radioactive Products or Waste being any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

NUCLEAR INSTALLATION

- (i) Any Nuclear Reactor;
- (ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- (iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

NUCLEAR REACTOR

Any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

PRODUCTION, USE OR STORAGE OF NUCLEAR MATERIAL

The production, manufacture, enrichment, conditioning, processing, use, storage, handling and disposal of Nuclear Material.

PROPERTY

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

HIGH RADIOACTIVITY ZONE OR AREA

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

3. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (CL370)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

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

- 3.1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 3.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 3.3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 3.4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- 3.5. any chemical, biological, bio-chemical, or electromagnetic weapon

4. Property Cyber and Data Endorsement (LMA5400)

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- 4.1. Cyber Loss, unless subject to the provisions of paragraph (ii) below;
- 4.2. Loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph (iii) below;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

- (i) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- (ii) Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.

- (iii) In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- (iv) This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

DEFINITIONS

CYBER LOSS

Any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

CYBER ACT

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

CYBER INCIDENT

- any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

COMPUTER SYSTEM

Any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

DATA

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

DATA PROCESSING MEDIA

Any property insured by this Policy on which Data can be stored but not the Data itself.

5. Asbestos Exclusion

This insurance shall not apply to, and does not cover, any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

6. Sanctions Limitation and Exclusion Clause (LMA3100)

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, United Kingdom or United States of America.

7. Communicable Disease Exclusion (April 2020) (LMA5397)

7.1 Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

7.2 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:

- 7.2.1 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
- 7.2.2 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
- 7.2.3 the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

8. Industries, Seepage, Pollution and Contamination Clause (NMA1685)

This Insurance does not cover any liability for:

8.1. Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph 8.1. shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.

8.2. The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.

8.3. Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this Insurance to cover any liability which would not have been covered under this Insurance had this Clause not been attached.

9. The deductibles stated in the Schedule to be borne by the Insured.
10. 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.
11. Loss of or damage to experimental or prototype machinery and equipment or any consequential losses arising therefrom.
12. Any Cost Overrun of whatsoever nature where no material damage has occurred.
13. The redesign of any temporary works of whatsoever nature.

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. power stations
- xi. 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 Defense 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.