



Aon South Africa (Pty) Ltd
Risk Consultants and Insurance Brokers
Construction & Engineering Division

ESKOM HOLDINGS LTD

FORMAT B

Master Policy
for

**Construction and/or Erection All Risks and Public
Liability Insurance**





THE SCHEDULE

POLICY NUMBER:

ESK2007/FLR

This serves as a master policy for scope of cover. At the time of project/contract award please secure the specific policy wording with unique policy number from the Project manager or Eskom Insurance Management Services.

THE BROKER:

Aon Risk Services (Pty) Ltd
Construction and Engineering Division
VAT NO: 4320101498
COMPANY REG NO: 78/04501/07

INSURER:

Escap Limited
COMPANY REG NO: 1993/03340/06

THE INSURED:

- i) Eskom Holdings Limited)
and its Affiliated, Subsidiary, and Associated Companies and / or Corporations) hereinafter called
as now exist or may exist or may hereafter be constituted or acquired including) "Principal"
its interest as may appear in Partnerships and Joint Ventures in which Eskom)
has an interest (including the interest of any other Parties in such Partnerships)
or Joint Ventures) and including the Eskom Pension and Provident Fund)
(including such other names used by Eskom since 1st July 1985) and / or other)
Staff Welfare Associations for their respective rights and interests and for whom)
they are authorized to insure;)
- ii) all Contractors undertaking work for or on behalf of the Principal)
in execution of The Insured Contract(s) (it being understood that where) hereinafter called
the Principal undertakes the work he shall be deemed to be the) "Contractor"
Contractor provided that his rights hereunder shall not exceed the)
rights of any independent Contractor working on behalf of the Principal);)
- iii) all Sub-Contractors employed by the Contractor and all other Sub-Contractors) hereinafter called
(whether nominated or otherwise engaged in fulfilment of The Insured Contract(s);) "Sub-Contractors"
- iv) any Local Provincial or Government Department with which the Principal
enters into any contract or agreement for the performance of The Insured
Contract(s) (it being understood that the rights of such parties under this
insurance shall not exceed the rights of any independent Contractor
working on behalf of the Principal);

THE SCHEDULE (Continued)

THE INSURED (Continued)

- v) to the extent required by or provided for in any contract or agreement:
- i) suppliers, manufacturers, vendors or other persons undertaking work at The Contract Site(s) in respect of liability, loss or damage arising out of their activities on The Contract Site(s) including during the loading for transport to The Contract Site(s), transit thereto and offloading thereon;
 - ii) transport contractors and persons providing storage facilities (but only for goods within the Territorial Limits) plant owners and/or operators. It being understood that once goods have been delivered to a location within the Territorial Limits for further fabrication or modification or works thereon these goods will be deemed to have been produced within the Territorial Limits;
 - iii) project managers and all other engineering consultants, architects, land surveyors, quantity surveyors, advisors or consultants or any other professional party in respect of their involvement in the performance of The Insured Contract(s) at The Contract Site(s) but excluding loss damage or liability arising out of negligent act, error or omission in the performance of the professional duties undertaken by the professional(s) in the course of their business;

for their respective rights and interests.

It is understood and agreed that The Insured includes officers, employees and contract staff.

Subject always that the terms of General Memorandum No. 1 shall apply to i) ii) iii) iv) and v) above.

INSURERS POSTAL ADDRESS:

Escap Ltd: PO Box 1091, Johannesburg 2000

THE PERIOD OF INSURANCE:

For all declared projects with commencement dates

- a) From 01 April 2007 to 31 March 2010 and until the declared expiry of The Insured Contract(s) followed by a defects liability or maintenance period not exceeding 24 months.
- b) The Period of Insurance includes the following consecutive periods of Hot Testing and Hot Commissioning:
 - i) In respect of coal projects up to 9 months from the first energization of the generator transformer and any other equipment but not the Boiler which shall have 6 months from first fire of that Boiler or the Steam Turbine Generator which will have 4 months from the first admission of steam.
 - ii) All other projects up to 4.5 months commencing from the first admission of fuel or energization of the generator transformer.

THE SCHEDULE (Continued)

The following terms shall apply:

Hot Testing shall mean	The checking of the insured plant or machinery or component part thereof under load or operational conditions, including the use of feedstock or other materials for processing or other media to simulate working conditions and in the case of electrical motors, electrical generating, transforming, converting or rectifying plant or machinery, connection to the grid or other load circuit.
Hot Commissioning shall mean	The operation of an insured plant or machinery or component part thereof with feedstock or other materials for processing, or in the case of electrical motors, electrical generating, transforming, converting or rectifying plant or machinery, connection to a grid or other load circuit under production conditions to attempt to attain specification requirements and/or training operational personnel.
Steam Turbine Generator shall mean	Any equipment between the main steam inlet/reheat inlet stop valves (including the valves, condenser steam inlet and generator outlet terminals including lubrication oil system, seal oil system, control oil system, generator excitation systems and all control valves.
Boiler shall mean	All pipework and pressure vessels between the boiler feed, pump discharge and boiler main steam reheat steam system outlet valves including coal and fuel oil burners, ignition systems, air heaters, soot blowers, safety valves and coal mills/feeder systems.

Any other subsequent period required to complete The Insured Contract(s) at pro rata additional premium for a maximum period of 12 months and thereafter at premium to be agreed.

INSURERS VAT NO.

Escap: 4490138866

PREMIUM:

As reflected on the endorsement for each Project attaching to and forming part of this Policy, inclusive of VAT and adjustable in accordance with General Memorandum 8

THE INSURED CONTRACT(S):

All contracts entered into/to be entered into by The Insured relating to all work and associated works for the Projects listed on the Schedule of Anticipated and Agreed Projects on Slip B0823P70700771.

THE CONTRACT SITE(S):

The site(s) upon which The Insured Contract(s) is to be executed or carried out as more fully defined in The Insured Contract(s) together with so much of the surrounding area up to 50km as designated, and/or offsite fabrication yards, and/or fabrication premises, and/or storage sites, and/or lay down areas, and/or the premises as described in Memo 4, as may be designated for the performance of The Insured Contract(s) within the Territorial Limits.

THE PROPERTY INSURED

The works (including "Free Issue Materials" or Materials supplied by the Principal or Contractor including equipment which has previously been operated under service conditions the value of which has been included if applicable) to be undertaken in terms of The Insured Contract(s) including all Temporary Works erected or in the course of erection and all materials and other goods for incorporation therein.

THE SCHEDULE (Continued)

"Temporary Works" shall mean all constructional aids, equipment, structures or works (not being part of the permanent works) used or intended for use on The Insured Contract(s) at and which:

- a) Do not comprise mobile plant;
- b) Are not intended to be removed from The Contract Site(s) on completion of The Insured Contract(s) (other than scaffolding shuttering and formwork as well as construction equipment specially designed and/or constructed for The Insured Contract(s) and which is not intended for immediate re-use on another contract); or
- c) Have no residual value at the completion of The Insured Contract(s) (other than scrap value) solely due to their specialised nature.

THE SCHEDULE (Continued)

TERRITORIAL LIMITS:

The Republic of South Africa,

LIMITS OF INDEMNITY:

SECTION I – CONTRACT WORKS

The estimated Project Value declared at inception.
(exclusive of limits provided for elsewhere in the Policy).

Should the estimated Project Value during the course of execution of the The Insured Contract(s) exceed the estimated Project Value at inception, the Limit of Indemnity shall be deemed to be automatically increased by an amount not exceeding **10% (ten percent)** thereof. Estimated Project Values can be adjusted during the execution of the Project in which case the **10%(ten percent)** will apply to the new Project Value declared. Revised Project values to be advised to underwriters within 6 months of this coming to the notice of Eskom. Final Project Values to be declared at completion of each Project for premium adjustment purposes.

SECTION II - PUBLIC LIABILITY

R20,000,000.00 (Twenty Million Rand)
any occurrence or series of
occurrences arising out of one event
but unlimited number of events during The Period
of Insurance
(exclusive of limits provided elsewhere in the
Policy).

THE DEDUCTIBLES:

SECTION I – CONTRACT WORKS

R1,000,000.00 (One Million Rand) each and every loss.

It is agreed that any loss or damage caused by storm, including hail, rain, snow, tempest, water damage, flood, subsidence, collapse or earthquake arising during any one period of seventy two (72) consecutive hours shall be deemed as a single event and shall constitute one occurrence. For the purposes of application of the deductible the commencement of any such 72 hour period shall be decided at the discretion of the Insured. However, there shall be no overlapping in any two or more such seventy two hour periods in the event of damage occurring over a more extended period of time.

SECTION II - PUBLIC LIABILITY

R 1,000,000.00 (One million Rand) each and every claim in respect of property damage only.

All loss adjustment, assessment, and legal expenses will be included in The Deductibles shown above.

R0 in respect of Emergency Medical Expenses.

SECTION I - CONTRACT WORKS

THE INDEMNITY

The Insurer will indemnify The Insured subject to the terms, exceptions and conditions contained herein up to the Limits of Indemnity against physical loss of or damage to any part of The Property Insured occurring during the Period of Insurance, and which is due to any cause whatsoever, subject to:

- a) For Property Insured within the Territorial Limits whilst in transit to and from The Contract Site(s) including loading and unloading within the Territorial Limits provided that The Insured Property is suitably packed and/or prepared for transit which shall also be deemed to include stowage, the maximum liability payable shall not exceed **R100,000,000.00 (One Hundred Million Rand)** per conveyance.
- b) For storage of Property Insured at manufacturers, distributors or suppliers premises within the Territorial Limits subject to it being a requirement of conditions of purchase issued by the Principal, the maximum liability payable shall be **R100 000 000(One Hundred Million Rand)** per location. This maximum liability payable in respect of storage at manufacturers, distributors or suppliers premises shall operate as a difference in conditions cover in the event more appropriate insurance has not been effected by the manufacturer/supplier/distributor.

It is understood that The Indemnity extend to include work during the Defects Liability or Maintenance Period (as may be described in The Insured Contract(s) pertaining to any part of the permanent works) in respect of:

- i) physical loss or damage caused by The Insured in the course of the operations carried out for the purpose of complying with The Insureds obligations under the defects liability and maintenance obligations of The Insured Contract(s);
- ii) occurring during the Contractual Defects Liability and Maintenance Periods provided such loss or damage was caused on The Contract Site(s) during the construction period and before the issue of the relevant take over/performance certificate for the lost or damaged section was issued.

Without limiting The Indemnity provided, it is agreed that:

- a) Where Testing and Commissioning of The Property Insured is conducted by The Insured, completion for purposes of this insurance to occur only after successful completion of all Testing and Commissioning of the whole of the permanent works under The Insured Contract(s);
- b) Works uncompleted or outstanding in terms of any notice of completion certificate, or takeover/handover certificate/performance certificate, or similar document shall continue to be insured until its completion and the inception of the Defects Liability or Maintenance Period.

SECTION I - CONTRACT WORKS (Continued)

BASIS OF LOSS SETTLEMENT - SECTION I

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

- a) The cost necessarily incurred in the repair, reinstatement or replacement of The Property Insured at the time of reinstatement of the physical 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 Limit of Indemnity.

In respect of The Property Insured which has operated under service conditions prior to attachment of cover hereunder being physically lost or damaged the basis upon which the loss shall be settled shall be the cost of repair reinstatement or replacement of The Property Insured except that in respect of such property exceeding three years of age the basis of loss settlement for total loss shall not exceed the market value of such property which shall be calculated on the basis of each year of life (or part thereof) the present day new replacement value of an identical machine or structure is reduced proportionately over a period of 20 (twenty) years subject to a residual indemnification of 20% (twenty percent);

plus,

- b) The additional cost of express delivery (including airfreight), customs dues and charges (provided such customs dues and charges had been declared in the original contract value), overtime work, night-work or work on public holidays incurred subject to a limit of 200% of normal delivery charges and 150% of the normal day rate;

plus,

- c) Establishment and supervisory charges incurred in connection with repair, reinstatement or replacement following indemnifiable loss or damage to The Property Insured;

plus,

- d) Any architects', surveyors', quantity surveyors', consulting engineers', legal and/or other professional fees in connection with the replacement or reinstatement of The Property Insured, but not in respect of any improvement or extension to The Property Insured;

all necessarily and reasonably incurred by The Insured.

EXCEPTIONS TO SECTION I ONLY

The Insurer will not be liable for:

- a) The amount of the Deductible stated in The Schedule hereto.
- b) All costs rendered necessary by defects of material workmanship design plan or specification and should damage occur to any portion of The Property Insured containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost which would have been incurred if replacement or rectification of The Property Insured had been put in hand immediately prior to the said damage.

For the purpose of this Policy and not merely this exclusion it is understood and agreed that any portion of The Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material workmanship design plan or specification.

- c) The additional cost of any alterations, additions or improvements, modifications or overhaul carried out at the time of any repair or replacement of The Property Insured.
- d) Physical loss or damage more specifically insured by a Marine Policy except for indemnity provided by Memo 8 – Contribution Clause - Marine 50/50.
- e) Liquidated damages or penalties for delay in connection with guarantees of performance or efficiency.
- f) Physical loss of or damage to cash, banknotes, treasury notes, cheques, postal orders, deeds, money orders, stamps or securities and the like.
- g) Physical loss of or damage to any Property Insured by disappearance or by shortage where such loss is revealed only by the taking of a routine inventory or periodic stocktaking.
- h) Consequential Loss unless otherwise provided for elsewhere in this Policy. Consequential Loss shall mean: Loss of use of any part (or all) of the works, loss of profit, loss of any contract, loss of business, loss of production, loss of revenues, or anticipated savings, cost of capital, increase in operating costs, and any other indirect loss or damage.
- i) The cost of replacing or rectifying normal wasting, wearing away or wearing out, gradual deterioration rust corrosion or oxidisation and normal up-keep or making good (unless caused as a direct result of a peril which is otherwise insured by this Policy). However this exception shall not apply to consequential physical loss or damage not otherwise excluded as a result of the aforementioned wasting, wearing away or wearing out, gradual deterioration rust corrosion or oxidisation and normal up-keep or making good.
- j) The cost of continuous dewatering to maintain working conditions following ingress into The Property Insured of the normally expected inflow of water from naturally occurring underground sources.
- k) Physical loss of or damage to installed refractory linings arising from the intentional application or withdrawal of heat (other than as a result of a peril which is otherwise insured by this Policy).
- l) Physical loss or damage from any form of fungus, however caused, including but not limited to yeast, mould, mildew, smut, mushrooms, spores or any substance, product or by product.
- m) Physical loss of or damage to The Property Insured due to prescribed techniques not being followed on purpose or due to the bypassing of safety devices unless agreed to do so in accordance with either manufacturer or supplier specifications.

SECTION I - CONTRACT WORKS (Continued)

MEMORANDA TO SECTION I ONLY

MEMO 1 - SURROUNDING PROPERTY EXTENSION

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured against physical loss of or damage to Principals existing Property not otherwise insured by this Section of the Policy which is in the custody or control of The Insured and caused by or arising directly from the performance of The Insured Contract(s).

Provided that:

- a) This indemnity shall not apply to physical loss or damage for which indemnity is provided for under Section II of this Policy, nor to any constructional plant, machinery or equipment used or intended for use on The Insured Contract(s).
- b) The liability of the Insurer under this Extension shall not exceed the sum of **R90,000,000.00 (Ninety Million Rand)** any one occurrence.
- c) This Extension provides primary cover to The Insured as per General Memo 5 – Primary Insurance clause.
- d) This Extension will also apply at any premises within the Territorial Limits for the purpose of repair, modification, treatment or further work of construction.

MEMO 2 – DEBRIS REMOVAL

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured in respect of all costs necessarily or reasonably incurred by The Insured in respect of provision of hoarding, shoring, propping, covering and protection of property, recovery, demolition and removal of property, removal and disposal of wreckage, detritus, debris, water and other matter, restoring The Contract Site(s), regaining access to The Contract Site(s) or the works and restoring normal working conditions, complying with the requirements of The Insured Contract(s) or any statutory body, professional fees, removing property to suitable premises for repair, delivering repaired or replacement property to the situation where the loss or damage occurred or to premises as directed by The Insured, establishment supervision and overhead charges.

Provided that the liability of the Insurer shall not exceed **R15,000,000.00 (Fifteen Million Rand)** in respect of any one occurrence.

MEMO 3 – DEBRIS REMOVAL – NO DAMAGE

Subject otherwise to the Exceptions and Conditions of the Policy, The Insured in respect of all costs necessarily or reasonably incurred by The Insured in respect of the removal or clearance or disposal of debris, detritus and water and other matter in providing erection and maintaining any hoarding required during demolition site clearing or reconstruction or in protecting The Property Insured against further loss or damage regaining access to the Works or in restoring normal working conditions, complying with the requirements of The Insured Contract(s) or any Statutory Body following an occurrence insured by this Policy notwithstanding that no physical loss or damage to The Insured Property has occurred.

The liability of the Insurer shall not exceed the sum of **R15,000,000 (Fifteen Million Rand)** in respect of any one occurrence and in the aggregate per project.

SECTION I - CONTRACT WORKS (Continued)

MEMO 4 - WORK AWAY

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured against physical loss of or damage to The Property Insured whilst it is situated at any premises within the Territorial Limits for the purpose of repair, modification, treatment or further work of construction, other than loss or damage caused by the misapplication of tools or resulting from any manufacturing processes.

MEMO 5 – COVER FOR PROPERTY INSURED TAKEN OVER OR PUT INTO OPERATION

It is agreed and understood that otherwise subject to the Exceptions and Conditions of the Policy, the insurance shall be extended to cover physical loss of or damage to parts of The Property Insured taken over or put into service but not into commercial use if such physical loss or damage occurs during the Period of Insurance.

MEMO 6 - FIRE BRIGADE/PUBLIC AUTHORITY

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured if any public authority empowered to do so shall charge The Insured with any costs arising from their activities in dealing with the consequences of an insured peril having operated such costs shall be deemed to be damage to The Property Insured and will be payable in addition to any other payment for which the Insurer may be liable in terms of this insurance.

Provided that the liability of the Insurer shall not exceed the sum of **R25,000,000.00 (Twenty Five Million Rand)** (any one occurrence).

MEMO 7 - TEMPORARY REPAIRS

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured for temporary repairs. The Insurer shall not be liable for temporary repairs carried out without their consent or any consequence thereof unless such temporary repairs are necessary in the interests of safety or with the object of avoiding further loss or damage.

MEMO 8 - CONTRIBUTION CLAUSE – MARINE 50/50

In the event of physical loss of or damage to The Insured Property being discovered after the risk has terminated under any Marine Cargo Policy and after proper investigation it is not possible to ascertain whether the cause of such loss happened prior to termination of such Marine Cargo Policy, it is understood and agreed that Insurer hereon shall indemnify The Insured in accordance with the terms of this Policy provided that:

Upon their arrival at The Contract Site(s):

- a) The Insured undertakes to inspect each item of The Property Insured upon arrival at The Contract Site(s) for possible damage sustained during transit. Respective records are to be kept.
- b) In the case of packed items which are to be left in their packaging until a later date the packaging is to be visually inspected for signs of possible damage and where such damage is visible the items are to be unpacked and inspected and any damage discovered shall be reported under the Marine Cargo Policy.
- c) Where the packaging of an item shows no visible signs of damage to such item having been sustained during transit any subsequent damage discovered upon unpacking will be dealt with by this Policy or the Marine Cargo Policy according to whether it can be clearly established that such damage was caused before or after arrival at The Contract Site(s).

SECTION I - CONTRACT WORKS (Continued)

MEMORANDA TO SECTION I ONLY (Continued)

- d) Where it is not possible to clearly establish whether the damage to an item was caused before or after arrival at the contract site it is hereby agreed that the cost of such damage shall be shared equally between this Policy and the Marine Cargo Policy.

Such indemnity shall not exceed 50% of the properly adjusted claim, such payment to be without prejudice to any subsequent final claim apportionment which may be mutually agreed between the respective Insurers. Any settlement under this Clause and its corresponding Clause in the Marine Cargo Policy shall each be subject to 50% of the excesses shown under the respective Policy Schedules.

MEMO 9 - AUTOMATIC REINSTATEMENT

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that the Limit of Indemnity shall not be reduced by the amount of any claim paid or payable.

MEMO 10 - ESCALATION DURING REINSTATEMENT AND OR DUE TO CURRENCY FLUCTUATIONS

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that, notwithstanding the Limit of Indemnity in respect of Section I should the cost of reinstating The Property Insured following physical loss or damage as herein provided exceed the value stated for any reason including currency fluctuation the said Limit of Indemnity shall be deemed to be increased by an amount not exceeding **20%** thereof.

MEMO 11 - CLAIMS COSTS

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that, the insurance by this Policy extends to include necessary and reasonable costs and expenses incurred by The Insured in producing and certifying any particulars or details contained in their books of account or other business books or documents or other such proofs, information or evidence as may be required by the Insurer subject to a limit of **R1,000,000.00 (One Million Rand)** any one occurrence.

MEMO 12 - MANUFACTURERS GUARANTEES

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that, notwithstanding the Insurer's rights to repair, replace or reinstate, in the event of indemnifiable loss or damage to property which is the subject of a supplier's or manufacturers guarantee or warranty, the repair, replacement, rectification or reinstatement of such property shall include everything necessary to preserve without limitation, reduction or prejudice all benefit under such guarantee or warranty.

MEMO 13 - REMOVAL TO GAIN ACCESS

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that the indemnity granted hereunder includes the costs of demolition, dismantling, removal or destruction and thereafter the costs of reinstalling and/or replacing any part of The Property Insured which is free of physical damage and which has of necessity had to be demolished or destroyed in order to gain access to that part of the Works which has been damaged.

Provided that indemnifiable physical damage shall have occurred to The Property Insured.

Provided that the liability of the Insurer shall not exceed the sum of **R90,000,000.00 (Ninety Million Rand)** any one claim..

SECTION I - CONTRACT WORKS (Continued)

MEMORANDA TO SECTION I ONLY (Continued)

MEMO 14 – DOCUMENTATION

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured against physical loss of or damage to Contract Documentation but only with regard to reprinting or reproducing the documentation and not recreating the information contained therein.

The term Contract Documentation shall be deemed to include but shall not be limited to:

- a) Written or printed or otherwise inscribed documents and records of every kind and description and whether made of or upon paper, wood, metal, glass, plastic or other material or synthetic material;
- b) Maps, drawings, photographs, tracing film, blue-prints, photostats (and other duplications), plans, specifications, tenders, estimates, addressograph-plates, stencils, templates, books, manuscripts, account-records.
- c) Models.
- d) Tapes and memory banks and business machine cards.
- e) Engineering and other reports and data.

Provided that:

- 1) Cover will not be provided in respect of corruption and/or accidental erasure of such records or computer virus.
- 2) Cover will not be provided in respect of loss or damage caused by vermin.
- 3) Cover will not be provided in respect of loss of value of such information contained with the Contract Documentation.

Provided that the liability of the Insurers shall not exceed the sum of **R5,000,000.00 (Five Million Rand)** in respect of any one occurrence.

In respect of each and every occurrence or series of occurrences arising from one agreed cause, claims under this extension will be subject to a the Deductible as reflected in the policy Schedule.

MEMO 15 – REMOVAL TO PLACE OF SAFETY

Subject otherwise to the Exclusions and Conditions of the Policy, the Policy includes physical loss of or damage to The Property Insured whilst temporarily removed to any other situation within the Territorial Limits in order to avoid possible destruction or damage by any of the perils insured.

MEMO 16 – PUBLIC AUTHORITIES REINSTATEMENT

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that the Policy includes such additional cost of reinstatement of The Property Insured lost, destroyed or damaged as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament or other legislation or with Bye-Laws or any Municipal or Local Authority provided that:

SECTION I - CONTRACT WORKS (Continued)

MEMORANDA TO SECTION I ONLY (Continued)

- 1) The amount recoverable under this extension shall not include:
 - a) The cost incurred in complying with any of the aforesaid regulations or bye-laws
 - i) In respect of loss not insured by this Section;
 - ii) Under which notice has been served on The Insured prior to the occurrence of the loss;
 - iii) In respect of undamaged Property Insured or undamaged portions of Property Insured other than foundations of that portion of the Property Insured lost or damaged.
 - b) The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property by the owner thereof by reason of compliance with any of the aforesaid Act of Parliament or other legislation or with Bye-Laws or any Municipal or Local Authority.
- 2) The work of reinstatement must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site subject to the liability of Insurer under this extension not being increased;
- 3) The total amount recoverable shall not exceed the Limit of Indemnity as stated in the Schedule.
- 4) The Conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

MEMO 17 – BORROWING OF PLANT FOR COMMISSIONING PURPOSES

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that in the event of The Insured borrowing non mobile plant or equipment with the intention of utilising such borrowed plant or equipment into or for the execution of the works solely for the purpose of testing or commissioning the works or any portion thereof it is agreed that such plant or equipment shall be insured hereunder subject otherwise to the Exceptions and Conditions contained herein.

Any Exception relating to damage due to electrical or mechanical breakdown or explosion shall not apply to this extension.

It is condition of this Memorandum that such equipment must not be older than 7 years

The Insurer's liability in respect of this extension shall not exceed **R15,000,000.00 (Fifteen Million Rand)** any one occurrence or series of occurrences attributable to any cause and shall be in addition to the Limit of Indemnity.

MEMO 18 – MALICIOUS DAMAGE

Subject otherwise to the Exceptions and Conditions of the Policy, the Policy is extended to cover physical loss or damage directly occasioned by or through or the consequence of deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage to The Property Insured within the Territorial Limits but excluding loss or damage caused by or arising from theft or any attempt thereat.

Provided that this extension does not cover:

- a) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically declared and insured.

MEMORANDA TO SECTION 1 ONLY (Continued)

- b) Physical loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- c) Physical loss or damage related to or caused by permanent or temporary dispossession resulting from confiscation, commandeering or requisitions by any lawfully constituted authority.
- d) Physical loss or damage related to or caused by any occurrence as per General Exception 1. (A) (i), (ii), (iii), (iv), (v) or (vi) of this Policy or the act of any lawfully established authority in controlling, suppressing or in any other way dealing with any such occurrence.

If the Insurer alleged that by reason of proviso (a), (b), (c) or (d) physical loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the Insured.

MEMO 19 – MALICIOUS DAMAGE (THEFT) EXTENSION

It is agreed, notwithstanding anything in the Policy to the contrary, this Policy includes physical loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such physical loss or damage and arising from theft or any attempt thereat.

MEMO 20 – ROAD RESERVE AND SERVITUDE INDEMNITY EXTENSION

Notwithstanding anything to the contrary it is hereby agreed that this insurance shall extend to indemnify The Insured in respect of the costs to replace repair or rectify physical loss or damage due to storm, rain, flood, inundation, erosion, collapse and floating up of pipes to any road reserve or any pipeline / electrical cable servitude directly attributable to a peril indemnifiable in terms of Section I of this Policy provided always that:

- a) In respect of each and every occurrence or series of occurrences arising out of or in connection with any one event giving rise to a claim under this Extension.

The Indemnity hereby shall not exceed **R15,000,000.00 (Fifteen Million Rand)**.

Claims under this extension will be subject to the deductible as reflected in the policy Schedule.

- b) The Indemnity hereby provided shall not apply to nor include any costs directly or indirectly incurred in normal maintenance upkeep or repair.
- c) Damage to the road reserve or pipeline / electrical cable servitude occasioned by or in connection with vehicle traffic shall not be indemnified hereby.
- d) Cover will be limited to a distance of not exceeding 5 metres either side of the trench lip in respect of pipeline / electrical cable and not exceeding 10 metres either side of the road prism.

MEMO 21 – MUNITIONS OF WAR

Subject otherwise to the Exceptions and Conditions of the Policy, it is agreed that General Exception 1 applicable to Section I will not apply to physical loss of or damage to The Property Insured arising from or occasioned by the detonation of munitions of war or parts thereof in or about the vicinity of The Contract Site(s). Providing that the presence of such munitions does not result from a state of war current at the time of such physical loss or damage.

This extension does not however extend to cover physical loss of or damage to The Insured Property as covered by the South African Special Risks Insurance Association (SASRIA).

SECTION I - CONTRACT WORKS (Continued)

MEMORANDA TO SECTION 1 ONLY (Continued)

MEMO 22 – CONSTRUCTION OF TUNNELS, GALLERIES, TEMPORARY OR PERMANENT SUBSURFACE STRUCTURE OR INSTALLATIONS

Subject to the Exceptions and Conditions of the Policy, the Policy is extended to indemnify The Insured for physical loss of or damage to tunnels, galleries, temporary or permanent subsurface structure or installations. The Policy will not indemnify The Insured in respect of expenses incurred for:

- a) Alterations in the construction method due to unforeseen ground conditions or obstructions.
- b) Measures which become necessary to improve or stabilise ground conditions or to seal against water ingress unless necessary to reinstate indemnifiable loss or damage.
- c) Removing material which has been excavated, or due to overbreak in excess of the design profile and / or for refilling cavities resulting therefrom.
- d) Dewatering unless necessary to reinstate indemnifiable loss or damage.
- e) Loss or damage due to breakdown of the dewatering system if such loss or damage could have been avoided by use of standby facilities.
- f) The abandonment or recovery of tunnel-boring machines.
- g) The loss or bentonite, suspensions, or any media or substance used for excavation support or as a ground-conditioning agent.

In the event of indemnifiable loss or damage the maximum amount payable under this Policy shall be limited to the expenses incurred to reinstate The Property Insured to a standard or condition technically equivalent to that which existed immediately before the occurrence of loss or damage but not in excess of 150% (one hundred and fifty percent) of the original average per metre construction cost of the immediate damaged area.

GENERAL EXCEPTIONS TO SECTION I ONLY

This Policy does not cover:

1. a) Physical loss of or damage to property related to or caused by:
 - i) Civil commotion, labour disturbances, riot, strike or lockout, 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 (A) (i), (ii), (iii), (iv), (v) or (vi) above.

If the Insurers allege that by reason of Clause (A) (i), (ii), (iii), (iv), (v), (vi) or (vii) of this Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.
- b) Physical 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 (Number 85 of 1976).

SECTION I - CONTRACT WORKS (Continued)

GENERAL EXCEPTIONS TO SECTION I ONLY (Continued)

2. Notwithstanding any provision of this Policy including any Exclusion or Extension or other provision not included herein which would otherwise override a general exception, this Policy does not cover.
- a) Physical loss of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
 - b) Any legal liability of whatsoever nature;
 - c) Any consequential loss;
 - i. 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
 - ii. 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 date or information, or to carry out any command or instruction, in regard to or in connection with any such date, or
 - iii. 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
 - iv. 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
 - v. to capture, save, retain or to process any data as a result of the action of any computer virus or other corrupting, harmful or otherwise unauthorised code or instruction including any trojan horse, time or logic bomb or worm or any other destructive or disruptive code, media or programme or interference
 - vi. a computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether the property is insured or not.

SECTION II - PUBLIC LIABILITY

The Insurer will indemnify The Insured against all sums which The Insured shall become legally liable to pay as compensation for and in consequence of :

- i) Accidental death of or injury to or illness or disease contracted by any person.
- ii) Accidental loss of or damage to property.

occurring during the Period of Insurance and arising out of or in connection with the performance of The Insured Contract(s).

LIMIT OF INDEMNITY - SECTION II

The liability of the Insurer under this Section for all compensation payable shall not exceed in respect of or arising out of one claim or in respect of or arising out of all claims of a series consequent on or attributable to one source or original cause the sum stated in the Schedule as the Limit of Indemnity. The Insurer will also pay legal costs recoverable by any claimant from The Insured and costs and expenses incurred with the written consent of the Insurer subject to the total costs not exceeding the sum stated in the Schedule as the Limit of Indemnity.

EXCEPTIONS TO SECTION II ONLY

The Insurer will not indemnify The Insured in respect of:

1. Death of, bodily injury to or illness or disease contracted by any person in the employment of the Insured arising out of and in the course of his employment by such Insured.
2. Liability compulsorily insurable under any legislation governing the use of any motor vehicle or trailer.
3. The ownership, possession or use by the Insured of any motor vehicle as defined in the Multilateral Motor Vehicles Accident Fund No. 93 of 1989 or any amendment or substitution thereof. This Exception shall not apply to :
 - i) Mechanical plant except for liability against which the Insured is required to take out insurance under any legislation covering the use of such mechanical plant;
 - ii) Claims caused by the use as a tool of trade of any vehicle or trailer constructed primarily for use on contract sites as a tool of trade;
 - iii) Claims arising beyond the limits of any carriageway or thoroughfare in connection with the loading and/or unloading of any vehicle or trailer.

SECTION II - PUBLIC LIABILITY (Continued)

EXCEPTIONS TO SECTION II ONLY (Continued)

4. Physical loss of or damage to property:

- a) Belonging to The Insured or in their custody or control;
- b) For which indemnity would be provided under Section I
- c) Caused by the intentional removal of lateral support or the weakening of or interference with support to such property.

This Exception shall not apply to liability arising out of:

- i) The negligence of The Insured,
- ii) Shock or vibration.

Section a) of this Exception shall not apply to:

- i) Premises and structures (including contents) fixed plant and machinery or other property temporarily occupied by The Insured for the purpose of The Insured Contract(s).
- ii) Property not hired by or on loan to The Insured but for which the Insured has agreed to provide storage facilities.
- iii) Property of employees or visitors.
- iv) Vehicles (including the contents thereof) under the custody or control of The Insured for the purpose of parking.

5. Liability attaching to The Insured under the terms of any contract or agreement whether written, verbal or implied unless such liability would have attached to The Insured notwithstanding any such contract or agreement, but this Exception shall not apply to:

- a) Agreements with Transnet.
- b) Agreements with Public Supply Authorities.

Subject to prior approval.

6. Liquidated damages and time penalties.

7. The amount of the Deductible stated in the Schedule.

8. The cost of making good faulty workmanship materials or design in any part of The Property Insured.

9. The ownership possession or use of any aircraft or watercraft (other than watercraft which are not self propelled or are less than 3 tons nett mass whilst on or about inland waterways).

EXCEPTIONS TO SECTION II ONLY (Continued)

10. Liability directly or indirectly or proximately or remotely occasioned by or constituted to by or arising out of or attributable to war, civil war, invasion, act of foreign enemy hostilities (whether war be declared or not) rebellion, insurrection or military or usurped power.
11.
 - a) Liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage pollution or contamination provided always that this exception shall not apply where such seepage pollution or contamination is caused by a sudden unintended and unforeseen occurrence.
 - b) 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 unforeseen occurrence.
12. Any loss of revenue suffered by the Principal as a result of their inability to generate electricity or any reduction in electrical generating output.
13. Notwithstanding any provision of this Policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this Section does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of resulting from, in consequence of, in any way involving or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

CLAUSES TO SECTION II**1. COVER FOR CROSS LIABILITY**

It is agreed and understood that otherwise subject to the , Exclusions, and Conditions contained in the Policy, the Section II public liability cover of the Policy shall apply to The Insured parties named in the Schedule as if a separate policy had been issued to each party, provided that The Insurers shall not indemnify The Insured in respect of liability for:

- a) Physical loss of or damage to items insured or insurable under Section 1 of the Policy, even if not recoverable due to an excess or any limit.
- b) Fatal or non fatal injury or illness of employees or workman who are or could have been insured under workmans compensation and/or employers liability insurance.

The Insurer's total liability in respect of The Insured parties shall not however exceed in the aggregate for any one accident or series of accidents arising out of one event the Limit of Indemnity stated in the Schedule.

2. STATUTORY LEGAL DEFENCE COSTS

It is hereby agreed that notwithstanding the Exceptions or anything else herein contained to the contrary the Insurer shall indemnify The Insured against costs and expenses incurred with the consent of the Insurer in the defence of any legal action brought against The Insured arising from an alleged contravention of any statute or duty at common law provided that:

- a) In the case of an appeal the Insurer will not indemnify the Insured unless a Senior Council approved by the Insurer advises that such appeal should in his opinion succeed.

CLAUSES TO SECTION II (Continued)

- b) The Insurer will not indemnify The Insured in respect of any fine or penalty imposed by any magistrate or judge nor any loss consequent thereto.
- c) The liability of The Insurer in respect of any one occurrence shall not exceed **R1,000,000.00(One Million Rand)**

3. ARREST/ASSUALT/DEFAMATION

It is hereby agreed that notwithstanding the Exceptions or anything else herein contained to the contrary this Policy is extended to include any legal liability of The Insured (not necessarily consequent upon death or injury to any person or loss or damage to any property):

- a) Arising from malicious or wrongful arrest or alleged malicious or wrongful arrest of any person.
- b) Arising from malicious or wrongful assault or alleged malicious or wrongful assault on any person.
- c) In respect of defamation or alleged defamation whether negligence is imputed or not.

The liability of the Insurers in respect of any one occurrence shall not exceed **R10,000,000.00 (Ten Million Rand)** for each of (a) (b) and (c) above

4. EMERGENCY MEDICAL EXPENSES

It is hereby agreed that the Insurers shall indemnify The Insured in respect of costs and expenses incurred by The Insured for such medical treatment as may be reasonable at the time of an occurrence causing injury to any person employed by the Insured who may be connected with a claim for indemnity in terms of this insurance. The liability of the Insurers for such costs in respect of any one claim shall not exceed **R1 500,000.00 (One Million Five Hundred Thousand Rand)**.

SECTION II - PUBLIC LIABILITY (Continued)

CLAUSES TO SECTION II (Continued)

5. TENANTS LIABILITY

It is hereby agreed that Exception 4(a) shall not apply to premises occupied by The Insured as tenant thereof.

6. PREVENTION OF ACCESS

The indemnity granted under this Section shall extend to indemnify The Insured against all amounts for which The Insured is or may become legally liable to pay compensation or damage or costs and expenses arising out of or in connection with prevention of access resulting in the interruption or interference with any business.

7. TRESPASS / NUISANCE

The indemnity granted under this Section shall extend to indemnify The Insured against all amounts which The Insured is or may become legally liable to pay as compensation or damage or costs and expenses arising out of or in connection with obstruction loss of amenities trespass nuisance or any like cause which results in interference with the property or right of any person or their enjoyment or use thereof.

8. CLAIMS COSTS

The insurance by this policy extends to include necessary and reasonable costs and expenses incurred by The Insured in producing and certifying any particulars or details contained in their books of account or other business books or documents or other such proofs, information or evidence as may be required by the Insurer subject to a limit of **R10,000,000.00 (Ten Million Rand)** any one occurrence.

GENERAL MEMORANDA APPLICABLE TO ALL SECTIONS

MEMO 1 - INDEMNITY TO INSURED PARTIES

Subject to the, Exceptions and Conditions of the Policy it is hereby agreed that:

- a) Other than work performed or undertaken by the Principal on his own behalf The Insured Contract(s) entered into/to be entered into between the Principal and/or the Contractor(s) and/or Sub-Contractor(s) shall form the basis on which this Insurance is arranged.
- b) In respect of Manufacturers or Suppliers or Independent Project Managers, Engineering Consultants, Architects, Land Surveyors, Quantity Surveyors, Advisors or Consultants or any other professional party who may be deemed to be included as an Insured Party under this Policy, the Insurance by this Policy shall not apply in respect of physical loss or damage, or liability arising from any Professional Activity or off site manufacturing. Professional Activity shall mean: Those activities of a professional nature which the professional(s) undertakes in the course of their usual business.

MEMO 2 - PAYMENTS ON ACCOUNT

In the event of physical loss or damage as insured by this Policy, payments on account will be made to The Insured if necessary.

MEMO 3 - VALUE ADDED TAX

All Limits, Sums Insured, claims amounts, underlying Deductibles, or any other amounts stated in the Policy are agreed to be inclusive of Value Added Tax and to the extent that The Insured is accountable to the authorities for Value Added Tax in respect of any payment in terms of this Policy the Insurer will include the amount of such tax in the settlement of any claim under this Policy.

MEMO 4 – APPREHENSIVE CLAUSE

Subject to the Exceptions and Conditions of the Policy it is hereby agreed if the discovery of a defect in any part of The Property Insured suggests that a similar defect or defects exist or may exist in any other part of The Property Insured, The Insured shall forthwith investigate and if necessary rectify the defect in such other part or parts at his own expense or alternatively bear all losses arising out of the said defect or defects.

GENERAL MEMORANDA APPLICABLE TO ALL SECTIONS (Continued)

MEMO 5 – PRIMARY INSURANCE

It is expressly understood and agreed and this Policy provides primary cover for The Insured and that in the event of loss, damage or liability covered by the Policy which is also covered either in whole or in part under any other policy or policies of insurance effected by or on behalf of any of the parties comprising The Insured, the Insurer will indemnify The Insured as if such policy or policies of insurance were not in force and the Insurer waive their rights of recourse against the Insurers of other such policy or policies of insurance except for the Contribution Clause – Marine 50/50, and for legal costs associated with third party liability claims excess **R20 000 000.00 (Twenty Million Rand)** where the reinsurers of the limit in excess of the **R20 000 000.00 (Twenty Million Rand)** limit of this policy will share their pro-rata portion of legal expenses.

MEMO 6 - MULTIPLE INSURED CLAUSE

- a) It is noted and agreed that if The Insured described in the Schedule comprises more than one Insured Party each operating as a separate and distinct entity then (save as provided in this Multiple Insured' Clause) cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each such Insured Party provided that the total liability of the Insurer to all of The Insured parties collectively shall not exceed the sums insured and limits of indemnity including any inner limits set by memorandum or endorsement stated in the Policy.
- b) It is understood and agreed that any payment or payments by Insurer to any one or more such Insured parties shall reduce to the extent of that payment Insurers liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.
- c) It is further understood that The Insured parties will at all times preserve and enforce the various contractual agreements entered into by The Insured parties and the contractual remedies of such parties in the event of loss or damage.
- d) It is further understood and agreed that Insurer shall be entitled to avoid liability to or (as may be appropriate) claim damages from any of The Insured parties in circumstances of fraud, misrepresentation, non-disclosure or breach of any warranty or condition of this policy committed by that Insured party each referred to in this clause as a Vitiating Act.
- e) It is however agreed that (save as provided in this Multiple Insured's Clause) a Vitiating Act committed by one Insured party shall not prejudice the right to indemnity of any other Insured party who has an insurable interest and who has not committed a Vitiating Act.
- f) Insurer hereby agree to waive all rights of subrogation which they may have or acquire against any Insured party except where the rights of subrogation or recourse are acquired in consequence or otherwise following a Vitiating Act in which circumstances Insurers may enforce such rights notwithstanding the continuing or former status of the vitiating party as an Insured.

MEMO 7 – CONTINGENCY COVER

In respect of any undertaking where the Contractor is required to arrange this insurance, it is agreed that, notwithstanding anything herein contained (but subject to the proviso that such undertaking is subject to the maximum Estimated Project Value) this Policy is restricted to indemnify the Principal to the extent of any liability, physical loss or damage against which the Principal is not indemnified by the more specific insurance. Subject otherwise to the terms of this Policy and subject to the liability of Insurers not exceeding the limits as set out under the relevant Limits of Indemnity.

GENERAL MEMORANDA APPLICABLE TO ALL SECTIONS (Continued)

MEMO 8 - PREMIUM ADJUSTMENT

The premium charged is calculated by applying the agreed premium rates to the estimated Contract Value including free issue materials or materials supplied by the Principal or Contractor the value of which has been included if applicable. The premium charged shall be adjusted by applying the agreed rates to the final declared value on completion of the contract.

MEMO 9 – SA JURISDICTION

This insurance is governed by the laws of The Republic of South Africa and the courts of The Republic of South Africa shall have jurisdiction in all matters arising hereunder.

MEMO 10 – ABANDONMENT

In the event of stoppage or work on any contract site from any cause for a period of three consecutive months cover under this Policy shall be suspended in respect of that contract site unless its continuance shall be agreed in writing with the Insurer.

MEMO 11 FIRE FIGHTING FACILITIES

The Insurer shall only indemnify The Insured for physical loss or damage resulting directly or indirectly from fire and/or explosion if the following requirements are filled:

- a) The Insured shall undertake all reasonable measures to provide and maintain on the Site of the Project levels of fire fighting facilities consistent with (i) NFPA 850 revised 2000 or local equivalent (ii) with those recommended by the Insurer and The Insured shall comply with all written reasonable requirements of the Insurer in relation to the prevention of loss and damage to The Property Insured.
- b) Welding, soldering or the use of an open flame in the vicinity of combustible material is only permitted if at least one workman suitably equipped with extinguishers and well trained in fire fighting is present.
- c) At the beginning of testing all fire fighting facilities designed for the operation of the plant must be installed and serviceable

MEMO 12 CANCELLATION

This Policy shall not be cancellable by Insurers except for non payment of premium when 30 days written notice shall apply.

NUCLEAR EXCLUSION - APPLICABLE TO ALL SECTIONS

This Policy does not cover:

- a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
- b) Any legal liability of whatsoever nature.

Directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion combustion shall include any self-sustaining process of nuclear fission.

The Indemnity provided by this Policy shall not apply to nor include any loss destruction or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

CONDITIONS

1. The due observance and fulfilment of the terms and conditions of this Policy insofar as they relate to anything to be done or complied with by The Insured shall be conditions precedent to any liability of the Insurer to make any payment under this Policy.
2. The Insured shall exercise all reasonable care in the selection employment and supervision of all employees and in the prevention of any injury, disease, illness or damage against which the Policy indemnifies The Insured and in compliance with any statutory regulation.
3. On the happening of any event giving rise or likely to give rise to a claim under this Policy coming to the knowledge of The Insured The Insured shall:
 - a) As soon as possible give notice thereof to the Insurer, and shall give all such additional information as the Insurer may reasonably require.
 - b) Take all practical steps to recover any Insured Property including in the event of property lost or stolen or wilfully damaged the giving of immediate notice to the police.
 - c) Where possible preserve any things which might prove necessary or useful by way of evidence in connection with any claim.
 - d) Send to the Insurer as soon as possible any writ, summons or notice of other proceedings which may be commenced against the Insured.
4. The Insured shall at the expense of the Insurer do or permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights or remedies or obtaining relief or indemnity from other Parties to which the Insurer shall or would become entitled or subrogated upon their paying for or making good any loss or damaged under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Insurer.
5. No admission offer, promise, payment or indemnity shall be made or given by or on behalf of The Insured without the written consent of the Insurer who shall be entitled in the name of The Insured but at its own expense to take over conduct the defence and settlement of any claim or to prosecute for its own benefit any claim for indemnity or damage or otherwise. The Insurer shall have the full discretion in all such matters as aforesaid and The Insured shall give all such information and assistance as the Insurer may reasonably require.

CONDITIONS (Continued)

6. If the Insurer shall disclaim liability for any claim for indemnity made by The Insured and The Insured does not institute proceedings for an action or suit at law within twelve months of the date of such disclaimer, the Insurer shall be entitled to assume that the claim has been abandoned and shall not thereafter be liable for any payment whatsoever in connection therewith. An extension of this period will not be unreasonably withheld.
7. If a claim or any part thereof made by or on behalf of any of the parties to The Insured Contract(s) shall be in any respect fraudulent then the entire claim by such party shall not be recoverable by the party making the claim.
8. If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference may be referred to an Arbitrator (or Arbitrators) to be appointed by the parties concerned in accordance with the applicable statutory provisions in force. The making of an Award shall be a condition precedent to any right of action against the Insurer to recover such amount in dispute.
9. It is hereby declared and agreed that the inadvertent failure by The Insured to declare specific information required in respect of The Insured Contract(s) shall not invalidate the cover of this Policy, provided that any such failure shall be rectified as soon as practicable after it shall have come to The Insured's knowledge.