



FIRST PROPERTY ACCEPTANCES COMMERCIAL SECTIONAL TITLE “ALL RISKS” POLICY

SECTIONAL TITLE INSURANCE POLICY

In consideration of the Insured named in the Schedule hereto (hereinafter referred to as You / Your) having paid or agreed to pay to Centriq Insurance Limited (hereinafter called "The Company or Centriq or We/ Our" as appropriate) the Premium mentioned in the said Schedule. Premium is payable to the Company on or before the inception date or renewal date, as the case may be. The company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be, but may do so upon such terms as it at its sole discretion may determine.

We agree to provide You with the insurance cover set out in the Sections selected by You, by payment or, at Our option, by repair or reinstatement, should any of the events as detailed in the Policy Sections occur during the Policy Period subject always to the terms, Exceptions, Conditions, Deductibles and Limits of Liability.

CONTENTS

Schedule

Summary of The Benefits and Risks Covers

Our Agreement

Definitions and Interpretations Applicable to All Sections

General Exclusions Applicable to All Sections

General Conditions Applicable to All Sections

Claim Conditions Applicable to All Sections

Section 1 - Building and Common Property Contents

Cover

Basis of Settlement

Additional Benefits

Specific Exclusions

Specific Condition

Section 2 – Geyser Replacement

Cover

Definition of geyser

Specific Exclusions

Section 3 – Money

Cover

Limits of Liability and Excess

Additional Benefit

Section 4 – Legal Liability

COVER – SECTION A – GENERAL LIABILITY

Specific Definitions

Limit of Liability and Excess

Specific Exclusions

Specific Conditions

COVER - SECTION B – EMPLOYERS LIABILITY

Specific Definitions

Specific Exclusions

Additional Benefit

Section 5 - Fidelity Guarantee

Cover

Specific Definitions

Limit of Liability and Excess

Specific Exclusions

Specific Conditions

Section 6 – Personal Accident (Voluntary Workers and Body Corporate Employees)

Cover

Specific Definitions

Basis of Settlement

Additional Benefits

Specific Exclusions

Specific Conditions

Section 7 – Trustees Liability

Cover

Specific Definitions

Limit of Liability and Excess

Specific Exclusions

Specific Conditions

Section 8 – Machinery Breakdown

Cover

Specific Definitions

Basis of Settlement

Limit of Liability and Excess

Specific Exclusions

Specific Condition

SUMMARY OF THE BENEFITS AND RISKS

BENEFITS

Subject to the payment of Your Premium, The Company will provide the cover You have selected subject to the exclusions, conditions and limitations stated in the Policy. The following is a summary only of the types of cover available and does not form part of the terms of Your insurance. The Company gives examples of some of the significant benefits and risks but You need to read the Policy wording part of this document which sets out the terms and conditions of this insurance, to make sure it matches Your expectations.

Types of Cover Available Cover Summary

See relevant Section for applicable specific limits, definitions, exclusions and conditions. See also general definitions, exclusions and conditions applying to all Sections of the Policy at pages 7 – 15 (inclusive) of this document.

Section 1: Building Contents and Common Property

Cover against Damage to the Insured Property being Your Buildings and Common Property Contents occurring during the Policy Period up to the Limit of Liability and Sub Limits of Liability applicable to Section 1. This Section also provides a number of additional benefits.

Section 2: Geyser Replacement

Cover for the cost of Replacing or Repairing Your Geyser up to the Limits of Liability applicable to Section 2.

Section 3: Money

Covers You up to the Limits of Liability applicable to Section 3 for loss of Money and injury following assault of an employee

Section 4: Legal Liability

A - General Liability

B - Employers Liability

A) General Liability:

Covers You up to the Limit of Liability applicable to Section 4A for claims for Compensation or expenses that You become legally liable to pay in respect of

- a) Death or Personal Injury, or
- b) Property Damage

occurring during the Policy Period as a result of an Occurrence arising in connection with the ownership of Insured Property.

B) Employers Liability:

Covers You up to the Limit of Liability applicable to Section 4B for claims for compensation or expenses that You become legally liable to pay in respect of: Death of or Personal Injury to or illness of any person employed under a contract of service or apprenticeship with You.

**Section 5:
Fidelity Guarantee**

Cover for the Body Corporate against loss of property or Funds set aside for the management of Insured Property up to the Limit of Liability applicable to Section 5 as a result of fraudulent misappropriation that occurs during the Policy Period.

**Section 6:
Personal Accident (Voluntary Workers and Body Corporate Employees)**

Cover for a Voluntary Worker or Body Corporate employee for Lump Sum or Weekly Payments for an accident during the Policy Period causing Bodily Injury within 1 year of the accident. The Section also provides additional benefits for travel expenses, domestic assistance, medical expenses not covered by medical aid and funeral expenses.

**Section 7:
Trustees Liability**

Cover for Your Trustees against Loss up to the Limit of Liability applicable to Section 7 arising from Claims arising out of a Wrongful Act, in their capacity as Trustee of the Body Corporate, occurring after the inception date of this Policy and both first made against the Trustee and reported to The Company during the policy period.

**Section 8:
Machinery Breakdown**

Cover against physical loss or damage from Breakdown of Your Machinery up to the Limit of Liability applicable to Section 8.

EXCLUDED RISKS

There are certain events for which this insurance may not provide cover. Some of the exclusions applying to all Sections of the Policy where The Company will not pay include, but are not limited to:

1. Acts of War and Terrorism
2. asbestos;
3. Computer Equipment failing to perform or function in the manner for which it was designed;
4. dishonest or intentional conduct;
5. loss of Electronic Data;
6. known faults and defects;
7. lawful seizure;
8. anything occurring outside the Policy Territory;
9. pollution;
10. radioactivity;
11. unoccupied Insured Property.

Refer to pages 11 - 13 for full details of the exclusions applying to all Sections of the Policy. There are also specific exclusions or conditions that apply under each Section of the Policy. Refer to the 'Specific Exclusions' and 'Specific Conditions' parts in each Section of the Policy for further details. An excess may also apply for a valid claim that You are required to contribute towards each and every event that causes loss or damage insured by the Policy. Refer to the Policy wording and Policy Schedule for details of any excess that may apply.

ADEQUATE SUM INSURED

In the event of a major loss, the Limits of Liability applying to each Section of the Policy should be sufficient to cover such loss. You should ensure that the Limits of Liability cover such a loss.

DUTY OF DISCLOSURE

Before You enter into a contract of insurance with The Company You have a duty to disclose to The Company anything that You could reasonably be expected to know is relevant to The Company's decision whether to accept the risk of insurance and if so, on what terms. You have the same duty to disclose those matters to The Company before You renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of a matter:

1. that diminishes the risk to be undertaken by The Company
2. that is of common knowledge
3. that We know or, in the ordinary course of business, ought to know
4. as to which compliance with Your duty is waived by The Company.

The duty of disclosure applies to You and everyone insured (including the unit owner) under the contract of insurance. If You, or they, fail to comply with the duty of disclosure, The Company may reduce its' liability under the contract in respect of a claim or may cancel the Policy.

If the non-disclosure is fraudulent, The Company may treat the Policy as if it never existed and pay nothing. It is important that all information provided in support of Your application for insurance is understood by You and is correct, as You will be bound by Your answers and by the information provided by You. If You do not understand any part of this requirement, You should obtain independent advice.

CHANGE OF RISK OR CIRCUMSTANCES

You should advise The Company immediately of any changes in the details as disclosed to The Company prior to entering into the contract of insurance, such as changes in nature of occupation or other changes that may increase the likelihood of loss or damage or of liability losses.

PRESERVATION OF SUBROGATION RIGHTS

Where You have agreed with another person or company, who would otherwise be liable to compensate You for any loss, damage, injury or expense which is covered by the Policy that You will not seek to recover such loss, damage or expense or contribution from that person or company The Company will not cover You, to the extent permitted by law, for such loss, damage, injury, expense or contribution.

CLAIMS MADE INSURANCE

The cover provided by the Policy under Section 6 – Trustees Liability is provided on a claims made basis. This means that it only covers claims made against You and notified in writing to The Company during the Policy Period. Should You advise The Company of an incidence during the Policy Period of an event that might give rise to a claim against You The Company will not be relieved of liability under the policy in respect of the claim, when made, solely by reason of the fact that the claim is made after expiry of the policy.

PREMIUM

The Company takes a number of factors into account when calculating Your premium. Your risk profile, including the level of cover chosen and any previous insurance history may have a significant impact on Your premium.

CANCELLATION OF YOUR POLICY

You may cancel this Policy by giving notice in writing to The Company. If such notice is given, the cancellation will take effect on the day the notice is received by The Company.

The Company may cancel this Policy by giving thirty (30) days' notice to You at Your last known address. For full details on how this Policy may be cancelled, refer to page thirteen (13).

After cancellation of an annual Policy by the Company a refund of Premium for the unexpired Policy Period will be made to You provided that no claim has been made during that Policy Period.

HOW TO MAKE A CLAIM

On the happening of any event which may result in a claim under this policy the Insured shall at the Insured's expense:

a) give notice in writing to the Company, as soon as reasonably possible (but in any event within or not more than 30 (thirty) days of any event which might result in a claim coming to the notice of the insured) and provide particulars of any other insurance covering such event as is hereby Insured;

b) within 24 (twenty-four) hours inform the police of any loss or damage by fire theft or malicious damage that may result in a claim and take all practicable steps to recover any stolen property;

c) as soon as practicable after the event submit to the Company full details in writing of any claim in such form as stipulated by the Company;

d) give the Company such proof, information, and sworn declaration as the Company may require and forward to the Company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the Insured in connection with the event giving rise to the claim.

e) No claim shall be payable after the expiry of 24 months or such further time as the Company may allow from the happening of the defined event unless the claim is the subject of pending legal action.

f) In the event of a claim being rejected the Insured has 90 (ninety days) from the date of the Insurers rejection letter to make representation to the Company in respect of this decision. If the dispute has not been resolved and the Insured has not commenced legal action within six months after this period, all benefit afforded under this policy in respect of any such claim shall be forfeited.

SPECIAL EXTENSION IN RESPECT OF SASRIA / NASRIA

Notwithstanding the provisions of GENERAL EXCLUSION 1 The Company operates an insurance scheme sanctioned by SASRIA whereby all policies shall automatically be extended to cover war, riot and terrorism. The Company issues an insurance certificate in compliance with the scheme as sanctioned by SASRIA and the appropriate premium is remitted to SASRIA accordingly.

SECTIONAL TITLE INSURANCE POLICY

OUR AGREEMENT

The Company agrees to provide You with the insurance cover set out in the Sections of the Policy which are listed as insured in the Schedule

1. based on the information provided in the Proposal and subject to the payment of the Premium by the required date;

2. in accordance with the terms, conditions, exclusions, definitions and limitations of the Policy. The insurance cover provided by the Policy is in force for the policy period. The Company will not pay any more than the applicable Limit of Liability or Sub Limit of Liability relating to each Section of the Policy that is taken out by You and will not pay the Excesses applicable to each Section shown in the Schedule or in this Policy wording.

INTERPRETATION

In this Policy, unless the context otherwise requires:

1. the singular includes the plural and the plural includes the singular;
2. if a word or expression is given a definite meaning, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
3. references to an amount of money are references to that amount in South African Rands; and
4. headings are included for reference purposes only and do not form part of the Policy for interpretation.

DEFINITIONS APPLICABLE TO ALL SECTIONS

In this Policy there are words that have a special meaning. These words begin with a capital letter. Some Sections include specific definitions so these general definitions should be read in conjunction with such specific definitions. Those words that have a special meaning that apply to all Sections of the Policy are set out and defined below:

Word or Term Meaning

Act

The Sectional Titles Act of 1986, **read in conjunction with the Sectional Titles Schemes Management Act, 2011.**

Aircraft

Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

Body Corporate Employee

Any person over the age of 16 (Sixteen) and under the age of 75 (Seventy-five) undertaking work at the Situation under Your direct control for remuneration, fee or reward

Body Corporate Employee does **not** include

- a) a Trustee; or
- b) a Body Corporate Manager or a director or representative of such a manager.

Body Corporate Manager

Anyone whom the Body Corporate has engaged to provide sectional title management services in relation to the Building and other improvements at the Situation.

Body Corporate

The Body Corporate and Unit Owners and Trustees referred to in section 36 of the Act, for their respective rights and interests.

Building(s)

The building(s) contained in the registered Sectional Title Scheme specified in the Schedule at the Situation, including:

- a) outbuildings
- b) elevators, escalators and inclinator
- c) walls (except dam walls) , gates, posts and fences(except hedges)
- d) ducted air conditioners, intercom systems, stoves, ovens, hotplates, and hot water systems

- e) built-in cupboards and bathroom fittings
- f) awnings and blinds that are external of the Building
- g) satellite dishes and antennas used for receiving radio and/or television signals
- h) swimming pools
- i) marinas, wharves, pontoons or similar structures which are used for non-commercial purposes and at which fuel is neither stored nor distributed
- j) services, such as, electricity, telecommunications and water, owned by the Body Corporate or for which the Body Corporate is responsible
- k) Unit Owner's fixtures;
- l) other fixtures and improvements of a structural nature, including brick, tarred, concrete or paved roads, driveways, parking areas and paths, fire extinguishing equipment and railway sidings, all the property of the insured and, if so stated in the schedule, tenants fixtures and fittings, situate as stated in the Schedule.

Building(s) does not include:

- a) temporary wall(s)
- b) internal window coverings including curtains and blinds
- c) temporary ceiling(s)
- d) temporary floor coverings
- e) light fittings which are not built or wired into the electrical wiring;
- f) air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any other appliances or devices that are not wired into the electrical wiring or permanently mounted;
- g) fixtures removable by a lessee at the expiration of a tenancy; or where this definition of Building is contrary to any Act or Regulation governing sectional title or company title property or similar scheme pertaining to the Situation, then the requirements of that Act or regulation will apply.

Common Property Contents

The domestic appliances, equipment, carpet, floating floors, furnishings and furniture in any common area of the Situation surrounded by walls, gates or fences that are owned by You or for which You are legally responsible.

Common Property Contents does not include:

- a) Vehicles, caravans, trailers, Watercraft, Aircraft, or any accessories in or on any of them
- b) Any appliance, equipment, furnishings, or furniture which is in open air and is designed to be neither used nor kept in open air;
- c) Livestock
- d) The personal or business property of any Unit Owners.
- e) Where this definition of Common Property Contents is contrary to any Act or Regulation governing sectional title or company title property or similar scheme pertaining to the Situation, then the requirements of that Act or Regulation will apply.
- f) Computer Equipment computer hardware, operating system, computer network and other equipment containing or comprising any computer technology not belonging to the body corporate.

Damage or Damaged

any accidental physical loss, destruction or damage to Insured Property that has the result of lessening its value.

Electronic Data

facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

Excess

the amount that You are required to contribute towards each and every event that causes loss, damage, cost or expense insured by this Policy. The Excesses that are applicable to each Section of the Policy are specified in the Schedule or in the Policy wording.

In Transit

Common Property Contents in Your personal custody or in the personal custody of any person authorized by You while in carriage to or from the Situation. In Transit does not mean Common Property Contents being carried by any professional carrier or common carrier that holds valid insurance against the risk of loss or damage to such property while in their custody.

Geyser

The geyser unit itself, including the thermostat, vacuum breaker(s), element, safety valve, sacrificial anode, pressure control valve, drain cock, expansion relief valve, drip trays and pans, wiring from the element to the isolator switch including the isolator switch and attached pipes and fittings within 1 meter of the geyser unit

Insured Property

the total of all Building and/or Common Property Contents at the Situation insured under Section 1.

Landscaping

trees, shrubs, plants, lawns or rockwork

Law

is construed as any law including common law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other measure of any government, local government, statutory or regulatory body or court having the force of law.

Limit of Liability

the limit of The Company's total liability for any one loss or series of losses arising out of one event that is applicable to a Section of the Policy as specified in the Schedule

Loss of Rent

an amount of money calculated on the basis of annual or monthly rent payable by the tenant (including outgoings payable by the tenant) that applied immediately before the happening of Damage to the Building

Money

current and valid coins, bank notes, cheques, crossed cheques, other negotiable instruments, currency notes, postal orders, money orders and unused postage and revenue stamps

Owner Occupied Unit

a Unit occupied by a Unit Owner at the time of Damage to Insured Property.

Policy

the contract of insurance between You and The Company which comprises this Policy, the Proposal, this Policy wording, the Policy Schedule and any document issued by The Company varying the Policy coverage.

Policy Period

the period stated in the Schedule during which the insurance cover provided by this Policy is in place.

Policy Territory

The territorial limits as stated in the Schedule

Pollutants

any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Premium

the premium specified in the Policy Schedule or in any endorsement to the Policy

Proposal

the written application completed by You or on Your behalf (together with all accompanying or supplementary information) relied upon by The Company to enter into this Policy

Schedule

the Schedule issued with this Policy Wording and includes a Schedule issued to accompany any endorsement to the Policy

Sea

any ocean, sea, harbour or tidal water

Section where used in relation to buildings

a share apportioned on the sectional plan of the sectional title building

Situation

the location stated in the Schedule where the Insured Property is situated.

Sub Limit of Liability

the limit of The Company's total liability applicable to a particular benefit, item, loss or claim within a Section of the Policy, as specified in that Section of the Policy or in the Schedule.

Temporary Accommodation Costs (Domestic Sectional Title Only)

an amount of money calculated by reference to the annual rentable value of the Unit that would have applied to such Unit immediately before the happening of Damage to Insured Property.

Tenanted Unit

a Unit that is occupied for by a rent-paying tenant at the time of Damage to Insured Property.

The Company / we / We / our / us

ACE Insurance Ltd.

Trustee

a trustee or former trustee of the Body Corporate whilst engaged in or serving on the committee or governing body of the Body Corporate holding office in terms of the rules of the Body Corporate. Trustee does not include a Body Corporate Manager or a director or representative of such a manager.

Tsunami

a high sea wave caused by an earthquake, earth tremor or other seismological disturbance under the Sea.

Unit

a Section shown on a sectional plan of the Situation as a lot or unit under any applicable Act or Regulation governing sectional title property or an area to which a shareholding is entitled to exclusive possession in terms of any applicable Act or Regulation governing company title property together with its undivided share in the Common Property apportioned to that Section.

Unit Owner

an owner, member, or proprietor registered as owner of a Unit in terms of any applicable Act or regulation governing sectional title property or a shareholding entitling that person to exclusive possession of a Unit in terms of any applicable Act or regulation governing Sectional Title Property.

Unit Owners Contents

a Unit Owner's personal effects, furniture, furnishings, floating floors, Computer Equipment, electrical and electronic equipment at the Situation at the time of the happening of Damage to Insured Property.

Unit Owners Contents does not include livestock, vehicles, caravans, trailers, Watercraft, Aircraft or accessories in or on any of them.

Vehicle

any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power.

Voluntary Worker

any person over the age of 16 (sixteen) and under the age of seventy five (75) undertaking work at the Situation under Your direct control, without fee or reward or any expectation of fee or reward Voluntary Worker does not include:

- a) a Trustee; or
- b) a Body Corporate Manager or a director or representative of such a manager.

Watercraft

any vessel, craft or thing made or intended to float on or in or travel on, through or under water.

You, Your and Yours

The Body Corporate

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

The Policy does not cover any, claim, loss, Damage, Destruction, Compensation, Liability, cost or expense of any nature arising out of or in any way connected with the following, regardless of whether there is any other contributing cause or event:

1. War and Terrorism (SAIA) Exclusion

1.1 civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the a foregoing

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

1.3 (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

1.4 any act (whether on behalf of any organization, 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

1.5 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

1.6 any attempt to perform any act referred to in Exclusion 1.4 or 1.5 above

1.7 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in Exclusion 1.1, 1.2, 1.3, 1.4, 1.5 or 1.6 above. If We allege that, by reason of clauses 1.1, 1.2, 1.3, 1.4, 1.5, 1.6 and 1.7 of this exclusion, loss or damage is not covered by this Policy, You must prove the contrary.

1.8 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, or any similar Act operative in any of the territories to which this Policy applies.

1.9 notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general Exclusion, loss of or damage to property or bodily injury or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage, bodily injury or expense. For the purpose of this Exclusion 1.9, an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof. If we allege that, by reason of clause 1.9 of this exclusion, loss or damage is not covered by this policy, You must prove the contrary.

2. Asbestos

asbestos or asbestos products or any materials containing asbestos in whatever form or quantity

3. Computer Equipment

failure of any computer equipment to perform or function in the manner for which it was designed including failure caused by computer viruses and or hackers

4. Dishonest or Intentional Conduct

any actual or alleged

- a. dishonest, fraudulent, criminal, deliberate or malicious act;
- b. willful or reckless breach of any statute, contract or duty;
- c. conduct intended to cause loss, damage, destruction, liability, cost or expense or such conduct engaged in with reckless disregard for the consequences committed by You or any person acting with Your knowledge, consent or participation or any person entitled to any benefit under the Policy, or in which You knowingly acquiesced.

5. Electronic Data

Un-planned loss or alteration of Electronic Data

6. Known Faults and Defects

faults and defects in Insured Property which are known to You, or which ought reasonably to have been known to You, and not disclosed to The Company at the time this Policy was entered to.

7. Lawful Seizure

lawful seizure, detention, confiscation, nationalization or requisition of any Insured Property

8. Outside Territory

outside the Policy Territory

9. Pollution

the discharge, disposal, release, seepage, migration or escape of Pollutants or the cost of preventing the escape of Pollutants. This general exclusion 9 will not apply under Section 3 – Legal Liability to the extent that the liability arises from a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific place and time during the Policy Period.

10. Radioactivity

ionising radiation or contamination by radioactivity from any nuclear fuel, weapon, waste or other material whether occurring naturally or otherwise; the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof or any other nuclear material.

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

1. Alteration to Risk

Any material alteration to the risk after commencement of the Policy must be notified by You to The Company in writing immediately after such change in risk comes to the notice of You or Your Trustee responsible for insurance. Alterations of which You must notify The Company include

- a) removal of any Common Property Contents or alteration of any Building;
- b) any Building or Common Property of the Situation being left unoccupied for a period of more than 60 consecutive days;
- c) Your interest in any Insured Property ceasing;
- d) any instance where the nature of the occupation of or other circumstances affecting the Insured Property are changed in such a way to increase any risk insured under this Policy; or
- e) Your being placed into bankruptcy, receivership, administration or liquidation. If The Company accepts the altered risk, You must pay The Company any additional premium it requires. If not, The Company may cancel this Policy or exclude the additional risk benefits.

2. Applicable Law

Should any dispute arise concerning this Policy, the dispute will be determined in accordance with the law of the Republic of South Africa.

3. Assignment

You and or the unit owner must not assign this Policy or any of Your rights under this Policy, without the prior written consent of The Company.

4. Cancellation

- a) You may cancel this Policy by giving notice in writing to The Company. If such notice is given, the cancellation will take effect on the day the notice is received by The Company.
- b) The Company may cancel this Policy by giving thirty (30) days' notice to You at Your last known address.
- c) After cancellation by You a refund of Premium will be returned to You provided no claim has been made during the Policy Period.
- d) After cancellation by The Company a refund of Premium will be returned to You pro rata for the unexpired Policy Period.

5. Changes in Policy

No changes in this Policy will be valid unless agreed to in writing by The Company. The requirements of any Section of the Policy will not be deemed to be waived unless The Company agrees in writing to waive them.

6. Excess

You must pay the amount of any applicable Excess shown in the Schedule or in this wording in respect of each claim You make under the Policy. The Excess is payable by You at such time required by The Company. If any event leads to a claim under more than one Section of the Policy, You must pay the highest applicable Excess.

7. Inspection and Audit

The Company may inspect any Insured Property with reasonable notice. Neither The Company's right to make inspections nor the making of any inspection nor any report thereon will constitute an undertaking by The Company on behalf of or for Your benefit or warranty that such Insured Property or operations are safe or healthful, or are in compliance with any applicable law, rule or regulation. The Company may examine and audit Your books and records at any time during the Policy Period and extensions thereof and within five (5) years after the final termination of this Policy, as far as they relate to the subject matter of this Policy. Such examination and audit will not relieve You of any duty of disclosure or any other duty under this Policy.

8. Interests of Other Parties

Mortgagee

This insurance, as to the interest of the mortgagee(s) in the buildings, improvements, landlord's fixtures and rent insured only shall not be invalidated by,

- a) any act or neglect of the Body Corporate or any of the owners of units as defined in the Sectional Titles Act as amended or replaced from time to time, or
- b) by any misrepresentation or non-disclosure by the Body Corporate or any of the owners of the units at the time when the insurance is effected or renewed during the currency thereof, or
- c) by the alienation of the property, or
- d) by the occupation thereof for purposes more hazardous than are permitted by the Policy, provided that,
 - i. such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privity of the mortgagee(s) and
 - ii. the mortgagee(s) shall notify The Company of the happening or existence of such act, neglect, misrepresentation, nondisclosure, alienation or occupation as soon as same shall come to his or her knowledge,
 - iii. the mortgagee(s) shall, on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by The Company during the continuance of the insurance and

- iv. any compensation payable in terms of this section shall be payable direct to the mortgagee(s) of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds, whichever is the lesser.

All and any amounts becoming payable by The Company under this Policy as a result of damage to or destruction of the buildings, improvements or landlords' fixtures shall, unless otherwise resolved or ordered in terms of Section 48 of the Act to be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Act that such damage should not be reinstated, the proceeds of any claim applicable to the unit shall be made in the first place to the mortgagee(s) of the particular unit in the policy or the aggregate of the amounts due by the unit owner to the mortgagee(s) under their mortgage bonds, whichever is the lesser. The Condition of Average Clause incorporated within the policy applies to the individual units (excluding the owner's interest in the land) and not to the Body Corporate as a whole.

9. Other Insurances

You shall give written notice as soon as possible to The Company of any other insurance or insurances effected covering any of the risks that are the subject of this Policy.

10. Possession of Damaged Property

On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy, The Company and every person authorized by The Company may, without incurring any liability, and without diminishing the right of The Company to rely upon any terms or conditions of the Policy, enter, take or keep possession of any Insured Property where the loss, damage or destruction has happened and may take possession of or require to be delivered to The Company any of the Insured Property and may keep possession of and deal with such Insured Property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of Your permission and license to do any of the above mentioned acts. If You or any one acting on Your behalf does not comply with the requirements of The Company or hinders or obstructs The Company in doing any of the abovementioned acts, then all benefits under the Policy shall be forfeited. You shall not in any case be entitled to abandon any Insured Property to The Company whether taken possession of by The Company or not.

11. Reasonable Care

You must:

- a) take all reasonable measures to maintain all Insured Property in sound condition;
- b) take all reasonable precautions to prevent or minimize loss, damage, destruction, liability, compensation, cost or expense covered by this Policy;
- c) ensure that all fire-fighting equipment and fire protection at the Insured Property is installed, maintained and serviced in accordance with the National Building Regulations or Building Standards Act 1977 or any other law as may be contained in the respective Emergency Services bye-laws.
- d) comply with the Law including but not limited to, all obligations and regulations imposed by any authority including the national building regulations or Building Standards Act 1977 or any other law as may be contained in the respective Emergency Services bye-laws.
- e) take all reasonable measures to ensure that only competent employees and contractors are employed to undertake work on Your behalf.

12. Storage of Hazardous Materials

Hazardous goods or materials stored at the Situation must be stored in the quantities and manner required by any relevant law or standard.

13. Subrogation

If The Company makes a payment under this Policy, The Company is subrogated to all Your rights of contribution, indemnity or recovery. You must not surrender any right to or settle any claim for contribution, indemnity or recovery without The Company's prior written consent. You must do all things and execute all documents to enable The Company to sue in Your name for such contribution, indemnity or recovery.

14. Your Authorized Representative

You agree that the person representing You when completing the Proposal is authorized to give and receive information on Your behalf.

CLAIMS CONDITIONS APPLICABLE TO ALL SECTIONS

On the happening of any Damage or event likely to give rise to a claim under any Section of this Policy, You must, at Your own expense

- a) as soon as reasonably possible inform The Company, by telephone or in writing, of any Damage, death, injury or receipt of notice of any claim and/or of the institution of any proceedings against You;
- b) as soon as reasonably possible inform the police of any malicious Damage, burglary, housebreaking, fraudulent misappropriation, theft or any attempted theft of Insured Property or other suspected criminal conduct;
- c) take all reasonable precautions to recover lost or stolen Insured Property and minimize the claim;
- d) take all reasonable precautions to prevent further Damage;
- e) not dispose of any Damaged Insured Property without The Company's written consent;
- f) not arrange for the repair or replacement of any Insured Property in connection with any claim without The Company's written consent;
- g) when requested by The Company to do so, complete and lodge a claim form **within thirty days (30) days** with all necessary supporting documentation that The Company may reasonably require for the investigation and verification of the claim;
- h) not admit liability for, settle or offer to agree to settle, any claim brought against You or assume any obligation without The Company's prior written consent; and
- i) assist The Company in the defense of any claim brought against You. The Company has the right to negotiate, defend or settle in Your name and on Your behalf any claim brought against You and will have full discretion in the conduct of any proceedings or in the settlement of any claim.
- j) No claim shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- k) No claim shall be payable, unless the insured claims payment by serving legal proceedings on the company within 90 days of the rejection of the claim in writing and pursues such proceedings to finality within a further 180 days.
- l) If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

SECTION 1 – BUILDING AND COMMON PROPERTY CONTENTS

COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 1 (as well as those applying to all Sections of the Policy), The Company agrees to indemnify You in accordance with the Basis of Settlement applicable to Section 1, up to the Limit of Liability applicable to Section 1, against Damage due to any cause not excluded to

- a) any Building; and
- b) Common Property Contents whilst they are at the Situation or whilst temporarily removed and In Transit in the Policy Territory, occurring during the Policy Period.

BASIS OF SETTLEMENT SPECIFIC CONDITION

AVERAGE

If the Insured Property is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference

and shall bear a ratable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition. This condition shall apply to the individual Units and not to the Scheme as a whole.

Claims for Damage to a Building

In respect of a claim for Damage to a Building, The Company will at its option:

- a) pay the reasonable cost of repairing, replacing, or rebuilding the Damaged portion of the Building to a condition which is substantially the same as when new but not better or more extensive than when new; or
- b) pay up to the Limit of Liability applicable to Section 1.

If We agree to pay the cost of rebuilding Your Building, You may re-build at another site.

Where a Building is destroyed, or is in such a condition to make it uneconomical to repair, replace or rebuild the Building, The Company may at its option allow You to purchase an alternative existing building, or part thereof to replace that destroyed. In such an event, The Company shall not be liable to make payment beyond the lesser of

- a) the reasonable cost of repairing, replacing or rebuilding the Insured Property to a condition which is substantially the same as when new, but not better or more extensive than when new; or
- b) The Limit of Liability applicable to Section 1

Extra Cost of Reinstatement of Buildings

Where a Building is destroyed or Damaged, Section 1 extends to cover the additional costs necessarily and reasonably incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage (including demolition or dismantling) subject to the terms, conditions and Limit of Liability applicable to Section 1 and provided that:

- a) the work of reinstatement must be commenced and completed within a reasonable period, failing which The Company will not be liable to make any payment in respect of the extra cost of reinstatement;
- b) the work of reinstatement may be carried out wholly or partially at another site, if the requirements of any lawful authority makes that necessary, subject to The Company's liability not being increased;
- c) The Company will not pay for any extra costs of reinstatement that would have been incurred when complying with any Law that applied to the Building prior to the Damage;
- d) where the Building is not destroyed, The Company will only pay for the extra costs incurred in reinstating the Damaged portion of the Building;
- e) The Company will not pay for the cost of reinstating illegal installations; and
- f) The Company will only pay for any extra costs of reinstatement when the Limit of Liability applicable to Section 1 is not otherwise exhausted.
- g) If a Unit Owner, who occupies their Unit, becomes a permanent quadriplegic or paraplegic directly as a result of bodily injury sustained at the time of Damage to Your Building, we will allow up to R10, 000 for access modifications as part of the reinstatement costs.

Floor Space Ratio

Where a Building is destroyed or Damaged and the relevant statutory authority permits reinstatement only to reduced floor space ratio index, The Company will pay You the difference between

- a) the actual cost of reinstatement to comply with the reduced floor space ratio index; and
- b) the cost of reinstatement had the reduced floor space ratio index not applied. The Company may, at its option, allow You to purchase land on which to replace the Building to the extent of the reduction in the floor space ratio. The Company will only pay for the floor space ratio benefit described above when the Limit of Liability applicable to Section 1 is not otherwise exhausted.

Claims for Damaged Common Property Contents

In respect of a claim for Damaged Common Property Contents, The Company will at its option pay the reasonable cost of repairing or replacing the item of Common Property Contents to a condition, which is substantially the same as when new, but not better or more extensive than when new.

The maximum that The Company will pay in respect of any one loss or series of losses arising out of one event relating to

- a) Common Property Contents that are not in open air is the Limit of Liability specified in the Schedule against Common Property Contents;
- b) Common Property Contents that are in open air or In Transit is R7, 500.

When Damage occurs to an item of Common Property Contents which

- a) is part of a set, The Company will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing or replacing the whole set, notwithstanding that the set is less valuable by reason of it being incomplete;
- b) is a wall, floor or ceiling covering (including carpets, blinds and curtains), The Company will only pay for the cost of repairing or replacing such item in the room, hall or passage in which the Damage occurred.

Excess

The amount that The Company pays in relation to Your claim will be reduced by the amount of any applicable Excess. You must pay the amount stated in the Policy Schedule as the Excess payable in respect of Building and Common Property Contents Cover for each loss or series of losses arising from one event when a claim is accepted by The Company under Section 1, provided that where the Damage is caused by water or liquid (including costs in locating the source of that Damage caused by bursting, leaking or discharging or overflowing of tanks, apparatus or pipes) an excess as stated in the Schedule will apply to each loss or series of losses arising from one event.

ADDITIONAL BENEFITS WITHIN LIMIT OF LIABILITY

The following costs or losses will be paid when they result from Damage to Insured Property. The Company will pay the additional benefits 1 to 9 when the Limit of Liability applicable to Section 1 is not otherwise exhausted.

The costs or losses covered by additional benefits 1 – 9 will be paid when they result from Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1. Additional Benefit 5 will be paid to Unit Owners, subject to all of the conditions, exclusions and limitations applying to Section 1 (including those applying to all Sections of the Policy).

Additional Benefit 1 - Authority Fees

Fees, contributions or imposts payable by You to any government or local authority to obtain a building or construction consent to repair, replace or rebuild any Damaged Insured Property, provided that The Company will not be liable for any fines or penalties imposed by any such authority.

Additional Benefit 2 – Claim Preparation Costs

Costs necessarily and reasonably incurred by You, with The Company's written prior consent, in preparation of a claim under Section 1 of this Policy. The maximum that The Company will pay in respect of this Additional Benefit 2 during any one Policy Period is R50,000.

Additional Benefit 3 - Fire Extinguishment

Costs necessarily and reasonably incurred by You in order to extinguish any fire that threatens Insured Property at the Situation, including the cost of replenishing firefighting equipment and charges for shutting off the supply of water or any other substance following accidental discharge or escape of such substances from firefighting equipment.

Additional Benefit 4 - Minimization of Imminent Damage

Emergency costs necessarily and reasonably incurred by You in order to prevent or minimize imminent Damage to Insured Property occurring during the Policy Period, provided that The Company shall have no liability in relation to this additional benefit exceeding R5,000.

Additional Benefit 5 – Mortgage Discharge Fees

Legal fees necessarily and reasonably incurred by Unit Owners to discharge their mortgage in the event that the Building is totally destroyed, or in such a condition to make it uneconomic to repair, replace or rebuild.

Additional Benefit 6 - Professional Fees

Fees of architects, surveyors, consulting engineers, lawyers and other professionals, including all incidental costs and fees for:

- a) estimates,
- b) plans and specifications,
- c) applications for building or construction consents,
- d) quantities,
- e) tenders, and
- f) supervision necessarily and reasonably incurred by You, with The Company's prior written consent, in repairing, replacing or rebuilding any Damaged Insured Property provided that The Company will not be liable for the costs of preparing any claim under this Policy or any other policy.

The maximum that The Company will pay in respect of this Additional Benefit 6 during any one Policy Period is 15% of the amount of any claim or R1,000,000, whichever is less.

Additional Benefit 7 - Removal of Debris

Costs necessarily and reasonably incurred by You of

- a) removal, storage and disposal of debris, being the remains of any Damaged Insured Property;
- b) demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to any Damaged Insured Property
- c) demolition and removal of any Insured Property that can no longer be used for its intended purpose, as long as such demolition and removal is necessary to repair, replace or rebuild any Damaged Insured Property, provided that Your liability to pay such costs does not arise directly or indirectly as a consequence of
 - i. the discharge, dispersal, release or escape of Pollutants or
 - ii. any contract, except where the liability would have existed in the absence of such contract.

Additional Benefit 8 - Temporary Protection

Costs necessarily and reasonably incurred by You in order to provide temporary protection, safety of Insured Property and security of occupants pending the repair, replacement or rebuilding of Damaged Insured Property. The maximum that The Company will pay in respect of Additional Benefit 8 is R10,000 in respect of any one loss or series of losses arising out of one event.

Additional Benefit 9 – Tsunami

Damage to Insured Property caused by a Tsunami subject to the operation of all the terms, conditions, exclusions and limitations applying to Section 1 (including those applying to all Sections of the Policy).

ADDITIONAL BENEFITS TO SECTION 1 OVER LIMIT OF LIABILITY

The Company will pay the Additional Benefits 10 to 14 over and above the Limit of Liability applicable to Section 1, provided that the combined total liability of The Company to pay such Additional Benefits in any one Policy Period shall not exceed 15% of the Limit of Liability.

Liability applicable to Section 1

The Additional Benefits 10 to 14 will be paid to Unit Owners, subject to all of the conditions, exclusions and limitations applying to Section 1 (including those applying to all Sections of the Policy).

Additional Benefit 10 - Emergency accommodation costs (applicable to units occupied for residential purposes only)

Costs of emergency accommodation necessarily and reasonably incurred by a Unit Owner as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders an Owner Occupied Unit:

- a) unfit for habitation; and/or
- b) in-accessible.

The Company will not pay more than R500 a day for a maximum of 4 days per Owner Occupied Unit for additional benefit 10.

Additional Benefit 11 - Failure of supply of services by public utility

Loss of Rent for a Tenanted Unit or Temporary Accommodation Costs for an Owner Occupied Unit incurred by reason of the Unit becoming uninhabitable:

- a) as a result of the failure of supply to the Unit of electricity, gas, water or sewerage services by a public utility; and
- b) where the failure of supply resulted from damage to property belonging to or under the control of the public utility occurring during the Policy Period by an event not excluded under Section 1. The Company will pay Loss of Rent or Temporary Accommodation Costs in the circumstances described above only for the period that:
 - i. commences 24 hours after the failure of supply occurs; and
 - ii. ends 30 days later or at the time the services are reinstated, whichever first occurs.

Additional Benefit 12 - Public Authority Closure

Loss of Rent for a Tenanted Unit or Temporary Accommodation Costs for an Owner Occupied Unit incurred as a result of the Unit not being able to be inhabited by reason of an order of a government authority made during the Policy Period because of an infectious disease, murder or suicide occurring at the Situation. The Company will pay Loss of Rent or Temporary Accommodation Costs in the circumstances described above only for the period that

- a) commences at the time such government order becomes effective and
- b) ends 30 days later or at the time the order is revoked, whichever first occurs.

Additional Benefit 13 - Storage of Unit Owners Contents (applicable to units occupied for residential purposes only)

Costs of removing, storing and returning undamaged Unit Owner's Contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders a Unit uninhabitable. The Company will pay this Additional Benefit 13 while the subject Unit is incapable of housing the undamaged Unit Owners Contents. The amount that The Company will pay in respect of such costs is reduced by any amount payable under any other insurance policy benefiting a Unit Owner in respect of those costs.

Additional Benefit 14 - Temporary Accommodation Costs (applicable to units occupied for residential purposes only)

Temporary Accommodation Costs for an Owner Occupied Unit incurred as a result of Damage to Insured Property or to other property in the vicinity occurring during the Policy Period caused by an event not excluded under Section 1 that renders the Unit

- a) unfit for habitation; and/or
- b) inaccessible

The Company will pay for Temporary Accommodation Costs where the Unit is unfit for habitation until the earlier of:

- a) the date the Unit becomes re-occupied; or
- b) the date on which it would have been reasonable for the Unit Owner or the Body Corporate to have repaired the Damage to Insured Property and have the Unit fit for habitation.

The Company will pay for Temporary Accommodation Costs where the Unit is inaccessible until the earlier of:

- a) the date on which access to the Unit is re-established; or
- b) the date on which it would have been reasonable for the Unit Owner or the Body Corporate to have had access to the Unit re-established.

FURTHER ADDITIONAL BENEFITS OVER LIMIT OF LIABILITY

The Company will pay the additional benefits 15 to 35 over and above the Limit of Liability applicable to Section 1. The Additional Benefits 19, 28 and 30 will be paid to Unit Owners, subject to all of the conditions, exclusions and limitations applying to Section 1 (including those applying to all Sections of the Policy).

Additional Benefit 15 - Loss of Rent

Loss of Rent for a Tenanted Unit as a result of Damage to Insured Property or Damage to other property in the vicinity of the kind covered by Section 1, occurring during the Policy Period caused by an event not excluded under Section 1 and that renders the Unit

- a) unfit for habitation; and/or
- b) inaccessible

The Company will pay for Loss of Rent while the Unit is unfit for habitation until the Unit is re-let or re-occupied provided that:

- i. the Unit Owner and Body Corporate have taken all reasonable action to complete repair of the Damage and to give occupation to the existing tenant or to secure a new tenant;

The Company will pay for such Loss of Rent for no longer than 6 months after the repair to the Unit is completed subject to a maximum of 30% of the Property Value declared at inception of the Policy. The Company will pay for Loss of Rent where the Unit is inaccessible until the earlier of:

- a) the date on which access to the Unit is re-established; or
- b) the date on which it would have been reasonable for the Unit Owner or the Body Corporate to have had access to the Unit re-established.

If the Unit Owner or the Body Corporate provides evidence of a signed lease agreement that was to commence during the period the Unit is unfit for habitation or is inaccessible, The Company will regard the period of rental income which is foregone as an actual loss of rent. The Company will also pay for costs up to a maximum equivalent value of two (2) weeks rent if the tenancy or lease agreement is terminated and You incur such costs as part of re-letting within a reasonable period.

Additional Benefit 16 – Reward for Information

A reward for information that leads to a conviction for arson, malicious damage, theft of property in connection with Damage covered under Section 1. The maximum that The Company will pay in respect of this additional benefit 16 is R1,000 for any one event irrespective of the number of informants or persons convicted.

Additional Benefit 17 – Inflation Adjustment

If You suffer damage to Insured Property that is covered under Section 1, the Limit of Liability applicable to Section 1 shall be increased to account for Inflation by no more than 20% from commencement of the Policy Period.

Additional Benefit 18 - Damage to Domestic electric motors (applicable to units occupied for residential purposes only)

Costs necessarily and reasonably incurred by You in repairing or replacing an electric motor within an electrical machine used for domestic purposes comprising part of Insured Property which has burnt out during the Policy Period by electric current. The Company will not pay for:

- a) motors covered by any form of warranty;
- b) motors with an output greater than five (5) kilowatts (5kW);
- c) motors more than ten (10) years old;
- d) other parts of any electrical machine;

- e) non-electrical components such as bearings, seals and solenoids;
- f) lighting filaments or heating elements;
- g) fuses or protective devices;
- h) electrical contacts or switches at which sparking or arcing occurs during ordinary operation;
- i) costs of flushing or recharging with refrigerant; or
- j) any additional costs arising from loss of use of the machine.

The Company will not pay any benefit under this Additional Benefit 18 if You have selected Section 7 (Machinery Breakdown) of this Policy.

Additional Benefit 19 - Domestic Pets (applicable to units occupied for residential purposes only)

Costs of temporary boarding of a Unit Owner's domestic pet normally kept at the Situation necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders the affected Unit uninhabitable. The maximum amount that The Company will pay for Additional Benefit 19 is R500 for each affected Unit.

Additional Benefit 20 – Landscaping

Costs necessarily and reasonably incurred by You in replacing Damaged Landscaping occurring during the Policy Period caused by an event not excluded under Section 1. The maximum amount that The Company will pay for Additional Benefit 20 is R10,000 for each loss or series of losses arising from one event.

Additional Benefit 21 - Locating Source of Leak (excluding Geysers or any other water heating apparatus)

Costs necessarily and reasonably incurred by You in

- a) locating the source of leaking, bursting, discharging, or overflowing of tanks, apparatus or pipes used to carry water or oil (including damage to other property necessary to effect the repair or replacement); and
- b) repairing or replacing the defective part or parts of such tanks, apparatus or pipes up to a limit of R5,000 per event;
- c) cleaning up any pollution damage to land at the Situation, as a direct result of leakage described under this additional Benefit, up to a limit of R1,000, provided that the leaking, bursting, discharging or overflow occurs during the Policy Period and is caused by an event not excluded by the Policy.

Additional Benefit 22 – Maintenance Fees (applicable to units occupied for residential purposes only)

Maintenance fees and levies required to be paid to You by a Unit Owner for the period during which the Unit has become uninhabitable as a result of Damage occurring during the Policy Period and covered under Section 1. The maximum that The Company will pay for Additional Benefit 22 is R1,000 per Unit. The Company reserves its right of subrogation to recover the outstanding maintenance fees from the relevant Unit Owner or Owners.

Additional Benefit 23 - Personal Property under Control of Body Corporate (applicable to units occupied for residential purposes only)

The personal property of others that is lost, destroyed or damaged from any cause not excluded by Section 1 while in Your physical or legal control. For the purposes of this additional benefit, "others" means any person not insured under this Policy, including persons employed by You (including unit owner). The maximum that The Company will pay for Additional Benefit 23 is R5, 000 for any one loss or series of losses arising out of one event.

Additional Benefit 24 - Removal of Fallen Trees

Costs necessarily and reasonably incurred by You in removing and disposing of fallen trees and branches (excluding stumps and roots) that have caused Damage to Insured Property during the Policy Period. The maximum amount that The Company will pay for Additional Benefit 24 is R5,000 for any one loss or series of losses arising out of one event.

Additional Benefit 25 – Replacement of Keys and Locks

Where a key to an external door or window of a Building (excluding any individual Unit) is stolen or where there are reasonable grounds to believe keys have been duplicated as a consequence of forcible entry into that Building during the Policy Period, The Company will pay, at its own option, the reasonable costs of either:

- a) re-keying or re-coding those locks together with replacement keys; or
- b) replacing those locks with locks of a similar type or quality.

The Company will not pay Additional Benefit 25 where keys or codes have been stolen or duplicated by tenants of Unit Owners or where there are reasonable grounds to believe that such keys or codes have been stolen or duplicated by current or former tenants of Unit Owners, or by their family or friends. The maximum amount that The Company will pay for Additional Benefit 25 is R10,000 for any one loss or series of losses arising out of one event.

Additional Benefit 26 - Rewriting of Records (applicable to units occupied for residential purposes only)

Costs necessarily and reasonably incurred by You in preparing and/or rewriting the records of the Body Corporate which have been damaged during the Policy Period from an event not excluded under Section 1:

- a) at the Situation;
- b) while in the safe keeping of a duly appointed Body Corporate Manager; or
- c) at a bank for safekeeping.

The maximum that The Company will pay for Additional Benefit 26 is R5,000 in any one Policy Period.

Additional Benefit 27 - Storage of Common Property Contents

Costs of removing, storing and returning undamaged Common Property Contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders the subject Common Property incapable of housing the undamaged Common Property Contents. The Company will pay this Additional Benefit 27 while the subject Common Property is incapable of housing the undamaged Common Property Contents, provided that the maximum amount The Company will pay for this Additional Benefit is R5,000 any one loss or series of losses arising out of one event.

Additional Benefit 28 – Certificate of Title (applicable to units occupied for residential purposes only)

The Company will pay up to R2,500 to replace the Certificate of Title documents for Unit Owners if they are destroyed or Damaged as a result of Damage covered by this Section 1.

Additional Benefit 29 – Removal of water from basement

The Company will pay up to R5,000 for the necessary and immediate removal of water from the basement of Your Building directly caused by a storm event covered by this Section. We will not pay if the water inundation is caused by any excluded peril.

Additional Benefit 30 – Unit Owners’ fixtures (applicable to units occupied for residential purposes only)

The Company will pay up to R1,000 per Unit for Damage to Unit Owners fixtures permanently attached to or fixed to Your Building arising from Damage covered under Section 1 but The Company will only pay in excess of the cover provided under any Unit Owner’s home or contents insurance policy covering Unit Owners’ fixtures.

Additional Benefit 31 – Reinstatement of Cover

Following payment of a claim by The Company under Section 1 and provided that all Buildings or Common Property Contents are not totally destroyed, the Limits and Sub Limits of Liability applicable to Section 1 will automatically reinstate until expiration of the Policy Period subject to Your payment of an additional premium, if called upon to do so, will be calculated pro rata to the amount of the claim settlement and the period to expiry of the Policy Period.

Additional Benefit 32 - Subsidence and Landslip

Notwithstanding anything to the contrary in Specific Exclusion 4, this Section is extended to include Damage to the Insured Property caused by sudden and unforeseen subsidence or landslip provided that You shall bear the first portion of each and every claim up to an amount calculated at 3 per cent of the sum insured on the property with a maximum of R250,000. For the purposes hereof, any damage insured shall be deemed to have been caused by fire provided that this extension does not cover:

1. Damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured;
2. Damage caused by or attributable to:

- a) faulty design or construction of, or the removal or weakening of support to, any building situated at the Situation;
 - b) workmen engaged in making any structural alterations, additions or repairs to any building at the Situation;
 - c) excavation on or under land other than excavations in the course of mining operations;
3. Consequential loss of any kind whatsoever except as provided for in the Additional Benefits.
4. loss or damage insured by this Additional Benefit 32 occurring in any of the following geographical areas
- a) Klerksdorp, Virginia, Welkom, Carletonville, Orkney, Randfontein and all other general mining areas
 - b) Centurion including Irene or any other dolomite area.

In any action suit or other proceeding where The Company allege that, by reason of the provisions of this Optional Benefit, any damage is not covered by this insurance, the burden of proving the contrary shall be upon You.

Additional Benefit 33 – Glass and or Sanitary Ware

Accidental damage to or breakage of glass or sanitary ware such as fixed glass in windows, doors, fanlights, skylights, Green houses, conservatories and verandas, stoves, mirror glass, fixed wash-basins, pedestals, sinks, lavatory pans, splash-backs and cisterns (excluding denting, chipping, scratching, cracking or other disfiguration not affecting the operation of the item).

Additional Benefit 34 – Theft of exterior fixtures and fittings forming part of any Building

Notwithstanding exclusion 4(k) of this section of the policy, Theft (or any attempt thereat) of exterior fixtures and fittings by forcible means limited to the amount stated in the schedule. If any building or part of the building insured becomes unoccupied for 30 consecutive days, this benefit is suspended as regards the unoccupied building or part of the building, unless the insured, before the occurrence of loss or damage, obtains the written agreement of The Company to continue this benefit. During the period of the initial un-occupancy of 30 consecutive days the insured shall become a co-insurer with The Company and shall bear a rate-able proportion of any damage equal to 20 percent of the claim before deduction of any excess.

Additional Benefit 35 – Water Loss

The cost of water lost through leakage from pipes in any unit or on the common property, where the Insured is responsible to pay the charge for such water lost subject to

- a) Only in the event of the quarterly reading of water consumption exceeding the average of the previous four quarterly readings by 50% or more, then The Company will pay the insured for the cost of such additional water consumed up to a limit of R5,000.
- b) No more than R5,000 shall be payable and The Company will not pay for more than two losses in any 12 month period of insurance.
- c) It is a condition precedent to liability under this extension that the Insured shall, upon discovery of a leak, (by physical evidence of a leakage or on receipt of an abnormally high water account) take immediate action to repair or shut off the pipe(s) affected.
- d) This extension does not cover the cost of remedial action including repairs to the pipe(s) affected.
- e) The Company will not be liable for claims
 - i. As a result of leaking or bursting of Taps Geysers or any other water heating apparatus, Toilet Systems Swimming Pools and Storage Tanks.
 - ii. As a result of a leaking inlet or outlet pipe of a swimming pool.
 - iii. As a result of the deliberate acts of You, any tenant of the Property or any person acting on their behalf

- iv. Whilst a unit is unoccupied for more than thirty (30) consecutive days
- v. For the cost of re-filling Swimming Pools or other Pools or Ponds or Water Tanks whether following a leakage or otherwise

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 1

In addition to the general exclusions applying to all Sections of the Policy, The Company will not pay for:

1. Consequential loss of any kind other than as specifically covered in Section 1
2. Any legal liability of any kind except Your legal liability described in additional benefit 7 (Removal of Debris) and additional benefit 24 (Personal Property Under Control of Body Corporate);
3. Damage to any:
 - a) animals;
 - b) awnings and blinds made of textile or fabric more than ten (10) years old caused by wind, rainwater or hail;
 - c) Building or other Insured Property which are vacated and undergoing demolition;
 - d) Building or other Insured Property which is in the course of construction, erection, alteration or addition where the total contract value of such work exceeds R500,000;
 - e) docks, wharves and piers not forming part of any Building;
 - f) Money;
 - g) pathways, driveways and tennis court surfaces caused by wind, rainwater or hail;
 - h) personal property in open air unless it is part of the Common Property Contents designed to function without the protection of walls or a roof;
 - i) pool and spa covers caused by wind, rainwater or hail;
 - j) retaining walls caused by wind, rainwater or hail;
 - k) swimming pools, spas or surrounds caused by movement of their foundations or structure;
4. Damage arising directly or indirectly out of or in any way connected with:
 - a) change in texture or finish;
 - b) creeping, heaving or vibration;
 - c) demolition ordered by any lawful authority due to You or Your agents' failure to obtain necessary building, construction or development consents or permits;
 - d) erosion, subsidence, landslide, mudslide, or any other earth movement or collapse unless the Damage arises out of an earthquake or seismological disturbance, explosion or physical impact by Aircraft;
 - e) error or omission in design, plan or specification or failure of design;
 - f) faulty materials or faulty workmanship;
 - g) hydrostatic pressure, changes in the water table, accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles and pavers;
 - h) incorrect siting of any Building;
 - i) inherent vice or latent defect;
 - j) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;
 - k) theft unless accompanied by violent and forcible entry into or exit from an insured Building (residential sectional title Only) or portion thereof.
 - l) lack of maintenance or any other failure to keep any Insured Property in good repair;
 - m) mechanical, hydraulic, electrical or electronic breakdown except to the extent covered by additional benefit 18 (Damage to Domestic Electric Motors);
 - n) mildew, mould, contamination, disease, wet or dry rot, change of colour, oxidation, evaporation, dampness of atmosphere or variations in temperature;
 - o) normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements;
 - p) removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair;

- q) roots of trees or other plants;
 - r) spontaneous combustion, fermentation or heating or any process involving the direct application of heat except that this exclusion will be limited to the item or items immediately affected and will not extend to other Damaged Insured Property as a result of such combustion, fermentation or heating process;
 - s) Sea, except to the extent covered by additional benefit 9 (Tsunami);
 - t) smoke or smut from industrial operations;
 - u) the actions of birds, vermin, moths, termites or other pests; or
 - v) wear and tear, corrosion, rust or oxidation, fading, chipping, scratching or marring, gradual deterioration or developing flaws, concrete or brick 'cancer', normal upkeep or making good actual physical loss of, or damage to Insured Property by a cause provided for in terms of this Policy on the basis that the Insured Property has been deemed to be destroyed in terms of Section 48 of the Act and the provisions of that Section shall not apply regarding application and / or interpretation of this Policy.
5. Damage arising from Theft or malicious damage should any Insured Property become unoccupied for more than 30 consecutive days unless before the occurrence of damage You obtain The Company's written agreement to continue this extension. During the period of the initial un-occupancy of thirty (30) consecutive days You shall become a co-insurer with The Company and shall bear a rate-able proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

Where the building comprises 2 or more sections or units as described in the participation quota then each section or unit shall be regarded as a separate building for the purpose of this exclusion.

SPECIFIC CONDITION APPLICABLE TO SECTION 1

In addition to the general conditions applying to all Sections of the Policy, the following condition applies to Section 1:

Replacement by Similar Styles and Materials

Where a Building has architectural features and structural materials of a particular ornamental, antique or historical character, or the materials are not readily available, The Company shall be permitted to calculate the cost of repairing, replacing or rebuilding the Building by reference to cost of repairing, replacing or rebuilding a similar type of building of current design and materials and of a reasonably equivalent utility and capacity.

SECTION 2 – GEYSER REPLACEMENT - if stated on the schedule to be included

COVER

Loss or damage to the geyser and attachments as defined, directly or indirectly caused by or attributed to or arising from rust, decay, gradual deterioration, wear and tear, cracking, splitting, inherent vice or latent defects.

DEFINITION OF A GEYSER

The geyser unit itself, including the thermostat, vacuum breaker(s), element, safety valve, sacrificial anode, pressure control valve, drain cock, expansion relief valve, drip trays and pans, wiring from the element to the isolator switch including the isolator switch and attached pipes and fittings within 1 meter of the geyser unit

LIABILITY

The liability of The Company under this section shall not exceed the amounts as stated in the schedule and the insured shall bear the first portion of each and every claim as stated under First Amount Payable in the schedule.

SPECIFIC EXCEPTIONS APPLICABLE TO SECTION 2

The Company shall not be liable for,

- a) loss or damage directly or indirectly caused by or contributed to or arising from faulty or defective design,
- b) consequential loss of any kind whatsoever,
- c) loss or damage directly or indirectly caused by or contributed to or arising from the failure of and/or the deliberate withholding and/or lack of supplies of water, gas, electricity or fuel,
- d) any item forming part of the geyser and attachments covered by any guarantee.
- e) the call out cost to attend to

- i. ripple relays
- ii. faulty circuit breakers
- iii. tripped isolator switch
- iv. tripped earth leakage
- v. tripped geyser mains
- vi. leaking pipes more than 1 meter from the geyser

SECTION 3 – MONEY

COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 3 (as well as those applying to all Sections of the Policy), The Company agrees to indemnify You for loss of Your Money up to the Limits of Liability stated in the Schedule while in the personal custody of

- a) a Trustee; or
- b) the duly appointed Body Corporate Manager; or
- c) an authorized employee of the Body Corporate,

collectively termed the Authorised Persons, acting on Your behalf

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 3

Receptacle

means any safe, strongroom, strongbox, till, cash register, cash box or other receptacle for Money or any franking machine.

Clothing

means clothing and personal effects not otherwise insured belonging to an authorised person.

Event

means any loss or series of losses arising from or attributable to one original cause.

LIMIT OF LIABILITY AND EXCESS

Limit of Liability

The Company's liability to indemnify You under Section 3 will not exceed the applicable Section 3 Limit of Liability for each Event.

Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Money Cover or as amended herein. The Excess applies to each Event and The Company's liability to indemnify You under Section 3 is over and above the Excess.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 3

The Company shall not be liable for loss of or damage to Money

- a) arising from dishonesty of any authorised person not discovered within 14 working days of the occurrence thereof;
- b) arising from shortage due to error or omission or a general shortage of funds not attributable to a particular loss or losses;
- c) arising from the use of keys to any safe or strongroom unless the keys
 - i. are obtained by violence or threat of violence to any person
 - ii. are used by the keyholder or some other person with the collusion of the keyholder and You can prove to the satisfaction of The Company that the keyholder or such other person had used the keys to open the safe or strongroom;

- d) in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of The Company that the key holder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen;
- e) not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of The Company that the person(s) responsible for the Money deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen;
- f) in any vehicle being used by You unless an Authorised Person is actually in such vehicle or, if not in such vehicle, is within five (5) metres of it in a position from which the vehicle is clearly visible. This exclusion shall not apply following an accident involving such vehicle rendering the said person incapacitated. The maximum that The Company will pay in respect of Specific exclusions (c), (d), (e) and (f) is R 5,000 and such losses shall not be reduced by any Excess.

Memoranda

Loss of Money arising from dishonesty of any Authorised Person shall be reduced by the amount of the Excess applicable to the Fidelity Section, or, if such Section is not insured by an amount equal to:

- (a) 2% of the Limit of Liability applicable to this Section; plus
- (b) a further amount of 10% of the net amount payable after deduction of the amount specified in (a) above.

Both amounts shall be borne in full by the Body Corporate

ADDITIONAL BENEFITS TO SECTION 3 OVER LIMIT OF LIABILITY

1. Receptacles and clothing

In addition to any payment in respect of the loss of Money, The Company will indemnify You in respect of receptacles and clothing (as defined) lost or damaged as a result of theft of money or any attempted theft of money, provided that The Company shall not be liable under this extension for more than R5,000 in respect of clothing and R10,000 in respect of receptacles.

2. Locks and keys

In addition to any payment in respect of loss of Money, The Company will indemnify the You in respect of the cost of replacing locks and keys to any receptacle at the Situation following upon the disappearance of any key to such receptacle or following upon Your having reason to believe that an unauthorised person may be in possession of a duplicate of such key provided that The Company shall not be liable under this extension for more than R5,000 in respect of any one event.

3. Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein, this Section is extended to cover loss or damage directly occasioned by or through or in consequence of

- a) civil commotion, labour disturbances, riot, strike or lockout;
- b) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with, any occurrence referred to in (i) above; provided that this extension does not cover
 - i. loss or damage occurring in the Republic of South Africa and Namibia;
 - ii. consequential or indirect loss or damage of any kind or description whatsoever;
 - iii. loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
 - iv. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - v. loss or damage related to or caused by any occurrence referred to in General Exclusion 1.2, 1.3, 1.4, 1.5 or 1.6 of this Policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence. If The Company alleges

that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this Section, the burden of proving the contrary shall rest on You.

4. Skeleton keys

The insurance under this section extends to cover loss of money by means of entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that the Insured shall establish to the satisfaction of The Company that a skeleton key or device was used.

5. Personal Accident (Assault) Extension

The Company will also pay to You on behalf of the affected persons or his estate the benefits stated hereunder in the event of bodily injury caused by accidental, violent, external and visible means, associated with the theft of Your Money, to any Authorized Person (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties as such which within 12 (twelve) calendar months' results in:

1. Death R 10 000

2. Permanent disability being

(a) Loss by physical separation at or above the wrist or ankle of one or more limbs R10,000

(b) Permanent and total loss of sight of one or both eyes R10,000 provided that the extension shall not apply to any such person under 15 or over 70 years of age;

After suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The Company shall not be liable to make any payment unless this proviso is complied with to its satisfaction.

General Condition 9 does not apply to this extension

In respect of this extension only, General Exclusion 1 is deleted and replaced by the following:

- a) This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

SECTION 4 – LEGAL LIABILITY

COVER – SECTION 4A - GENERAL LIABILITY

Subject to the terms, conditions, exclusions and limitations applying to Section 4A (as well as those applying to all Sections of the Policy), The Company agrees to indemnify You, up to the Limit of Liability applicable to Section 4A, against all sums, which You become legally liable to pay as Compensation in respect of:

1. Death or Personal Injury; or
2. Property Damage

occurring within the Policy Territory for claims first made against You during the period of insurance but not prior to the retroactive date as specified in the schedule, as a result of an Occurrence happening in connection with ownership of Insured Property. **Solely for the purposes of this Section 4A of the Policy the definition of 'You, Your and Yours' shall extend to include any Trustee or Unit Owner.**

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 4A

Compensation

means any amount paid or payable by You for Personal Injury or Property Damage pursuant to any

- a) court judgment; or
- b) settlement with the consent of The Company together with any Defence Costs.

Compensation does not include

- a) aggravated, punitive or exemplary damages;
- b) fines or penalties imposed by law (including civil penalties); or
- c) any matters which are deemed uninsurable under the law.

Defence Costs

means legal costs and disbursements and related expenses incurred by:

- a) You with the written consent of The Company; or
- b) The Company after it has assumed conduct of any proceedings in:
 - i. defending any proceedings;
 - ii. conducting any claim for contribution or recovery; or
 - iii. investigating, avoiding or reducing or settling any claim for Compensation.

Defence Costs does not include:

- a) any of Your internal or overhead expenses or the cost of Your time.

Employment Practices

Means any wrongful or unfair dismissal, denial of natural justice, defamation, unfair discipline or evaluation of employment performance, breach of employment contract, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

Occurrence

Means an event including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage, neither expected nor intended from Your standpoint. All events of a series consequent on or attributable to one source or original cause are deemed one Occurrence.

Personal Injury

means

- a) bodily injury, death or illness;
- b) wrongful entry or wrongful eviction or other invasion of the right to private occupancy

Property Damage

means

- a) physical damage to, destruction of or loss of tangible property

LIMIT OF LIABILITY AND EXCESS APPLICABLE TO SECTION 4A

Limit of Liability

The Company's liability to You in respect of Compensation, including Defence Costs, arising from any one Occurrence shall not exceed the Limit of Liability applicable to Section 4A.

Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Legal Liability Cover.

The Excess applies to each Occurrence and The Company's liability to indemnify You under Section 4A is inclusive of the above Excess.

Defence Costs

Defence costs and expenses are payable subject to the following:

- a) The Company is not obliged to pay any Defence Costs or to defend any suit after The Company's liability under Section 4A to indemnify You has been exhausted.
- b) If a payment exceeding The Company's liability under Section 4A to indemnify You has to be made to dispose of a claim, the liability of The Company for Defence Costs is limited to the proportion that The Company's liability to indemnify You under this Policy bears to that payment.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 4A

In addition to the Exclusions applying to all Sections of the Policy, The Company will not cover any legal liability directly or indirectly arising out of or in any way connected with the following:

1. Assault or Wrongful Arrest

Assault and/or battery (including sexual assault) or wrongful arrest and/or detention unless committed for the purpose of preventing or eliminating danger to persons or property.

2. Building Alterations

The construction, erection, alteration, addition, renovation or demolition of any Building by You or on Your behalf where the contract value of the work exceeds R500,000.

3. Business or Profession

The conduct of any business or profession or the provision of any services by You other than as owner of Insured Property.

4. Claims outside the Republic of South Africa

Any actions or claims brought in a court or tribunal outside the Territorial Limits stated in the Schedule.

5. Contractual Liability

Assumed under a contract except where that liability would otherwise exist at law in the absence of the contract.

6. Employers Liability

any liability:

- a) in respect of which You are or would be entitled to indemnity under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers' compensation whether or not such insurance has been effected;
- b) imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination
- c) relating to employment practices.

7. Facilities

Ownership, possession, maintenance, repair, operation or use by You or on Your behalf of any facilities at the Situation that are used for commercial purposes, including

- a) child care;
- b) conference or meeting rooms;
- c) golf or putting course;
- d) gymnasium or other exercise facility;
- e) laundry or dry cleaner;
- f) man-made lake or natural water course;
- g) medical or chemist;
- h) marina;
- i) playground;
- j) shops;
- k) swimming or other aquatic complex;
- l) tennis or squash court

unless such facility is specifically noted on the Schedule as not subject to this exclusion 7 (Facilities).

8. Fines and Penalties

Fines, penalties, punitive, exemplary, liquidated or aggravated damages

9. Goods

Any goods designed, manufactured, installed, treated, assembled, altered, processed, sold or supplied by You or by anyone on Your behalf whether for reward or not.

10. Occupation of Unit

Occupation of Unit

11. Participation in organised activities

Participation in any sport, exercise or other activity, which You organise, supervise or otherwise control.

12. Professional Liability

The rendering of or failure to render professional advice or service by You or by anyone on Your behalf.

This exclusion 12 does not apply to first aid services rendered by You or by Your employee.

13. Property Owned by You or Under Your Control

Property Damage to property owned, leased, hired by, under hire purchase, on loan or rented to You or otherwise in Your care custody or control other than visitors' clothing and personal effects.

14. Removal of Support and Vibration

Vibration, removal or the weakening or interference with support to land, Buildings or other property

15. Tobacco and Smoke

Tobacco, tobacco smoke, or any ingredient or additive present in or used with tobacco

16. Vehicles

The use of a Vehicle owned by You, or in Your physical or legal control

- a) which is required by law to be registered; or
- b) in respect of which insurance is required by virtue of any legislation but this exclusion 16 (Vehicles) does not apply to:
 - i. Damage to a Vehicle (other than a Vehicle owned or used by You or on Your behalf) whilst in a car park owned or operated by You other than for income or reward as a car park operator; or
 - ii. Personal Injury or Property Damage occurring during the loading or unloading of a Vehicle caused by or arising from the collection or delivery of any goods from or to the Vehicle where such Personal Injury or Property Damage occurs beyond the limits of any carriageway or thoroughfare, and where applicable legislation does not require insurance against such liability.

17. Watercraft and Aircraft

any:

- a) Aircraft or hovercraft;
- b) airstrip or helipad; or
- c) Watercraft

and all operations necessary and incidental to such craft.

SPECIFIC CONDITION APPLICABLE TO SECTION 4A

In addition to the general conditions applying to all Sections of the Policy, the following condition applies to Section 4A:

Cross Liability

Under Section 4A, where You are comprised of more than one entity, the term "You" will be considered a separate legal entity and applies to each party as if a separate policy had been issued to each of the said parties but nothing contained in this clause will operate to increase The Company's liability under Section 4A

COVER – SECTION 4B – EMPLOYERS LIABILITY

Subject to the terms, conditions, exclusions and limitations applying to Section 4B (as well as those applying to all Sections of the Policy), The Company agrees to indemnify You, up to the Limit of Liability applicable to Section 4B, against all sums, which You become legally liable to pay as Compensation in respect of Personal Injury occurring within the Policy Territory for claims first made against You during the Policy Period but not prior to the retroactive date as specified in the schedule as a result of an Occurrence happening in connection with any person employed under a contract of service or apprenticeship with You, which in the course of and in connection with such person's employment by You.

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 4B

Compensation

Means any amount paid or payable by You for Personal Injury pursuant to any:

- a) court judgment; or
- b) settlement with the consent of The Company

together with any Defence Costs.

Compensation does not include:

- a) aggravated, punitive or exemplary damages;
- b) fines or penalties imposed by law (including civil penalties); or
- c) any matters which are deemed uninsurable under the law.

Defence Costs

mean legal costs and disbursements and related expenses incurred by:

- a) You with the written consent of The Company
- b) The Company after it has assumed conduct of any proceedings in:
 - i. defending any proceedings;
 - ii. conducting any claim for contribution or recovery; or
 - iii. investigating, avoiding or reducing or settling any claim for Compensation.

Defence Costs does not include any of Your internal or overhead expenses or the cost of Your time.

Employment Practices

means any wrongful or unfair dismissal, denial of natural justice, defamation, unfair discipline or evaluation of employment performance, breach of employment contract, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

Occurrence

Means an event, which results in Personal Injury, neither expected nor intended from Your standpoint. All events of a series consequent on or attributable to one source or original cause are deemed one Occurrence.

Personal Injury

Means bodily injury, death, or illness;

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 4B

In addition to the Exclusions applying to all Sections of the Policy, The Company will not cover any legal liability directly or indirectly arising out of or in any way connected with the following:

- a) liability arising out of Personal Injury caused or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any particular employment or occupation.
- b) for any obligation for which You and any company as its insurer may be held liable under any workmen's compensation enactment/compensation of occupational injuries and diseases, unemployment compensation or disability benefits law;
- c) arising out of any circumstances compulsorily insurable by legislation notwithstanding that no insurance in terms of such legislation is in force or has been effected;
- d) to any employee arising while offshore.

ADDITIONAL BENEFIT TO SECTION 4B INCLUDED IN THE LIMIT OF LIABILITY

Additional Benefit 1 - Legal Expenses Cover for Breach of Statute or Employment Practices

Subject to the exclusions and conditions below, The Company will pay legal costs and disbursements for which any Trustee or employee of the Body Corporate may become liable to pay or incurs in defence or appeal in connection with proceedings that are first commenced against such person during the Policy Period and reported to The Company during the Policy Period

- a) related to any alleged breach of any occupational health and safety legislation; or
- b) arising out of a dispute with an employee, former employee or prospective employee of the Body Corporate concerning Employment Practices. The maximum that The Company will pay for this additional benefit to Section 4B is R100,000 in any one Policy Period. For each and every claim made under this additional benefit to Section 4B, the Body Corporate must pay an Excess of R2,500.

Specific Conditions Applicable to Additional Benefit to Section 4B

No legal costs and disbursements that may be covered by this additional benefit to Section 4B must be incurred without first obtaining The Company's prior written consent. If The Company's prior written consent is not obtained, the Body Corporates' entitlement to cover under this additional benefit to Section 4 may be affected. The Company shall not be obliged to pay any legal costs and disbursements under this additional benefit to Section 4B unless it is satisfied that the Trustee or employee has good prospects of successfully defending or appealing the proceedings and that the legal costs and disbursements are both reasonable and necessary. The Company has the sole right to choose the legal representative to act on behalf of the Trustee or employee in the proceedings.

Specific Exclusions Applicable to Additional Benefit to Section 4B

In addition to the general exclusions applying to all Sections of the Policy and the specific exclusions applying to Section 4B, The Company will not pay any legal costs and disbursements incurred or payable in connection with any proceeding:

- a) where the Body Corporate has not sought and obtained The Company's prior written consent to the incurring of those legal costs and disbursements;
- b) where the Body Corporate was aware or ought reasonably to have been aware of facts, matters or circumstances potentially giving rise to that proceeding prior to the Policy Period;
- c) in which relief is sought by way of penalty, fine or aggravated, exemplary or punitive damages;
- d) in which defamation, libel or slander is alleged (other than in relation to Employment Practices);
- e) in which fraud or dishonesty is alleged;
- f) in which a conflict of interest is alleged;
- g) in which a failure to obtain insurance or appropriate insurance is alleged;
- h) claiming compensation or an award of damages;
- i) relating to any matter where insurance cover is available under another Section of this Policy, notwithstanding that such cover was not taken out.

SECTION 5 – FIDELITY GUARANTEE

COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 5 (as well as those applying to all Sections of the Policy), The Company agrees to indemnify You, up to the Limit of Liability applicable to Section 5, against financial loss as a result of an Event, provided that:

- a. such loss occurs during the Policy Period; and
- b. the loss is discovered not later than six (6) months after the expiry of the Policy Period.

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 5

Event

Means fraudulent misappropriation of property or Funds, owned by or allocated to or set aside for the management of Insured Property, by any Trustee or Body Corporate Employee, (excluding any outsourced/external managing agent appointed by You), who is acting without any participation or knowledge on Your part.

Funds

Means money, securities, negotiable instruments or other tangible property received by You to be allocated to or set aside for the management of Insured Property. Funds do not include personal Money, securities, negotiable instruments or other tangible property of Unit Owners.

LIMIT OF LIABILITY AND EXCESS

Limit of Liability

The Company's liability to indemnify You under Section 5 will not exceed the Limit of Liability applicable to Section 5 for each Event and in the aggregate for all Events occurring in the Policy Period.

Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Fidelity Guarantee Cover. The Excess applies to each Event and The Company's liability to indemnify You under Section 5 is inclusive of the above Excess.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 5

In addition to the general exclusions applying to all Sections of the Policy, The Company will not be liable for any loss:

- a) unless You have previously exhausted Your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not;
- b) connected with any further Event committed by the same person or persons after the initial discovery of loss;
- c) any losses arising out of an Event committed prior to the Policy Period; or
- d) any consequential loss of any kind or nature. The Company will not be liable for any loss arising directly or indirectly from or having any connection with:
- e) the conduct of any person if You have any prior knowledge of any prior act of fraud or dishonesty by that person;
- f) loss or part of a loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that You are able to prove the amount of the loss through other evidence unrelated to comparison or computation; or
- g) arising from a failure to make payment or of default under a loan or other credit transaction.

SPECIFIC CONDITIONS APPLICABLE TO SECTION 5

In addition to the general conditions applying to all Sections of the Policy, the following conditions apply to Section 5

- a) You must perform all checks and take all precautions described by You in the Proposal.

- b) You must as soon as reasonably possible give The Company written notice of the discovery of any conduct that is fraudulent or dishonest by any person with access to or control of Your Funds or property or any lack of integrity by such person whether giving rise to a claim or not.
- c) On discovering a loss or circumstances likely to give rise to a loss covered by Section 4, You must, at Your own expense:
 - i. as soon as reasonably possible give written notice to The Company of such loss;
 - ii. as soon as reasonably possible give written notice to the police of the loss or suspected loss;
 - iii. within twenty eight (28) days, provide to The Company a written statement containing details of the cause, description and amount of the loss and any other information that The Company may reasonably require;
 - iv. complete any claim form or sworn proof of loss that The Company may require;
 - v. provide full assistance and cooperation to The Company in investigating the loss; and
 - vi. take all reasonable steps to obtain recovery of the loss and prevent any further loss.
- d) If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

MEMORANDUM

Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this Section.

SECTION 6 – PERSONAL ACCIDENT (VOLUNTARY WORKERS & BODY CORPORATE EMPLOYEES)

COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 6 (as well as those applying to all Sections of the Policy), The Company agrees to pay Compensation to a Voluntary Worker, Body Corporate Employee or that person's deceased estate, as detailed in Table A (Lump Sum Payments) below and in accordance with the Basis of Settlement applicable to Section 6, where such Voluntary Worker or employee suffers Death or Bodily Injury as a consequence of an accident occurring at the Situation whilst engaged in work during the Policy Period which results in an Event within 1 calendar year of the accident and not exceeding R10,000.

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 6

Bodily Injury

Means an injury to a person resulting solely and directly from an accident and which:

- a) is caused by violent, external and visible means; and
- b) is independent of any other cause or causes, including pre-existing physical or congenital conditions; and
- c) is not an illness.

Compensation

means the payment shown against the Event in Table A below.

Doctor

means a legally registered medical practitioner who is not an insured person under this Policy or their relative

Event

means an Event causing Bodily Injury listed in either of Tables A below

Foot

means the entire foot below the ankle

Hand

means the entire hand below the wrist.

Loss

means in connection with:

- i. a Hand, Permanent physical severance or Permanent total loss of use of the Hand;
- ii. a Foot, Permanent physical severance or Permanent total loss of use of the Foot;
- iii. an eye, total and Permanent loss of all sight in an eye;
- iv. which in each case is caused by Bodily Injury.

Permanent means

having lasted twelve (12) consecutive months and at the expiry of that period, beyond hope of improvement.

Permanent Partial Disablement means

the inability of a Voluntary Worker or Body Corporate Employee to engage in a substantial part of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a Doctor.

Permanent Total Disablement means

the inability of a Voluntary Worker or Body corporate Employee to engage in all of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a Doctor.

TABLE A – LUMP SUM PAYMENTS**Event Compensation**

Being a percentage of the amount shown in the Schedule against lump Sum Payments for Voluntary Workers under Section 6

1. Death 100%
2. Permanent Total Disablement 100%
3. Permanent Partial Disablement 50%
4. Loss of Sight in both eyes 100%
5. Loss of Sight in one eye 50%
6. Loss of two Hands 100%
7. Loss of one Hand 50%
8. Loss of two Feet 100%
9. Loss of one Foot 50%

BASIS OF SETTLEMENT APPLICABLE TO SECTION 6

- a) The Company will only pay the Voluntary Worker or Body Corporate Employee such Compensation if that Voluntary Worker Body Corporate Employee is not entitled to compensation under any workers' compensation insurance, motor accident scheme or other statutory scheme or fund;
- b) If the Voluntary Worker dies as a result of a disability, The Company will reduce the amount it pays for Event 1 (Death) by the amount of any Compensation it has paid for the disability;
- c) If a Voluntary Worker becomes entitled to Compensation under more than one of the Events 1 to 9, the Compensation paid will be cumulative up to 100% of the Compensation payable for Event 1 (Death);
- d) After the payment of Compensation for any one of Events 2 to 9, The Company shall have no further liability to that Voluntary Worker or Body Corporate Employee for any of those Events;

ADDITIONAL BENEFITS APPLICABLE TO SECTION 6

If The Company accepts a claim for Compensation under Section 6, The Company will also pay the Voluntary Worker or Body Corporate Employee the following expenses:

1. Travel Expenses

travel expenses necessarily and reasonably incurred in obtaining medical treatment in relation to the subject disability up to a maximum of R1,000 during the Policy Period for any one person.

2. Domestic Assistance

domestic assistance expenses necessarily and reasonably incurred in obtaining domestic help up to a maximum of R3,500 during the Policy Period for any one person, provided that this additional benefit 2 (Domestic Assistance) will be reduced by any amounts payable under Events 8 or 9 for domestic assistance.

3. Medical Expenses

expenses incurred within twelve (12) months of sustaining Bodily Injury and paid by the Voluntary Worker or Body Corporate Employee to a private hospital, ambulance service, dentist, massage service after referral by a registered Medical

Practitioner.

The Company will not pay under this Additional Benefit

- a) more than R500 during the Policy Period for any one person
- b) expenses for which a medical aid benefit is payable

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 6

In addition to the general exclusions applying to all Sections of the Policy, The Company shall not be liable for any claim arising directly or indirectly from or having any connection with:

- a) intentional self-injury, or suicide, including injuries suffered as a result of attempted suicide;
- b) the Voluntary Worker or Body Corporate Employee being rendered less capable of taking care of himself or herself as a consequence of mental illness, including any psychological, psychiatric or stress disorder;
- c) the Voluntary Worker or Body Corporate Employee being rendered less capable of taking care of himself or herself as a consequence of being under the influence of alcohol or any drug, other than a drug prescribed by a doctor;
- d) childbirth or pregnancy;
- e) any pre-existing medical condition; or
- f) Human Immunodeficiency Virus (HIV) or any variance including Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC).

SPECIFIC CONDITIONS APPLICABLE TO SECTION 6

In addition to the general conditions applying to all Sections of the Policy:

- a) You must advise The Company in writing as soon as reasonably possible after the occurrence of Bodily Injury covered by this Section 6.
- b) You must pay the cost, if any, of any medical certificates, reports or other evidence that Company may require to assess a claim under this Section.
- c) The Company may request the Voluntary Worker or Body Corporate Employee to have a medical examination by a Doctor nominated by it and The Company will be responsible for the payment of such examination.

SECTION 7 – TRUSTEES LIABILITY

COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 7 (as well as those applying to all Sections of the Policy), The Company agrees to indemnify

- a. Trustees against all Loss for which they are not indemnified by the Body Corporate; or
- b. the Body Corporate against all Loss for which it grants indemnification to a Trustee, as permitted or required by law, arising from any Claim for Loss up to the Limit of Liability applicable to Section 7, provided that

- i. the Claim is first made and reported to The Company during the Policy Period; and
- ii. the Claim arises out of a Wrongful Act, which wholly occurred after the date of inception of the Policy.

Where You have continued, without interruption, to hold Sectional Title Insurance with The Company for the Insured Property, cover will extend to a Claim which arises out of a Wrongful Act which wholly occurred after the date from when You first took out such Sectional Title Insurance.

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 7

Claim means

any:

- a) written demand for compensation; or
- b) originating process for recovery of compensation

issued against a Trustee by a third party alleging a Wrongful Act.

Circumstances means

any facts, matters or circumstances which give rise to a Claim or have the potential to give rise to a Claim.

Defence Costs means

the legal costs and expenses which a Trustee or the Body Corporate incurs with The Company's prior written consent in the investigation, defence or settlement of any Claim Defence Costs does not include:

- a) any internal or overhead expenses incurred by a Trustee or the Body Corporate;
- b) any cost of the time of any Trustee, employee or agent of the Body Corporate in investigating, defending or settling any Claim; or any salaries or remuneration of any Trustee or of any Employee or agent of the Body Corporate.

Loss

means money payable by a judgment or settlement with The Company's prior written consent;

- a) legal costs awarded against a Trustee; and
- b) Defence Costs.

Loss does not include fines, penalties, punitive, exemplary, liquidated or aggravated damages.

Senior Counsel

Means a practicing advocate who is entitled to practice as a Senior Counsel in the Territorial Limits stated in the Schedule.

Wrongful Act means

any actual or alleged act, error or omission, negligence, breach of duty, misrepresentation or misconduct of a Trustee whilst acting in that capacity.

LIMIT OF LIABILITY AND EXCESS

Limit of Liability

The Company's total liability under Section 7 in respect of all Loss including Defence Costs arising from all Claims during the Policy Period is the Limit of Liability applicable to Section 7.

Excess

The Trustee or the Body Corporate must pay the amount stated in the Schedule as the Excess payable in respect of Trustees Liability Cover. The Excess applies to each and every Loss including Defence Costs arising from any one Claim and The Company's liability under Section 7 is over and above the Excess. For the purposes of determining the Excess applying to Section 7, all Claims arising from one act, error or omission or from a series of related acts, errors or omissions, will be regarded as one Claim.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 7

In addition to the general exclusions applying to all Sections of the Policy, The Company shall not be liable for any Claim arising directly or indirectly from or having any connection with

1.
 - i. any;
 - ii. Claim first made prior to the Policy Period;
 - iii. Claim or Circumstances notified, in whole or part, to The Company or any other insurer prior to the Policy Period; or
 - iv. Claim or Circumstances of which the Body Corporate, or any Trustee against whom the Claim is made, was aware or ought reasonably to have been aware, prior to the Policy Period.
2. any profit or advantage gained by a Trustee where that Trustee was not legally entitled or for which the Trustee may be held accountable to the Body Corporate, Unit Owner or any other person or entity.
3. money or gratuity given to a Trustee without authorisation by the Body Corporate where such authorisation is necessary pursuant to the rules, by-laws or articles of the Body Corporate or as required by law.
4. any warranty or guarantee.
5. any trading or personal debt of a Trustee or the Body Corporate.
6. death, bodily injury, sickness or disease of any person, or damage to, or loss or of loss of use of, any tangible property.
7. breach of any obligation owed to any employee of a Trustee or the Body Corporate.
8. libel or slander.
9. any duty, tax, levy or other impost.
10. any conflict of duty or interest.
11. any liability assumed in contract except where that liability would otherwise exist at law in the absence of the contract.
12. the effecting or maintenance of insurance, or any failure to effect or maintain insurance.
13. any intentional exercise of a power where the exercise of the power is for a purpose other than the purpose for
14. which the power was conferred.
15. any alleged or actual dishonest, fraudulent, malicious or criminal act or omission but this exclusion will not apply to Defence Costs incurred in successfully defending such a Claim.
16. any Claim brought or maintained by:
 - i. any person who is insured or entitled to any benefit or indemnity under this Policy; or
 - ii. an entity operated or controlled by any person who is insured or entitled to any benefit or indemnity under this Policy.
17. any Claim brought in a court of law or tribunal outside Territorial Limits stated in the Schedule

SPECIFIC CONDITIONS APPLICABLE TO SECTION 7

In addition to the general conditions applying to all Sections of the Policy

1. a Trustee must give written notice to The Company of any Claim made against the Trustee within twenty one (21) days of receipt of the Claim.
2. The Trustee and the Body Corporate must give all reasonable assistance to and cooperate with The Company in the defence of any Claim at the Trustee's and the Body Corporates' cost.
3. Neither the Trustee nor the Body Corporate should admit liability, settle any Claim, assume any obligation nor incur any Defence Costs without The Company's prior written consent.
4. The Company has the right to negotiate, defend or settle any Claim against the Trustee in the Trustee's name and will have full discretion in the conduct of any proceedings or in the settlement of any Claim.
5. If The Company is liable under Section 6 to provide indemnity for only part of a Loss because either:
 - i. a Claim includes matters both covered and not covered by Section 7; or
 - ii. a Claim is made against an Trustee and other persons (including but not limited to the Body Corporate), then the Trustee and The Company must use their best endeavors to agree a fair allocation of Loss (including in relation to Defence Costs) between Loss covered and loss not

covered under Section 7 having regard to the Trustee's relative legal exposure to liability in respect of matters covered and not covered by Section 7 and the Trustee's and the other person's relative legal exposure to liability in respect of the Claim. Where the Trustee and The Company are unable to agree upon a fair allocation of Loss, The Company will be entitled to brief Senior Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the local Bar Association or Council, or equivalent organisation in the relevant Territory) to provide an opinion binding on the Trustee and The Company as to the fair allocation of Loss. The costs of obtaining this opinion will be paid by The Company as part of the Defence Costs.

SECTION 8 – MACHINERY BREAKDOWN

COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 8 (as well as those applying to all Sections of the Policy), The Company agrees to indemnify You, up to the Limit of Liability applicable to Section 8 against any physical loss or damage to any Machine resulting from Breakdown.

SPECIFIC DEFINITIONS APPLICABLE TO SECTION 8

Breakdown

Means sudden and accidental damage to any Machine or part thereof which manifests itself at the time of its occurrence resulting in the actual breaking, seizing, deformation or burning out of any part of a Machine causing stoppage of the functions thereof and necessitating repair or replacement before it can resume its normal function.

Machine

Means air-conditioning plant, swimming pool machinery, saunas, spa baths, Jacuzzis, borehole pumps, automatic gates, garage doors, boilers, electrical switchgear, escalators, hoists, lifts and transformers forming part of the Buildings

- a) any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than boiler feed water piping, boiler condensate return piping or water piping connected to or used with an air conditioning system, or
- b) any structure, foundation or setting (other than a bedplate of a machine) supporting or housing such machines or lining or fire wall of any unfired vessel, or
- c) any vehicle or mobile equipment, aircraft or floating vessel, or
- d) any crane, hoist, power shovel, dragline or conveyor but not excluding any pressure vessel, electrical, or mechanical equipment used with such a machine, or
- e) any computing machine, electronic data processing equipment or electronic computer control equipment, x-ray machines, spectrographs, gauges or other apparatus using radioactive materials and radio and television apparatus,
- f) any penstock draft tube, or well casing, or
- g) any steam or gas turbine-generator, or
- h) all property located underground, or
- i) plant that is leased, hired or on loan, or
- j) mobile plant or equipment.

BASIS OF SETTLEMENT

1. Where damage to a Machine can be repaired, The Company will pay all expenses necessarily incurred to restore the damaged item to its state of serviceability immediately before the occurrence of damage. If the repairs are executed by You, The Company will pay the cost of materials and wages reasonably incurred for the purpose of the repairs, plus a reasonable allowance to cover overhead charges. If any parts are found to be unprocurable, The Company's liability for these parts shall be limited to the manufacturers' or suppliers' last list price.

2. Where a Machine is totally destroyed, The Company will, at its option, either

- a. pay the actual value of the item immediately before the occurrence of damage, such actual value to be calculated by deducting reasonable depreciation from the new replacement cost of the item; or

- b. supply an equivalent replacement item similar in type, capacity and condition to the Machine immediately before the occurrence of damage and pay any costs for the ordinary freight and installation. A Machine will be deemed to be totally destroyed if the cost of repairs as detailed in paragraph 1 above, equals or exceeds the actual value of the insured item immediately before the occurrence of damage.

LIMIT OF LIABILITY AND EXCESS

Limit of Indemnity

The Company's liability to indemnify You under Section 8 will not exceed the Limit of Liability applicable to Section 8 for any one loss or series of losses arising out of any one event.

EXCESS

You must pay the amount stated in the Policy Schedule as the Excess payable in respect of Machinery Breakdown Cover. The Excess applies to each and every event and The Company's liability to indemnify You under Section 8 is over and above the Excess.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 8

In addition to the general exclusions applying to all Sections of the Policy, The Company will not be liable under this Section for:

1. damage, defects or defective insulation due to the wearing away or wearing out of any part of a Machine caused by or naturally resulting from ordinary use or working;
2. gradually developing flaws, defects, defective insulation and cracks or partial fractures in any part which do not cause immediate stoppage and necessitate repair or replacement although at some future time repair or renewal of the parts affected may be necessary;
3. renewal or repair of fuses collecting brushes overload protection devices or electrical contacts at which sparking or arcing occurs in ordinary working;
4. tightening up or refitting or renewal of keys;
5. erosion or corrosion of valves and seatings;
6. the renewal of transformer or switch oil, unless caused by a Breakdown;
7. explosion (which does not include the bursting nor disruption of turbine compressor engine or hydraulic cylinders flywheels or other parts subject to centrifugal force transformers or oil immersed switchgear);
8. escape of water from apparatus containing water (other than apparatus or appurtenance(s) forming part of the Insured Property or directly connected therewith);
9. damage to or replacement of foundations, brickwork and masonry and/or steel structures forming part of any conveyor system;
10. damage to or replacement of electric heating elements, fuses, glass bulbs, tubes, valves, electronic components or circuitry;
11. damage to or replacement of cutting tools, drills, saw blades, abrasive wheels or discs, dies, moulds, flexible piping, flexible drives or expendable parts;
12. damage resulting from imposition of abnormal conditions directly or indirectly relating to testing, intentional overloading or experiments;
13. loss or damage caused by operation of a Machine when in a materially defective condition and/or loss or damage and/or liability caused by Your willful act or Your willful neglect;
14. consequential loss of any kind whatsoever.

SPECIFIC CONDITION APPLICABLE TO SECTION 8

Comprehensive maintenance agreement

You must enter into and maintain a comprehensive maintenance agreement for the servicing and repair of Machines which operate lifts within Your Building.