

Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated:

1 Annual gross rentals / annual revenue / annual turnover

annual gross rentals/annual revenue/ annual turnover shall mean

the gross rentals (revenue) (turnover) during the 12 months immediately before the date of the damage adjusted in terms of clause 4 (Adjustment clause)

2 Gross profit (additions basis)

gross profit shall mean

the sum produced by adding to the net profit the amount of the insured standing charges or, if there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

3 Gross profit (difference basis)

gross profit shall mean

the amount by which

3.1 the sum of the turnover and the amount of the closing stock shall exceed

3.2 the sum of the amount of the opening stock and the amount of the uninsured costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

4 Gross rentals

gross rentals shall mean

the money paid or payable to the insured by tenants in respect of rental of the premises and for services rendered.

5 Indemnity period

indemnity period shall mean

the period beginning with the commencement of the damage and ending not later than the maximum indemnity period stated in the schedule thereafter during which the results of the business shall be affected in consequence of the damage.

6 Insured peril

insured peril shall mean

6.1 Fire

6.2 Aircraft

6.3 Earthquake

6.4 Explosion

6.5 Impact

6.6 Leakage

6.7 Lightning

6.8 Malicious damage

6.9 Riot and strike (excluding loss or damage occurring in the Republics of South Africa and Namibia)

6.10 Storm and water / Special perils

6.11 Subsidence, landslip and heave / Subsidence, landslip and heave (limited)

as defined in the Fire, Buildings combined or Office contents sections of this policy

7 Insured standing charges

insured standing charges shall mean

insured standing charges as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the insured).

8 Net profit

net profit shall mean

the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

9 Rate of gross profit

rate of gross profit shall mean

the rate of gross profit earned on the turnover during the financial year immediately before the date of the damage adjusted in terms of clause 4 (Adjustment clause)

10 Revenue

revenue shall mean

the money paid or payable to the insured for goods sold and for services rendered in the course of the business at the premises.

11 Standard gross rentals / standard revenue / standard turnover

standard gross rentals/standard revenue/standard turnover shall mean

the gross rentals (revenue) (turnover) during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period adjusted in terms of clause 4 (Adjustment clause)

12 Turnover

turnover shall mean

the money paid or payable to the insured for goods sold and delivered and for services rendered in the course of the business at the premises.

13 Uninsured Costs

uninsured costs shall mean

uninsured costs as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the insured).

Defined events

Loss following interruption of or interference with the business in consequence of damage by an insured peril occurring during the period of insurance to property or any part thereof used by the insured for the purpose of the business at the premises (hereinafter termed damage) in respect of which payment has been made or liability admitted under:

- 1 the Fire section of this policy
- 2 the Buildings combined section of this policy
- 3 the Office contents section of this policy
- 4 any other material damage insurance covering the interest of the insured

Liability shall be deemed to have been admitted if such payment is precluded solely because the insured is required to bear the first portion of the loss.

The company will indemnify the insured in accordance with the provisions of the specification hereinafter set out.

Specific conditions

1 Claims

On the happening of any damage in consequence of which a claim may be made under this section, the insured shall, in addition to complying with general conditions 4 (Claims) and 6 (Company's rights after an event), with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the indemnity period, or within such further time as the company may in writing allow, at their own expense deliver to the company in writing a statement setting forth

particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the company forthwith.

2 Indemnity period increased and additional expenditure

If, due to the repair or replacement of damaged property being delayed by the insured as a result of funds not being available for such repair or replacement, the indemnity period is increased beyond that which it would have been had funds been available for such repair or replacement, the company shall not be liable for any loss incurred as a result of such increased portion of the indemnity period. Any additional expenditure likewise incurred shall also not be payable by the company.

3 Judicial management

The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the company.

Specification

1 Item 1 Gross profit

1.1 Difference basis

The insurance under this item is limited to loss of gross profit due to

1.1.1 reduction in turnover and

1.1.2 increase in cost of working

and the amount payable as indemnity hereunder shall be

1.1.1 in respect of reduction in turnover

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover

1.1.2 in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

1.2 Additions basis

The insurance under this item is limited to loss of gross profit due to

1.2.1 reduction in turnover and

1.2.2 increase in cost of working

and the amount payable as indemnity hereunder shall be

1.2.1 in respect of reduction in turnover

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover

1.2.2 in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the

damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided

less any sum saved during the indemnity period in respect of such of the insured standing charges as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

Memo

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the net profit and the insured standing charges bears to the sum of the net profit and all the standing charges.

2 Item 2 Gross rentals

The insurance under this item is limited to

2.1 loss of gross rentals and

2.2 increase in cost of working

and the amount payable as indemnity hereunder shall be

2.1 in respect of loss of gross rentals

the amount by which the gross rentals during the indemnity period shall in consequence of the damage fall short of the standard gross rentals

2.2 in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of the loss of gross rentals thereby avoided

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross rentals as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross rentals is less than the annual gross rentals where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual gross rentals where the maximum indemnity period exceeds 12 months.

3 Item 3 Revenue

The insurance under this item is limited to

3.1 loss of revenue and

3.2 increase in cost of working

and the amount payable as indemnity hereunder shall be

3.1 in respect of loss of revenue

the amount by which the revenue during the indemnity period shall, in consequence of the damage, fall short of the standard revenue

3.2 in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for that expenditure, would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of loss of revenue thereby avoided

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

4 Item 4 Additional increase in cost of working

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of the company during the indemnity period in consequence of the damage for the purpose of maintaining the normal operation of the business.

5 Item 5 Wages (number of weeks basis)

The insurance under this item is limited to the loss incurred by the insured by the payment of wages for a period beginning with the occurrence of the damage and ending not later thereafter than the specified number of weeks stated in the schedule.

The amount payable as indemnity under this item will be the actual amount which the insured shall pay as wages for such period to employees whose services cannot, in consequence of the damage, be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the damage, be utilised by the insured to the full

provided that if the sum insured by this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the damage had the damage not occurred, the amount payable will be proportionately reduced.

6 Item 6 Fines and penalties for breach of contract

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of damage for non-completion or late completion of orders.

Clauses, extensions and limitations

1 Accidental damage extension (if stated in the schedule to be included)

The following defined event is added:

Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event 1 of the Accidental damage section of this policy (hereinafter termed damage) provided that:

- 1.1 the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event;
- 1.2 the company shall not pay more than the sum insured stated in the schedule of the Accidental damage section for both this section and the Accidental damage section combined.

2 Accountants clause

Any particulars or details contained in the insured's books of account or other business books or documents which may be required by the company under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by the insured's auditors or professional accountants, and their certificate shall be prima facie evidence of the particulars and details to which it relates.

3 Accumulated stocks clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the damage is postponed by reason of the turnover or revenue being temporarily maintained from accumulated stocks.

4 Adjustment clause

Annual gross rentals, annual revenue, annual turnover, rate of gross profit, standard gross rentals, standard revenue and standard turnover as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the damage, would have been obtained during the relative period after the damage.

If the damage occurs before the completion of the first year's trading of the business at the premises, the value of annual gross rentals, annual revenue, annual turnover, rate of gross profit, rate of wages, standard gross rentals, standard revenue and standard turnover shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of damage.

If, during the indemnity period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the gross rentals, revenue, or turnover during the indemnity period.

5 Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items 1 (Gross profit), 2 (Gross rentals) or 3 (Revenue), relating to reduction in turnover / gross rentals / revenue / and increase in cost of working, shall apply separately to each department or branch affected by the damage, except that if the sum insured by the relative item is less than the aggregate of the (annual gross rentals) (annual revenue) (sums produced by applying the rate of gross profit) for each department or branch, whether or not affected by the damage, (to the relative annual turnover thereof) (proportionately increased where the maximum indemnity period exceeds 12 months), the amount payable shall be proportionately reduced.

6 Deposit premium clause

In consideration of the premium by items 1, 2, or 3 being provisional in that it is calculated on 75% of the sum insured, the premium is subject to adjustment on expiry of each (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date) as follows:

In the event of the gross profit / gross rentals / revenue earned (proportionately increased where the maximum indemnity period exceeds 12 months) during the financial year most nearly concurrent with any period of insurance (or any period of twelve consecutive months from the inception date or anniversary date if the period of insurance (other than a first period of insurance) is for a period of less than twelve months) being less or greater than 75% of the sum insured thereon, a pro rata return or additional premium as the case may be not exceeding 33 $\frac{1}{3}$ % of the provisional premium paid for such period of insurance will be made in respect of the difference.

In the event of a claim being made under this section, the amount paid or payable thereon shall be regarded as actually earned.

7 Extensions to other premises

Loss as insured by this section resulting from interruption of or interference with the business in consequence of damage at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from damage to property used by the insured at the premises:

7.1 Additional premises

In the event of the insured occupying or having property at any newly added premises for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the company as soon as reasonably practicable and to adjustment of the premium if necessary.

7.2 Contract sites

Any situation not occupied by the insured where the insured is carrying out a contract

7.3 Customers (if stated in the schedule to be included)

The premises of the customers specified in the schedule. The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% of the stated limits for the particular item.

7.4 Prevention of access

Property within a 15km radius of the insured's premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% of the sum insured for the particular item and in total N\$300 000 000 for any one event or series of events with one original cause or source.

7.5 Prevention of access - extended cover (if stated in the schedule to be included)

Property within a 15km radius of the insured premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% the sum insured for the particular item and in total N\$300 000 000 for any one event or series of events with one original cause or source.

For the purpose of this extension "insured premises" shall mean:

- 7.5.1 the insured's premises;
- 7.5.2 **Additional premises** as insured by extension 7.1;
- 7.5.3 **Contract sites** as insured by extension 7.2;
- 7.5.4 **Customers premises** stated in the schedule as being insured by extension 7.3;
- 7.5.5 **Public telecommunications premises** as stated in extension 7.6 but only if extension 7.6 is stated as being included in the schedule;
- 7.5.6 **Public utilities premises** as stated in extension 7.7 but only if extension 7.7 is stated as being included in the schedule;
- 7.5.7 **Specified suppliers / sub-contractors premises** stated in the schedule as being insured by extension 7.8;
- 7.5.8 **Property of the insured in storage** as insured by extension 7.9;
- 7.5.9 **Unspecified suppliers premises** but only if extension 7.10 is stated as being included in the schedule.

7.6 Public telecommunications - insured perils only (if stated in the schedule to be included)

- 7.6.1 property at the premises of any public authority or provider of telecommunications services or electronic communications and transactions services as defined by the Electronic Communications and Transactions Act 25 of 2002 as amended which is empowered by law to supply a telecommunications facility to the insured;
- 7.6.2 the transmission facilities network of the public authority or provider mentioned in 7.6.1.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% of the sum insured for the particular item and in total N\$25 000 000 for any one event or series of events with one original cause or source.

7.7 Public utilities - insured perils only (if stated in the schedule to be included)

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority (which term shall include utility companies under sole or partial private ownership) empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the insured.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% of the sum insured for the particular item and in total N\$25 000 000 for any one event or series of events with one original cause or source.

7.8 Specified suppliers / sub-contractors (if stated in the schedule to be included)

The premises of the suppliers and sub-contractors specified in the schedule. The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% of the stated limits for the particular item.

7.9 Storage, transit and vehicle

Property of the insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the insured elsewhere than at premises occupied by the insured.

7.10 Unspecified suppliers (if stated in the schedule to be included)

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 90% of the stated limit for the particular item and in total N\$150 000 000 for any one event or series of events with one original cause or source.

The geographical limits of

7.2 (Contract sites), 7.3 (Customers), 7.4 (Prevention of access), 7.5 (Prevention of access - extended), 7.9 (Storage, transit and vehicle) and 7.10 (Unspecified suppliers) of the extensions to other premises are confined to the Republics of Namibia and Botswana, the Kingdoms of Eswatini and Lesotho and the Republics of Malawi, South Africa and Zimbabwe;

7.1 (Additional premises), 7.6 (Public telecommunications - insured perils only) and 7.7 (Public utilities - insured perils only) of the extensions to other premises are confined to the Republics of Namibia and South Africa.

8 Output (alternative basis) clause

At the option of the insured, the term output may be substituted for the term turnover and, for the purposes of this section, output shall mean the sale or transfer value, as shown in the insured's books, of goods manufactured or processed by the insured at the premises provided that

- 8.1 only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption
- 8.2 if the meaning of output be used
 - 8.2.1 clause 3 (Accumulated stocks clause) shall be inoperative
 - 8.2.2 the final paragraph of clause 4 (Adjustment clause) shall read
if, during the indemnity period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the insured or by others on behalf of the insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

9 Salvage sale clause

If the insured holds a salvage sale during the indemnity period clause 1.1.1 (1.2.1) of item 1 (gross profit) shall, for the purposes of such claim, read as follows

1.1.1 in respect of reduction in turnover

1.2.1

the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall, in consequence of the damage, fall short of the standard turnover, from which sum shall be deducted the gross profit actually earned during the period of the salvage sale.