

GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS

Subject to the terms, exceptions and conditions (precedent or otherwise) and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of Old Mutual Short-Term Insurance Company (Namibia) Limited (hereinafter called the company) agrees to indemnify or compensate the insured by payment or at the option of the company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the within sections up to the sums insured, limits of indemnity, compensation and other amounts specified.

Where more than one insurance company or insurer participates in this insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

The colours, headings and titles in this policy are for ease of reference only and the entire exception, condition, provision, extension, limitation or clause must be read to get its full meaning.

Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof

General definitions

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

1 Body corporate

body corporate shall mean

the controlling and governing body of the building(s) as described in the schedule.

2 Business

business shall mean

the business conducted by the body corporate and/or its trustees in exercising its powers referred to in Section 38 of The Act

3 Common property

common property shall mean

that part of the property insured which does not form a part of a section but which is described on the sectional plan stated in the schedule.

4 Employee

employee shall mean

4.1 any person while employed under a contract of service with or apprenticeship to the insured;

4.2 any person while hired or seconded from any other party into the service of the insured;

who the insured has the right at all times to govern, control and direct in the performance of his/her work in the course of the business of the insured and who is described in the schedule by name and/or by the position held by him/her but excluding managing agents.

5 Owner

Owner shall mean

all registered owners of a unit including the spouse and children of the owner normally resident with the owner.

6 Participation quota in the common property

the participation quota of a section or of the owner of a section shall be a decimal fraction correct to three places arrived at by dividing the floor area correct to the nearest square metre of the section by the floor area correct to the nearest square metre of all the sections in the building or buildings comprised in the Scheme.

7 Section

section shall mean

a section as designated as such on the sectional plan bearing the number stated in the schedule.

8 The Act

The Act shall mean

the Sectional Titles Act No. 95 of 1986 as amended or substituted from time to time

9 The insured

the insured shall mean

the body corporate and all unit owners and all mortgagees of registered mortgage bonds over the units in the scheme for their respective rights and interests.

10 The scheme

the scheme shall mean

the Sectional Title Development Scheme constituted in respect of the property.

11 Trustees

trustees shall mean

the elected trustees of the body corporate and who is described in the schedule by name and/or the position held by him.

12 Unit

unit shall mean

a section with its individual share in the common property apportioned to it in accordance with its participation quota.

13 VAT

VAT shall mean

the amount of value added tax payable by the insured or the company to the Revenue authorities in the Republic of South Africa at the ruling rate.

General exceptions

1 Asbestos (applicable to the Broadform public liability section)

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

2 Communicable disease

2.1 Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2.2 Subject to the other terms, conditions and exclusions contained in this policy, this policy will cover loss, damage, liability, cost or expense directly caused by, resulting from, or arising out of physical loss and/or physical damage to property insured under this policy and any Time Element Loss directly resulting therefrom where such physical loss and/or physical damage is directly occasioned by otherwise covered perils under this policy and not otherwise excluded under this policy.

2.3 If the company alleges that, by reason of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured

2.4 Definitions

2.4.1 Communicable Disease

Communicable Disease shall mean

any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 2.4.1.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- 2.4.1.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- 2.4.1.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.
- 2.4.2 Time Element Loss
Time Element Loss shall mean
business interruption, contingent business interruption or any other consequential losses.

3 Cyber losses

- 3.1 Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 - 3.1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 3.2;
 - 3.1.2 any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3.2.
- 3.2 Subject to the other terms, conditions and exclusions contained in this policy, this policy will cover:
 - 3.2.1 loss, damage, liability, cost or expense directly caused by, resulting from, or arising out of physical loss and/or physical damage to property insured under this policy and any Time Element Loss directly resulting therefrom;
 - 3.2.2 physical loss and/or physical damage to Data Processing Media for which the basis of valuation shall be the cost of the blank Data Processing Media plus the costs of repairing, replacing or restoring the data from back-up or from originals of a previous generation. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media (however this policy does not cover any amount pertaining to the value of Data to the insured or any other party, even if such Data cannot be recreated, gathered or assembled);
where such physical loss and/or physical damage is directly occasioned by otherwise covered perils under this policy and not otherwise excluded under this policy.
- 3.3 If the company alleges that, by reason of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured
- 3.4 Definitions
 - 3.4.1 Computer System
Computer System shall mean
any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility
 - 3.4.2 Data
Data shall mean

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

3.4.3 Time Element Loss

Time Element Loss shall mean

business interruption, contingent business interruption or any other consequential losses.

3.4.4 Data Processing Media

Data Processing Media shall mean

any property insured by this policy on which data can be stored but not the data itself

4 Defective design, lack of maintenance and cost of maintenance

This policy does not cover loss of or damage caused by or attributed to defective design, defective workmanship, defective construction or defective material or lack of maintenance and the cost of maintenance to the insured property.

5 Floor coverings

This policy does not cover the replacement of floor coverings other than in the room or rooms in which the damage occurred.

6 Mariental Flood Exclusion.

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision, which would otherwise override a general exception, this policy does not cover any loss, destruction, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from or in consequence of flooding to any property situated downstream of the Hardap Dam and the lower Fish River and its tributaries within the area downstream of the Hardap Dam, irrespective of whether the property, insured person or legal entity was situated permanently, temporarily or incidentally at the above location.

7 Nuclear weapons and radiation

This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed by or arising from:

- 7.1 ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- 7.2 nuclear material, nuclear fission or fusion, nuclear radiation;
- 7.3 nuclear explosives or any nuclear weapon;
- 7.4 nuclear waste in whatever form;

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

8 Sanctions exclusion

The company shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the company to any sanction, prohibition or restriction under United Nations or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

9 War, riot and terrorism

9.1 This policy does not cover loss of or damage to property related to or caused by:

- 9.1.1 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 foregoing;
- 9.1.2 war, invasion, act of foreign enemy, hostility or warlike operations (whether war be declared or not) or civil war;
- 9.1.3 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;

- 9.1.4 insurrection, rebellion or revolution;
- 9.1.5 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;
- 9.1.6 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;
- 9.1.7 any attempt to perform any act referred to in clause 9.1.5 or 9.1.6 above.
- 9.1.8 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause 9.1.1, 9.1.2, 9.1.3, 9.1.4, 9.1.5, 9.1.6 or 9.1.7 above.

If the company alleges that, by reason of clause 9.1.1, 9.1.2, 9.1.3, 9.1.4, 9.1.5, 9.1.6, 9.1.7 or 9.1.8 of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

- 9.2 This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- 9.3 Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General exception 9.3 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 the company alleges that, by reason of clause 9.3 of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

10 Wear and tear

This policy does not cover loss or damage arising from depreciation of or gradual deterioration to insured property occurring over a period of time.

General conditions

1 Breach of conditions

The conditions of this policy and sections thereof shall apply individually to each of the risks insured and not collectively to them so that any breach shall render voidable the section only in respect of the risk to which the breach applies.

2 Cancellation

This policy or any section may be cancelled at any time by the company giving 31 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice. On cancellation by the insured, the company shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by the company, the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation.

3 Claims

- 3.1 On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
- 3.1.1 give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured
 - 3.1.2 as soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property
 - 3.1.3 as soon as practicable after the event submit to the company full details in writing of any claim
 - 3.1.4 give the company such proofs, information and sworn declarations 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.
- 3.2 No claim (other than a claim under the Gross rentals, Fidelity or the Personal accident (assault) extension under the Money section, if applicable) 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.
- 3.3 No claim shall be payable unless the insured claims payment by serving legal process on the company within 12 months of the rejection of the claim in writing and pursues such proceedings to finality.
- 3.4 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.

4 Collective insurance

- 4.1 If this insurance policy is a collective insurance policy then the following amendment is made to general condition 3.1.4 above
- 3.1.4 give the leading insurer on behalf of the insurers such proofs, information and sworn declarations as the insurers may require and forward to the leading insurer 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.

and general condition 5 (Company's rights after an event) is substituted by the following:

5 Insurer's rights after an event

- 5.1 On the happening of any event in respect of which a claim is or may be made under this policy the leading insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this policy,
 - 5.1.1 take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and license of the insured to the lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of by the leading insurer or not
 - 5.1.2 take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer,

promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.

- 5.2 The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonably required by the insurers for the purpose of enforcing any rights to which the insurers shall be or would become subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
 - 5.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event."
- 4.2 Where more than one insurance company or insurer participates in this insurance, the definition of "company" is amended to "insurers" wherever it appears in the policy. In this event
- 4.2.1 the percentage share of each insurer will be as expressed in the schedule of this policy;
 - 4.2.2 the company that has issued this policy (called the Lead Insurer) on behalf of the co-insurers shall incur no additional liability on behalf of the co-insurers and the liability of each insurer individually shall be limited to the percentage share set against its name;
 - 4.2.3 any dispute and any subsequent legal process following rejection of a claim by a specific insurer/s shall be a matter restricted between the insured and such specific insurer/s only.

5 Company's rights after an event

- 5.1 On the happening of any event in respect of which a claim is or may be made under this policy, the company and every person authorized by them may, without thereby incurring any liability and without diminishing the right of the company to rely upon any conditions of this policy,
- 5.1.1 take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and license of the insured to the company to do so. The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not.
 - 5.1.2 take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the company.
- 5.2 The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- 5.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties, the company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the company shall thereafter not be under further liability in respect of such event.

6 Continuation of cover (where premium is payable by bank debit order or by transmission account)

The premium is due in advance and, if it is not received by the company by due date, this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance unless the insured can show that failure to make payment was an error on the part of his bank or other paying agent.

Due date will be the first day of every calendar month where premium is payable monthly, the first day of

- 6.1 each third
- 6.2 each sixth or
- 6.3 each twelfth calendar month following inception where premium is payable quarterly, half-yearly or annually.

7 Fire protection

It is a condition precedent to liability that fire-fighting equipment must be installed on the insured property and such equipment must be maintained and serviced in accordance with the requirements of the National Building Regulations and/or any other applicable laws and/or By-laws.

8 Fraud

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

9 Matching building materials

While the company has a duty to repair and/or reinstate insured property to its previously undamaged condition

- 9.1 should materials required to give effect to such repair be unavailable, the company will make every endeavour to obtain such materials failing which the company's obligation will be limited to utilising materials which in the company's estimation closely match such unavailable materials.
- 9.2 the obligation to replace and/or repair insured property shall not include any costs that may be required to achieve aesthetic uniformity with the rest of the insured property.

10 Misrepresentation, misdescription and non-disclosure

Misrepresentation, misdescription or non-disclosure in any material particular shall render voidable the particular item, section or sub-section of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

11 No rights to other persons

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of claim to such person, the intention being that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the company.

12 Other insurance

If, at the time of any event giving rise to a claim under this policy, an insurance policy is in place with any other insurers covering the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

13 Prevention of loss, maintenance of and access to insured property

- 13.1 The insured shall
 - 13.1.1 take reasonable steps to
 - 13.1.1.1 safeguard the insured property
 - 13.1.1.2 prevent accidents or losses and minimise loss, damage or liability;
 - 13.1.2 maintain in efficient condition all property insured under this policy;
 - 13.1.3 ensure that government and other regulations relating to the operation of
 - 13.1.3.1 the business
 - 13.1.3.2 all insured propertyare observed.
 - 13.1.4 allow the duly authorised representatives of the company to examine all property insured by this policy at any reasonable time.

13.2 In the event of the insured failing to adhere to any law, regulation, by-law or rule applicable to the business and where such failure is material to a claim, the company may, at its discretion, reject such claim

14 Reinstatement of cover after loss

In consideration of sums insured not being reduced where appropriate by the amount of any loss, the insured shall pay additional premium on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is the later) to expiry of the period of insurance.

General provisions

1 Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 3 (Claims) or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of any one claim shall not exceed in respect of a particular section the amount stated in the schedule to each section against an item for claims preparation costs.

2 First amount payable

Except where provided for specifically in any section, the amount payable under this policy/section for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

3 Holding covered

If the company agrees to hold covered on a risk the company may not reject a claim on the basis that the premium has not been agreed. Payment of such claim will however be conditional on the subsequently agreed premium being paid before any claim payment is made or repairs or replacement is authorised.

4 Liability under more than one section

The company shall not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same happening in respect of the same liability, loss or damage.

5 Meaning of words

The schedules and any endorsements thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

6 Members

Wherever the word "director" is used it is deemed to include "member" if the insured is a close corporation.

7 Payments on account

In respect of any section where amounts recoverable from the company are delayed pending finalisation of any claim, payments on account may be made to the insured, if required, at the discretion of the company.

8 Premium payment

Premium is payable 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.

9 Schedule sums insured blank

If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is:

9.1 left blank or has no monetary amount stipulated against it

9.2 reflected as nil or not applicable or not covered or no indemnity extended

this means the defined event or circumstance shown in the schedule is not insured by the policy.

10 Security firms

If an employee of a security firm employed by the insured under a contract causes loss or damage, the company agrees, if in terms of the said contract the insured may not claim against the said security firm, not to exercise their rights of recourse against the said security firm.

The company shall not raise as a defence to any valid claim submitted under any section or subsection of this policy that the company's rights have been prejudiced by the terms of any contract entered into between the insured and any security firm relating to the protection of the insured property.

11 Value added tax

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to:

11.1 the indemnity or amounts payable in terms of this policy and to which sums the terms, provisions, conditions and limitations of this policy shall apply; and

11.2 value added tax at the current rate as promulgated in legislation relating thereto

Subject to such sums insured/limits of indemnity being adequate to embrace the amounts reflected under 11.1 and 11.2 above, the company will, to the extent that the insured is accountable to the tax authorities for value added tax in respect of any payment in terms of this policy, include the amount of such tax in the final settlement of any claims in terms of the policy, provided that the total amount payable for any defined event and value added tax related thereto shall not exceed the sum insured/limit of indemnity set against such defined event.

In circumstances referred to herein under which the insured is required to bear the first amount of any loss (the first amount payable), such amount shall also be inclusive of value added tax in like manner to the sum insured/limit of indemnity referred to above.

Further, in the event of a change in the rate of VAT during the period of insurance, sums insured, and if appropriate, premiums, shall be adjusted accordingly.

