

S U R A HOSPITALITY



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IMPORTANT INFORMATION

ABOUT SURA HOSPITALITY

SURA Hospitality Pty Ltd ABN 61 060 176 543 (SURA Hospitality) is an Authorised Representative of SURA Pty Ltd (SURA) ABN 36 115 672 350 AFSL 294313. In issuing this Policy, SURA and its Authorised Representative SURA Hospitality will be acting under an authority given to it by the Insurers. This means that when issuing this Policy, SURA and its Authorised Representative SURA Hospitality will be acting as an agent for the Insurers, not for You.

Our contact details are:

Suite 8.1 Zenith Business Centre,
6 Reliance Drive
Tuggerah NSW 2259
Telephone: 02 4357 3800

ABOUT THE INSURERS

This insurance is underwritten by certain Underwriters at Lloyd's.

Lloyd's has been insuring Australian risks for over 150 years and is licensed to write non-life insurance business under the Australian Insurance Act 1973. You or Your representatives can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the Underwriters at Lloyd's is liable by requesting them from Us. In the event of loss, each Underwriter (and their Executors and Administrators) is only liable for their own share of the loss.

Lloyd's Underwriters have strong financial security characteristics. However, please note that ratings can vary from time to time. You can check the Insurer's current ratings at the following website Standard and Poors: www.standardandpoors.com

You should contact SURA Hospitality in the first instance in relation to this insurance.

Lloyd's contact details are:

Lloyd's Australia Limited
Level 9,
1 O'Connell Street,
Sydney, NSW 2000
Telephone. (02) 8298 0700

ASSUMED LIABILITY AND WAIVED RIGHTS

If You have entered into an agreement with another party:

- where You are assuming a greater liability than would apply had You not entered into that agreement; or
- which prevents You from taking a recovery action for indemnity or contribution from that party

it may adversely affect Your rights to cover under this Policy.

COST OF THIS INSURANCE

The cost of Your Policy will be shown on the quotation provided, once all required information has been received. The cost of Your Policy is calculated based on a number of considerations including the Limit of Liability nature, breadth and extent of Your Business activities, Your insurance history, Your risk management practices and procedures in managing Your potential liability. These factors and the degree to which they affect Your premium will depend on the information You provide to Us.

The cost of Your Policy is made up of premium, government taxes such as goods and services tax (GST) and stamp duty, where applicable.

COMPLAINTS AND DISPUTE RESOLUTION PROCESS

We view seriously any complaint made about Our products or services and will deal with it promptly and fairly.

If You have a complaint please first try to resolve it by contacting the relevant member of Our staff.

If the matter is still not resolved, please then contact Our Internal Disputes Resolution Officer on (02) 9930 9500, or by email at IDR@SURA.com.au or by writing to Us at the address for SURA Hospitality given above. They will seek to resolve the matter in accordance with the General Insurance Code of Practice and Our Dispute Resolution procedures.

If the matter is still not resolved, or You are not satisfied with the way a complaint has been dealt with, You should write to:

Lloyd's Australia Limited

Level 9
1 O'Connell Street,
Sydney, NSW, 2000
Telephone. (02) 8298 0783
Facsimile. (02) 8298 0788
Email: idraustralia@lloyds.com

If You are a natural person or a small business, and You are not satisfied with the final decision, You may wish to contact the Australian Financial Complaints Authority (AFCA). The AFCA is a free independent external disputes resolution service provided to customers to review and resolve complaints where We have been unable to satisfy Your concerns.

For further details You can visit their website at www.afca.org.au or contact them:

Australian Financial Complaints Authority
PO Box 3
Melbourne, VIC, 3001
Telephone. 1800 367 287
Email. info@afca.org.au

FULL INSURANCE – PROTECT YOUR ASSETS

If You have elected to insure Your building and contents (excluding stock) for reinstatement and replacement costs, the sum insured should represent the full replacement value on a new for old basis and if this is not done You may not be covered for Your full loss. It is Your responsibility to ensure the adequacy of sums insured and You should re-assess these sums insured during the currency of the Policy and prior to renewal each year.

GENERAL INSURANCE CODE OF PRACTICE

We proudly support the General Insurance Code of Practice (the 'Code'). The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to promote better, more informed relations between insurers and their customers;
- to improve consumer confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes between insurers and their customers;
- to commit insurers and the professionals they rely upon to higher standards of customer service; and
- to promote continuous improvement of the general insurance industry through education and training.

For further information on the Code, please visit www.codeofpractice.com.au or alternatively you can request a brochure on the Code from SURA Hospitality.

GOODS AND SERVICES TAX (GST)

The amount payable by You for this Policy includes an amount for GST.

When We pay a claim, Your GST status will determine the amount We pay.

The amount that We are liable to pay under this Policy will be reduced by the amount of any Input Tax Credit (ITC) that You are or may be entitled to claim for the supply of goods or services covered by that payment.

You must advise Us of Your correct Australian Business Number (ABN) and Taxable Percentage. Taxable Percentage is Your entitlement to an ITC on Your premium as a percentage of the total GST on that premium. Any GST liability arising from Your incorrect advice to us of Your ITC entitlement is payable by You.

Where the settlement of a claim is less than the applicable Limit

of Liability or the other limits applicable to this Policy, We will only pay the GST (less Your ITC) applicable to the settlement. This means that if these amounts are not sufficient to cover the whole claim, We will only pay the GST relating to Our share of the settlement for the whole claim. We will pay the claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to the claim.

GST, ITC, BAS and Acquisition have the same meaning as given to those words or expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

PRIVACY STATEMENT

In this Privacy Statement the use of "We", "Our" or "Us" means SURA and the Insurers unless specified otherwise.

In this Privacy Statement the use of personal information includes sensitive information.

We are committed to protecting the privacy of the personal information that You provide to Us.

The Privacy Act 1988 contains the Australian Privacy Principles which require Us to tell You that We collect, handle, store and disclose Your personal and sensitive information for the specific purpose of: deciding whether to issue a policy,

- determining the terms and conditions of your Policy,
- compiling data to help develop and identify other products and services that may interest clients, and
- handling Claims.

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable:

- a) whether the information or opinion is true or not;
- b) whether the information or opinion is recorded in a material form or not.

Sensitive information includes, amongst other things, information about an individual's racial or ethnic origin, political opinions, membership of a political organisation, religious beliefs or affiliations, philosophical beliefs, membership of a professional or trade association, membership of a trade union, sexual orientation or practices, criminal record, health information about an individual, genetic information, biometric information or templates.

You have given Us Your consent to collect, use and disclose Your personal information in order to provide You with the relevant services and/or products.

When You give Us personal information about other individuals, We rely on You to have made or make the individual aware that You will or may provide their personal information to Us and the types of other parties and service providers We may provide it to, the relevant purposes We and the other parties and service providers will use it for, and how they can access it. If You have not done or will not do either of these things, You must tell Us before You provide the relevant personal information to Us.

We will protect Your information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorised access, disclosure and alteration. Some of the safeguards that We use are firewalls and data encryption, physical access controls to Our data centres, and information access authorisation controls.

We disclose personal information to other parties and service providers whom We believe are necessary to assist Us and them in providing the relevant services and/or products. For example, in handling claims, We may have to disclose Your personal information to other parties and service providers such as Our claim management partner, other insurers, reinsurers, loss adjusters, external claims data collectors, investigators and agents, facilitators, assessors or other parties as required by law. We will limit the use and disclosure of any personal information provided by Us to them to the specific purpose for which We supplied it.

We may disclose Your personal information to Our insurers, reinsurers, related entities and service providers overseas where it is reasonably necessary for, or directly related to, the functions, services or activities we provide to you. When we transfer Your information to other countries, including countries which may not have data protection laws that provide the same level of protection that exists in Australia, We will protect the information as described in this Privacy Policy.

If You do not provide the personal information requested and/or do not provide Us with Your consent to the use and disclosure of Your personal information as set out in this Privacy Statement, Your insurance application may not be accepted, or We may not be able to administer Your Policy, or You may be in breach of Your duty of disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

We will notify you as soon as possible if Your personal information is involved in a data breach that is likely to result in serious harm to You.

If You would like a copy of Our Privacy Policies, would like to seek access to or correct Your personal information, opt out of receiving materials We send, complain about a breach of Your privacy or You have any query on how Your personal information is collected, stored or used, or any other query relating to Our handling of Your personal information, please contact Us.

SERVICE OF SUIT

The Insurers accepting this insurance agree that:

- if a dispute arises under this insurance, this insurance will be subject to Australian law and practice and the Insurers will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- any summons, notice or process to be served upon the Insurers may be served upon:
Lloyd's Australia Limited
Level 9, 1 O'Connell St
Sydney NSW 2000
- if a suit is instituted against any of the Insurers, all Insurers participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

SEVERAL LIABILITY

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in the Policy Schedule.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with any other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various parts in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural. The insurers named hereon bind themselves each and for their own part and not one for another.

Each insurer's liability under this contract shall not exceed that percentage or amount of the risk shown against that insurer's name.

YOUR DUTY OF DISCLOSURE

This Policy is subject to the Insurance Contracts Act 1984 (Act). Under that Act You have a Duty of Disclosure.

Before You take out insurance with Us, You have a duty to tell Us of everything that You know, or could reasonably be expected to know that may affect Our decision to insure You and on what terms. If You are not sure whether something is relevant You should inform Us anyway.

You have the same duty to inform Us of those matters before You renew, extend, vary, or reinstate Your contract of insurance. The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between when the answers are provided to Us or disclosures are made and the Relevant Time, You need to tell Us.

Your duty however does not require disclosure of matters that:

- reduce the risk;
- are common knowledge;
- We know or, in the ordinary course of Our business, ought to know; or
- We have indicated We do not want to know.

If You do not comply with Your duty of disclosure, We may be entitled to:

- reduce Our liability for any claim;
- cancel the contract;
- refuse to pay the claim; or
- avoid the contract from its beginning, if Your non-disclosure was fraudulent.

After the Policy is entered into, ongoing disclosure obligations can apply. See the Policy for details.

SANCTIONS

We shall not be deemed to provide cover and We shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us, Our parent company or Our ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the Commonwealth of Australia, United Kingdom or the United States of America.

GENERAL DEFINITIONS

For the purpose of this Policy the following definitions apply;

Business means the trade or occupation described in the Schedule carried on at and from the situation.

Insurer(s) means certain Underwriters at Lloyd's.

Limit of Liability means the maximum amount payable by Us for any one loss or series of losses suffered by the Insured arising out of any one original source or cause at any one situation, subject to any Sub-Limits of Liability and the application of any deductible. The Limits of Liability and Sub-Limits of liability are as set out in the Schedule. Each Sub-Limit shall not increase the liability of the Insurer beyond the Limit of Liability.

Each of the deductibles will apply to each Sub-Limit, but will not be cumulative.

Period of Insurance means the period referred to in the Schedule or any further period for which renewal has been agreed.

Policy means this document together with the Schedule and any endorsements.

Schedule means the Schedule attached to this Policy or any later Schedule issued on renewal or variation or by way of endorsement.

We, Us, Our means SURA Hospitality acting as an agent of certain Underwriters at Lloyd's.

You, Your, Insured means any person or entity shown on the current Policy Schedule as the Insured.

SECTION ONE — MATERIAL LOSS OR DAMAGE

THE INDEMNITY

In the event of any physical loss, destruction or damage (hereinafter in Section 1 referred to as 'damage' with 'damaged' having a corresponding meaning) not otherwise excluded happening at the situation to the Property Insured described in Section 1 We will, subject to the provisions of this Policy including the limitation on Our liability, indemnify You in accordance with the applicable Basis of Settlement.

Subject to Our liability not being increased beyond the Limit(s) of Liability already stated herein, We will also indemnify You for:

- a) architects', surveyors', consulting engineers', legal and other fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon damage to property hereby insured but not such costs, fees and salary for preparing any claim hereunder.
- b) any fee, contribution or other impost payable to any government, local government or other statutory authority; where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any building(s) insured hereunder; provided that We shall not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.
- c) costs and expenses necessarily and reasonably incurred for the purpose of extinguishing fire at or in the vicinity of property hereby insured or threatening to involve such property or for the purpose of preventing or diminishing imminent damage to property hereby insured by any other peril insured against by this Policy, including damage to gain access and the cost of replenishment of firefighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.
- d) costs and expenses necessarily and reasonably incurred for the temporary protection and safety of property hereby insured pending repair or replacement consequent upon damage recoverable hereunder.
- e) costs of replacing locks and/or keys and/or combinations where if as a result of burglary, theft or any attempted threat the keys and/or combinations are stolen or if there are reasonable grounds to believe the keys may have been duplicated also the cost of opening safes and/or strongrooms as a result of theft of keys and/or combinations.
- f) costs and expenses necessarily and reasonably incurred in respect of:
 - i. the removal, storage and/or disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs consequent upon damage to Property Insured by this Policy and occasioned by a peril insured against;
 - ii. Your legal liability in respect of removal, storage and/or disposal of debris, notwithstanding Excluded Peril 8 in relation to premises, roadways, services, railway or waterways of others, for such costs together with the cost of cleaning provided that such liability was not assumed by You under an agreement entered into after the commencement of the Period of Insurance or any renewal thereof unless liability would have attached in the absence of such agreement. Provided that the insurance under this section does not extend to any liability that You may incur as a consequence of pollution of any kind.
 - iii. the demolition and removal of any property belonging to You which is no longer useful for the purpose it was intended, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of Property Insured under this section and is consequent upon damage to the Property Insured by a peril hereby insured against.
- g) damage to clothing and tools of trade belonging to Your directors and employees whilst on the premises.

Provided that the insurance under Clauses (b) to (g) inclusive above shall not be subject to application of any Coinsurance clause or Memorandum contained in this Policy.

THE PROPERTY INSURED

All real and personal property of every kind and description (except hereinafter excluded) belonging to You or for which You are responsible, or have assumed responsibility to insure prior to the occurrence of any damage, including all such property in which You may acquire an insurable interest during the Period of Insurance.

It is understood and agreed that the term "personal property" shall include Money (which shall mean current coin, bank notes, currency notes, cheques, credit card sales and/or discount house vouchers, postal orders, money orders, unused postage and revenue stamps and including the value of stamps contained in franking machines) whilst contained in the situation and whilst in transit to and from the situation anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where You transact Business, and in Your personal custody and/or persons authorised by You whilst contained in their private residences.

BASIS OF SETTLEMENT

- a) On buildings, machinery, plant and all other property and contents (other than those specified below); the cost of reinstatement, replacement or repair in accordance with the provisions of the Reinstatement and Replacement and Extra Cost of Reinstatement Memoranda as set out herein.

Provided that if You elect to claim the indemnity value of any damaged property, We will pay to You the value of such property at the time of the happening of the damage or at Our option reinstate, replace or repair such property or any part thereof. In any event We will pay costs incurred by You in accordance with the provisions of the Extra Cost of Reinstatement Memorandum.

- b) On raw materials, supplies and other merchandise not manufactured by You; the replacement cost at the time and the place of replacement or, if such property is not replaced, the value thereof at the time and place of the damage.
- c) On material in process of manufacture; the replacement value of the raw materials and the value of labour and other overhead charges expended thereon at the time and the place of the damage.
- d) On finished goods; the replacement value of the raw materials and the value of labour and other overhead charges expended thereon before any allowance for profit or the cost of restocking such goods, whichever is the lesser.
- e) On computer system records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description; the cost of reinstating, replacing, reproducing or restoring same, including information contained therein or thereon but excluding the value to You of the said information; or, if such is not required, the replacement cost of materials as blank stationery at the time and place of the damage.
- f) On patterns, models, moulds, dies or lasts; the cost of repair or replacement (if actually replaced) otherwise the indemnity value to You of such property.
- g) On glass; the cost of repairing or replacing the broken glass including:
- i. temporary shuttering and/or hiring of security service pending replacement of broken glass
 - ii. signwriting or ornamentation on glass
 - iii. replacement burglary alarm tapes on glass
 - iv. removing and refixing of window and show case frames and fittings
 - v. heat reflecting material or process on glass.

- h) On directors' and employees' clothing and tools of trade; the replacement cost at the time of replacement subject to due allowance for wear and tear, depreciation and betterment.
- i) On empty premises awaiting demolition; the salvage value of the building materials and/or landlords fixtures and fittings.

DEFINITIONS APPLICABLE TO SECTION ONE

In this Section:

Burglary means theft consequent upon actual forcible and violent entry upon the premises.

Theft means the dishonest appropriation of property belonging to another with the intention of permanently depriving that other of it.

MEMORANDA TO SECTION ONE

Except to the extent that this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

INTERESTS OF OTHER PARTIES

The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in Your records shall be automatically included without notification or specification; the nature and extent of such interest to be disclosed in event of damage. Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining party/parties; provided the remaining party/parties shall immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to Us and on demand pay such reasonable additional premium as We may require. Notwithstanding the foregoing paragraph it is understood and agreed that in the event of any of the parties referred to herein being entitled to the benefits of any "concessions agreement", which it may have entered into with Us, the said "concessions agreement" will take precedence over the foregoing paragraph.

BRANDED GOODS

Any salvage of branded goods and/or merchandise, You own or held by You in trust or on commission, and/or goods sold but not delivered, shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale then the damage will be assessed at the value agreed between You and Us after brands, labels or names have been removed by or on Your behalf.

DECLARED VALUES

The schedule of Declared Values at each situation (in accordance with the applicable Basis of Settlement) attaches to and forms part of this Policy for the purpose of the application of coinsurance.

REINSTATEMENT AND REPLACEMENT

(Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items b) to i) under Basis of Settlement).

The basis upon which the amount payable is to be calculated shall be the cost of reinstatement of the damaged property at the time of its reinstatement, subject to the following provisions and subject also to the terms, Conditions and Limit(s) or Sub-Limit(s) of Liability of this Policy.

For the purpose of the insurance under this Memorandum, "reinstatement" shall mean:

- a) where property is lost or destroyed: in the case of a building, the rebuilding thereof or in the case of property other than a building, the replacement thereof by similar property; in either case in a condition equal to, but not better or more extensive than, its condition when new.
- b) where property is damaged: the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

Provisions

- i. The work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to Your requirements, but subject to Our liability not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which We shall not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the damage.
- ii. When any Property Insured to which this Memorandum applies is damaged in part only, Our liability shall not exceed the sum representing the cost which We could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- iii. Property insured under this Memorandum is separately subject to the following Co-Insurance clause: In the event of damage to any Property Insured hereunder at any situation caused by an event hereby insured against, We shall be liable for no greater proportion of such damage than the amount that Your declaration of value of Property Insured at such situation on the day of the commencement of the Period of Insurance bears to the sum representing eighty-five per cent (85%) of the cost which would have been incurred in reinstatement if the whole of such property had been destroyed on that day, but not exceeding the Limit of Liability expressed in the Schedule; provided that if the sum actually incurred or expended in rebuilding or replacing the damaged property, within the meaning of sub-paragraph (a) of the above mentioned definition of reinstatement, exceeds the amount which would have been payable under this Policy if this Memorandum had not been incorporated herein, but is less than the cost of reinstatement as above defined, then the sum so actually incurred or expended shall, for all purposes of this Memorandum, be deemed to be the cost of reinstatement of the property.

- iv. No payment beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated herein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred; provided that where You reinstate or replace any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined) but greater than the value of such property at the time of the happening of its loss or destruction, then the cost so incurred shall be deemed to be the cost of reinstatement.
- v. All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on Your behalf shall be on a similar reinstatement basis.
 - a) the extra cost necessarily incurred in reinstating only that portion damaged; or
 - b) whilst applying to such Property Insured, the sublimit stated herein,
 whichever is the greater. In the event of a sub-limit not being stated in the Policy Our liability shall be limited to the amount as described in sub-paragraph a) of this provision.

EXTRA COST OF REINSTATEMENT

(Applicable to buildings, machinery, plant and all other property and contents; other than those specified in items b) to i) under Basis of Settlement)

This Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of the damaged property necessarily incurred to comply with the requirements of any Act of parliament or regulation made there under or any by-law or regulation or any municipal or other statutory authority; subject to the following provisions and subject also to the terms, Conditions and Limit(s) or Sub-Limits of Liability of the Policy.

Provisions

- i. The work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the aforesaid Act, regulation or by-law so necessitate, subject to Our liability not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which We shall not be liable to make any payment beyond the amount which would have been payable under this Policy if this Memorandum had not been incorporated herein.
- ii. The amount recoverable shall not include the additional cost incurred in complying with any such Act, regulation, by-law or requirement with which You had been required to comply prior to the happening of the damage.
- iii. Co-insurance shall not be applied to the amount recoverable under this Memorandum and any amount specified shall not be taken into account for co-insurance purposes in terms set out in any clause contained in this Policy.
- iv. All other Industrial Special Risks and/or Fire and Named Perils insurances covering the property effected by or on Your behalf shall be on a similar basis.
- v. If the cost of reinstatement of damaged Property Insured is less than fifty per cent (50%) of that which would have been the cost of reinstatement if such property had been destroyed, the amount recoverable shall be limited to:

FLOORSPACE RATIO INDEX (PLOT RATIO)

Subject to the terms, Conditions and Limit(s) or Sub Limit(s) of Liability of this Policy, in the event of any building(s) being damaged so as to constitute total loss or constructive total loss and, as a result of the exercise of statutory powers and/or authority by any government departments, local government or any other statutory authorities reinstatement of such building(s) as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index:

We agree to pay in addition to any amount payable on reinstatement of such building(s) the difference between:

- a) the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and
- b) the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (a) and (b) above any payments made by Us shall include the extra cost of reinstatement, including demolition or dismantling of the insured property, necessarily incurred to comply with the requirements of any Act of parliament or regulation made thereunder or any bylaw or regulation or any municipal or other statutory authority.

Any payment made for the difference between (a) and (b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the building(s).

ACQUIRED COMPANIES

This Policy extends to include property located in Australia belonging to companies and other organisations a controlling interest in which is acquired by You during the currency of this Policy; subject to You declaring details of such acquisition within a reasonable period following the date of acquisition. Provided the business of the new acquisition shall be similar to the Business as stated in the Schedule.

For the purposes of this Memorandum a controlling interest shall in the case of a company, mean the acquisition of shares carrying more than fifty per cent (50%) of votes capable of being cast at a general meeting of ordinary shareholders in such company.

CO-INSURANCE

Unless otherwise stated herein to the contrary, this Policy is subject to the following Co insurance Memorandum:

In the event of damage to Property Insured hereunder at any situation caused by any event hereby insured against, We shall be liable for no greater proportion of such damage than the amount of Your declaration of value of such property on the day of the commencement of the Period of Insurance bears to the sum representing eighty five per cent (85%) of the actual value of Property Insured at such situation on the day of commencement of the Period of Insurance but not exceeding the Limit of Liability expressed in the Schedule.

Provided that this clause shall not apply if the amount of the damage does not exceed five percent (5%) of the amount of Your declaration aforementioned.

It is expressly understood and agreed that the provisions of this Co insurance Memorandum shall not apply in respect of that part of any claim which is made under the provisions of the Reinstatement and Replacement Memorandum.

SECTION TWO – CONSEQUENTIAL LOSS

THE INDEMNITY

In the event of any building or any other property or any part thereof used by You at the premises for the purpose of the Business being physically lost, destroyed or damaged by any cause or event not hereinafter excluded (loss, destruction or damage so caused being hereinafter termed 'Damage') and the Business carried on by You being in consequence thereof interrupted or interfered with, We will, subject to the provisions of this Policy including the limitation on Our Liability, pay to You the amount of loss resulting from such interruption or interference in accordance with the applicable Basis of Settlement.

Provided that We will not be liable for any loss under this section unless Your property lost, destroyed or damaged is insured against such Damage (loss arising out of destruction or damage by explosion of boilers and/or economisers excepted) and the insurer or insurers by which such property is insured shall have paid for, or admitted liability in respect of, such Damage unless no such payment shall have been made or liability shall not have been admitted therefore solely owing to the operation of a provision in such insurance excluding liability for loss below a specific amount.

BASIS OF SETTLEMENT

Item No.1

The Insurance under this item is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be:

a) 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,

b) 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 if the Declared Value of Gross Profit at the commencement of each Period of Insurance be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover, (or its proportionately increased multiple thereof, where the Indemnity Period exceeds twelve (12) months) the amount payable hereunder shall be proportionately reduced.

Item No.2

The insurance under this item is to cover such reasonable professional fees as may be payable by You, and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims under Your material damage and consequential loss insurance policies and We shall indemnify You for such reasonable fees and expenses.

Item No.3

The insurance under this item is limited to loss in respect of Pay Roll and the amount payable as indemnity thereunder shall be:

a) In respect of Reduction of Turnover:

- i. during the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks thereafter specified in the Schedule: the sum produced by applying the Rate of Pay Roll to the Shortage in Turnover during the said portion of the Indemnity Period less any saving during the said portion of the Indemnity Period, through reduction in consequence of the Damage, in the amount of Pay Roll paid.
- ii. during the remaining portion of the Indemnity Period: the sum produced by applying the Rate of Pay Roll to the Shortage in Turnover during the said remaining portion of the Indemnity Period less any saving during the said remaining portion of the Indemnity Period, through reduction in consequence of the Damage, in the amount of Pay Roll paid; but not exceeding the sum produced by applying the percentage of the Rate of Pay Roll specified in the Schedule to the Shortage in Turnover during the said remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause (a)(i).

Note: At Your option the number of weeks referred to in clause (a)(i) above may be increased to the number of weeks specified in the Schedule under the heading 'Consolidated Period'; provided that the amount arrived at under the provisions of clause (a)(ii) shall not exceed such amount as is deducted under clause (a)(i) for savings effected during the said increased number of weeks.

b) In respect of Increase in Cost of Working:

So much of the additional expenditure described in clause (b) of Item 1 as exceeds the amount payable thereunder, but not more than the additional amount which would have been payable in respect of Reduction in Turnover under the provisions of clauses (a)(i) and (ii) of this item had such expenditure not been incurred.

Provided that if the Declared Value of Insured Pay Roll at the commencement of each Period of Insurance be less than the sum produced by applying the Pay Roll Limits to the sum produced by applying the Rate of Pay Roll to the Annual Turnover (or its proportionately increased multiple thereof, where the Indemnity Period exceeds twelve (12) months) the amount payable shall be proportionately reduced.

Item No. 4

The insurance under this item is limited to increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing reduction in Turnover and/or resuming and/or maintaining normal business operations and/or services.

DEFINITIONS APPLICABLE TO SECTION TWO**Gross Profit**

The amount by which:

- a) the sum of the Turnover and the amount of the Closing Stock and Work in Progress shall exceed
- b) the sum of the amount of the Opening Stock and Work in Progress and the amount of the Uninsured Working Expenses as set out in the Schedule.

Note: The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.

Turnover

The money (less discounts, if any allowed) paid or payable to You for goods sold and delivered and for services rendered in course of the Business at the premises.

Indemnity Period

The period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule thereafter during which the results of the Business shall be affected in consequence of the Damage.

Payroll

The remuneration (including but not limited to pay roll tax, bonuses, holiday pay, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) of all employees.

Shortage in Turnover

The amount by which the Turnover during a period shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the damage.

Annual Turnover

The Turnover during the twelve (12) months immediately before the date of the damage.

Standard Turnover

The Turnover during that period in the twelve (12) months immediately before the date of the damage which corresponds with the Indemnity Period.

Rate of Payroll

The rate of Payroll to Turnover during the financial year immediately before the date of the damage.

Adjustments shall be made to the Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll as may be necessary to provide for the trend of the Business and for variations in 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.

MEMORANDA TO SECTION TWO

Except to the extent this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

TURNOVER ELSEWHERE AFTER 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 You or by the others on Your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

DEPARTMENTAL CLAUSE

If the Business be conducted in departments the independent trading results of which are ascertainable the provisions of Clauses (a) and (b) of Item No's. 1 and 3 shall apply separately to each department affected by the Damage.

NEW BUSINESS

In the event of Damage occurring at the premises before the completion of the first year's trading of the Business the terms 'Rate of Gross Profit', 'Annual Turnover', 'Standard Turnover' and 'Rate of Pay Roll' shall bear the following meanings and not as within stated:

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage.

Annual Turnover

The proportional equivalent, for a period of twelve (12) months, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

Standard Turnover

The proportional equivalent, for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.

Rate of Payroll

The rate of Payroll to Turnover during the financial year immediately before the date of the damage.

Adjustments shall be made to Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll as may be necessary to provide for the trend of the Business and for variations in 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.

ACCUMULATED STOCKS

In adjusting any loss, account shall be taken and equitable allowance made if any Shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

BOOKS OF ACCOUNT

Any particulars or details contained in Your books of account or other business books or documents which may be required by Us for the purpose of investigating or verifying any claim hereunder may be produced and certified by Your auditors and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

The words and expressions used herein shall have the meanings usually attached to them in Your books and accounts unless otherwise defined in this Policy.

PUBLIC UTILITIES EXTENSION

Any loss resulting from interruption of or interference with the Business in consequence of damage to property, caused by a peril damage as a result of which is insured hereunder, at any electricity station or substation, gas works or water works of a public supply undertaking which is situated on or immediately adjacent to the premises shall be deemed to be loss resulting from Damage to property used by You at the premises.

TURNOVER/OUTPUT ALTERNATIVE

At Your option the term 'Output' may be substituted for the term 'Turnover' and, for the purpose of this Policy, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of the Business at the premises. Provided that only one such meaning shall be operative in connection with any one event involving Damage.

If the meaning set out above be used, the Memorandum 'Turnover Elsewhere After Damage' shall be altered to read as follows:

"if during the Indemnity Period goods shall be manufactured and/or processed other than at the premises for the benefit of the Business either by You or by others on Your behalf the sale and/or invoice value of the goods so manufactured and/or processed shall be brought into account in arriving at the Output during the Indemnity Period".

COMPUTER

This Policy extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Business occasioned by Damage to computer installations, including ancillary equipment and data processing media utilised by You anywhere in Australia.

SALVAGE SALE

If, following damage giving rise to a claim under this Policy, You shall hold a salvage sale during the Indemnity Period:

- a) Clause (a) of Item 1 of this Section shall, for the purpose of such claim, read as follows:
 - i. 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 (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.
 - ii. The definition of Shortage in Turnover shall, for the purpose of such claim, read as follows: Shortage in Turnover shall mean the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which shall be deducted the Payroll paid during the period of the salvage sale.

PREMISES IN THE VICINITY (PREVENTION OF ACCESS)

Loss as insured by the Policy resulting from interruption of or interference with the Business in consequence of damage to property within a fifty (50) kilometre radius of the premises caused by a peril, damage as a result of which is insured hereunder, which shall prevent or hinder the use thereof or access thereto, whether Your premises or property therein shall be damaged or not, shall be deemed to be loss resulting from Damage to property used by You at the premises.

Loss as insured by this Policy resulting from interruption of or interference with the Business in consequence of damage to property within a fifty (50) kilometre radius of and forming part of or contained in the complex of which the premises forms part caused by a peril, damage as a result of which is insured hereunder, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether Your premises or property therein shall be damaged or not shall be deemed to be loss resulting from Damage to property used by You at the premises.

REGISTERED VEHICLES AND/OR TRAILERS

Notwithstanding the provisions of Property Exclusion 5, this Policy extends to include loss resulting from interruption of or interference with the Business occasioned by Damage to registered vehicles and/or trailers whilst such vehicles or trailers are at the Premises owned or occupied by You; provided always that this Policy does not cover loss resulting from physical loss, destruction of or damage to such vehicles and/or trailers whilst they are being used on any public highway or thoroughfare.

EXCLUSIONS APPLICABLE TO ALL SECTIONS

PROPERTY EXCLUSIONS

This Policy does not cover physical loss, destruction of or damage to the following property or loss under Section 2 resulting therefrom:

1. Property (except Money) whilst in transit other than during the incidental movement of such property within situations occupied by You. This Exclusion shall not apply during temporary removal of property (other than stock and/or merchandise) and unregistered motor vehicles to any situation in the Commonwealth of Australia but, whilst such property is in transit, cover is limited to physical loss, destruction or damage caused by fire, lightning, explosion, earthquake, aircraft, riot, strikes, malicious damage and storm and/or tempest.
2. Money:
 - a) whilst being carried by professional money carriers, professional carriers or common carriers which is more specifically insured excepting the excess amount over and above such more specific insurance which excess is held to be covered hereunder, provided that where in the ordinary course of business You enter into an agreement which such carriers and such agreement provides that You shall indemnify and/or hold harmless and/or release from liability such carriers in respect of loss, destruction or damage which may occur as a result of any event hereby insured against, this insurance shall operate as if this Property Exclusion 2(a) had been deleted;
 - b) stolen from an unlocked and unattended vehicle;
 - c) stolen from a safe or strongroom opened by a key or by use of details of a combination, either or which has been left at the situation outside business hours, unless such key or combination details have been properly secured;
 - d) where the loss is not discovered within five (5) working days of the event;
 - e) where the loss arises out of:
 - i. kidnapping,
 - ii. bomb threat,
 - iii. hoax,
 - iv. extortion,
 - v. or any attempt thereat.
3. Jewellery, furs, bullion, precious metals or precious stones other than as stock and/or merchandise of the Business.
4.
 - a) any locomotive or rolling stock or watercraft other than as stock or merchandise of the Business; provided always that no cover shall apply hereunder whilst any watercraft is on water;
 - b) any aircraft (including its accessories and/or spare parts) other than as stock or merchandise of the Business; provided always that no cover shall apply hereunder during taxiing, takeoff, flight or landing.
5. Vehicles or trailers registered or licensed to travel on a public road, provided that this Exclusion shall not apply to mobile plant and equipment (excluding cars, sedans, panel vans and trucks) not otherwise insured whilst on any premises occupied or used by You.
6. Livestock, animals, birds or fish.
7. Standing timber, growing crops and pastures.
8. Land, provided that this Exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in this Policy.
9. Bridges, canals, roadways and tunnels, railway tracks (other than on the premises occupied or used by You), dams and reservoirs (other than tanks) and their contents.
10. Docks, wharves and piers not forming part of any building.
11. Mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy.
12. Property during the course of, and as a result of, its undergoing any form of processing.
13.
 - a) gates, fences, retaining walls, textile awnings and blinds;
 - b) property in the open, unless such property comprises of or forms part of a permanent structure designed to function without the protection of the walls or roof; caused by wind, rainwater or hail.
14.
 - a) property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the Limit of Liability or \$500,000 whichever is the lesser;
 - b) empty premises undergoing demolition.
15. Oil and gas drilling and/or production rigs whilst offshore.

16. All Machinery (as defined in this Exclusion), electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non operation of whatsoever kind.

Provided that Property Exclusion 16 shall not apply to any subsequent loss, destruction of or damage to such Machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any cause or event not otherwise excluded herein which results from any of the events referred to in this Exclusion.

For the purpose of Property Exclusion 16, "Machinery" means any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.

17. Any boiler (other than a boiler used for domestic purposes), economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof; provided that this Exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss or destruction or damage. This Exclusion shall not apply to Section 2 as specifically stated therein.

PERILS EXCLUSIONS

We shall not be liable under Sections 1 and/or 2 in respect of:

1. Physical loss, destruction of or damage, to the Property Insured:
 - a) directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
 - b) resulting from confiscation, nationalisation, requisition or damage to property by or under the order of any government or public or local authority.

Notwithstanding the provisions of Perils Exclusion 1(b) We shall be liable for loss or destruction of or damage to, or the cost of removal of, sound property at the premises for the purpose of preventing or diminishing imminent damage by, or inhibiting the spread of, fire or any other peril insured against under this Policy;

2. a) physical loss, destruction of or damage to the Property Insured;
- b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - i. ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel. For the purpose of this Exclusion only, "combustion" shall include any self-sustaining process of nuclear fission.
 - ii. nuclear weapons materials;
3. Physical loss, destruction or damage occasioned by or happening through:
 - a) flood, which shall mean the inundation of normally dry land by water escaping or released from the normal confines of any natural watercourse or lake whether or not altered or modified or of any reservoir, canal or dam;
 - b) water from or action by the sea, tidal wave or high water.

Provided that Perils Exclusions 3(a) and 3(b) shall not apply if loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance;
4. Physical loss, destruction or damage occasioned by or happening through:
 - a) moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen damage resulting therefrom);
 - b) wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
 - c) error or omission in design, plan or specification or failure of design;
 - d) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
 - e) faulty materials or faulty workmanship.

Provided that this Exclusion 4(a) to (e) shall not apply to subsequent loss, destruction of or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this Exclusion;

5. Physical loss, destruction or damage occasioned by or happening through:
- a) incorrect siting of buildings consequent upon:
 - i. error in architectural design or specification;
 - ii. faulty workmanship;
 - iii. non-compliance by You (or anyone acting on Your behalf) with the necessary permits issued by government, public or local authorities;
 - b) demolitions ordered by government or public or local authorities due to failure on Your part or Your agents to obtain the necessary permits required;
6. Physical loss, destruction or damage occasioned by or happening through:
- a) theft of property (other than money in transit) in the open air;
 - b) unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to or from You;
 - c) i) spontaneous combustion;
 - ii) spontaneous fermentation or heating or any process involving the direct application of heat.
- Provided that Perils Exclusions 6(c)(i) and 6(c)(ii) shall be limited to the item or items immediately affected and shall not extend to other property damaged as a result of such spontaneous combustion, fermentation, heating or process involving the direct application of heat;
7. Physical loss, destruction or damage occasioned by or happening through:
- a) i) fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting, data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involving the Property Insured by You or any of Your employee(s) acting alone or in collusion with any other person(s);
 - ii) access by any person(s) other than You or Your employee(s) to Your computer system via data communication media that terminate in Your computer system.
- Provided that this Exclusion shall not apply to theft consequent upon forcible and violent entry upon premises or felonious concealment upon premises committed by an employee of Yours or theft of money whilst in transit.
- b) the cessation of work whether total or partial; ii) the cessation, interruption or retarding of any process or operation; as a result of strikes, labour disturbances or locked out workers. Provided that Perils Exclusion 7(b)(i) and 7(b)(ii) shall not apply in respect of physical loss, destruction or damage directly caused by strikers, locked out workers or similar persons;
 - c) erosion, subsidence, earth movement or collapse resulting there from;
 - d) kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat.
- Provided that this Exclusion 7(a) to (d) shall not apply to subsequent loss, destruction or damage to the Property Insured occasioned by a peril (not otherwise excluded) resulting from any event or peril referred to in this Exclusion;
8. Any legal liability of whatsoever nature other than as herein provided;
9. Consequential loss of any kind including consequential loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, except as herein provided in Section 2.
10. Physical loss, destruction or damage occasioned by or happening through, or consequential loss of any kind caused by or resulting from interruption of or interference with the Business carried on by You from:
- a) any disease as defined in or declared under the Biosecurity Act 2015 and subsequent amendments
 - b) closure of the whole or part of Your premises by order of any government or public or local authority as a result of a) & b) above.

MEMORANDA APPLICABLE TO ALL SECTIONS

Except to the extent that this Policy is hereby modified under the following Memoranda the terms, Conditions and limitations of this Policy shall apply.

AMOUNT OF POLICY NOT REDUCED BY LOSS

The insurance under each section and/or item of this Policy and the Indemnity Period shall be automatically reinstated in the event of any loss in consideration of the payment by You of a pro rata additional premium calculated on the amount of the loss settlement at the rate(s) agreed for the Period of Insurance.

EVENT

Only for the purpose of the application of any deductible: all loss destruction or damage resulting from earthquake occurring during each period of seventy two (72) consecutive hours shall be considered as one event whether such earthquake is continuous or sporadic in its sweep and/or scope and the loss, destruction or damage was due to the same seismological conditions. Each event shall be deemed to have commenced on the first happening of any such loss, destruction or damage not within the period of any previous event.

SUBROGATION WAIVER

We agree to waive any rights and remedies or relief to which it they may become entitled by subrogation against:

- a) any corporation or organisation (including its directors, officers, employees or servants) owned or controlled by any Insured named herein or subsidiary to any Insured named herein or any co-owner of the Property Insured hereunder;
- b) any Insured named or described by this Policy (including its directors, officers, employees or servants).

ADJUSTMENT OF PREMIUM

- a) The Premium shown is provisional and is calculated on the Declared Values of:
 - i. Property Insured;
 - ii. Gross Profit and Insured Payroll; on the day of commencement of each Period of Insurance.
- b) You undertake to declare to Us within a reasonable time after the day of expiry of the Period of Insurance:
 - i. the value of Property Insured on the day of expiry of the Period of Insurance. For the purpose of this declaration, stock-in-trade and merchandise shall be taken at its average value during the Period of Insurance;
 - ii. the amount of the Gross Profit earned and Payroll paid, in accordance with the cover afforded in the respective

items of Section 2, in the course of the Business during the accounting period of twelve (12) months most nearly concurrent with the Period of Insurance.

- c) The provisional premium shall be adjusted by payment to Us of an additional premium or by allowance to You of a return premium, as the case may be, calculated at the agreed rate on:
 - i. fifty per cent (50%) of the difference between property declared in accordance with Clauses (a)(i) and (b)(i);
 - ii. the full agreed rate hereunder on the difference between the amounts declared under (a)(ii) and (b)(ii).
- d) It is agreed to make allowance for any abnormal fluctuation in values and to charge a premium commensurate with the risk, such premium to be agreed between the parties to this agreement.
- e) The Declaration of Values at the expiry of the Period of Insurance declared in accordance with this Memorandum shall not be reduced as the result of loss, destruction or damage in respect of which a claim has been paid or is payable under this Policy.

CONDITIONS APPLICABLE TO ALL SECTIONS

1. MISREPRESENTATION AND NON-DISCLOSURE

If You:

- a) failed to disclose any matter which You were under a duty to disclose to Us; or
- b) made a misrepresentation to Us before this Policy was entered into and if We would not have entered into this Policy for the same premium and on the same terms and Conditions expressed in this Policy but for the failure to disclose or the misrepresentation, then:
 - i. Our liability in respect of any claim will be reduced to an amount to place Us in the same position in which We would have been placed if such non-disclosure had not occurred or such misrepresentation had not been made; or
 - ii. if the non-disclosure or misrepresentation was fraudulent, We may avoid this Policy.

2. ALTERATION

We shall not be liable for loss, destruction of or damage to any Property Insured hereunder caused or contributed to by any alteration after the commencement of this Policy:

- a) by removal of such property from the premises other than as provided under the terms of Property Exclusion 1;
- b) in the trade or processes of manufacture carried on at the premises or whereby the nature of the occupation or other circumstances affecting the premises and/or Your property therein contained shall be changed in such a way as to increase the risk of loss, destruction or damage;
- c) whereby any premises containing any Property Insured hereunder shall become unoccupied, and so remain for a period of more than thirty (30) days; or
- d) whereby Your interest ceases except by will or the operation of law. Provided that any such alteration, upon coming to the knowledge of Your officer responsible for insurance, shall be immediately notified to Us and, if agreed to by Us in writing, an appropriate additional premium paid if required.

3. SPRINKLER INSTALLATIONS – APPLICABLE TO OWNED PREMISES OR INSTALLATIONS FOR WHICH YOU ARE RESPONSIBLE

You warrant that in such of the premises as are protected or as are required by law to be protected by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station, in or on the premises, due diligence shall be used so that the same shall at all times be maintained in good working order. You further warrant that provision will be made for the regular maintenance of the installation in accordance with Australian Standard AS 1851 (part 3) Automatic Sprinkler Installation by the installing

engineers or firm or, failing this, by a person or organisation who must be approved by Us to carry out such maintenance. Notice of all alterations and additions to the automatic sprinkler installation shall be given by You to Us as soon as reasonably practicable.

4. OTHER INSURANCE

You shall give written notice as soon as practicable to Us of any other insurance or insurances effected covering the Property Insured.

5. CANCELLATION

- a) You may cancel this Policy at any time by giving Us notice in writing in which case We will retain the pro rata premium for the time the policy has been in force. If this amounts to less than one hundred Australian dollars (AUD100.00) We will not make any refund. We will not refund the administration fee or policy fee shown on the Policy Schedule.
- b) We may cancel this Policy by giving You written notice to that effect where You have:
 - i. failed to comply with the duty of utmost good faith;
 - ii. failed to comply with the duty of disclosure at the time when the Policy was entered into;
 - iii. made a misrepresentation to Us during the negotiations for the policy before We entered into the Policy;
 - iv. failed to comply with a provision of the Policy;
 - v. failed to pay the premium
 - vi. made a fraudulent claim under this Policy or any other policy of insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover;
 - vii. failed to notify Us of any specific act or omission where notification is required under the terms of this Policy.
- c) We may cancel this Policy pursuant to any right at law.
- d) When We cancel the Policy it will have effect from whichever of the following times is the earliest:
 - i. the time when another policy of insurance replacing this Policy is entered into; or
 - ii. 4 o'clock in the afternoon of the tenth (10th) business day after the day on which notice was given to You.
 - iii. When We cancel the Policy We will repay on demand a rateable proportion of the premium for the unexpired Period of Insurance from the date of cancellation.

6. NOTIFICATION OF CLAIMS

On the happening of any loss, destruction or damage, You shall forthwith give notice thereof in writing to Us and shall (within thirty (30) days after such loss, destruction or damage or such further time as We may in writing allow), at Your own expense, deliver to Us a claim, in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property lost, destroyed or damaged and of the amount of loss, destruction or damage thereto, having regard to their value at the time of the loss, destruction or damage, together with details of another insurances on any property hereby insured.

You shall use due diligence and do and occur in doing all things reasonably practicable to minimise any interruption of or interference with the Business to avoid or diminish the loss and shall also deliver to Us a statement in writing of any claim certified by Your auditor, with all particulars and details reasonably practicable of the loss and shall produce and furnish all books of accounts and other business books, invoices, vouchers and all other documents, proofs, information, explanations and other evidence and facilities as may reasonably be required for investigation and verification of the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith.

No claim under this Policy shall be payable unless You have complied with the terms of this Condition.

7. FRAUD

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by You or anyone acting on Your behalf to obtain any benefit under this Policy, or if any destruction or damage be occasioned by the wilful act or with Your connivance, We, without prejudice to any other right(s) We might have under this Policy, shall be entitled to refuse to pay such claims.

8. REINSTATEMENT

If We elect or become bound to reinstate or replace any property, You shall at Your own expense produce and deliver to Us all such plans, documents and information as We may reasonably require. We shall not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend more than the applicable Limit of Liability.

9. INSURERS RIGHTS

On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy We and every person authorised by Us may, without thereby incurring any liability, and without diminishing Our right to rely upon any Conditions of this Policy, enter, take or keep possession of any building or premises where the loss, destruction or damage has happened and may take possession of or require to be delivered to Us any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

This Condition shall be evidence of the leave and licence of You to Us so to do. If You or any one acting on Your behalf shall not comply with Our requirements or shall hinder or obstruct Us in doing any of the above mentioned acts, then all benefits under this Policy shall be forfeited. You shall not in any case be entitled to abandon any property to Us whether taken possession of by Us or not.

10. SUBROGATION

- a) Any person claiming under this Policy shall at Our request and at Our expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Us for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which We shall be or would become entitled or subrogated upon Our paying for or making good any destruction or damage under this Policy.
- b) If We make any recovery as a result of such action, You may only recover from Us any amount by which the amount recovered by Us exceeded the amount paid to You by Us in relation to the loss.

11. PRECAUTIONS TO PREVENT LOSS

You shall take all reasonable precautions to prevent loss, destruction or damage to the Property Insured by this Policy.

12. INSURED'S ACTION AFTER THEFT OR DAMAGE

You shall, upon becoming aware of any loss by theft or of any wilful or malicious damage which may give rise to a claim under this Policy, take all practicable steps to trace and recover any missing property and to discover by whom the property was stolen or damaged.

13. TERMINATION OF COVER UNDER SECTION 2

Notwithstanding anything contained herein to the contrary, if during any period in respect of which this Policy is in force:

- a) You cease to carry on the Business or any part of the Business is disposed of, permanently discontinued or Your interest in the Business or such part thereof ceases otherwise than by death; or
- b) You (being a corporation) are placed in liquidation (or provisional liquidation), are placed under official management, enter into a scheme of arrangement, have receivers and/or managers appointed over its assets or undertaking(s); or
- c) You (being a natural person) become a bankrupt or enter into a scheme of arrangement or compromise or composition with creditors; then the insurance cover provided under Section 2 of this Policy in respect of such Business or Insured shall automatically and forthwith cease.

In the event of the Indemnity Period having begun to run in respect of any claim relating to such Business or part thereof, the Indemnity Period shall thereupon be at an end, unless its continuance be admitted by Memorandum signed for or on behalf of Us.

14. OBSERVANCE OF TERMS AND CONDITIONS

The due observance and fulfilment of these Conditions and the other terms of this Policy by You, insofar as the same are capable of being construed as such, are conditions precedent to any liability of Us to make any payment under this Policy.

15. PROGRESS PAYMENTS

Provided that liability has been admitted progress payments on account of any claim may be made to You at such intervals and for such amounts as may be agreed upon production of a report by the loss adjuster (if appointed) provided such payment(s) shall be deducted from the amount finally determined upon adjustment of the claim.

16. HEADINGS

Headings have been included for ease of reference and it is understood and agreed that the terms and Conditions of this Policy are not to be construed or interpreted by reference to such headings.

ENDORSEMENTS

Notwithstanding anything contained herein to the contrary it is hereby agreed and declared that the following additions, alterations and/or deletions are incorporated in and form part of the Policy.

SECTION ONE – MATERIAL LOSS OR DAMAGE

Unspecified Damage

For the purpose of any Limit or Sub-limit of Liability or deductible as shown in the Schedule, Unspecified Damage shall mean Damage caused by any peril or circumstance not more specifically covered or excluded by this Policy other than: fire; lightning; thunderbolt; explosion; implosion; collapse; earthquake; subterranean fire; volcanic eruption; impact; aircraft and/or other aerial devices and/ or articles dropped therefrom; sonic boom; theft; breakage of glass; loss of money; the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe; storm and/or tempest and/or rainwater and/or wind and/or hail, and/or flood, and/or water or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the premises or elsewhere; or other peril mentioned under the heading in the Schedule, Sub-Limits of Liability.

Reinstatement of Undamaged Property

Extra cost of reinstatement is extended to include the cost of reinstating any undamaged portion of property belonging to You which has been necessarily demolished and removed for the purpose of the reinstatement or replacement of Property Insured damaged by any peril Insured against by the Policy.

Landscaping

Notwithstanding Property Exclusions 7 and 8, this Policy is extended to include the cost of reclaiming, restoring or repairing landscaping; which term shall mean lawns and garden plots including rockwork, paving and ornamentation pertaining thereto, ornamental planted trees, removal of remaining tree stumps. Our liability for any one loss or series of losses arising out of the one event at any one situation shall not exceed the Sub-Limit of Liability stated in the Schedule against "Landscaping". Perils Exclusion 6(a) shall not apply to this extension. This cover is also exempt from Provision (iii) of the Reinstatement or Replacement Memorandum.

Removal of Remaining Tree Stumps

Notwithstanding Property Exclusions 7 and 8, this Policy is extended to include the cost of removal of remaining tree stumps following loss of tree caused by an insured peril. Our liability for any one loss or series of losses arising out of the one event at any one Situation shall not exceed the Sub-Limit of Liability stated in the Schedule against "Removal of Remaining Tree Stumps". Perils Exclusion 6(a) shall not apply to this extension. This cover is also exempt from Provision (iii) of the Reinstatement or Replacement Memorandum.

Leased Equipment – Residual Value

The following paragraph is inserted after paragraph (i) of the Basis of Settlement Clause:

On machinery, plant and equipment leased on a Residual Value basis: notwithstanding the first paragraph of Basis of Settlement (a), in the event of actual or constructive total loss, if the Residual Value exceeds the cost of replacement of such property with similar property in a condition equal to, but not better or more extensive than its condition when new, Provisions (i), (iii) and (iv) of the Reinstatement or Replacement Memorandum and the Provisions of the Extra Cost of Reinstatement Memorandum shall apply and the basis of settlement shall be the amount for which You, as lessee, are contractually liable to the lessor, but not exceeding the sum represented by rent payable under such lease(s) for the period commencing on the date of such loss or destruction and ending on the retirement date(s) of such lease(s), plus the current market value of the property immediately before its loss or destruction of the Residual Value, whichever is the greater, less any salvage value.

The term "Residual Value" means the minimum amount which You, as lessee, have guaranteed that the leased property will realise, being the same amount which You, as lessee, have agreed would be payable to acquire such property upon the retirement date(s) of the lease(s).

For the purpose of this Endorsement, there shall be deemed to be a constructive total loss of a damaged item of machinery, plant or equipment when the cost necessary to repair that item exceeds the cost necessary to replace it with similar property in a condition equal to, but not better or more extensive than, its condition when new.

Glass

Basis of Settlement (g) is amended to read:

- g) On glass, the cost of repairing or replacing the broken glass in accordance with Australian Standard AS 1288-1989, including the cost of temporary shuttering and hiring of security services pending replacement of broken glass, the cost of replacing signwriting, ornamentation, burglar alarm tapes or protective film on the glass, the removal and refixing of window or showcase frames and fittings and heat reflecting material or process on the glass.

Labels, Containers and Wrappings

Basis of Settlement is extended to include item (j) as follows:

In the event of damage affecting labels, containers or wrappers We shall be liable for an amount sufficient to pay the cost of new labels, containers or wrappers, and the cost of reconditioning the goods, but in no case shall We be liable for more than the sum representing the cost which We could have been called upon to pay if the merchandise had been totally destroyed.

Reinstatement Elsewhere

The bracketed words in Provision (i) of the Reinstatement or Replacement Memorandum are amended to read:

(which may be carried out wholly or partially upon any other sites and in any manner suitable to Your requirements, but subject to Our liability not being thereby increased).

Undamaged Foundations

The term “foundations” shall be deemed to include services, such as but not limited to conduits, pipes, cables and wiring, which are built in to foots, foundations or concrete floor slabs.

Property of Guests, Lodgers and Customers

Property insured extends to include the personal property of Your customers and of Your registered guests and lodgers, not otherwise excluded by this Policy, whilst on the premises of any insured location under this Policy.

Costs of Clearing Drains

The following clause is added to “The Indemnity Section 1 – Material Loss or Damage”. Cost of clearance of drains including expenses necessarily incurred in cleaning and/or repairing drains, gutters, sewers and the like, at or in the vicinity of property hereby insured, consequent upon damage recoverable hereunder.

Electronic Equipment and Machinery Breakdown (Physical Damage and Expediting Costs)

Notwithstanding anything contained in Exclusion 16 to the contrary, this Policy extends to include damage to Electronic Equipment and Machinery occasioned by or happening through any mechanical, electrical, electromechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of any kind except as otherwise specifically excluded.

For the purpose of this Endorsement:

MACHINERY means Electrical and Mechanical items driven by motors with capacity not exceeding 4.0 kilowatts (5Hp) including electronic and other integral parts of the insured item. Replacement of refrigerant lost from an insured item as a direct result of insured damage

ELECTRONIC EQUIPMENT means computers, word processors, electronic controlling equipment, cash registers, including all ancillary equipment attached thereto.

The following specific exclusions shall apply to this Endorsement:

Property Exclusions

Physical loss or destruction of or damage to:

- a) any sewer piping, underground gas piping, piping forming part of any sprinkler system or water piping other than boiler feed water piping, boiler condensate return piping or water piping connecting to or used with an air conditioning system;
- b) any structure, foundation or setting (other than a bedplate) supporting or housing any Machinery, or the lining or fire wall of any unfired vessel;
- c) any vehicle or mobile equipment;
- d) any aircraft or floating vessel;
- e) any elevator, crane, hoist, power shovel, dragline or conveyor (but not any pressure vessel or electrical equipment used with such items of Machinery);
- f) any X-ray machine, spectrograph, gauges or other apparatus using radioactive materials, any radio or television apparatus;
- g) any penstock, draft tube or well casing;
- h) any steam or gas turbine-generator;
- i) electrical wiring and fittings associated with lighting and power circuits.

Perils Exclusions

We shall not be liable in respect of:

- a) i) wear and tear and gradual deterioration (whether by wasting, grooving, rust, corrosion, erosion or otherwise) nor for the cost of maintenance work generally;
 - ii) gradually developing flaws, deformation, distortion, cracks or partial fractures;
- Provided that Perils Exclusions (a) (i) and (ii) shall be limited to the part(s) of the Machinery immediately so affected and shall not apply to any other part(s) of the Machinery undergoing sudden and unforeseen damage in consequence thereof.
- b) repair or renewal of non-metallic parts and expendable tools, blades, edges, moulds, dies, templates, screens, sieves, ropes, belts and like items subject to repaired wear and tear unless repair or renewal thereof is necessitated by the occurrence of damage (as insured by this Endorsement) to any other part(s) of the Machinery;
 - c) damage:
 - i. arising from the intentional application of any tool or process to the Electronic Equipment or Machinery during the course of repair, alteration, modification, maintenance or overhaul thereof
 - ii. to the Electronic Equipment or Machinery resulting from the imposition of abnormal conditions relating to testing or intentional overloading of or experiments with the Electronic Equipment or Machinery, unless We shall have agreed in writing to grant indemnity under this Endorsement whilst the Electronic Equipment or Machinery is being operated under such conditions
 - iii. to the Electronic Equipment or Machinery resulting from fault(s) or defect(s) therein known to You or to Your responsible employees but not disclosed to Us at the commencement of the Period of Insurance
 - d) consequential loss of any kind (including consequential loss due to lack of performance, loss of contract or payment in respect of any contractual fine or penalty due to late or non-performance of services by You).

The insurance under this Endorsement includes reasonable and necessary expediting and additional expenses, which shall mean:

- a) penalty rates for wages for overtime shift, night, Sunday or holiday working;
- b) payment for carriage by express passenger, fast goods or other rail or road transport;
- c) payment for carriage by air freight via licensed airline(s) operating a regular scheduled service but not by aircraft chartered for such carriage, unless agreed in writing with Us;
- d) hire of temporary replacement item during the time taken to repair damage to any insured item.

Our liability for expediting expenses shall not exceed fifty per cent (50%) of the normal cost of repair or replacement of the damaged Machinery.

Deterioration of Stock in Cold Storage

Notwithstanding the provisions of Perils Exclusion 6(c), or Property Exclusions 12 and 16, the Policy extends, subject to the sub limit specified in the schedule, to include loss, destruction of or damage to stocks caused by or arising from changes in a temperature controlled environment where such change arises out of mechanical, hydraulic, electrical or electronic breakdown of the temperature controlling equipment; or

Sudden and unforeseen failure of the public power supply excluding:

- a) the deliberate act of any public power supply
- b) the decision by any public power supply authority to restrict or withhold power.

Our liability shall be limited to the Deterioration of Stock sub limit in the Schedule of the Policy against any one loss or series of losses arising out of any one event or occurrence at any one location.

SECTION TWO – CONSEQUENTIAL LOSS

Insured Payroll

The term Insured Payroll means the declared value of estimated Payroll in respect of the Consolidated Period referred to in Item No 3 and specified in the Schedule, declarable as at the day of commencement of the period of Insurance.

Departmental Clause

The Memorandum under this heading is amended to read:

If the Business is conducted in departments or business units and the independent trading of which are ascertainable, the provisions of Clauses (a) and (b) of Item no's. 1 and 3 shall apply separately to each department or unit affected by the Damage.

Territorial Limits

Territorial limits are defined as anywhere within New South Wales, Queensland, Victoria, Tasmania, South Australia, Western Australia & the Northern Territory.

Governmental Incentives

The definition of "turnover" is extended to include financial incentives or concessions granted to You by any Australian or State government department in recognition of specific performance in the development of market opportunities or employment of disadvantaged persons.

Public Utilities Extension

Deleted and replaced with the following:

Public Utilities

Loss, as insured by the Policy, resulting from interruption to or interference with the Business in consequence of loss, destruction or damage (as within defined) to property to any public utility resulting in the failure of supply of electric current, gas or water to Your premises shall be deemed to be loss resulting from loss, destruction or damage to property used by You.

Murder and Closure

Loss as insured by this Policy, resulting from interruption of or interference with the Business carried on by You in consequence of:

- a) Closure of the whole or part of Your premises by order of any government or public or local authority as a result of:
 - i. poisoning or sickness directly caused by the consumption of food or drink provided on Your premises
 - ii. vermin or pests or defects in the drains or other sanitary arrangements at the premises
- b) Murder, (whether premeditated or not) or suicide occurring at the premises.

Shall be deemed to be loss, destruction or damage to property used by You.

Coverage granted by this extension shall be limited to the sum insured specified in the Schedule for "Section 2 – Consequential Loss", but in no event shall exceed \$100,000.

Property Exclusions

Business Hours

For the purposes of Property Exclusion 2(c) Your business hours shall mean the period during which Your premises are actually occupied for business purposes and during which You or Your employees are in the premises.

Roadways

Notwithstanding anything contained in Property Exclusion 9 to the contrary, this Policy is extended to include damage to roadways (including drainage bridges) at the situation and/or premises detailed on the Schedule, subject to a sub limit of AUD100,000 per location unless otherwise specifically declared and stated on the Schedule.

Exclusion 13 is deleted and replaced by the following:

- a) Retaining Walls, Textile Awnings and Blinds;
- b) property in the open air unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof; caused by wind, rainwater or hail.

Provided further that this Exclusion shall not apply to sun shades, sun sails or annexe's.

Perils Exclusions

Peril Exclusion 6(a) – Deleted

Dishonest Acts by Employees

The following additional proviso is added to Perils Exclusion 7(a)(i):

Provided further that the term "dishonest acts", in relation to any of Your employees, shall not be deemed to mean acts of arson or vandalism.

Terrorism Exclusion Endorsement

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

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

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

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

If We allege that by reason of this Exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon You.

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

Electronic Data Exclusion

Notwithstanding any provision to the contrary in the Policy or any Endorsement thereto, it is understood and agreed as follows:

- a) This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any Electronic Data contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$100 any one loss, incurred by the Assured in recreating, gathering and assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such

Electronic Data to the Assured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

Transmission and Distribution Lines Exclusion

Notwithstanding any provision contained elsewhere in the Policy, the following Property Exclusion shall apply to both Section 1 and Section 2:

This Policy does not cover physical loss, destruction or damage to transmission and distribution lines (including but not limited to transformers, poles, towers, wiring and equipment; connected therewith) other than owned by You and within three hundred (300) metres of a specified stated address as identified on the schedule of declared assets

Any address in the schedule of declared assets where there is a blanket description e.g. "Anywhere in Australia" is not deemed to be specific stated address.

Electronic Equipment and/or Device Endorsement

This Policy does not insure against any loss, damage, cost, claim or expense, directly or indirectly, proximately or remotely, whether in whole or in part caused by, resulting from, contributed to, aggravated by or consisting of any malfunction, derangement or inability:

- a) the failure of any Electronic Equipment and/or Device to recognise, interpret, calculate, compare, differentiate, sequence or process data consisting of, dependent on or deduced from one or more dates or time or, sequence or process data consisting of dependent on or deduced from one or more dates or time or,
- b) any change, repair, alteration, correction or modification of any part or parts of any Electronic Equipment and/or Device to correct or prevent any anticipated or actual condition or circumstances stated in (a) above.

ELECTRONIC EQUIPMENT AND/OR DEVICE includes but is not limited to computers, computer equipment, coding, programs, instructions or any software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled equipment and media:

- i. computer hardware, including microprocessors;
- ii. computer application software;
- iii. computer operating systems and related software;
- iv. computer networks;
- v. microprocessors (computer chips) not part of any computer system;
- vi. any other computerised or electronic equipment or components

whether Your property or not.

Radioactive Contamination Exclusions Clause – Physical Damage

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused.

Nevertheless if fire is an insured peril and a fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that fire shall (subject to the provisions of this Policy) be covered excluding however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

Note if fire is not an insured peril under this Policy the words “Nevertheless” to the end of the clause do not apply and should be disregarded.

Biological or Chemical Materials Exclusion

It is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

Microorganism Exclusion (MAP) – (Absolute)

This Policy does not insure any loss, damage, claim, cost, expense, or other sum directly or indirectly arising out of or relating to:

Mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is:

- a) any physical loss or damage to insured property;
- b) any insured peril or cause, whether or not contributing concurrently or in any sequence;
- c) any loss of use, occupancy, or functionality; or
- d) any action required, including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

Seepage and/or Pollution and/or Contamination Exclusion

Notwithstanding any provision in the Policy to which this Endorsement is attached, this Policy does not insure against loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

Nevertheless if fire is not excluded from this Policy and a fire arises directly or indirectly from seepage and/or pollution and/or contamination any loss or damage insured under this Policy arising directly from that fire shall (subject to the terms, Conditions and limitations of the Policy) be covered.

However, if the insured property is the subject of direct physical loss or damage for which We have paid or agreed to pay then this Policy (subject to its terms, Conditions and limitations) insures against direct physical loss or damage to the Property Insured hereunder caused by resulting seepage and/or pollution and/or contamination.

You shall give notice to Us of intent to claim no later than twelve (12) months after the date of the original physical loss or damage.

Debris Removal and Cost of Clean Up Extension

Notwithstanding the provisions of the preceding Exclusion in this Endorsement or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean-up in the Policy to which this Endorsement is attached, in the event of direct physical loss or damage to the Property Insured hereunder, this Policy (subject otherwise to its terms, Conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum insured

- a) expenses reasonably incurred in removal of debris of the Property Insured hereunder destroyed or damaged from Your premises; and/or
- b) cost of clean-up, at Your premises, made necessary as a result of such direct physical loss or damage;

Provided that this Policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

It is a condition precedent to recovery under this extension that We shall have paid or agreed to pay for direct physical loss or damage to the Property Insured hereunder unless such payment is precluded solely by the operation of any deductible and that You shall give notice to Us of intent to claim for cost of removal of debris or cost of clean-up no later than twelve (12) months after the date of such physical loss or damage.

Authorities Exclusion

Notwithstanding any of the preceding provisions of this Endorsement, this Policy does not cover expenses, fines, penalties or costs incurred or sustained by You or imposed on You at the order of any government agency, court or other authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

Nothing in this Endorsement shall override any radioactive contamination Exclusion clause in the Policy to which this Endorsement is attached.

SURA Hospitality Pty Ltd ABN 61 060 176 543 acts as an agent for Certain Underwriters at Lloyd's and is authorised to arrange, enter into/ bind and administer this insurance on their behalf.

SURA Hospitality Pty Ltd is an authorised representative of SURA Pty Ltd
ABN 36 115 672 350 AFSL 294313.

Thank you for receiving this document electronically.

SURA Hospitality Pty Ltd supports positive initiatives for our environment.

S U R A HOSPITALITY

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