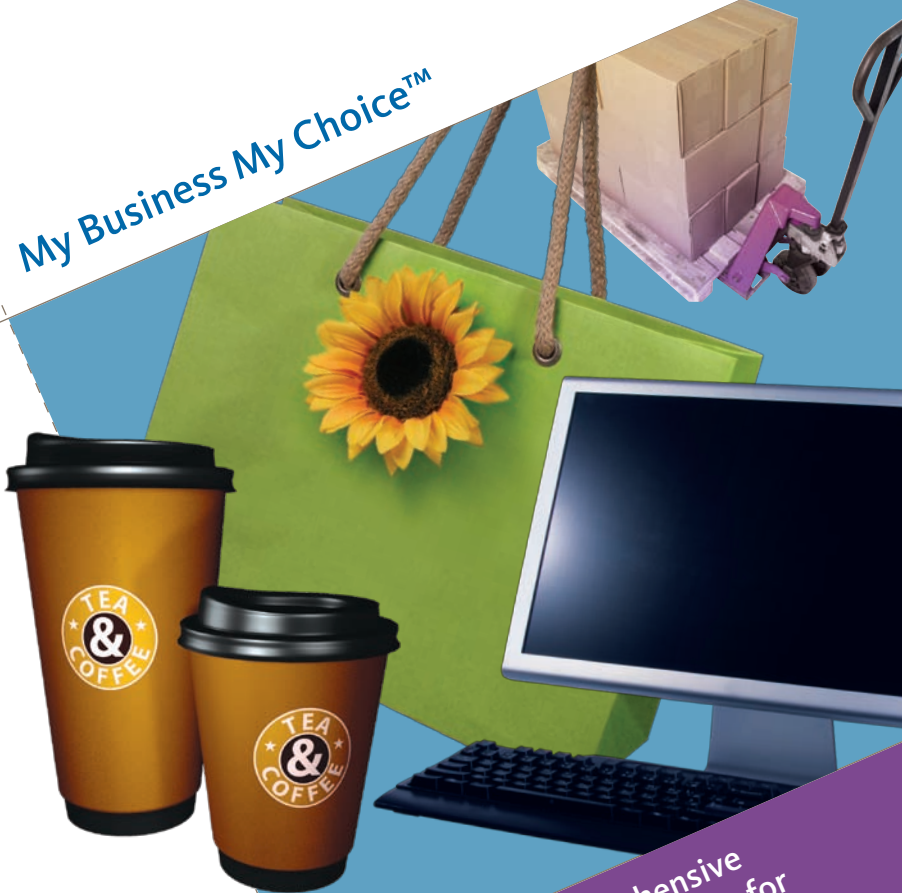


My Business My Choice™



A simple and comprehensive
business insurance solution for
your Small to Medium-sized
Enterprises (SMEs)



member of
STEADFAST
group limited

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NOTICE

The content of this PDS and policy, including but not limited to the text and images herein, and their arrangement, is the copyright property of Chartis. All rights reserved. Chartis hereby authorises you to copy and display the content herein, but only in connection with Chartis business. Any copy you make must include this copyright notice. Limited quotations from the content are permitted if properly attributed to Chartis; however, except as set forth above, you may not copy or display for redistribution to third parties any portion of the content of this policy without the prior written permission of Chartis. No modifications of the content may be made. Nothing contained herein shall be construed as conferring by implication, estoppel or otherwise any license or right under any patent, trademark, copyright (except as expressly provided above), or other proprietary rights of Chartis or of any third party.

Important Notices

Please read this **Policy** carefully for full details about lodging a claim, the benefits, terms, conditions and exclusion that apply to this insurance **Policy**.

- This **Policy** contains a definitions section on pages 7-221
- There are some circumstances where cover cannot be provided. Please take special note of the exclusions applicable to all sections of this **Policy** listed on pages 25-26.

This PDS and **Policy** also contains important information about **Your** rights and obligations including information about Privacy, and the General Insurance Code of Practice.

Your Duty of Disclosure

Section 21 of the Insurance Contracts Act 1984 provides that before **You** enter into a contract of general insurance with an **Insurer**, **You** have a duty to disclose to the **Insurer** every matter that **You** know, or could reasonably be expected to know, is relevant to the **Insurer's** decision whether to accept the risk of the insurance and, if so, upon what terms. **You** have the same duty to disclose those matters to the **Insurer** before **You** renew, extend, vary or reinstate a contract of general insurance.

However, **Your** duty of disclosure does not require **You** to disclose matters that:

- diminish the risk to be undertaken by the **Insurer**;
- that are of common knowledge;
- that **Your Insurer** knows or, in the ordinary course of its **Business**, ought to know;
- as to which compliance with **Your** duty is waived by the **Insurer**.

This duty of disclosure continues after the application form or statement of fact has been completed up until the **Period of Insurance** commences.

Consequences of Non-Disclosure

If **You** fail to comply with **Your** duty of disclosure, the **Insurer** may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If **Your** non-disclosure is fraudulent, the **Insurer** may also have the option of avoiding the contract from its beginning.

Change of Risk or Circumstance

You should advise the **Insurer** as soon as practicable of any change to **Your** normal **Business** as disclosed in the application form or statement of fact, such as, but not limited to changes in location, acquisitions and new overseas activities.

Subrogation Clause

This **Policy** contains provisions which have the effect of excluding or limiting the **Insurer's** liability in respect of a **Loss** where **You** have prejudiced the **Insurer's** rights of subrogation, where **You** are a party to an agreement which excludes, or limits the **Insurer's** rights to recover the **Loss** from another party.

Costs

The costs, fees and charges that **You** might have to pay for **Your Policy**:

- **Premium**: The amount which is payable by **You** for this **Policy**. The premium payable is based upon the information provided by **You** in the completed application form or statement of fact. The underwriting factors used to determine the premium include, but are not limited to, industry/occupation, location, construction of **Buildings**, turnover, number of staff, prior claims, limits of liability and options selected. **You** may also be required to pay Government charges which can include stamp duty, goods and service tax and fire service levy where they are applicable. If **You** change the **Policy** in any way **You** may be entitled to a premium refund or asked to pay an additional amount.

- **Excess**: The amount which is payable by **You** if **You** make a claim. The amount of **Excess** for each **Policy** Section which will be shown in **Your** Certificate of Insurance. The **Excess** is negotiated at the time of underwriting.
- **Cancellation Costs**: If **You** cancel **Your Policy** after the Cooling Off Period, **We** will refund the proportion of **Your** premium for the unused **Period of Insurance**. In the event of such calculation, **We** will be entitled to retain the pro-rata portion of the premium for the time during which this **Policy** has been in force.

Claims Made Notice (in respect to Section 4: Management Liability)

This **Policy** contains coverage on a claims-made and notified basis in respect of Section 4: Management Liability. This means that this **Policy** only covers **Claims** (as defined) first made against **You** during the **Period of Insurance** (as defined) and notified to the **Insurer** in writing during the **Period of Insurance**. This **Policy** does not provide cover for any **Claims** made against **You** during the **Period of Insurance** if at any time prior to the commencement of the **Period of Insurance** **You** became aware of facts which might give rise to those **Claims** being made against **You**.

Section 40(3) of the Insurance Contracts Act 1984 provides that where **You** gave notice in writing to the **Insurer** of facts that might give rise to a **Claim** against **You** as soon as was reasonably practicable after **You** became aware of those facts but during the **Period of Insurance**, the **Insurer** cannot refuse to pay a **Claim** which arises out of those facts, when made, because it was made after the **Period of Insurance** had expired.

This **Policy** contains a "Prior Claims/Circumstances" exclusion for Loss in connection with any **Claim**:

- made prior to or pending at the inception of this **Policy**; or
- arising out of, based upon or attributable to any circumstance that, as of the inception of this **Policy**, may reasonably have been expected by any **Insured** to give rise to a **Claim**.

This **Policy** does not provide cover for **Claims** arising from any **Wrongful Acts** which take place before the commencement date of this **Policy**.

Code of Practice

Chartis is a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way the claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

Privacy Consent and Disclosure

American Home Assurance Company ("AHAC") trading in Australia as Chartis ("Chartis") is bound by the National Privacy Principles that apply to any personal information collected by Chartis.

Purpose of Collection

Chartis collects information necessary to underwrite and administer **Your** insurance cover, to maintain and to improve customer service and to advise **You** of our products. **You** have a duty under the Insurance Contracts Act to disclose certain information. Failure to comply with **Your** duty of disclosure or to provide certain information may result in Chartis either declining cover, cancelling **Your** insurance cover or reducing the level of cover.

In the course of administering **Your** policy **We** may disclose **Your** information to:

- the entity to which AHAC is related (whether is Australia or overseas), contractors or third party providers providing services related to the administration of your policy.
- banks and financial institutions for the purpose of processing **Your** application and obtaining policy payments.
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim.
- Our** assistance provider who will record all calls to the assistance service provided under **Your** policy for quality assurance training and verification purposes.
- enable **Us** to advise **You** of **Our** insurance products or services.

In some circumstances Chartis is entitled to disclose **Your** personal information to third parties without **Your** authorisation such as law enforcement agencies or government authorities.

Access to Your Information

You may gain access to **Your** personal information by submitting a written request to Chartis.

In some circumstances, Chartis may not permit access to **Your** personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

Complaints

Chartis has also established an internal dispute resolution process for handling customer complaints.

If **You** feel **You** have a complaint about Chartis' compliance with the National Privacy Principles, require assistance in lodging a privacy complaint or **You** wish to gain access to the information, **You** may write to The Privacy Manager, Chartis, 549 St Kilda Road, Melbourne, or e-mail australia.privacy.manager@chartisinsurance.com. **Your** complaint will be reviewed and **You** will be provided with a written response. If it cannot be resolved, **Your** complaint will be referred to Chartis' Internal Disputes Resolution Committee who will respond within 15 working days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint.

Should **Your** complaint not be resolved by Chartis' internal dispute resolution process, **You** may apply to the Privacy Commissioner for review of the determination.

Consent Acknowledgment

By providing **Your** personal information to enable completion of the Application of insurance (including any associated form) and paying the premium, **You** consent to the use of **Your** personal information stated in the privacy statement above.

Dispute Resolution Process

We are committed to handling any complaints about **Our** products or services efficiently and fairly.

If **You** have a complaint:

1. Contact **Us** on **Our** dedicated complaints line – 1800 339 669.
2. If **Your** complaint is not satisfactorily resolved **You** may request that the matter be reviewed by management by writing to:
The Compliance Manager
Chartis
549 St Kilda Road, Melbourne
VICTORIA 3004
3. If **You** are still unhappy, **You** may request that the matter be reviewed by **Our** Internal Dispute Resolution Committee ("Committee"). **We** will respond to **You** with the Committee's findings within 15 working days.
4. If **You** are not satisfied with the finding of the Committee, **You** may be able to take **Your** matter to an independent dispute resolution body, Financial Ombudsman Service (FOS). This external dispute resolution body can make decisions with which Chartis are obliged to comply.

Contact details are:

Financial Ombudsman Service
Phone: 1300 78 08 08 (local call fee applies)
Email: info@fos.org.au
Internet: <http://www.fos.org.au>
GPO Box 3, Melbourne, VIC 3001

In the Event of a Claim

You must not negotiate, deny or admit any claim without the **Insurer's** written permission.

When an event happens that is likely to result in a claim, under **Your Policy**, **You**, or any other person covered by **Your Policy** must:

- (a) take all reasonable precautions to prevent further **Loss, Property Damage**, injury, illness or liability;
- (b) inform the police immediately if **Insured Property** is lost, stolen or maliciously damaged;
- (c) notify **Us** immediately of the event by calling Claims on 1300 761 195;
- (d) provide **Us** with full written details of the event within thirty (30) days of learning that the event happened;
- (e) supply **Us** with all information and assistance as **We** may reasonably require;
- (f) allow **Us** to use any legal rights held by **You**, or held by any other party covered by **Your Policy**;
- (g) allow **Us** to negotiate, defend or settle the claim;
- (h) in **Your** name or on **Your** behalf;
- (i) in the name of and on the behalf of any other party covered by **Your Policy**;
- (j) immediately send **Us** any claim, writ, summons or other proceedings such as an impending prosecution or inquest **You** become aware of;
- (k) as far as possible preserve any products, plant, appliances or other items which might prove necessary as evidence until **We** have had an opportunity of an inspection.

Policy Wording

Introduction

The **Policy**, **Schedule** and endorsements (if any) are to be read together and any word or expression to which a specific meaning has been given shall bear such meaning wherever it may appear unless otherwise specifically stated.

This **Policy** sets out the definitions, benefits, terms, conditions and exclusions of insurance provided by the **Insurer** and the operative sections of this **Policy** are shown on the **Schedule**. We ask that **You** read this **Policy**, the **Schedule**, the statement of fact (if applicable) and any endorsements (if any) carefully so that **You** are aware of the terms and conditions and if these are not completely in accordance with **Your** intentions to contact **Your** Steadfast Broker.

Insuring Agreement

In consideration of **You** having paid the required premium, the **Insurer** agrees to indemnify **You** in accordance with the cover selected.

This **Policy** is based upon the information provided in **Your** application form or statement of fact which is incorporated in this **Policy**.

The liability of the **Insurer** shall not exceed the sum insured or limit of liability specified in the **Schedule**.

General Definitions

- applicable to all Sections of this Policy

Accident	means a sudden and accidental breakdown of an Object or a part thereof, which manifests itself at the time of its Occurrence by Property Damage to the Object or part thereof that necessitates its repair or replacement, but Accident shall not mean: <ul style="list-style-type: none">(a) depletion, deterioration, corrosion or erosion of material;(b) wear and tear;(c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;(d) vibration or misalignment;(e) the breakdown of any structure or foundation supporting the Object or any part thereof;(f) the functioning of any safety device or protective device; or(g) the cracking of any part of a gas turbine exposed to the products of combustion.
Actual Cash Value	means the cost of replacing the damaged Insured Property with property of similar kind, capacity, size, quality and function less depreciation however caused. The Insurer will consider such items as the age, condition and normal life expectancy of the damaged Insured Property in determining depreciation.
Advertising Injury	means injury arising out of: <ul style="list-style-type: none">(a) libel, slander or defamation; or(b) any infringement of copyright or passing off of title or slogan; or(c) unfair competition, piracy, idea misappropriation contrary to an implied contract; or(d) invasion of privacy; committed or alleged to have been committed during the Period of Insurance in any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.
Aircraft	means any craft or object designed to travel through air or space, other than model aircraft.
Aircraft Products	means: <ul style="list-style-type: none">(a) Aircraft and any ground support or control equipment used therewith;(b) any Product furnished by You and installed in Aircraft or used in connection with Aircraft;(c) any tooling used for the manufacture of (a) or (b) above;(d) any ground handling tools and equipment used in connection with (a) or (b) above including training aids, navigational aids, instruction or manuals;(e) blueprints, engineering or other data furnished by You in connection with (a), (b), (c) or (d) above;(f) any advice, service and/or labour furnished by You in connection with (a), (b), (c), (d) or (e) above.
Buildings	means buildings, other structures and their accessories including but not restricted to the plant, fixtures, glass, signs (including illuminated signs), fixed signs and lettering, pipes, cables, tanks, poles, power lines and their supports, walls, gates, fences, landscaping, gardens, ornamental trees and shrubs, roads, paths, yards and the like.

Business	means the business as described in the Schedule (and, where applicable, as further described in any more specific underwriting information provided to Us at the time when this insurance was negotiated) and shall include: <ul style="list-style-type: none"> (a) the ownership of Premises and/or the tenancy thereof by You. (b) the provision of any sponsorships, charities, galas, first aid, medical, ambulance or fire fighting service by You or on Your behalf. (c) private work undertaken by Your Employees for any of Your Insured Directors, partners, proprietors, Officers or Executives. (d) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees. 	Discovered or Discovers or Discovery	means when any Executive (who is not in collusion with an Employee who has or is attempting to commit a Dishonest Act) first becomes aware of any facts which would cause a reasonable person to assume that a Direct Financial Loss which may be covered under this Policy has been or is likely to be incurred, even though the exact amount or details of the Direct Financial Loss are not known at the time the Executive first became aware of such facts.
Business Hours	means any hours during which You or any Employee entrusted with the care, custody or control of Money is on the Premises for the purpose of Your Business .	Discovery Period	means a period immediately following expiry of the Policy Period during which time written notice may be given to the Insurer of any: <ul style="list-style-type: none"> (a) Claim: (i) in connection with an Investigation (other than a Claim for Management Liability); or (ii) for any Management Liability arising prior to the expiry of the Policy Period; or (b) Direct Financial Loss Discovered either prior to or within 30 days of the expiry of the Policy Period.
Claim	means any written demand, notice, complaint, proceeding, arbitration or other written communication received by You : <ul style="list-style-type: none"> (a) seeking damages, a remedy, or non-monetary relief; or (b) making a criminal charge, and/or alleging liability or responsibility on Your part for an Occurrence covered by this Policy; or (c) in connection with an Investigation. 	Direct Financial Loss	means direct financial loss caused by the loss of Money , Securities or Other Property : <ul style="list-style-type: none"> (a) owned by the Named Insured; or (b) in the care, custody or control of the Named Insured and for which the Named Insured is legally liable. Direct Financial Loss does not include: <ul style="list-style-type: none"> (a) Payroll, salaries or other remuneration or benefits paid by the Named Insured to Your Employees and Executives; (b) complete or partial non-payment or default under any Credit Arrangement; or (c) any costs, fees or other expenses incurred by You in prosecuting or defending any demand, Claim or Legal Proceeding resulting from a Direct Financial Loss which is covered under this Policy.
Company	means the Named Insured .	Dishonest Acts	means any fraudulent or dishonest acts committed by an Employee (acting alone or in collusion with others) with the principal intent to cause the Named Insured to sustain a Direct Financial Loss and results in the Employee making an improper financial gain for themselves or for any other individual or organisation intended by the Employee to receive such gain.
Compensation	means monies paid or agreed to be paid by judgment, award or settlement for Personal Injury and/or Property Damage and/or Advertising Injury . Provided that such Compensation is only payable in respect of an Occurrence to which this insurance applies.	Employee	means: <ul style="list-style-type: none"> (a) any past, present or future full-time, part-time, seasonal and temporary employees who are not Executives, auditors, consultants, secondees or agents; (b) in the case of Section 4.3: Employee Dishonesty only, a natural person who is a full-time, part-time, seasonal or temporary employee at the time of Discovery. With regard to Section 3: General and Products Liability employee includes: <ul style="list-style-type: none"> (a) any person hired or borrowed by the Named Insured from another employer under an agreement. (b) any person under a work experience or similar scheme while engaged and working under the direction and control of the Named Insured in connection with and in the course of the Business.
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".	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.
Contents or Contents of Buildings	means contents of Buildings , chattels in the open or under shelter, tenant's improvements and all other tangible property. Where You are the tenant of the Building , glass and other landlord's fixtures and fittings if You are responsible for insuring them and if their value is not included in the sum insured on Buildings .		
Credit Arrangement	means any credit agreement, extension of credit or hire-purchase agreement, loan or transaction in the nature of a loan, lease or rental agreement, invoice, account, agreement or other evidence of debt.		
Customer's Accounts	means all credit accounts of the Business .		
Defence Costs	means any reasonable fees, costs and out of pocket expenses incurred by You , with the prior written consent of the Insurer , in the Investigation , defence, settlement or appeal of any Claim .		
Defined Peril	shall mean fire, lightning, explosion, Aircraft or Vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunamis, freeze or weight of snow.		
Destroyed	means so damaged by an insured event that the property by reason only of that Property Damage cannot be repaired.		

Employment Practice Liability	means any liability for a Claim against any Company , or any Executive or Employee of any Company by an Employee or prospective Employee of that Company based upon any Wrongful Act in connection with the recruitment, employment of or the termination of such Employee or, decision not to employ the prospective Employee , including, but not limited to, any employment-related retaliation or harassment.	Fraud Investigator	means an appropriate fraud investigator who has no conflict of interest, nominated by the Named Insured or other Insured Person and approved in writing by the Insurer , to establish proof of Direct Financial Loss .
Equivalent Building	means: <ul style="list-style-type: none"> (a) Building or structure which is as nearly as practicable the same as the Building or structure lost or Destroyed, using currently equivalent materials and techniques and incorporating such alterations as are necessary to comply with any Building or other Regulations; (b) where, as a result of any special circumstances, no Building or structure which falls within the scope of (a) above can be constructed; a Building or structure which is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the Building or structure lost or Destroyed; (c) where as a result of any special circumstances, no Building or structure which falls within the scope of (a) above is suitable to Your reasonable requirement, then, with the consent of the Insurer (which will not be unreasonably withheld), a Building or structure which is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the Building or structure lost or Destroyed. 	General Liability	means Your legal liability for Personal Injury , Property Damage or Advertising Injury caused by or arising out of an Occurrence happening in connection with the Business other than Products Liability .
Equivalent Plant	means any plant or equipment as nearly as practicable the same as or equivalent to the plant or equipment lost or Destroyed , having regard to the current state of technology, and having an equivalent capacity to that of the lost or Destroyed plant or equipment but not greater capacity unless plant or equipment with an equivalent capacity is not available and the replacement plant or equipment has the nearest equivalent capacity.	Gross Profit	means the amount by which the sum of the Turnover and the amount of the closing Stock shall exceed the sum of the amount of the opening Stock and the amount of the Uninsured Working Expenses . Notes: <ul style="list-style-type: none"> (a) The amount of the opening and closing Stocks shall be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation. (b) The words and expressions used in the definition shall have the meaning usually attached to them in Your books and accounts.
Excess	means the amount specified in the Schedule , payable by You on each and every claim arising out of one event under this Policy . Should more than one Excess be payable under this Policy for any claim or series of claims arising from the one event, such Excesses shall not be aggregated and the highest single level of Excess only shall apply.	Gross Rentals	means the Money paid or payable to the Named Insured by tenants in respect of rental of the Premises .
Executive	means any natural person who is a past, present or future: <ul style="list-style-type: none"> (a) duly elected or appointed director or trustee (other than a trustee of an insolvent entity); (b) executive Officer or senior manager; or (c) any other person with duties equivalent to those of the positions listed in (a) or (b) above. 	Gross Revenue	means the Money paid or payable to the Named Insured as fees for service rendered in the course of the Business at the Premises .
Executive Liability	means liability: <ul style="list-style-type: none"> (a) for any Wrongful Act of any Executive or any Employee of the Named Insured; or (b) arising solely from an Insured Person's status as an Executive or Employee of the Named Insured. 	Grounding	means the withdrawal of one or more Aircraft from flight operations or the imposition of speed, passenger or load restrictions on such Aircraft , by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such Aircraft or any part thereof sold, handled or distributed by You or manufactured, assembled or processed by any other person or organisation according to Your specifications, plans, suggestions, orders or drawings or with tools, machinery or other equipment furnished to such persons or organisations by You , whether such Aircraft so withdrawn are owned or operated by the same or different persons, organisations or corporations. Grounding will be deemed to commence on the date of an occurrence which discloses such condition or on the date an Aircraft is first withdrawn from service on account of such condition, whichever occurs first.
Financial Loss	means: <ul style="list-style-type: none"> (a) a pecuniary or economic loss or expense; (b) a decrease greater than thirty per cent (30%) of the total consolidated annual revenues of the Named Insured as at the end of the Named Insured's last financial year. 	Hazardous Substance	means: <ul style="list-style-type: none"> (a) any Pollutant, contaminant or other substance declared by a governmental authority to be hazardous to health or the environment; or (b) any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergenic, pathogenic or toxigenic.
		Hovercraft	means any vessel, craft or device made or intended to float on or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.
		Incidental Contracts	means: <ul style="list-style-type: none"> (a) any written rental agreement or lease of real or personal property not requiring an obligation to insure such property or be strictly liable regardless of fault; (b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;

	<ul style="list-style-type: none"> (c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings; (d) those contracts designated in the Schedule.
Indemnity Period	means the period beginning with the Occurrence of insured damage and ending not later than the number of weeks specified in the Schedule during which the results of the Business shall be affected in consequence of insured damage.
Insured Contract	means that part of any contract or agreement pertaining to the Named Insured's Business under which the Named Insured assumes the tort liability of another party to pay for Personal Injury or Property Damage to a third person or organisation. However, the Personal Injury or Property Damage must arise out of an Occurrence that takes place subsequent to the execution of Your Contract. Tort liability means a liability that would be imposed by law upon the other party in the absence of any contract or agreement.
Insured Director	means any natural person who is a past, present or future director, secretary or executive Officer or responsible Officer of the Named Insured . However, it does not include any externally appointed officers such as auditors, receivers, managers, liquidators, administrators, mortgagees in possession and the like.
Insured Person	means any Executive or any Employee of any Named Insured and any Outside Director .
Insured Property	means Buildings, Contents of Buildings, Stock in Trade or Other Property , not expressly excluded, all being Your own or held by You jointly or in trust or on commission, for which You are legally responsible, is located at the situation, and is specified in the Schedule .
Insurer/We/Us/Our	means American Home Assurance Company, ABN 67 007 483 267 AFSL 230 903, trading in Australia as Chartis.
Internet Operations	means: <ul style="list-style-type: none"> (a) transfer of computer data or programmes by use of electronic mail systems by You or Your Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within Your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to Computer Virus, worm, logic bomb, or trojan horse; (b) access through Your network to the world wide web or a public internet site by You or Your Employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within Your organisation; (c) access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; and (d) the operation and maintenance of Your web site.
Investigation	means any investigation, examination or inquiry by any regulator, government authority or official trade body into Your affairs or conduct of the Business by an Insured Person .
Investigation Costs	Costs means the reasonable and necessary fees, costs and expenses incurred by or with the prior written consent of the Insurer by or on behalf of an Insured Person in preparing for and attending any Investigation .

Knowledge, First Discovered and Discovery	means that the knowledge or discovery of a Loss occurs when You become aware of facts which would cause a reasonable person to believe that a Loss covered by this Policy has been or may be incurred, even though the exact amount or details of the Loss may not then be known. Knowledge possessed or discovery made by any Insured Director thereof shall constitute knowledge possessed or discovery made by the Named Insured .
Land Value	means the sum certified by an accredited valuer as being the value of the Site so described in the policy after due allowance has been made for variations in or other circumstances affecting such value either before or after the Property Damage or which would have affected the value had the Property Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the true Land Values pertaining both before and after the damage.
Legal Proceedings	means Litigation , arbitration, mediation, adjudication or any other process of dispute resolution.
Litigation	includes, but is not limited to, any civil, criminal, administrative or regulatory proceeding as well as any official investigation, examination, inquiry, arbitration or adjudication.
Loss	means: <ul style="list-style-type: none"> with regard to Section 1: Material Damage and Section 2: Business Interruption: <ul style="list-style-type: none"> (a) a physical loss, destruction or damage. with regard to compensatory damages under Section 3: General and Product Liability and Section 4: Management Liability: <ul style="list-style-type: none"> (a) compensatory damages anywhere in the world other than North America; and (b) legal costs and expenses of a plaintiff; that You are legally obligated to pay under the terms of a judgment entered against You; or a settlement negotiated by or pre-approved in writing by the Insurer. Loss includes Defence Costs but does not include: <ul style="list-style-type: none"> (i) fines or penalties; (ii) taxes; (iii) employment-related compensation or benefits; (iv) internal or overhead expenses of any Insured Person (including the cost of any time incurred by any Insured Person in connection with Defence Costs or Investigation Costs); (v) the cost of complying with non-monetary damages or relief; or (vi) matters which may be deemed uninsurable under applicable law.
Machine	means any contrivance for the conversion and direction of motion or energy, or for the performance of any electric process and includes any protective device in connection with that contrivance.
Management Liability	means in the case of any Insured Person , any: <ul style="list-style-type: none"> (a) Executive Liability; (b) Outside Director Liability; (c) Employment Practice Liability.
Medical Persons	includes but is not limited to medical practitioners, medical nurses, dentists and first aid attendants.
Media	means material, on which data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs or DVDs.

Money means current coin bank and currency notes, cheques, travellers' cheques, postal notes, money order, unused postage stamps, redeemable vouchers and tokens, credit card vouchers, discount vouchers, postal orders, public and private transport tickets, lottery tickets (purchase value only), revenue stamps, securities, phone cards, franking machine credits and other negotiable instruments.

Named Insured means:

- (a) the party set forth in the **Schedule** as the **Named Insured**; and
- (b) each service and administration company, trustee and nominee company in relation to the provision of administration and management services relevant to the **Business** of the entity set forth in (a) above; and
- (c) any **Subsidiary** of the parties detailed in (a) and (b) above.

With regard to Section 3: General and Products Liability, in addition to (a), (b) and (c) above, also means:

- (a) the person(s), corporations and/or other organisations specified in the **Policy Schedule**;
- (b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of the **Named Insured** incorporated in the Commonwealth of Australia and/or any other organisations under the control of the **Named Insured**;
- (c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of the **Named Insured** and/or any other organisations under the control of the **Named Insured** incorporated in the Commonwealth of Australia and which are constituted or acquired by the **Named Insured** after the commencement of the **Period of Insurance**;
- (d) every subsidiary and/or controlled corporation and/or other organisation of the **Named Insured** which is divested during the **Period of Insurance**, but only in respect of **Claims** made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of **Occurrences** insured against by this **Policy**, which occurred prior to the divestment and after commencement of the **Period of Insurance**.

North America means:

- (a) the United States of America and Dominion of Canada;
- (b) any state, territory or protectorate incorporated in, or administered by, the United States of America and Dominion of Canada; and
- (c) any country or territory subject to the laws of the United States of America and Dominion of Canada.

Occurrence means an event, including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury** and/or **Property Damage** and/or **Advertising Injury** that is neither expected nor intended from **Your** standpoint.

With respect to **Personal Injury** or **Property Damage**, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one **Occurrence**.

All **Advertising Injury** arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one **Occurrence**.

Object means any equipment owned, leased, operated or controlled by the **Named Insured** and described below:

- (a) Any boiler, any fired or unfired **Pressure Vessel** normally subject to vacuum or internal pressure other than static pressure of **Contents**, any refrigerating or air conditioning vessels and piping or any other piping and its accessory equipment, but **Object** shall not include:
 - (i) any boiler setting, any refractory or insulating material;
 - (ii) any part of a boiler or fired vessel that does not contain steam or water;
 - (iii) any hose, buried piping, sewer piping, drainage piping, sprinkler system or its accessory equipment; or
 - (iv) any oven, stove, furnace or kiln but not excluding heat recovery piping or vessels used therewith.
- (b) Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilisation of mechanical or electrical power, but **Object** shall not include:
 - (i) any elevator, escalator, crane or hoist; or
 - (ii) any oven, stove, furnace or kiln;but not excluding:
 - a) any pump, compressor, fan, blower, engine or turbine;
 - b) any separate enclosed gear set connected to such **Machine** or apparatus by a coupling, clutch or belt;
 - c) any electrical equipment; or
 - d) any electronic equipment used solely to start, stop, control or monitor such **Machine** or apparatus;
- (iii) any **Vehicle**, any mechanically or electrically propelled equipment, any tow able equipment, power shovel, excavator, dragline or other mobile equipment, including equipment permanently mounted thereon; or
- (iv) any conveyor belt.

- (c) Any electronic equipment used:
- (i) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
- (ii) for research, diagnostic, treatment, experimental or other medical or scientific purposes;
- (iii) for computing, data processing, duplicating, inventory control, monitoring,
- (iv) scanning or office services; or
- (v) to start, stop, control or monitor one or more insured **Objects**, but **Object** shall not include:
 - a) any anode, x-ray or video amplifier tube.

Officer means any **Employee** who is concerned in, or takes part in, the management of the **Named Insured** regardless of the name that is given to their position.

Other Property means other property more particularly described in the **Schedule**.

Output means the sale value and/or internal transfer value as between departments insured hereby, of finalised goods and/or partially processed materials or goods of any and every description.

Outstanding Debit Balance	means the total amount last stated in the Named Insured books of account or other Business books or records (including computer records) in which Customer's Accounts are shown adjusted for: <ul style="list-style-type: none"> (a) bad debts; (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of insured damage) to Customer's Accounts in the period between the date to which such last statement relates and the date of insured damage; and (c) any abnormal condition of trade which had or could have had a material effect on the Business; so that the figure thus adjusted shall represent as nearly as reasonably practicable that which would have been obtained at the date of insured damage had insured damage not occurred.
Outside Director	means any Employee of the Named Insured who is or was acting at the specific written request or direction of You as an Executive of an Outside Entity .
Outside Director Liability	means liability: <ul style="list-style-type: none"> (a) for any Wrongful Act of any Outside Director; or (b) arising solely from an Insured Person's status as an Outside Director.
Outside Entity	means any: <ul style="list-style-type: none"> (a) not-for-profit entity; (b) privately-held corporation; or (c) any entity listed as an Outside Entity in an endorsement attached to this Policy.
Payroll	means remuneration paid to all employees of the Named Insured including overtime Holiday pay, superannuation, workers compensation insurance and payroll tax. This coverage is included within the Gross Profit and or Gross Revenue coverage.
Policy	means this policy in respect of the sections of cover selected by the Named Insured and for which a premium has been received by the Insurer .
Period of Insurance	means the period set forth in the Schedule , or any shorter period arising as a result of cancellation of this Policy , and any extension thereof which may be agreed in writing between You and Us .
Personal Injury (Section 3: General and Products Liability)	means: <ul style="list-style-type: none"> (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting there from; (b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation; (c) wrongful entry or wrongful eviction or other invasion of privacy; (d) libel, slander or defamation of character, unless arising out of Advertising Injury; (e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property.

Pollutant(s)	means any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or Hazardous Substance , or contaminant, whether occurring naturally or otherwise including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
Premises	means the premises specified in the Schedule .
Pressure Vessel	means a vessel which, in normal use, is subject to generated or applied fluid pressure.
Principal	means any of the Named Insured's partners, directors and executive Officers , but only in their capacity as such.
Production Process	means any process of producing, making, treating or servicing goods.
Product(s)	means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in the Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of the Business including discontinued Products . Provided always that for the purpose of this insurance the term ' Products ' shall not be deemed to include: <ul style="list-style-type: none"> (a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit; (b) any vending machine or any other property rented to or located for use of others but not sold by You; and any Claims made against You in respect of Personal Injury and/or Property Damage arising out of any Occurrence in connection with (a) and (b) above shall be regarded as General Liability Claims hereunder.
Products Liability	means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such Products , but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.
Property Damage	means: <p>With regard to Section 1: Material Damage and Section 2: Business Interruption:</p> <ul style="list-style-type: none"> (a) physical loss, destruction or damage. (b) loss of use of tangible property which has not been physically lost, Destroyed or damaged; provided that such loss of use is caused by or arises out of an Occurrence. <p>With regard to Section 3: General and Products Liability:</p> <ul style="list-style-type: none"> (a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting there from; and/or (b) loss of use of tangible property which has not been physically lost, Destroyed or damaged; provided that such loss of use is caused by or arises out of an Occurrence.

Rate of Gross Profit	means the rate of gross profit earned on the Turnover during the financial year immediately before the date of the insured damage.
Rate of Payroll	means the rate of wages to Turnover during the financial year immediately before the date of insured damage.
Regulations	means regulations made under or framed in pursuance of any Act of Parliament or regulation or by-law of any local authority.
Reinstatement	means: <ul style="list-style-type: none"> (a) where property is lost or Destroyed, its replacement by an Equivalent Building or by Equivalent Plant as the case may require; (b) where property incurs Property Damage, but is not Destroyed, the restoration of the damaged portion to a condition substantially the same as, but not better or more extensive than, its condition when new.
Rent	means periodic payments made by the Named Insured for the lease of Premises .
Schedule	means the description of coverage insured attached to and forming part of this Policy .
Securities	means any negotiable or non-negotiable instruments or contracts representing Money or other property including but not limited to shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.
Senior Lawyer	means a senior lawyer to be mutually agreed upon by You and the Insurer , or in the absence of agreement, to be approved by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the loss was incurred.
Shortage in Turnover	means the amount by which the Turnover during a period shall in consequence of insured damage fall short of the part of the Standard Turnover which related to that period.
Single Act or Single Wrongful Act	means an act or any related or continuous or repeated acts, whether committed by an individual or group of individuals, and whether directed to or affecting one or more person or legal entity.
Site	means any parcel of land owned or occupied by You .
Situation	means the location or locations referred to in the Schedule .
Standard Gross Revenue	means the Gross Revenue during that period in the twelve (12) months immediately before the date of insured damage which corresponds with the Indemnity Period to which such adjustments shall be made 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 insured damage or which would have affected the Business had insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for insured damage would have been obtained during the relative period after insured damage.

Standard Gross Rentals	means the Gross Rentals during that period in the twelve months immediately before the date of insured damage which corresponds with the Indemnity Period ; to which such adjustments shall be made 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 insured damage or which would have affected the Business had insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for insured damage would have been obtained during the relative period after insured damage.
Standard Turnover	means the Turnover during that period in the twelve months immediately before the date of the insured damage which corresponds with the Indemnity Period ; to which such adjustments shall be made 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 insured damage or which would have affected the Business had the insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the insured damage would have been obtained during the relative period after the insured damage.
Stock/Stock in Trade	means: <ul style="list-style-type: none"> (a) Goods and/or merchandise for sale, promotional or raw materials, including the value of work done, containers, packaging materials and gold up to \$5,000 in total. (b) Your customers' goods including goods and/or merchandise and other items held in trust or on commission for which You are liable.
Submission	means the declarations and statements which are contained in or constitute the written application form or statement of fact together with its attachments and the other information submitted to the Insurer .
Subsidiary	means any privately held entity, other than a partnership or joint venture over which, either prior to or at the inception of the Period of Insurance , the Named Insured has the capacity to determine the outcome of decisions about that entity's financial and operating policies.
Territorial Limit	means: <ul style="list-style-type: none"> (a) anywhere within the Commonwealth of Australia and its external territories; (b) elsewhere in the world, unless prohibited by law, but only with respect to: <ul style="list-style-type: none"> (i) overseas Business visits by any of Your Insured Directors, partners, Officers, Executives or Employees, who are normally resident in Australia but not where they perform manual work or supervise manual work in North America; (ii) Products supplied from the Commonwealth of Australia, but the indemnity granted in relation to such Products shall not apply to Claims in respect of Personal Injury and/or Property Damage happening in North America where such Products have been exported to North America with Your Knowledge.
Terrorism	means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism	shall also include any act which is verified or recognised by the government of any country in which the Named Insured operates or exports products into, as an act of terrorism.	
Tool of Trade	means a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You at Your premises or on any Work Site . Tool of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any premises.	
Transaction	means the event of: <ul style="list-style-type: none"> (a) the Named Insured consolidating with, merging with or into or selling all or substantially all of the Named Insured assets to any other person or entity or group of persons and/or entities acting in concert; (b) any person or entity or group of persons or entities acting in concert acquiring control over the Named Insured's most senior governing body. 	
Turnover	means the Money paid or payable to the Named Insured for goods sold and delivered and for services rendered in course of the Business at the Premises .	
Uninsured Working Expenses	means all expenses subtracted in the annual calculation of insured Gross Profit for the purpose of premium adjustments (which are not insured under Section 2.1.1 Gross Profit).	
Vehicle	means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.	
Watercraft	means any vessel or watercraft made to or intended to float on or in or travel on or through or under water other than model boats.	
Work Site	means any premises or site where any work is performed for and/or in connection with the Business together with all areas surrounding such premises or site and/or all areas in between such premises or site that You shall use in connection with such work.	
Wrongful Act	means any actual or alleged act, error, omission, misstatement, misleading statement, misleading conduct, neglect or breach of duty (excluding an Employment Practice Liability) made or committed by any Insured Director . All related or continuous or repeated Wrongful Acts shall be deemed to be one Wrongful Act for the purpose of the cover provided by this Policy .	
You/Your/Insured	means: <p>With respect to Section 1: Material Damage, Section 2: Business Interruption and Section 4: Management Liability an Insured Director, Insured Person, Outside Director, Named Insured or Principal.</p> <p>With respect to Section 3: General and Products Liability the person(s), companies or firms named on the current Schedule as the 'Named Insured'. Each of the following is an Insured to the extent specified below:</p> <ul style="list-style-type: none"> (a) the Named Insured, (b) every past, present or future Insured Director, stockholder or shareholder, partner, proprietor, Officer, Executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with the Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities. 	<ul style="list-style-type: none"> (c) any Employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers. (d) every Principal in respect of the Principal's liability arising out of: <ul style="list-style-type: none"> (i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such Principal, but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy. (ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such Products and in any event only for such coverage and limits of liability as are provided by this Policy. (e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and limits of liability as are provided by this Policy; (f) every Officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, first aid, medical, ambulance or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such; (g) any Insured Director, partner, proprietor, Officer or Executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work; (h) the estates, legal representatives, heirs or assigns of: <ul style="list-style-type: none"> (i) any deceased or insolvent persons, or (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses h(i) and h(ii) above; (i) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and limits of liability as are provided by this Policy.

General Conditions

These general conditions are applicable to all sections of this policy

Alteration of Risk Upon **You** becoming aware of any changes to the **Business** description as stated in the **Schedule**, or other changes material to the risk of **Loss** or **Property Damage**, **You** shall notify **Us** in writing within thirty (30) days. The **Insurer** reserves the right to reduce or refuse a **Claim** in whole or in part if this condition is not complied with by **You**.

The **Insurer** reserves the right to accept or deny coverage at the time of such notification and to establish a separate rate and premium for any such change in description of **Business** as set forth in the **Schedule**.

However, this insurance will not be prejudiced by:

- (a) such changes in the use or occupancy of the **Premises** as are usual or incidental to **Your Business**;
- (b) the performance of any structural alterations or repairs to **Insured Property**, providing the circumstances are reported to the **Insurer** in writing within a reasonable time after **You** become aware of them; and provided that **You** agree to pay a reasonable additional premium for the increased risk if so required by the **Insurer**;
- (c) the cessation of operations or vacancy of any **Building** for a period in excess of 30 consecutive days, providing the circumstances are reported to the **Insurer** within a reasonable time after **You** become aware of them; and provided that **You** agree to pay a reasonable additional premium for the increased risk if so required by the **Insurer**.

Assignment This **Policy** and any rights hereunder cannot be assigned without the **Insurer's** prior written consent.

Assistance and Co-operation **You** shall co-operate with the **Insurer** in all matters relating to this insurance. This may include, but is not limited to, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting **Litigation**, arbitration, or other proceedings.

Authority It is agreed that the **Named Insured** acts on behalf of all persons with respect to the exercise of all their rights and the discharge of all their duties in respect of this **Policy**, including but not limited to:

- (a) negotiating the terms and conditions of cover;
- (b) binding cover;
- (c) the notification of a **Claim** circumstance, **Claim**, **Legal Proceeding** or **Loss**;
- (d) the giving and receiving of any notice of cancellation;
- (e) the payment of premium and the receipt of any refund of premium that may become due;
- (f) the payment of the **Excess**;
- (g) the negotiation and receipt of any endorsement;
- (h) the appointment of lawyers to defend a claim or **Claim** or **Legal Proceeding** or **Loss**;
- (i) the receipt of amounts payable by **Us** under this **Policy**.

Cancellation This **Policy** may be cancelled:
(a) by the **Named Insured** at any time, and with immediate effect, by giving notice in writing to the **Insurer**. In the event of such cancellation, the **Insurer** will be entitled to retain, after the Cooling Off Period, the pro-rata proportion of the premium for the time during which this **Policy** has been in force.

- (b) by the **Insurer** in accordance with and in the manner permitted by law in which case the **Insurer** shall be entitled to retain the pro-rata proportion of the premium.

However, if any claims, **Claim**, **Legal Proceedings** or **Losses** have been notified to the **Insurer** during the relevant **Period of Insurance** and prior to the date of cancellation, no refund of premium shall be made to the **Named Insured**.

Changes in this Policy No change in this **Policy** will be valid unless agreed in writing by the **Insurer** nor shall the requirements of this **Policy** be deemed to be waived unless the **Insurer** agrees in writing.

Currency All amounts under this **Policy** are expressed and payable in Australian dollars.

Duties in Event of a Claim If anything occurs which could give rise to a claim under this **Policy** the **Named Insured** must:
(a) notify the **Insurer** as soon as practicable;
(b) promptly take all reasonable steps to prevent further **Loss** or **Property Damage**;
(c) inform the Police as soon as possible if a criminal act is suspected;
(d) submit full particulars of the **Claim** in writing to the **Insurer** as soon as practicable after any event from which a **Claim** arises.
(e) at **Your** own expense, provide the **Insurer** with any reasonably required proof and information in respect of the **Claim**;
(f) on receipt forward to the **Insurer** every letter, **Claim**, writ of **Legal Proceedings** or other document served on **You** or **Your** representative;
(g) notify the **Insurer** of any impending prosecution, inquest, inquiry into any fatality or proceedings in any court.

You shall not, without the **Insurer's** prior written consent:

- (a) make any admission of liability;
- (b) take any action which may be construed as an admission of liability;
- (c) repudiate or settle any **Claim** or **Legal Proceeding** against **You**;
- (d) waive any rights of recovery;

The **Insurer** has the right to:

- (a) defend any **Claim** or **Legal Proceeding** against **You**;
- (b) take over and conduct the defence or settlement of any **Claim** or **Legal Proceeding**;
- (c) prosecute for its own benefit any **Claim** or **Legal Proceeding** for indemnity or damages or otherwise in the name of **You**; or otherwise in **Your** name;
- (d) subrogation of all **Your** rights of recovery against any person or organisation, whether before or after, indemnification by **Us**;
- (e) exercise full discretion in the conduct of any **Legal Proceedings** and in the settlement of any **Claim** or **Legal Proceeding**, whether before or after indemnification by **Us**.

Enforceability, Construction and Conformance to Statute
(a) If any provision contained in this **Policy** is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is hereby deemed to be severed and to have no effect on any other valid, legal and enforceable provision of this **Policy**.
(b) Any provisions of this **Policy** which are in conflict with the statutes or **Regulations** of the state or country wherein this **Policy** is issued are hereby amended to conform to such statutes or **Regulations**.

Governing Law/ Jurisdiction This **Policy** shall be governed by and construed in accordance with the laws of the Commonwealth of Australia and the Courts of the said Commonwealth shall have exclusive jurisdiction in any dispute arising hereunder.

Headings and Titles	The descriptions in the headings and titles of this Policy are solely for reference and convenience and do not lend any meaning to this Policy or form any part of the terms and conditions of coverage. Words in bold typeface, with the exception of headings, have special meaning and are defined. Words and expressions in the singular shall include the plural and vice versa. Words that are not specifically defined in this Policy have the meaning normally attributed to them.
Inspection	The Insurer shall be permitted but not obligated to inspect the Named Insured's property and operations at any time. Neither the Insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of You or others, to determine or warrant that such property or operations are safe. The Insurer may examine and audit the Named Insured's books and records at any time during the Period of Insurance and extensions thereof and within three years after the final termination of this Insuring Agreement, as far as they relate to the subject matter of this insurance. We may give You reports on the conditions that We find. We may also recommend changes. We do not, however, undertake to perform the duty of any person or organisation to provide for the health or safety of Your Employees or the public. We do not warrant the health and safety conditions of Your Premises or operations or represent that Your Premises or operations comply with laws, Regulations , codes or standards.
Reasonable Care	You shall take all reasonable care to prevent injury or Loss or Property Damage and to maintain the Premises , plant and all other Business assets in good repair, and to comply with all statutory obligations and Regulations . You shall make good or remedy any defect or danger and take such additional precautions as may be required as soon as possible after Discovery , but such expenses shall not be recoverable under this Policy .
Reasonable Precautions	You shall take all reasonable precautions to: <ul style="list-style-type: none"> (a) avoid or minimise Loss or Property Damage; (b) maintain all Premises, fittings, appliances, machinery and electronic equipment in safe and sound condition; (c) maintain and keep operational all security, protective and warning equipment; (d) comply with all statutory regulatory or local authority requirements pertaining to the ownership, occupation and use of the property.
Reference to Statute	In this Policy references to any statutory provision are to be construed as references to that statutory provision as amended, supplemented, re-enacted, or replaced from time to time and are to include any orders, Regulations , instruments or other subordinated legislation made under or deriving validity from that statutory provision.
Statutory Requirements	You will take all reasonable measures to comply with all statutory obligations and Regulations imposed by any statutory or governmental authority.
Subrogation	In the event of a payment under this Policy being made in respect of a Loss, Claim, Claim or Legal Proceeding to You or on Your behalf the Insurer shall be subrogated to and/or receive assignment of all Your rights of recovery against all persons and organisations and You shall execute and deliver any and all appropriate instruments and papers and do all that is necessary to assist the Insurer in the exercise of such rights including prosecuting proceedings in Your name at the Insurer's expense. You shall do nothing to prejudice these rights. Any such amount so recovered shall first be apportioned to pay Your Excess and secondly to reimburse the Insurer to the extent of its actual payment hereunder including the cost to the Insurer of such recovery. Any such amount recovered in excess of the Insurer's total payment shall be restored to You .

General Exclusions

These general exclusions are applicable to all sections of this policy

This **Policy** does not cover **Loss** or **Property Damage** directly caused by or arising from:

Confiscation	Confiscation, requisition, or destruction of or damage to property by order of government or local authority unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this Policy .
Electronic Data	Loss, Property 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 there from, regardless of any other cause or event contributing concurrently or in any other sequence to the Loss . However, in the event that a peril listed below results from any of the matters described in above, this Section, subject to all its terms, conditions and exclusions, will cover Property Damage occurring during the Period of Insurance to property insured by this Section directly caused by such listed peril. Listed Perils: Fire, Explosion, Water damage, Storm, impact by Vehicles . Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed as follows: Should Electronic Data suffer physical Loss or Property Damage by a listed peril, then the basis of valuation shall be the cost of the blank Media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or 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 You or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.
Faulty Materials/ Workmanship	The cost of repairing or replacing faulty materials, putting right faulty workmanship, putting right work performed to a faulty or defective design plan or design specification, or putting right faulty or defective work where the fault or defect results from an error or omission in design plan or design specification. This exclusion does not apply to Section 1.1.6 Equipment Breakdown.
Intentional/Wilful/ Property Damage/ Fraud	If any Loss or Claim under this Policy is in any respect fraudulent or if any fraudulent means or devices are used to obtain any benefit under this Policy , or if any Loss , destruction or Property Damage be occasioned by wilful act or with Your connivance, all benefit under this Policy may be forfeited.
Pollution	Loss , damage, cost, expense, Personal Injury or Property Damage directly or indirectly arising out of: <ul style="list-style-type: none"> (a) Pollutants directly or indirectly caused by or contributed to by or arising from the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or ther irritants, contaminants or Pollutants into or upon land, the atmosphere or any watercourse or body of water; (b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralizing, nullifying or cleaning up smoke, vapours, soot, mould, fungus, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or Pollutants discharged, dispersed, released or escaped into or upon land, the atmosphere or any watercourse or body of water;

- (c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in (a) above;
- (d) the cost of preventing the escape of **Pollutants**.

Exclusions 5 (a) and 5 (b) above shall not apply where the claim, **Claim or Legal Proceeding** arises from a sudden identifiable, unintended and unexpected event that takes place in its entirety at a specific time and place and occurs outside of **North America**.

War

Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with, including any action taken in controlling, preventing, suppressing or in any way relating to 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**.

Terrorism

Any act of **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **Loss**. This **Policy** 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 **Terrorism**.

Nuclear

Loss of whatsoever nature, directly or indirectly, caused by or contributed to or arising from:

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

Section 1: Material Damage

Insuring Agreement

The **Insurer** will indemnify **You** for physical **Loss** or **Property Damage**, unintended and unforeseen by **You** occurring to any of the **Insured Property** during the **Period of Insurance**. If **You** lease out **Your Building**, the fixtures and fittings, including floor coverings, which **You** own as landlord, are insured as part of **Your Building**.

We will indemnify **You** by payment, by repair, or by replacement of the lost or damaged **Insured Property** and by payment of any insured costs.

Subject to the "Reinstatement of Amount of Insurance" Specific Condition - Section 1 Material Damage, condition 5 of this **Policy**, the **Insurer's** liability will not exceed the sum insured; and if more than one item is included in the **Schedule**, will not exceed in respect of each item the sum insured applicable to that item.

1.1 Specified Extensions

1.1.1 Alternative Accommodation Costs

Where any residential accommodation occupied by **You** or by an **Employee** of the **Named Insured** is **Insured Property** under Section 1: Material Damage and is rendered uninhabitable by an insured contingency, this insurance is extended to include reasonable expenses for alternative accommodation necessarily incurred by **You** provided that:

- (a) the expenses are not otherwise insured;
- (b) the period for which the expenses are covered will be limited to the period reasonably required for **Reinstatement** of the affected accommodation;
- (c) the **Insurer** will be entitled to deduct a reasonable allowance for expenses reduced or avoided in consequence of the affected accommodation being rendered uninhabitable.

The **Insurer's** liability under this extension is limited to \$10,000 in respect of any one event, unless otherwise stated in the **Schedule**.

1.1.2 Burglary with forcible and/or violent entry and/or exit

This **Policy** is extended to cover burglary of **Insured Property**, provided that this extension does not extend to cover:

- (a) shoplifting; or
- (b) **You** voluntarily parting with title or possession if induced to do so by any fraudulent scheme, trick or false pretence.

In respect of any one event the **Insurer's** liability under this extension is limited to the sum insured stated in the **Schedule**.

Theft (limited) without forcible and violent entry

This **Policy** is extended to cover:

- (a) **Loss** or **Property Damage** by theft or attempted theft of **Insured Property** other than electronic equipment, **Stock** or customers' goods;
- (b) **Loss** or **Property Damage** by theft or attempted theft of **Your** electronic equipment which is not **Stock**;
- (c) **Loss** of or **Property Damage** to the **Buildings** at the **Business Premises** if caused by theft

occurring during the **Period of Insurance** from the **Business Premises** without forcible and violent entry but excluding theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed. This automatic extension does not cover loss as a result of unexplained disappearance, unexplained inventory shortage, clerical or accounting errors or shortage in supply or delivery to or from the **Premises**.

The **Insurer's** liability under this extension is limited to \$10,000 in respect of any one event, unless otherwise stated in the **Schedule**.

1.1.3 Capital Additions

This **Policy** is intended to cover additions to **Your Building, Contents** and any items specified in the **Schedule** obtained or built during the **Period of Insurance** to an amount not exceeding twenty per cent (20%) of the total sum insured of **Buildings, Contents** and **Other Property** or \$500,000 whichever is the lesser, in respect of property insured at any one location. This additional benefit is in addition to **Your** sum insured.

1.1.4 Costs of Tracing Source of Water Damage

This **Policy** is extended to cover costs necessarily incurred in locating the source of water damage if the **Loss or Property Damage** is caused by water bursting or leaking from pipes, water mains, tanks or drains. The **Insurer's** liability under this extension is limited to \$10,000 any one **Occurrence** and in the annual aggregate, unless otherwise stated in the **Schedule**. Further, the **Insurer** will not pay for the **Loss** of or **Property Damage** to the pipes, water mains, tanks or drains unless damaged by an insured event.

1.1.5 Employees' Effects

This **Policy** is extended to insure the personal effects of **Your Insured Directors** and **Employees**, but only whilst the effects are at **Premises** owned or occupied by **You** or elsewhere whilst being worn, kept, carried or used by the **Insured Directors** or **Employees** acting in the course of their duties of employment. The effects are deemed to be included in the description of **Contents of Buildings** as if they were owned by **You**.

Unless **You** are responsible for the **Loss** or **Property Damage**, this extension of cover does not apply to **Loss** or **Property Damage** to the personal effects of any **Insured Director** or **Employee** who is entitled to indemnity for that **Loss** or **Property Damage** under any other policy of insurance.

The **Insurer's** liability under this extension to any one **Insured Director** or **Employee** is limited to \$5,000 any one event, unless otherwise stated in the **Schedule**.

1.1.6 Equipment Breakdown

The **Insurer** will indemnify **You** against **Loss** caused by or resulting from an **Accident** to an **Object** which is in use or connected and ready for use at the **Premises**.

Basis of Settlement applicable to this Automatic Extension

- (a) The **Insurer's** liability for **Loss** to **Insured Property** which is damaged is as follows:
- On **Media** and **Electronic Data** for electronic and electro mechanical data processing and production equipment, the cost of blank material plus the cost of transcription from duplicates or from originals;
 - On exposed film, records, manuscripts, drawings and other valuable papers and records, the cost of blank material plus the cost of transcription from duplicates or from originals;
 - On all other **Insured Property**, the lesser of the cost at the time of the **Accident**,
 - to repair the damaged property; or
 - to replace the damaged property with similar property of like kind, capacity, size, quality and function.
- (b) The **Insurer** will not be liable for:
- more than the amount **You** actually spend;
 - the cost of repairing or replacing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment; or
 - Loss** or **Property Damage** to **Insured Property** which is useless or obsolete.

If the damaged property is not repaired or replaced within twelve (12) months after the date of the **Accident** then the **Insurer** will only pay for the **Actual Cash Value** of the damaged property.

Additional Coverages applicable to this Automatic Extension

The following coverages also apply to **Loss** caused by or resulting from an **Accident** to **Insured Property**. These coverages do not provide additional amounts of insurance, unless specifically stated otherwise:

(a) Business Interruption

If **You** have selected Section 2: Business Interruption, this specified extension indemnifies **You** under that Section following a **Loss** which is identifiable under this specified extension, or would have been but for the application of an **Excess**. This coverage shall be subject to the terms and conditions of this extension and the terms and conditions of Section 2.

The limit of the **Insurer's** liability for this extension shall not exceed \$250,000 and is specified in the sub-limits for section 2.

(b) Deterioration of Stock

The **Insurer** hereby agrees:

- to pay **You** the amount of **Your Loss** of food and beverage products;
- to pay the amount of **Loss** to food and beverage products of others in **Your** care, custody or control, and for which **You** are legally liable; and
- to pay that amount of expense which is reasonably incurred by **You** to reduce or avert such **Loss**, but only to the extent that the total amount that otherwise would have been paid under parts (a) and (b) above is thereby reduced, provided such **Loss** or expense is due to spoilage resulting solely from an **Accident** to an **Object**, which occurs while this coverage is in effect.

With respect to coverage under this additional coverage only, **Accident** shall also mean the operation or failure to operate of any switch, thermostat, control, fuse, circuit breaker or overload device which is included in the definition of **Object**, but not including the manual operation or setting of such switch, thermostat, control, fuse, circuit breaker or overload device.

As soon as possible after an **Accident**, **You** shall utilise every available means to reduce the **Loss**, including surplus machinery, duplicate parts, equipment, supplies and surplus or reserve **Stock**, which may be owned, controlled or obtainable from other sources, all to the extent that the amount for which the **Insurer** would otherwise be liable under this coverage is reduced.

The **Insurer** may take such means as will in the opinion of the **Insurer** reduce or avert the **Loss**, in whole or in part, including the disposition of salvage of refrigerated food and beverage products. All extra expense so incurred by **You** as permitted above, or by **You** at the written direction of the **Insurer** or by the **Insurer**, shall be a part of and not in addition to the limit of liability specified on the **Schedule** for this coverage.

Exclusions applicable to the Deterioration of Stock coverage:

The **Insurer** shall not be liable for payment:

- for any **Loss** resulting from **Your** failure to use due diligence and dispatch and all reasonable means to protect the refrigerated food and beverage products from **Property Damage** following the **Accident**;
- the refrigerated food and beverage products damaged or **Destroyed**, for more than the **Actual Cash Value** thereof at the time of the **Accident**, with proper deductions for depreciation, however caused.

The limit of the **Insurer's** liability under this additional coverage shall not exceed \$10,000, unless otherwise stated in the **Schedule**.

(c) Service Interruption

If there is an **Accident** to an **Object** not owned, leased, operated or controlled by **You**, **You** will also be indemnified under Section 1.1.7 Electronic Equipment, Additional Coverages (a) **Business Interruption** and Section 1.1.7 Electronic Equipment, Additional Coverages (b) **Deterioration of Stock**, provided that the **Accident** is to an **Object** that:

- is defined in this extension;
- is used to supply telephone, electricity, air conditioning, heating, gas, water or steam services to **You** at **Your** location;
- is owned by the owner of the **Building** at the **Premises** or by a utility company; or by a company contracted to **You** to provide those services;
- and is located on or within three hundred (300) metres of **Your Premises**.

(d) Hazardous Substances

If a **Hazardous Substance** is involved in or released by an **Accident**, the **Insurer** will be liable for the increase in cost to repair, replace, clean up or dispose of affected **Insured Property**.

The "increase in cost" shall mean that cost or **Loss** beyond that which would have been incurred had no **Hazardous Substance** been present.

The limit of the **Insurer's** liability under this coverage shall not exceed \$25,000.

(e) Expediting Cost

Under the Expediting Cost automatic extension, following a **Loss** admissible under the Equipment Breakdown automatic extension, the limit of the **Insurer's** liability under that coverage shall not exceed \$25,000, unless otherwise stated in the **Schedule**.

(f) Temporary Hire Costs

The **Insurer** will pay the cost, reasonably incurred, of hiring temporary replacement equipment of similar specification during the time taken to repair the **Insured Property** as a result of an **Accident**.

The limit of the **Insurer's** liability under this coverage shall not exceed \$10,000, unless otherwise stated in the **Schedule**.

(g) Media and Electronic Data Restoration

If, solely as a result of an **Accident** to an **Object, Electronic Data or Media** is lost or damaged, the **Insurer** shall be liable under the coverage described in the Basis of Settlement for this extension, for the additional costs of repairing or replacing such **Electronic Data or Media**, including the cost of gathering or assembling information.

The **Insurer** shall not be liable for **Loss or Property Damage** caused by or resulting from programming errors.

The limit of the **Insurer's** liability under this coverage shall not exceed \$10,000, unless otherwise stated in the **Schedule**.

(h) Demolition and Increased Cost of Construction

The **Insurer** shall be liable under this coverage for the increased cost of repair or replacement of damaged and/or undamaged **Insured Property** (including any necessary demolition and **Site** clearing costs) occasioned by the enforcement of any law, by-law, ordinance, Regulation, rule or ruling which is in force prior to the time of the **Accident** and which regulates or restricts the repair, replacement, construction or installation.

The **Insurer** shall also be liable under Section 1.1.7 Electronic Equipment, Additional Coverages (a) Business Interruption during the additional time required, with the exercise of due diligence and dispatch, to effect such repair or replacement as a result of the enforcement of said law, by-law or ordinance.

1.1.7 Expediting Costs

Where the **Insurer** is liable under this **Policy** for the cost of reinstating any **Insured Property**, the **Insurer** will also indemnify **You** for such additional costs of express freight and overtime labour as are reasonably incurred for the purpose of expediting that **Reinstatement**. The indemnity provided by this extension will not increase the **Insurer's** liability beyond the sum insured on the affected property.

The **Insurer** shall not be liable for:

- (a) any expense in excess of the cost at the time of the **Accident** to replace the said property on the same **Site** or a **Site** adjacent thereto with property of such kind, capacity, size, quality and function as will satisfy the minimum requirements prescribed by any law, by-law, ordinance, Regulation, rule or ruling. In the event the replacement is by property of a better kind or quality or of a larger capacity or size, the liability of the **Insurer** shall not exceed the amount that would be paid if replacement had been made by property as would satisfy such minimum requirements;
- (b) any increase in **Loss** occasioned by the enforcement of any law, by-law, ordinance, rule or ruling affecting the use or operation of the **Premises** or any **Object**;
- (c) **Loss** or expense covered under Section 1.1.7 Equipment Breakdown, Additional Coverages (d) Hazardous Substances;
- (d) **Loss** in excess of \$100,000.

Exclusions applicable to this Extension:

This extension does not insure:

- (a) any increase in **Loss** or additional expenses incurred for cleanup, repair, replacement or disposal of damaged, contaminated or polluted property. As used herein "additional expenses" shall mean expenses incurred beyond those for which the **Insurer** would have been liable had no contaminant, **Pollutant** or **Hazardous Substance** been involved in the **Accident**; except as specifically provided under the **Hazardous Substances** coverage under this extension.
- (b) **Loss** caused by or resulting from:
 - (i) delay or interruption of **Business**, manufacturing or process; or
 - (ii) lack of power, light, heat, steam or refrigeration; or
 - (iii) any other indirect result or consequence of an **Accident**except as specifically described in this extension.

Conditions applicable to this Extension:

- (a) the definition of **Machine** and **Pressure Vessel** under "Definitions - applicable to all sections of this **Policy**", do not apply to this extension.

1.1.8 Fire Extinguishment Costs

This **Policy** is extended to cover reasonable costs after an insured event necessarily incurred by **You** for:

- (a) replenishment of **Your** fire fighting appliances;
- (b) replacement of sprinkler heads;
- (c) statutory charges payable by **You** to a fire brigade or fire fighting authority for attendance at a fire or chemical emergency involving **Your Premises**;
- (d) extinguishing a fire either at **Your Premises** or immediately adjacent to **Your Premises**, or threatening to involve **Your** property.

The **Insurer's** liability under this extension is limited to \$50,000 any one event, unless stated otherwise in the **Schedule**.

1.1.9 Glass Breakage

This **Policy** covers you for breakage of glass at the **Premises** shown on **Schedule**.

This **Policy** is also extended to cover costs of advertising signs, sign writing, burglar alarm tape, wiring security film or sensors on the glass, removal of frames, temporary shutting and security guards following **Property Damage**.

The **Insurer's** liability under this extension is limited to \$7,500 any one event, unless stated otherwise in the **Schedule**.

1.1.10 Landscaping

This **Policy** is extended to cover the reasonable costs of landscaping at **Your Premises** including trees shrubs, plants, lawn, gates, fences and retaining walls following the **Property Damage**.

The **Insurer's** liability for this extension is limited to \$50,000 any one event, unless stated otherwise in the **Schedule**.

1.1.11 Loss of Land Value

Notwithstanding the provision of Exclusions: applicable to Section 1: Material Damage and Section 2: **Business** Interruption Exclusions 1 and 3:

- (a) In the event of the absolute refusal by the local or government authority to allow reconstruction of the **Premises** following destruction or damage, the **Insurer** shall pay by way of indemnity the amount in excess of the **Land Value** before over the **Land Value** after the destruction or damage to improvements, or
- (b) In the event of the local or government authority allowing only partial reconstruction of the **Premises** after destruction or damage, the **Insurer** shall pay by way of indemnity the deficiency between **Land Value** after such reconstruction and the **Land Value** before the destruction or damage, less any sum saved by way of compensation by such authority arising out of the action referred to in (a) or (b) above.

The **Insurer's** liability for this extension is limited to \$250,000 any one event, unless stated otherwise in the **Schedule**.

Special Conditions

- 1. Settlement shall be made following the ruling of the local or government authority resulting in the loss of **Land Value**. Should settlement have been made and subsequently the ruling of the local or government authority is changed prior to completion of the reconstruction, resulting in an increase in the **Land Value**, the part of the claim paid in excess of the revised **Land Value** shall be refunded to the **Insurer**.
- 2. All differences relating to the **Land Value** arising out of the policy shall be referred to the decision of two registered valuers; one to be appointed by each of the parties and in case the two registered valuers do not agree, of a third valuer, appointed by the President of the Australian Institute of Valuers as an expert, whose decision shall be binding.

1.1.12 Money

This **Policy** is extended to cover **Money** as follows:

- (a) **Money** in transit.
- (b) **Money** at **Your Business Premises** during **Business** Hours and not in a securely locked burglary resistant safe or strong room.
- (c) **Money** at **Your Business Premises** in a securely locked burglary resistant safe or strong room.
- (d) **Money** at **Your Business Premises** outside **Business** Hours and not in a securely locked burglary resistant safe or strong room.
- (e) **Money** in **Your** dwelling or that of any person to whom such **Money** is entrusted.

In respect of any one event, the **Insurer's** liability under this extension is limited to the sum insured stated in the **Schedule**.

Additional Perils Insured

This **Policy** is further extended to cover loss of or damage to **Money** directly caused by or resulting from any earthquake, hydrothermal activity, landslide, tsunami, volcanic eruption, or subsidence or erosion of the land.

Additional Exclusions

This **Money** extension excludes all **Loss**:

- (a) due to errors in receiving payment or paying out;
- (b) or damage occurring whilst the **Money** is entrusted to any person other than the **Insured Person**, any **Principal** or any **Employee** or agent of **Yours**, or any professional **Money** carrier;
- (c) resulting from payment of **Money** in exchange for any cheque which is subsequently dishonoured;
- (d) occurring whilst the **Money** is in an unlocked and unattended **Vehicle**;
- (e) directly resulting from theft or fraud by any of **Your Employees**.
- (f) covered by a valid policy of Fidelity Guarantee (or equivalent) form of insurance;
- (g) occurring whilst the **Money** is in a safe or strong room opened by a key or by use of a combination, either of which has been left at **Your Business Premises** or **Sites** of contract outside **Business Hours**, unless such key or combination details have been properly secured.

1.1.13 Professional Fees

This **Policy** is extended to cover all reasonable professional fees, salaries and costs necessarily incurred in reinstating material **Property Damage** to **Insured Property** covered under this **Policy**. **Your** fees, salaries and costs are deemed to be included in the sum insured on the affected property.

The **Insurer's** liability under this extension is limited to \$25,000 any one event, unless stated otherwise in the **Schedule**.

1.1.14 Protection Costs

The **Insurer** will indemnify **You** for any costs reasonably incurred by **You** for the purpose of, and for damage directly resulting from, controlling any cause of **Loss** that involves or threatens to involve **Insured Property** which is insured under this **Policy**.

However:

- (a) this indemnity does not apply to costs or damage for which indemnity would be payable under this insurance in the absence of this extension;
- (b) the **Insurer's** liability under this extension is limited to \$25,000 in respect of costs and damage arising out of any one event, unless otherwise stated in the **Schedule**.

1.1.15 Redundant Foundations

Where the foundations of any **Building** or plant are made redundant for any reason in consequence of insured damage to the superstructures or plant resting on them, and if the value of the foundations is reduced as a result, the loss of value will be deemed to be **Loss** by **Property Damage** for the purpose of **Losses** under Section 1: Material Damage. If it is not necessary to demolish the foundations in order to reinstate damaged property, and if the presence of the abandoned foundations increases the market value of the property to which they are fixed, the amount of increase will be treated as salvage in the adjustment of **Loss** for claim settlement purposes.

1.1.16 Rewards

This **Policy** is extended to cover the cost of any reward paid by **You** for the purpose of protecting or recovering any **Insured Property**.

However:

- (a) no payment will be made unless it contributes to the protection or recovery of **Your** property; and
- (b) the terms of the reward must be agreed by the **Insurer** prior to the reward being offered; and
- (c) the **Insurer's** liability will not be increased beyond the sum insured on that property. The **Insurer** will not unreasonably refuse its agreement to the terms of a reward payable under this extension.

The **Insurer's** liability under this extension is limited to \$5,000 any one event, unless stated otherwise in the **Schedule**.

1.1.17 Removal of Debris

This **Policy** is extended to cover costs necessarily incurred for any of the following purposes in consequence of **Loss** or **Property Damage** insured under this **Policy**:

- (a) Demolition, dismantling, shoring or propping up of the **Insured Property**;
- (b) Disposal of debris (including any kind of solid, liquid or gaseous matter) from the **Site** of the **Insured Property** damaged and the area immediately adjacent to such **Site**;
- (c) Recovery, defence, safeguard, removal, storage and return of **Stock**, plant and other chattels whether damaged or undamaged;
- (d) Clearing, cleaning and repairing of gutters, drains and the like;
- (e) Temporary repairs and other measures necessary to secure **Insured Property** or to make it safe or suitable for continued use.

This extension of cover does not include any sums which **You** become legally liable to pay by way of compensation or other damages consequent upon Pollution or contamination of property by any of the debris. The indemnity provided by this extension will not increase the **Insurer's** liability beyond the sum insured on the affected property.

The **Insurer's** liability under this extension is limited to \$100,000 any one event, unless stated otherwise in the **Schedule**.

1.1.18 Rent Payable

The **Insurer** will indemnify **You** for **Rent** where the **Building** or any parts thereof are unfit for occupation in consequence of damage to the **Building** or elsewhere on or about the **Building**.

The amount payable shall be the **Rent** payable during the time the **Premises** or any part thereof are unfit for occupation and is limited to a maximum of \$10,000 over a twelve (12) month period, unless stated otherwise in the **Schedule**.

1.1.19 Rewriting of Records

This **Policy** extends to cover the rewriting of computer systems records including licensed software, 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 such as blank stationery at the time and place of the damage.

In respect of any one event the **Insurer's** liability under this extension is limited to \$25,000, unless otherwise stated in the **Schedule**.

1.1.20 Seasonal Increases

The sums insured shown on the **Schedule** for **Contents** including **Stock**, materials in trade, machinery, plant and **Money**, will automatically increase by thirty per cent (30%) or \$100,000 in total whichever is lesser for the following periods:

- (a) sixty (60) days before Christmas Day and fourteen (14) days after Christmas Day;
- (b) thirty (30) days before Good Friday and ten (10) days after Good Friday;
- (c) other period as specifically stated in the **Schedule**.

All other terms and conditions of this **Policy** will continue to apply.

1.1.21 Social Club

This **Policy** extends to cover the property of any social club, sports club or similar body whose activities are principally for the benefit of **Your Employees** and is deemed to be included in the description of **Insured Property** as if it were owned by **You**.

1.1.22 Stolen Keys

Where any key (including any equivalent device) or combination giving access to **Insured Property** is stolen or believed on reasonable grounds to have been duplicated without proper authority, Section 1: Material Damage is extended to cover the costs reasonably and necessarily incurred in altering or replacing locks and their keys or combinations. This **Policy** is also extended to cover the reasonable cost of opening any safe or strong room following theft of its key or combination.

The costs are deemed to be included in the sum insured on the affected property, subject to the liability of the **Insurer** being limited to \$10,000 any one event, unless stated otherwise in the **Schedule**.

1.1.23 Temporary Removal

This **Policy** is extended to cover any of **Your Property** (except **Stock** or portable electronic equipment) whilst temporarily removed to any place in the Commonwealth of Australia, whilst in transit to or from that place, or on the person of **You** or **Your Insured Directors** or **Employees**, in the course of their employment. However, the **Insurer's** liability will not exceed \$50,000.

In this extension, "temporarily removed" means removed for a particular purpose, with the intention that the property be returned to the place from which it has been removed once that purpose has been served.

1.1.24 Transit

This **Policy** is extended to cover **Contents** or **Stock in Trade** (except portable electronic equipment) whilst in transit within the Commonwealth of Australia.

In respect of any one event the **Insurer's** liability under this extension is limited to \$50,000, unless otherwise stated in the **Schedule**.

1.1.25 Unharmed Property

If, for the sole purpose of reinstating **Insured Property** which is insured under Section 1: Material Damage it is necessary to demolish, damage or remove any property or part unharmed, the **Insurer** will indemnify **You** for the cost of doing so.

The **Insurer** will also indemnify **You** for the cost of reinstating the property or part to a condition the same as, but not better or more extensive than, its condition immediately prior to the demolition damage or removal. The indemnity provided by this extension will not increase the **Insurer's** liability beyond the sum insured on the **Property Damaged**.

1.1.26 Works of Art

This **Policy** is extended to cover works of art including paintings, sculptures and the like up to a maximum of \$5,000 per item and \$25,000 in total, unless stated otherwise in the **Schedule**.

1.2 Specific Conditions: Section 1: Material Damage

Basis of Settlement For property insured under **Stock in Trade** the Basis of Settlement is:

- (a) in respect of **Stock in Trade** insured under declaration conditions the basis of settlement shall be on the same basis of **Stock in Trade** as declared in the monthly declaration figures by **You**; or
- (b) in respect of **Stock in Trade** NOT insured under declaration conditions the basis of settlement shall be on the same basis as the sum insured was calculated.

For **Insured Property** the basis of settlement shall be as follows:

In the event of any **Insured Property** being lost or damaged, the basis on which the amount payable under this insurance is to be calculated will be the cost of **Reinstatement** of that property. Cover under this extension is subject to the Special Provisions set out below, and is subject to the terms and conditions of this **Policy** except in so far as they are varied by the extension.

Special Provisions

(a) Extra Costs of Reinstatement

The amount payable under this extension will include the cost incurred in **Reinstatement** which is necessary to comply with any **Regulations** subject to the sub-limit shown in the **Policy Schedule**; provided that the amount payable will not include costs:

- (i) to the extent to which the work has already been required of **You** by notice served prior to the happening of the **Loss** or **Property Damage**; or
- (ii) in respect of **Undamaged** property or **Undamaged** portions of property other than foundations.
This Special Provision (ii) will apply whether or not the **Undamaged** property or portion comprises a separate **Building** or structure or a separate item of plant or equipment.

(b) Additional Extra Costs of Reinstatement

Providing this coverage is selected and specified in the **Policy Schedule** we will pay for additional extra costs necessary to comply with **Regulations** for the undamaged portion of the **Premises** incurred by the **Insured** as a consequence of **Loss** or damage to the **Premises**.

This coverage shall not extend to costs incurred by **You** as a result of a notice served on **You** prior to the **Occurrence** which results in **Loss**.

The amount payable will also be discounted by the amount of any compensation payable to **You** by any competent authority.

(c) Site of Reinstatement

Where **Insured Property** is **Destroyed**, the work of **Reinstatement** must be carried out on the same **Site**; provided that the work may be carried out upon another **Site**:

- (i) where **Reinstatement** on the same **Site** is not permissible by reason of any **Regulations**; or
- (ii) where **Reinstatement** on the same **Site** is not suitable to **Your** reasonable requirements, **Reinstatement** may be carried out on any alternative **Site**.

(d) Limitations of Amount Payable

- (i) where the work of **Reinstatement** is carried out in terms of definition **Equivalent Building** (b) or (c), or on any location other than the original location at the same **Site**, the **Insurer's** liability will not exceed the cost which would have been incurred had **Reinstatement** been carried out in terms of **Equivalent Building** (a) on the original location;
- (ii) where **Your** property is damaged but not **Destroyed**, the **Insurer's** liability will not exceed the amount the **Insurer** could have been called upon to pay for **Reinstatement** of the property had the property been **Destroyed**.
- (iii) the work of **Reinstatement** must commence within a reasonable time of the **Loss** or **Property Damage**, after the **Insurer's** consent has been obtained. If **You** do not, the **Insurer** will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or **Reinstatement** had been commenced and carried out with reasonable dispatch.

(e) Under Insurance

If, at the time of **Loss** or **Property Damage**, the sum insured is less than eighty per cent (80%) of the cost which would be incurred by **Reinstatement** if the whole of the property to which the sum insured applies were **Destroyed**, then **You** will be liable for the difference between the sum insured and the sum representing the cost of **Reinstatement** of the whole of that property at the time of commencement of each **Period of Insurance**, and must bear a rateable proportion of the **Loss** accordingly.

This clause will not apply if the amount of any damage does not exceed ten per cent (10%) of the limit of liability at the **Situation**.

Any additional costs incurred to comply with the requirements of any statutory authority, by-laws or **Regulations** shall be omitted from the calculation.

(f) Rates, Tax and Other Charges

The amount payable under this extension will not include the amount of any rate, tax, duty, development charge, or any other assessment arising out of capital appreciation, which may be payable in respect of the property by reason of compliance with any **Regulations**.

(g) Earthquake, Volcanic Eruption, Subterranean Fire or Tsunami Excess

We will not pay for the first \$20,000 or 1% of the total sum insured (whichever is lesser) of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami at the damaged **Premises**.

You only have to pay one **Excess** if further damage occurs within 72 hours on an **Occurrence**.

(h) Output Replacement

Where any **Insured Property** consists of equipment, machinery or plant having a measurable function, capability or **Output** and if it is necessary to replace such property with a new item or items which perform a similar function or functions, then the basis of settlement for such property shall be:

- (i) Where any **Insured Property** is to be replaced with any item or items which have the same or a lesser total function, capability or **Output**, then the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or **Output** as the **Insured Property**;
- (ii) Where any **Insured Property** is to be replaced with an item or items which have a greater total function, capability or **Output** and the new installed cost of such replacement property is no greater than the replacement value of that **Insured Property**, then the basis of settlement is the new installed cost of the item or items so replaced;
- (iii) Where any **Insured Property** is to be replaced by an item or items which have a greater total function, capability or **Output** and the new installed cost of such replacement property is greater than the replacement value of the **Insured Property**, then the basis of settlement is the lesser of the reinstatement value or that proportion of the new installed cost of the replacement item or items which the **Output** of the **Insured Property** damaged bears to the **Output** of the replacement item or items. If the reinstatement value of the damaged **Insured Property** is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

(i) Floor Space Ratio Index (Plot Ratio)

In the event of any **Buildings** 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 **Buildings** as before is prohibited and **Reinstatement** is only permissible subject to a reduced floor space ratio index: The **Insurer** agrees to pay in addition to any amount payable on **Reinstatement** of such **Buildings** the difference between:

- (i) the actual cost of **Reinstatement** incurred in accordance with the reduced floor space ratio index; and
- (ii) 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 (i) and (ii) above any payments made by the **Insurer** 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 there under or any by-law or **Regulation** or any Municipal or other Statutory Authority.

Any payment made for the difference between (i) and (ii) 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 **Buildings**.

Maintenance

You must comply with all statutory requirements concerning the inspection and maintenance of passenger lifts and steam pressure apparatus. This condition does not apply to Section 1.1.7 Equipment Breakdown.

Other Interests

Where **You** are under an obligation to insure the interest of any person or corporate body having an insurable interest in any of **Your** Property, the **Insurer** will indemnify **You** and that person or corporate body. However,

- (a) the **Insurer** will not be liable to indemnify any person or corporate body whose interest has not been declared to the **Insurer** by the time indemnity becomes payable; and
- (b) the **Insurer's** liability will not be increased beyond the amount that would be payable if this clause had not been incorporated in this **Policy**.

Progress Payments

In the event of **Loss** or **Property Damage** covered under this **Policy**, it is agreed that the **Insurer** will make progress payments on production of acceptable evidence of insured **Loss**. Provided that, if the aggregate of progress payments exceeds the total amount of the adjusted **Loss**, **You** will immediately refund the difference between the amount of adjusted **Loss** and the aggregate of payments actually made.

Reinstatement of Amount of Insurance

In the event of a **Loss** which is payable under Section 1: Material Damage and, in the absence of written notice by the **Insurer** or **You** to the contrary, the amount of insurance cancelled by the **Loss** will be automatically reinstated once only from the date of **Loss**.

Salvage

Where property insured under Section 1: Material Damage is lost or damaged, the **Insurer** may:

- (a) enter any **Building** where the **Loss** or **Property Damage** has occurred and take and keep possession of the damaged property;
- (b) deal with the salvage in any reasonable manner provided that:
 - (i) **You** are not entitled to abandon any property to the **Insurer**;
 - (ii) the **Insurer** is not entitled to sell or otherwise dispose of salvaged branded goods without **Your** prior consent.

In the event of **You** declining to give consent, **You** will retain possession of the salvaged goods and their reasonable salvage value will be deducted from the amount that would otherwise be payable. Where it is practical to remove brands, labels or other marks, which identify the goods as supplied by **You**, the salvage value of the goods will be determined after such removal at the **Insurer's** expense.

Storage premises

Without prejudicing **Your** position under this Section 1 Material Damage, **You** may enter into a contract which includes a disclaimer clause in relation to the storage of goods or merchandise.

Section 2: Business Interruption

Insuring Agreement

The **Insurer** will indemnify **You** in respect of each item in the **Schedule** the amount of **Loss** resulting from interruption or interference to the **Business** if during the **Period of Insurance** any **Building** or any other **Insured Property** or any part thereof used by **You** at the **Premise** for the purpose of the **Business** be **Destroyed** or damaged by such risks as are covered under Section 1: Material Damage (destruction or damage so caused being called “insured damage”) and the **Business** carried on by **You** at the **Premises** is consequently interrupted or interfered with.

Provided that:

- (a) the **Insurer** will not be liable under Section 2: **Business** Interruption unless the property **Destroyed** or damaged is insured against such insured damage under Section 1: Material Damage and the **Insurer** shall have (or would have, but for the application of an **Excess**) paid for or admitted liability in respect of **Your Property Damage**;
- (b) subject to the “**Reinstatement** of Amount of Insurance” condition of Section 2: **Business** Interruption, the **Insurer's** liability will not exceed the sum insured; and if more than one item is included in the **Schedule**, will not exceed in respect of each item the sum insured applicable to that item.

2.1 Description of Items

2.1.1 Gross Profit

The insurance under this item is limited to loss of **Gross Profit** due to:

- (a) reduction in **Turnover** or
- (b) increase in cost of working.

The amount payable as indemnity under this item shall be:

- (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**, in consequence of insured damage, falls short of the **Standard Turnover**;
- (ii) 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 insured 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 insured damage.

Provided that if the sum insured for this item at the commencement of each **Period of Insurance** is less than the sum produced by applying the **Rate of Gross Profit** to eighty per cent (80%) of the annual **Turnover** (or its proportionately increased multiple where the **Indemnity Period** exceeds twelve months), the amount payable will be reduced so that **We** will be liable for no greater proportion of the loss under this item than that which the sum insured bears to eighty per cent (80%) of the annual **Turnover** (or its proportionately increased multiple, if appropriate).

This provision will not apply if **Your** claim is for less than ten per cent (10%) of the sum insured for this item.

Memo 1: Alternative Trading

If during the **Indemnity Period**, goods are sold or services rendered elsewhere than at the **Premises** for the benefit of the **Business**, either by **You** or by others on behalf of **You**, the **Money** paid or payable in respect of those sales or services shall be brought into account in arriving at the **Turnover** during the **Indemnity Period**.

Memo 2: Uninsured Expenses

If any charges and expenses of the **Business** are not insured by this **Policy** (having been deducted in arriving at the **Gross Profit**), then in computing the amount recoverable under this Item as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the **Gross Profit** bears to the sum of the **Gross Profit** and those uninsured charges and expenses.

2.1.2 Gross Revenue

The insurance under this item is limited to loss of **Gross Revenue** due to:

- (a) loss of **Gross Revenue** or
- (b) increase in cost of working.

The amount payable as indemnity under this item shall be:

- (i) in respect of loss of **Gross Revenue**, the amount by which the **Gross Revenue** during the **Indemnity Period**, in consequence of insured damage, falls short of the **Standard Gross Revenue**;
- (ii) 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 **Gross Revenue** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of insured damage, but not exceeding the amount of the reduction in **Gross Revenue** thereby avoided; less any sum saved during the **Indemnity Period** in respect of such of the charges and expenses of the **Business** payable out of **Gross Revenue** as may cease or be reduced in consequence of insured damage.

Memo 1: Savings

Adjustments to be made for any charges and expenses of the **Business** that cease or reduce during the **Indemnity Period**.

Memo 2: Alternative Trading

If during the **Indemnity Period**, services are rendered elsewhere than at the **Premises** for the benefit of the **Business**, either by **You** or by others on behalf of **You**, the **Money** paid or payable in respect of those services shall be brought into account in arriving at the **Gross Revenue** during the **Indemnity Period**.

2.1.3 Additional Increased Cost of Working

The insurance under this item is limited to additional expenditure (including the additional cost of obtaining the necessary information for the replacement of all records of the **Business**, including deeds, documents, plans, drawings, specifications, valuations, card indices and books of accounts) necessarily and reasonably incurred by **You** during the **Indemnity Period** in consequence of the insured damage, for the purpose of:

- (a) avoiding or diminishing a reduction in **Turnover**;
- (b) avoiding or diminishing a reduction in **Gross Revenue**;
- (c) avoiding or diminishing a reduction in **Gross Rentals**;
- (d) resuming or maintaining any normal **Business** operation or service.

However, the insurance under this item does not apply to:

- (i) any additional expenditure which would have been recoverable under any other item of Section 2: **Business** Interruption but for the inadequacy of the sum insured under that item; or
- (ii) any expenditure incurred to reinstate **Property Damage** other than expenditure incurred to reconstruct records.

The **Insurer** will indemnify **You** up to but not exceeding in total the sum insured under this item as stated on the **Schedule**.

2.1.4 Claims Preparation Costs

The insurance under this item is limited to such reasonable professional fees, and such other reasonable expenses necessarily incurred by **You** for the preparation and negotiation of a claim under Section 1: Material Damage and Section 2: Business Interruption.

The **Insurer** will indemnify **You** for such reasonable fees and expenses up to but not exceeding in total the sum insured under this item as stated on the **Schedule**.

2.1.5 Loss of Rents Receivable

The insurance under this item is limited to:

- (a) loss of **Gross Rentals**; and
- (b) increase in cost of working.

The amount payable as indemnity under this item shall be:

- (i) in respect of loss of **Gross Rentals**, the amount by which the **Gross Rentals** during the **Indemnity Period**, in consequence of insured damage, falls short of the **Standard Gross Rentals**;
- (ii) in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **Gross Rentals** which, but for that expenditure, would have taken place during the **Indemnity Period** in consequence of insured damage, but not exceeding the amount of the reduction in **Gross Rentals** thereby avoided; less any sum saved during the **Indemnity Period** in respect of such expenses of the **Business** payable out of **Gross Rentals** as may cease or be reduced in consequence of insured damage.

Alternative Premises

If during the **Indemnity Period**, the **Business** is conducted elsewhere than at the **Premises**, the **Gross Rentals** derived from the other **Premises** shall be brought into account in arriving at the **Gross Rentals** during the **Indemnity Period**.

The **Insurer** will indemnify **You** up to but not exceeding in total the sum insured under this item as stated on the **Schedule**.

2.1.6 Accounts Receivable

The insurance under this item is limited to the **Loss** sustained by **You** in respect of **Outstanding Debit Balances** directly due to insured damage and the amount payable as indemnity under this item in respect of any one **Occurrence** of insured damage shall not exceed:

- (a) the difference between:
 - (i) the **Outstanding Debit Balances**, and
 - (ii) the total of the amounts received or traced in respect thereof;
- (b) the additional expenditure incurred with the prior consent of the **Insurer** in tracing and establishing customers' debit balances after insured damage.

The **Insurer** will indemnify **You** up to but not exceeding in total the sum insured under this item as stated on the **Schedule**.

2.2 Automatic Extensions

2.2.1 Closure of Transport Routes, Ports or Airports

This **Policy** is extended to include **Loss** resulting from interruption of or interference with the Routes, Ports or **Business** in consequence of insured damage resulting in closure; or closure by order of any authority as a result of fear of any insured damage at any transport route, port or airport anywhere in the Commonwealth of Australia.

Provided that liability under this extension shall be limited to fifteen per cent (15%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**.

2.2.2 Customers/Suppliers Premises

This **Policy** is extended to include **Loss** resulting from interruption of or interference with the **Business** in consequence of damage within the Commonwealth of Australia at any premises of suppliers of goods or services to **You**, including suppliers of telecommunication or computer bureau services; or at the premises of any customers of **Yours**.

Provided that:

- (a) liability under this extension shall be limited to twenty per cent (20%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**.
- (b) coverage under this extension does not apply to Section 1.1.6 Equipment Breakdown.

2.2.3 Health Closure

This **Policy** is extended to include **Loss** directly resulting from interruption of or interference with the **Business** in consequence of action taken by a public authority in respect of:

- (a) injury or illness sustained by any guest arising from or traceable to foreign or injurious matter in food or drink provided on the **Premises**; or
- (b) closing of whole or part of the **Premises** consequent upon defects in the drains and other sanitary arrangements at the **Premises**.

Provided that:

- (a) liability under this extension shall be limited to fifteen per cent (15%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**; and
- (b) the **Insurer** shall not be liable for the amount of **Loss** arising during the first seven (7) days immediately following the action taken by a public authority.

2.2.4 Murder, Suicide or Criminal Injury

This **Policy** is extended to include **Loss** directly resulting from interruption of or interference with the **Business** in consequence of action taken by a public authority in respect of murder, suicide or criminal injury occurring at the **Premises**.

Provided that liability under this extension shall be limited to fifteen per cent (15%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**.

2.2.5 Prevention of Access

This **Policy** is extended to include **Loss** resulting from interruption of or interference with the **Business** in consequence of damage within the Commonwealth of Australia to property in the vicinity of the **Premises** which shall hinder or prevent the use thereof or access thereto, whether **Your Premises** or property therein shall be damaged or not.

This **Policy** is also extended to include **Loss** resulting from interruption of or interference with the **Business** in consequence of damage to property in the vicinity of and forming part of or contained in the complex of which the **Premises** forms part. Such interruption or interference shall be within Australia and caused by a peril, damage as a result of which is insured hereunder, which results in a cessation or diminution of trade due to falling away of potential custom whether **Your Premises** or property shall be damaged or not shall be deemed to be **Loss** resulting from damage to property used by **You** at the Premise.

Provided that:

- (a) liability under this extension shall be limited to fifteen per cent (15%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**.
- (b) coverage under this Section does not apply to Section 1.1.6 Equipment Breakdown.

2.2.6 Public and Private Utilities

This **Policy** is extended to include **Loss** resulting from interruption of or interference with the **Business** in consequence of damage within the Commonwealth of Australia to any land based communications, electricity station or sub-station or power line and cable, gas works, sewerage or water works of the public and/or private supply.

Provided that:

- (a) liability under this extension shall be limited to twenty per cent (20%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**.
- (b) coverage under this extension does not apply to Section 1.1.6 Equipment Breakdown. The time excess will start at the time of the **Loss** and end after the period of time shown on the **Schedule**.

2.2.7 Storage Sites/Temporary Removal

This **Policy** is extended to include **Loss** resulting from interruption of or interference with **Your Business** as a result of damage to **Your** property stored or being processed at any premises in the Commonwealth of Australia not occupied by **You**.

Provided that:

- (a) liability under this extension shall be limited to twenty per cent (20%) of each and every item insured by Section 2: Business Interruption, unless otherwise stated in the **Schedule**.
- (b) coverage under this extension does not apply to Section 1.1.6 Equipment Breakdown. The time excess will start at the time of the **Loss** and end after the period of time shown on the **Schedule**.

2.3 Business Interruption Following Equipment Breakdown

When the Equipment Breakdown extension is selected under Section 1: Material Damage, **Loss** resulting from interruption of or interference with the **Business** as a consequence of the Equipment Breakdown is included up to the sub-limit specified in item 2.3 of the **Policy Schedule**.

2.4 Specific Conditions: Section 2: Business Interruption

Accumulated Stocks	In adjusting any Loss , account shall be taken and an equitable allowance made if during the Indemnity Period Turnover is temporarily maintained from accumulated Stocks of finished goods held by You , thus causing a shortage of finished goods after the Indemnity Period has expired.
Departments	If Your Business is conducted in departments or Business units, the independent trading results of which are ascertainable, the provisions of Section 2 Business Interruption will apply separately to each department or other Business unit affected by the insured damage. For the purposes of this clause, the Gross Rentals from letting of property at the Premises will be regarded as the proceeds of one such department.
New Business (Gross Revenue)	<p>For the purpose of any Loss arising from insured damage, occurring before the completion of the first year's trading of the Business at the Premises, the terms Standard Gross Revenue and Annual Gross Revenue shall bear the following alternative meaning:</p> <p>(a) Standard Gross Revenue: the proportional equivalent for a period equal to the Indemnity Period, of the Gross Revenue realised during the period between the commencement of the Business and the date of insured damage;</p> <p>(b) Annual Gross Revenue: the proportional equivalent for a period of twelve months, of the Gross Revenue realised during the period between the commencement of the Business and the date of insured damage; to which such adjustments shall be made 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 insured damage or which would have affected the Business had insured damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for insured damage would have been obtained during the relative period after insured damage.</p>
Payment on Account	In the event of the Occurrence of a Loss under this Policy , payments on account will be made to You during the Indemnity Period if desired on production of a statement of claim certified by the Accountant appointed in accordance with the condition "Duties in the Event of a Claim" of this Policy .
Reinstatement of Amount of Insurance	In the event of a Loss which is payable under Section 2: Business Interruption and, in the absence of written notice by the Insurer or You to the contrary, the amount of the insurance cancelled by such Loss will be automatically reinstated once only from the date of Loss . You undertake to pay such pro-rata premium at the rate applicable to the item(s) concerned as may be required for the Reinstatement .

Exclusions: applicable to Section 1: Material Damage and Section 2: Business Interruption

Section 1: Material Damage and Section 2: Business Interruption does not cover **Loss** or **Property Damage** to:

Standing timber, growing crops, livestock, trees, hedges, dams, canals, reservoirs (but not tanks), road or railway tunnels, road or railway bridges, docks, piers, wharves, mining property, property located beneath the surface of the ground, any land including topsoil and backfill. Registered **Vehicles**, locomotives, rolling stock, aircraft or watercraft (except when this **Property** is **Stock** of the **Insured**).

Section 1: Material Damage and Section 2: Business Interruption does not cover **Loss** or **Property Damage** directly or indirectly caused by or arising from:

Consequential Loss	Any consequential Losses whatsoever including penalties, loss of use of any property, delays, or loss of market, unless specifically referred to in this Policy .
Controlled Temperature	Changes in artificially controlled temperature or atmosphere.
Date Recognition	<p>(a) Damage directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment, Media microchip, operating systems, microprocessors (computer chip), integrated circuit or similar device, or any computer software, whether Your property or not, and whether occurring before, during or after the year 2000 that results from the inability to:</p> <ul style="list-style-type: none">(i) correctly recognise any date as its true calendar date;(ii) capture, save, or retain, and/or correctly manipulate, interpret or process any data or information or command or instruction as a result of treating any date other than its true calendar date; and/or(iii) Capture, save, retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain, or correctly process such data on or after any date. <p>(b) The repair or modification of any part of an Electronic Data processing system or its related equipment, to correct deficiencies or features of logic or operation.</p> <p>(c) The damage or consequential loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design evaluation, inspection, installation, maintenance, repair or supervision done by You or for You or by or for others to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in (a) above.</p> <p>Such damage or consequential loss described in (a), (b) or (c) above, is excluded regardless of and other cause that contributed concurrently or in any other sequence.</p> <p>This Section shall not exclude subsequent damage, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean fire, lightning, explosion, Aircraft or Vehicle impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strike, civil commotion, vandalism, malicious mischief, earthquake, volcano, tsunami, freeze or weight of snow.</p>
Erosion	Erosion, subsidence, earth movement or collapse resulting therefrom.
Flood	The inundation of normally dry land by water escaping from the normal confines of any natural water course or lake (whether or not altered or modified) or any dam, reservoir or canal.
Fraud	Any fraudulent scheme or device or false pretence practised on You or on any other person having care of Your property.
Light	The inherent nature of the property, or action of light.

Mould	The action of micro-organisms, mould, mildew, rot or fungi.
Production Process	Property Damage to Contents or Stock as a result of its undergoing any normal process of production where the damage is directly caused by that process.
Property in the Open	Exposure to weather conditions where the property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions.
Property under Construction	Property in the course of installation, construction, demolition, erection, or testing following any of them, unless the property is owned or to be owned or occupied by You and then only if the expected completed value or contract price will not exceed \$500,000.
Settlement	Normal settlement, shrinkage or expansion of Buildings , foundations, walls, pavements, roads and other structural improvements.
Theft by Insured	Theft by You or by any of Your Employees .
Transmission & Distribution Lines	Physical Loss , destruction, Loss or Property Damage to Transmission & Distribution Lines not owned by You , including but not limited to transformers, poles, towers, wiring and equipment connected therewith.
Unexplained Disappearances	Unexplained disappearances, shortages revealed only by the taking of an inventory, shortages due to clerical or accounting errors.
Vermin	Vermin or insects.
Water	Water from or action by the sea, tidal wave or high water.
Wear & Tear	Normal working, maintenance, wear and tear, gradual deterioration, erosion, corrosion, slowly developing deformation or distortion, marring or scratching.

Section 3: General and Products Liability

Insuring Agreement

The **Insurer** agrees (subject to the terms, claims conditions, policy conditions, exclusions, definitions and limits of liability incorporated herein) to pay to **You** or on **Your** behalf all amounts which **You** shall become legally liable to pay as **Compensation** in respect of:

- (a) **Personal Injury**, and/or
- (b) **Property Damage**; and/or
- (c) **Advertising Injury**;

happening during the **Period of Insurance** within the Territorial Limits and caused by or arising out of an **Occurrence** in connection with **Your Business**.

3.1 Defence Costs and Supplementary Payments

With respect to the indemnity provided by this **Policy**, the **Insurer** will:

- (a) defend, in **Your** name and on **Your** behalf, any **Claim** or suit against **You** alleging such **Personal Injury**, **Property Damage** or **Advertising Injury** and seeking damages on account thereof even if any of the allegations of such **Claim** or suit is groundless, false or fraudulent.
- (b) pay all charges, expenses and legal costs incurred by **Us** and/or by **You** with **Our** written consent:
 - (i) in the investigation, defence or settlement of such **Claim** or suit, including loss of salaries or wages because of **Your** attendance at hearings or trials at **Our** request, or
 - (ii) in bringing or defending appeals in connection with such **Claim** or suit.
- (c) pay all charges, expenses and legal costs recoverable from or awarded against **You** in any such **Claim** or suit and all interest accruing on **Our** portion of any judgment until the **Insurer** has paid, tendered or deposited in court that part of such judgment which does not exceed the limit of **Our** liability thereon.
- (d) pay expenses incurred by **You** for:
 - (i) rendering first aid and/or surgical or medical relief to others at the time of any **Personal Injury** (other than any medical expenses, which the **Insurer** are prevented from paying by any law).
 - (ii) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof.
 - (iii) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which **You** must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
- (e) pay all legal costs incurred by **You** with **Our** consent for representation of **You** at:
 - (i) any coronial inquest or inquiry
 - (ii) any proceedings in any court or tribunal in connection with liability insured against by this **Policy**.

The amounts of such **Defence Costs** and supplementary payments incurred, except payments in settlement of **Claims** and suits, are payable by **Us** in addition to the applicable limit of liability of this **Policy**.

However, in respect of any **Claims** or suits originating in any court in **North America**, the applicable limit of liability shown in the **Schedule** shall be inclusive of all Defence **Costs** and supplementary payments.

Where the **Insurer** is prevented by law or otherwise from making payments on **Your** behalf, the **Insurer** will indemnify **You** for legal liability incurred to the extent that such liability is covered by this **Policy**.

In jurisdictions where the **Insurer** may not legally be permitted to, or cannot for any other reason, defend any **Claim** or suit against **You**, the **Insurer** will reimburse **You** for the expense of such defence incurred with **Our** written consent, provided we may do so under law.

3.2 Limits of Liability and Excess

3.2.1 General Liability (Personal Injury/Property Damage/Advertising Liability)

For **General Liability** the limit of liability specified in the **Schedule** represents the maximum amount which the **Insurer** shall be liable to pay in respect of any one **Claim** or series of **Claims** arising out of any one **Occurrence**.

3.2.2 Products Liability

For **Products Liability** the limit of liability specified in the **Schedule** represents the maximum amount which the **Insurer** shall be liable to pay in respect of any one **Claim** or series of **Claims**, and in the aggregate during any one **Period of Insurance**.

Cover under clauses 3.2.1 and 3.2.2 is subject to:

- (a) the '3.1 Defence **Costs** and Supplementary Payments' clause above,
- (b) the '3.3.1 **Claims** Preparation **Costs**' provision under 3.3 Automatic Extensions,
- (c) the '3.3.2 Property in **Your** Physical and Legal Control' provision under 3.3 Automatic Extensions,

The applicable limit of liability will not be reduced by the amount of any **Excess** payable by **You**.

3.3 Automatic Extensions

3.3.1 Claims Preparation Costs

In addition to the amount of cover provided by this **Policy**, **We** will pay up to \$20,000 for reasonable professional fees and such other expenses incurred by **You** for the preparation of a claim under this **Policy**.

The cover provided under this **Automatic Extension** operates in addition to and shall not in any way affect the cover provided under clause 3.1 Defence costs and supplementary payments of this **Policy**.

3.3.2 Property in Your Physical and Legal Control

Specific Exclusion, Section 3, exclusion 17 will not apply to the following property:

- (a) premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, **You** for the purpose of the **Business**, but no cover is provided by this **Policy** if **You** have assumed the responsibility to insure such premises.
- (b) premises (and/or their contents) temporarily occupied by **You** for the purpose of carrying out work in connection with the **Business**, or any other property temporarily in **Your** possession for the purpose of being worked upon;
- (c) but no indemnity is granted for damage to that part of any property upon which **You** are or have been working if the damage arises solely out of such work.
- (d) any **Vehicle** (including its contents, spare parts and accessories while they are in or on such **Vehicle**) not belonging to or used by **You**, whilst any such **Vehicle** is in a car park owned or operated by **You** provided that **You** do not operate the car park for reward, as a principal part of **Your Business**.
- (e) any property (except property that **You** own) not mentioned in clauses 3.3.2(a), 3.3.2(b), 3.3.2(c) and 3.3.2(e) of this additional benefit whilst in **Your** physical or legal care, custody or control where **You** have accepted or assumed legal liability for such property. Provided that **Our** liability under this clause 3.3.2(d) shall not exceed \$100,000 in respect of any one **Claim** or series of **Claims** arising out of any one **Occurrence**.
- (f) the personal property, tools and effects of any of **Your Insured Directors**, partners, proprietors, **Officers, Executives** or **Employees**, or the clothing and personal effects of any of **Your** visitors.

3.4 Specific Conditions: Section 3: General and Products Liability

3.4.1 Claims

1. Notification of Occurrence, Claim or suit

You shall give:

- (a) written notice (including facsimile transmission) via **Your** Steadfast Broker, to **Us**, as soon as reasonably practicable, of any **Claim** made against **You** or any **Occurrence** that may give rise to a **Claim** being made against **You** and which is covered by this **Policy**.
- (b) all such additional information that the **Insurer** may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the **Claim** or **Occurrence** shall be forwarded to **Us** as soon as practicable after they are received by **You**.

2. Your duties in the event of an Occurrence, claim or suit

- (a) **You** shall not, without **Our** written consent, make any admission, offer, promise or payment in connection with any **Occurrence** or **Claim**.
- (b) **You** shall use the best endeavours to preserve all property, **Products**, appliances, plant, and all other things which may assist in the investigation or defence of a **Claim** or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without **Our** consent until the **Insurer** has an opportunity of inspection.
- (c) **You** shall, when so requested, provide **Us** with details of any other insurances current at the time of any **Occurrence**, and/or **Personal Injury** and/or **Property Damage** and/or **Advertising Injury** and covering any of the liability **Insured** by this **Policy**.

3. Our rights regarding claims

- (a) The **Insurer** may take over and conduct the defence or settlement of any **Claim** or issue **Legal Proceedings** for damages. If **We** do this **We** will do it in **Your** name. The **Insurer** have full discretion in the conduct of any legal proceedings and in the settlement of any **Claim**. **You** must co-operate by giving **Us** any statements, documents or assistance **We** require. This may include giving evidence in any **Legal Proceedings**.
- (b) The **Insurer** may at any time pay to **You**, in respect of all **Claims** against **You** arising directly or indirectly from one source or original cause:
 - (i) the amount of the limit of liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by **Us**, which sum(s) would reduce the amount of **Our** unfulfilled liability in respect thereof); or
 - (ii) any lesser sum for which the **Claim(s)** can be settled.
- (c) Upon making such payment, the **Insurer** shall relinquish conduct and control of, and be under no further liability under this **Policy** in connection with, such **Claim(s)** except for Defence **Costs** and supplementary payments:
 - (i) recoverable from **You** in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
 - (ii) incurred by **Us**, or by **You** with **Our** written consent, prior to the date of such payment.

3.4.2 Adjustment of Premium

If the first premium or any renewal premium for this **Policy** or any part thereof shall have been calculated on estimates provided by **You**, **You** shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow **Us** to inspect such record.

You shall, where requested by **Us** after the expiry of each **Period of Insurance**, provide to **Us** such particulars and information as the **Insurer** may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to **You**, as the case may be, subject to retention by **Us** of any minimum premium that may have been agreed upon between **Us** and **You** at inception or the last renewal date of this **Policy**.

3.4.3 Cross Liabilities

This insurance extends to indemnify:

- (a) each of the parties comprising the **Named Insured**, and
- (b) each of the **Insureds** hereunder,

separately in the same manner and to a like extent as though policies had been issued in their separate names.

In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described under this clause 3.4.3(a) and 3.4.3(b) of 'Cross Liabilities' in respect of **Claims** made by any other of such parties.

Provided always that:

- (i) each of such parties shall be separately subject to the terms, **Claims** conditions, policy conditions, exclusions and definitions of this **Policy** in the same manner and to a like extent as though separate policies had been issued, and
- (ii) in no case shall the amount payable by **Us** in respect of any one **Claim** or series of **Claims** arising out of any one **Occurrence** or in the aggregate, as the case may be, exceed the applicable limit of liability as specified in the **Schedule**.

3.4.4 Inspection and Audit

The **Insurer** shall be permitted, but not obligated, to inspect **Your** premises and operations at any reasonable time. Neither **Our** right to make inspections, nor **Our** failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of **You** or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

The **Insurer** may examine and audit **Your** books and records at any time during the currency of this **Policy** and within three (3) years after the final termination of this **Policy** but only with regard to matters which in **Our** opinion are relevant to this **Policy**.

3.4.5 Release

Where **You** are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority from liability for **Loss**, destruction or damage or legal liability insured against under this **Policy**, such release is allowed without prejudice to this insurance.

Notwithstanding condition 'Subrogation rights' on page 26 of this **Policy**, The **Insurer** agree to waive all **Our** rights of subrogation against any such Authority in the event of any **Occurrence** for which a **Claim** for indemnity may be made under this **Policy**.

3.5 Specific Exclusions: Section 3: General and Products Liability

The **Insurer** does not cover any liability:

- Advertising Injury** for **Advertising Injury**:
- (a) resulting from statements made at **Your** direction with knowledge that such statements are false.
 - (b) resulting from failure of performance of contract but this exclusion shall not apply to **Claims** for unauthorised appropriation of advertising ideas contrary to an implied contract.
 - (c) resulting from any incorrect description of **Products** or services.
 - (d) resulting from any mistake in advertised price of **Products** or services.
 - (e) resulting from failure of the **Products** or services to conform with advertised performance, quality, fitness or durability.
 - (f) incurred by any **Insured** whose principal occupation or **Business** is advertising, broadcasting, publishing or telecasting.
- Aircraft or Hovercraft** for **Personal Injury** and/or **Property Damage** arising from:
- (a) the ownership, maintenance, operation, or use by **You** of any **Aircraft** or **Hovercraft**,
 - (b) any property used for the purpose of an airport or any **Aircraft** landing strip.
- Aircraft Products** arising out of any **Products** which an **Insured Person** knew or has reasonable cause to believe would be or is intended for incorporation into any critical part, the structure, machinery or controls of any **Aircraft**.

Asbestos

for mesothelioma, asbestosis or for any **Personal Injury** or **Property Damage** (including consequential loss) arising directly or indirectly out of or in connection with or in consequence of:

- (a) inhaling, ingesting or physical exposure to asbestos or goods or products containing asbestos; or
- (b) the use of asbestos in constructing or manufacturing any good, product or structure; or
- (c) the removal of asbestos from any good, product or structure; or
- (d) the manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
- (e) the presence of asbestos in any building.

Breach of Professional Duty

arising out of any breach of duty owed in a professional capacity by **You** and/or any person(s) for whose breaches **You** may be held legally liable, but this exclusion shall not apply to **Claims**:

- (a) for **Personal Injury** and/or **Property Damage** arising from such breach of duty.
- (b) arising out of the rendering of or failure to render professional medical advice by **Medical Persons** employed by **You** to provide first aid and other medical services on **Your** premises;
- (c) arising out of advice which is not given by **You** for a fee;
- (d) arising out of advice given in respect of the use or storage of **Your Products**.

Contractual Liability

which has been assumed by **You** under any contract or agreement that requires **You** to:

- (a) effect insurance over property, either real or personal.
- (b) assume liability for **Personal Injury** and/or **Property Damage** and/or **Advertising Injury** regardless of fault; provided that this exclusion shall not apply with regard to:
 - (i) liabilities which would have been implied by law in the absence of such contract or agreement; or
 - (ii) liabilities assumed under **Incidental Contracts**; or
 - (iii) terms regarding merchantability, quality, fitness or care of **Your Product** which are implied by law or statute; or
 - (iv) liabilities assumed under the contracts specifically designated in the **Schedule** or in any endorsement(s) to this **Policy**.

Damage to Products

for **Property Damage** to any **Products** where such damage is directly caused by a fault or defect in such **Products**; but this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such product to which the damage is directly attributable.

Employers Liability

- (a) for bodily injury to any worker in respect of which **You** are or would be entitled to indemnity under any **Policy** of insurance, fund, scheme or self insurance pursuant to or required by any legislation relating to Workers Compensation or Accident Compensation whether or not such **Policy**, fund, scheme or self insurance has been effected.
Provided that this **Policy** will respond to the extent that **Your** liability would not be covered under any such **Policy**, fund, scheme or self insurance arrangement had **You** complied with its obligations pursuant to such law.
- (b) imposed by:
 - (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement.
 - (ii) any law relating to **Employment Practices Liability**.

For the purpose of exclusions 8(a) and 8(b):

- a. the term 'worker' means any person deemed to be employed by **You** pursuant to any Workers Compensation Law. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be **Your Employees**.
- b. the term 'bodily injury' means bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting there from.

Faulty Workmanship for the cost of performing, completing, correcting or improving any work undertaken by **You**.

Fines, Penalties, Punitive, Exemplary or Aggravated Damages for any fines, penalties, punitive, exemplary, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

Information Technology Hazards, Computer Data, Program and Storage Media Exclusion (a) for **Personal Injury** and/or **Property Damage** and/or **Advertising Injury**, or (b) for **Property Damage** to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
(i) the use of any computer hardware or software
(ii) the provision of computer or telecommunication services by **You** or on **Your** behalf
(iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any **Computer Virus**.

But this exclusion does not apply to:

- (c) **Personal Injury** or **Property Damage** arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site, or
- (d) liability which arises irrespective of the involvement of **Your Internet Operations**, and
nothing in this exclusion will be construed to extend coverage under this **Policy** to any liability which would not have been covered in the absence of this exclusion.

Libel and Slander for libel and slander:
(a) resulting from statements made prior to the commencement of the **Period of Insurance**.
(b) resulting from statements made at **Your** direction with knowledge that such statements are false.
(c) related to advertising, broadcasting, publishing or telecasting activities conducted by **You** or on **Your** behalf.

Liquidated Damages arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

Loss of Use for loss of use of tangible property, which has not been physically lost, **Destroyed** or damaged, directly arising out of:
(a) a delay in or lack of performance by **You** or on **Your** behalf of any contract or agreement; or
(b) failure of any **Products** or work performed by **You** or on **Your** behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **You**; but this exclusion 14(b) shall not apply to **Your** liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any **Products** or work performed by **You** or on **Your** behalf after such **Products** or work have been put to use by any person or organisation other than **You**.

Product Guarantee for any **Products** warranty or guarantee given by **You** or on **Your** behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

Product Recall for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any **Products** where such **Products** are withdrawn or recalled from the market or from use by **You** or any person or organisation because of any known, alleged or suspected defect or deficiency in such **Products**.

Property in Your Physical or Legal Control (a) for damage to property owned by, leased or rented to **You**;
(b) for damage to property not belonging to **You** but in **Your** physical and legal control other than the property described in 'Additional benefit 3.3.2 – 'Property in Your Physical and Legal control'.

Property owned by You for **Property Damage** to property owned by **You**.

Vehicles for **Personal Injury** or **Property Damage** arising out of the ownership, possession or use by **You** of any **Vehicle**:
(a) which is registered or which is required under any legislation to be registered, or
(b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected) but exclusions 19(a) and 19(b) shall not apply to:
(c) **Personal Injury** where:
(i) that compulsory liability insurance or statutory indemnity does not provide indemnity, and
(ii) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by **You** of legislation relating to **Vehicles**.
(d) any **Vehicle** temporarily in **Your** custody or control for the purpose of parking.
(e) any **Vehicle** (including any tool or plant forming part of or attached to or used in connection with such **Vehicle**) whilst being operated or used by **You** or on **Your** behalf as a **Tool of Trade** at **Your** premises or on any **Work Site**.
(f) the delivery or collection of goods to or from any **Vehicle**.
(g) the loading or unloading of any **Vehicle**.

Watercraft for **Personal Injury** and/or **Property Damage** arising from the ownership, maintenance, operation or use by **You** of any **Watercraft** exceeding eight (8) metres in length.
Provided that this exclusion shall not apply with regard to **Claims** arising out of:
(a) **Watercraft** used in operations carried out by any independent contractors for whose conduct **You** may be held liable.
(b) **Watercraft** owned by others and used by **You** for **Business** entertainment.

Section 4: Management Liability: PrivateEdge Lite

Insuring Agreement

Subject to all of the terms, conditions and exclusions to this Policy Section, and the general conditions and general exclusions to this **Policy**:

Cover under this Section of the Policy is afforded solely with respect to any: (a) **Claim** first made against an **Insured** during the **Policy Period**; or (b) **Direct Financial Loss Discovered** during the **Policy Period**; that is reported to the **Insurer** during the **Policy Period** as required by this **Policy**.

4.1.1 Insured Persons

The **Insurer** shall pay the unindemnified **Loss** of any **Insured Person** due to a **Claim** for any **Management Liability**.

4.1.2 Reimbursement

The **Insurer** shall pay a **Company** to the extent it has indemnified **Loss** of any **Insured Person** due to a **Claim** for **Management Liability**.

4.1.3 Company Liability

The **Insurer** shall pay the **Loss** of any **Company** due to a **Claim** made against the **Company** for any **Employment Liability**.

4.1.4 Fidelity

The **Insurer** shall pay a **Company** its **Direct Financial Loss** due to **Dishonest Acts** committed after the **Continuity Date**, or the date from which the **Company** has maintained uninterrupted fidelity insurance (or equivalent cover).

4.2 Automatic Extensions

4.2.1 Bilateral Discovery Period

If this **Policy** is neither renewed nor replaced with similar cover at the expiry of the **Policy Period**, the **Policyholder** shall be entitled to a **Discovery Period** of:

- (a) 30 days, granted automatically with no additional premium payable; or
- (b) (i) 12 months in the case of any **Claims**; and
- (ii) 30 days in the case of any **Direct Financial Loss**, upon payment of an additional premium of 100% of the annual premium in effect immediately prior to the expiry of the **Policy Period**.

4.2.2 Controlling Shareholder

Where a **Wrongful Act** is alleged to have been committed by an **Insured Person** both as an **Executive** of a **Company** and as a controlling shareholder, such **Wrongful Act** shall, for this **Policy**, be considered committed solely in that **Executive** capacity.

4.2.3 Defence Costs Advancement

The **Insurer** shall advance covered **Defence Costs** within a reasonable time after the **Insurer's** receipt of invoices detailing same.

4.2.4 Discovery Period for Retired Insured Persons

If this **Policy** is neither renewed nor replaced with similar cover at the expiry of the **Policy Period**, any **Executive** who retires after the **Continuity Date** and prior to the expiry of the **Policy Period** or any **Transaction** shall be entitled to a 36 month **Discovery Period** at no additional premium.

4.2.5 Fraud Investigator's Costs

The **Insurer** will pay on behalf of the **Insured** the reasonable and necessary fees and expenses of a **Fraud Investigator** retained by the **Insured** to investigate, prove and report a **Direct Financial Loss** covered under this **Policy**. The cover provided under this Extension is not subject to a **Retention** and is part of and not in addition to the **Fidelity Sub-limit of Liability**.

4.2.6 Heirs, Estates and Legal Representatives

Any **Claim** made against any estate, heir or legal representative of an **Insured Person** for **Management Liability** of that **Insured Person**, shall be covered as if made against that **Insured Person**.

4.2.7 Investigation Costs

Cover is extended to, and the term **Loss** includes **Investigation Costs**. **Investigation Costs** are payable regardless of any **Management Liability**.

4.2.8 New Companies

Upon the **Policyholder** obtaining the capacity to determine the outcome of decisions about the financial and operating policies of a privately-held corporation after the inception of the **Policy Period**, then the term subsidiary will be extended to include that corporation while privately-held. This extension is only available if, at the time of obtaining that right, the corporation has revenues no larger than the **Policyholder's**.

4.2.9 OH&S Defence/Investigation Costs

Exclusion 4.4.14 (**Personal Injury & Property Damage**) shall not apply to **Defence Costs** or **Investigation Costs** payable for any **Claim** brought against an **Insured Person** in the jurisdictions of Australia or New Zealand in connection with an Occupational Health and Safety law or regulation.

4.2.10 Pecuniary Penalties

"**Loss**" includes pecuniary penalties awarded against an **Executive** of any **Company** in and under the laws of the jurisdictions of Australia or New Zealand, provided that the **Insurer** is not legally prohibited from paying the pecuniary penalties.

4.2.11 Pollution Defence/Investigation Costs

Exclusion 4.4.8 ('Pollution') shall not apply to **Defence Costs** or **Investigation Costs** which are payable for any **Claim** brought against an **Insured Person** in connection with any actual or alleged discharge, dispersal, release or escape of **Pollutants**.

4.2.12 PrivateEdge Advisory Panel

During the **Policy Period** the **Insured** is entitled to free advice, not involving a significant time commitment on the part of the member firm, from the *PrivateEdge Advisory Panel* which relates to matters which are relevant to the cover provided under this **Policy**.

The **Insurer** consents to the appointment of any member firm to act on behalf of the **Insureds** in respect of any **Claim** notified to the **Insurer**, provided the **Insurer** accepts the notification under the **Policy** and subject always to the "Claims" Conditions and to the **Insurer** agreeing that the member firm's rates and other terms of engagement are reasonable.

The **Insureds** may access the services of the *PrivateEdge Advisory Panel* by contacting the firms listed as such at www.chartisinsurance.com.au.

4.2.13 Spouses

Any **Claim** made against an **Insured Person's** spouse for **Management Liability** of that **Insured Person**, shall be covered as if made against that **Insured Person**.

4.2.14 Superannuation Trustees

The term "**Executive**" is expressly extended to include any fiduciary capacity of such **Executive** owed to any employee benefits plan, pension plan or superannuation fund of any **Company**.

4.3 Specific Conditions

4.3.1 Preservation of Right to Indemnity

In the event and to the extent that the **Company** is legally permitted or required to indemnify any **Insured Person** in respect of a **Claim**, but for whatever reason fails or refuses to do so, then the **Insurer** shall pay on behalf of the **Insured Person** any **Loss** arising from such **Claim**. In such event, the **Retention** applicable to Cover 4.1.2 ('Reimbursement') shall be paid by the **Company** to the **Insurer**.

4.3.2 Bankruptcy or Insolvency

The bankruptcy or insolvency of any **Insured** shall not relieve the **Insurer** of any obligations under this **Policy**.

4.3.3 Cover in respect of Subsidiaries

Cover for any **Claim** against an **Insured Person** in their capacity as an **Insured Person** of any subsidiary shall apply only to **Management Liability** arising, or **Dishonest Acts** committed, while such **Company** is or was a subsidiary of the **Policyholder** and the **Insured Person** served in that capacity. An entity ceases to be a subsidiary when the **Policyholder** does not have the capacity to determine the outcome of decisions about that entity's financial and operating policies.

4.3.4 Transactions

In the event of a **Transaction**: then the cover provided under this **Policy** is amended to apply only to: (a) the **Management Liability** incurred; and (b) **Direct Financial Loss Discovered**; prior to the effective time of such event. This **Policy** may not be cancelled after the effective time of such event, and the entire premium for this **Policy** shall be deemed earned at such time.

4.4 Exclusions

Section 4 of this **Policy** shall not cover **Loss** or make any payment in connection with any **Claim** arising out of, based upon or attributable to any:

4.4.1 Conduct

- (a) improper use of position or information to gain any profit or advantage or cause detriment to any **Company**;
 - (b) remuneration illegally paid to or received by an **Insured**; or
 - (c) criminal, dishonest, fraudulent, wilful or malicious act, error or omission, or any intentional or knowing violation of law;
- but only if: (i) the foregoing have been established by any judgment, award or other finding by a court, tribunal or arbitrator; or (ii) such **Insured** admits in writing to (a), (b) or (c) above;
- In the case of Cover 4.1.4 ('Fidelity') only, this exclusion does not apply.

4.4.2 Contractual Liability

actual or alleged liability of any **Company** to anyone other than an **Employee** of a **Company** assumed under any contract;

4.4.3 Insolvency

actual or alleged insolvency of the **Company** or any actual or alleged inability of the **Company** to pay any or all of its debts as and when they fall due.

4.4.4 Intangible Rights

actual or alleged liability of any **Insured** in connection with intellectual property or privacy rights, or trade secrets;

4.4.5 Known Facts/Circumstances

actual or alleged fact or circumstance that, prior to the **Continuity Date**, may reasonably have been expected by an **Insured** to give rise to a **Claim**;

4.4.6 USA or Canada

acts or omissions committed or allegedly committed within Canada or the United States of America, or any legal action or litigation brought within Canada or the United States of America, its states, localities, territories or possessions or under any laws thereof;

4.4.7 Superannuation Funds

actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any employee pension plans, employee welfare plans, employee retirement savings plans, employee profit sharing or employee benefits programme; provided, however, that this exclusion shall not apply to the cover afforded by Extension 4.2.14 ('Superannuation Trustees');

4.4.8 Pollution

(i) actual, alleged or threatened presence, discharge, dispersal, release, migration or escape of **Pollutants**, or (ii) direction or request to, or effort by the **Insured** or any other person or organization to: (a) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or (b) respond to or assess the effects of **Pollutants**;

4.4.9 Prior Claims/Circumstances

as of the **Policy** inception, prior or pending **Claim** or circumstance reported under any **Policy** of which this **Policy** is a renewal or replacement, or the same, continuous, repeated or related facts as those alleged in such prior or pending **Claim** or such circumstance;

4.4.10 Professional Services

actual or alleged professional services of any **Company**; or

4.4.11 Prospectus Liability

- (a) **Disclosure Document** which contains an offer for the issue, sale, purchase or transfer of **Securities**;
 - (b) the making of any written or verbal representations in connection with a **Disclosure Document** referred to in (a); for the purpose of raising or restructuring capital for the **Company**.
- In addition, this **Policy** shall not cover **Loss** or make any payment in connection with any **Claim**:

4.4.12 Anticompetitive Practices

for any violation by any **Company** of any law applicable to: business competition, unfair trade practices or tortious interference with any business or contractual relationships;

4.4.13 Benefits

for any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance benefit, retirement benefits, social security benefits or any similar obligation; provided, however, that this exclusion shall not apply to the cover afforded by Extension 4.2.14 ('Superannuation Trustees');

4.4.14 Personal Injury & Property Damage

For **Personal Injury**, sickness, disease, or death of any person, damage to, destruction of or loss of use of any property, or infliction of emotional distress; provided, however, that this exclusion shall not apply to **Claims** alleging emotional distress caused by a **Wrongful Act** in connection with **Employment Liability** or defamation;

4.4.15 Company v. Insured

brought by or on behalf of any **Company**; provided, however, that this exclusion shall not apply to: (a) **Defence Costs**; (b) any shareholder derivative action brought or maintained on behalf of any **Company** without the solicitation or participation of any **Insured**; or (c) any **Claim** brought or maintained by a liquidator, receiver or administrative receiver derivatively on behalf of any **Company** without the solicitation or participation of any **Insured**; or

4.4.16 Major Shareholders

brought against any **Insured** by, at the instigation of, or on behalf of, any past or present shareholder who had or has direct or indirect ownership of, or control over, 15% or more of the voting share capital of any **Company**.

For Cover 4.1.4. ('Fidelity') only, this **Policy** shall not cover:

4.4.17 Confidential Information

Direct Financial Loss arising out of, based upon, attributable to or in any way connected with the accessing and dissemination of, any confidential information including, but not limited to, trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods;

4.4.18 Consequential Loss

any indirect or consequential loss of any nature, loss of profits whether real or anticipated, loss of revenue and lost production, including but not limited to any loss of income such as interest and dividends not realised by any **Company** or any other person or organisation, resulting from a **Direct Financial Loss** which is covered under this **Policy**;

4.4.19 Dual Control - Signatories

Direct Financial Loss in connection with any **Dishonest Acts** arising out of, based upon or attributable to the **Insureds** failing to ensure that at least two (2) **Executives** sign any cheques, **Securities** or funds transfer instructions.

4.4.20 Dual Control - Bank Reconciliation

Direct Financial Loss in connection with any **Dishonest Acts** arising out of, based upon or attributable to the **Company's** bank accounts being reconciled by any person who has authority to operate those bank accounts.

4.4.21 Dual Control - Refund or Return of Goods

Direct Financial Loss in connection with any **Dishonest Acts** arising out of, based upon or attributable to any failure by the **Insured** to ensure that at least two (2) **Executives** authorise any refund of money or return of goods.

4.4.22 Director Dishonesty

Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any fraudulent or dishonest activities involving collusion or complicity of an **Executive** (part (i) of the Definition only);

4.4.23 Extortion or Kidnap & Ransom

Direct Financial Loss arising out of, based upon, attributable to or in any way with connected with any extortion or kidnap and ransom;

4.4.24 Geographical Limits

Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any **Dishonest Acts** outside of Australia or New Zealand;

4.4.25 Loss Sustained After Knowledge

Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any **Employee** from the time any **Executive** (who is not in collusion with such **Employee** for the purpose of committing a **Dishonest Act**) had actual knowledge that the **Employee** had committed or was suspected of having committed a **Dishonest Act**;

4.4.26 Prior or Subsequent Discovery

Direct Financial Loss which is **Discovered**:

- (a) prior to the commencement of the **Policy Period**; or
- (b) after 30 days following the expiry of the **Policy Period**;

4.4.27 Profit & Loss or Inventory Computation

Direct Financial Loss the proof of which is dependent solely upon:

- (a) a profit and **Loss** computation; or
- (b) a comparison of inventory records with an actual physical count.

If, however, an **Employee** is identified as having caused or is suspected of having caused a **Direct Financial Loss**, then inventory records and actual physical count of inventory can be submitted as partial evidence in support of proof of the **Direct Financial Loss** as required by Claims Condition 4.5.1 ('Notification'); or

4.4.28 Shareholder Dishonesty

Direct Financial Loss arising out of, based upon, attributable to or in any way connected with any fraudulent or dishonest acts committed by any shareholder who at the time of committing such acts had direct or indirect ownership of or control over more than 5% of the voting share capital of any **Company**.

4.5 Claims

4.5.1 Notification

Cover under this Section of the **Policy** is afforded solely with respect to any **Claim** or **Direct Financial Loss** that is reported to the **Insurer** during the **Policy Period** or any **Discovery Period**; and

All notifications must be made as soon as practicable and must be addressed as required in the "Claims Notice" Item in the Schedule and reference the **Policy Number**.

If the **Insured** notifies a **Direct Financial Loss** to the **Insurer**, the **Insured** must also, as soon as practicable, provide the **Insurer** with:

- (a) affirmative proof of the **Direct Financial Loss**; and
- (b) all requested information and documents and co-operation in all matters pertaining to the **Direct Financial Loss**.

4.5.2 Defence Costs Advancement

The **Insurer** may not refuse to advance **Defence Costs** under this Section of the **Policy** by reason only that the **Insurer** considers that conduct referred to in paragraphs (a), (b) or (c) of Exclusion 4.4.1 ('Conduct') has occurred, until such time as there is an admission, or, a judgment, award or other finding by a court, tribunal or arbitrator which establishes the foregoing. Any payments advanced in respect of **Defence Costs** for which it is ultimately established the **Insurer** is not liable must be repaid by the **Insured**.

4.5.3 Circumstances

Any **Insured** may, during the **Policy Period**, notify the **Insurer** at the address provided in the **Schedule** of any circumstance reasonably expected to give rise to a **Claim**. The notice must include the reasons for anticipating that **Claim**, and full particulars as to dates, acts and persons involved.

4.5.4 Related Claims

If notice of a **Claim** or circumstance is given as required under this Section of the **Policy**, then any subsequent **Claim** alleging, arising out of, based upon or attributable to the facts alleged in that **Claim** or described in that circumstance notice shall be deemed first made against an **Insured** and reported to the **Insurer** at the time the required notices were first provided. Any **Claim** arising out of, based upon or attributable to continuous, repeated or related **Wrongful Acts** shall be considered a single **Claim**.

4.5.5 Related Dishonest Acts

Any **Direct Financial Loss** resulting from a series of continuous, repeated or related **Dishonest Acts** shall be considered a single **Direct Financial Loss**.

4.5.6 Bilateral Discovery Period

The **Policyholder** must make any request for a 12 month **Discovery Period** in writing within 15 days, and pay any applicable additional premium within 30 days, after the expiry of the **Policy Period**. A **Discovery Period** is not cancellable by the **Policyholder** and any premium payable for a **Discovery Period** is non-refundable. In the event of a **Transaction** during the **Policy Period**, no **Discovery Period** is available under Extension 4.1.2.1 ('Bilateral Discovery Period').

4.5.7 Loss Mitigation

As soon as the **Insured Discovers** a **Direct Financial Loss** involving an identified **Employee**, the **Insured** must immediately take all necessary steps to prevent any additional **Direct Financial Loss** being caused by the same identified **Employee**. Any further **Direct Financial Loss** caused by the same **Employee** after the date of **Discovery** will not be covered by this **Policy**.

4.5.8 Recovery

This **Policy** and any rights under it may not be assigned without the prior written consent of the **Insurer**. Upon payment, the **Insurer** shall be subrogated to all rights of recovery of the **Insured** even if the **Insured** has not been fully compensated for its **Loss** and be entitled to pursue and enforce such rights in the name of the **Insured**.

4.5.9 Consent: Insured

The **Insurer** may settle any **Claim** with respect to any **Insured**, subject to such **Insured's** or the **Policyholder's** written consent. If the **Insured** or the **Policyholder** withholds consent to any settlement recommended by a Senior Lawyer then the **Insurer's** liability for all **Loss** in respect of that **Claim** will not exceed the amount for which the **Insurer** could have settled the **Claim** plus the costs and expenses incurred to the date such settlement was recommended in writing to the **Insured**.

4.5.10 Consent: Insurer

No **Insured** shall admit or assume any liability, enter into any settlement agreement, or consent to any judgment without the prior written consent of the **Insurer**. The **Insurer's** consent will not be unreasonably withheld provided that the **Insurer** is permitted to effectively associate with the **Insureds** in the defence and settlement of any **Claim**. Only judgments resulting from **Claims** defended in accordance with this **Policy**, shall be recoverable as a **Loss** under this **Policy**.

4.5.11 Defence/Settlement

The **Insured** must, at its own cost, render all reasonable assistance to the **Insurer** and take all reasonable measures to mitigate **Loss**. The **Insured** shall defend and contest any **Claim** made against them. The **Insurer** shall advance **Defence Costs** in excess of the **Retention**, if applicable; and it shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the **Insurer**.

4.5.12 Determination of Whether Insurer's Settlement Recommendation is Reasonable

Should any **Insured Persons** or the **Policyholder** wish to contest any legal proceedings which the **Insurer** wants to settle, then the **Insurer** agrees to the appointment, at the **Insured Persons'** or the **Policyholder's** request, of a **Senior Lawyer** (to be mutually agreed upon by the **Insured** and the **Insurer**, or in the absence of mutual agreement to be appointed by the President of the Law Society, or equivalent organization, in the jurisdiction in which legal proceedings were first served) to determine whether the **Insurer's** settlement recommendation is reasonable.

The **Senior Lawyer** shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of the **Insured** successfully defending the action.

The costs of the **Senior Lawyer's** opinion will be paid by the **Insurer**. Any amount paid by the **Insurer** under this **Claims** Condition will be paid in addition to the **Limit of Liability**.

4.5.13 Use of Fraud Investigator

The **Fraud Investigator** shall: (a) investigate the facts behind a **Direct Financial Loss**; (b) determine the quantum of a **Direct Financial Loss**; (c) advise when and how the **Insured's** controls were or may have been breached; (d) summarise recommendations which may prevent future similar **Direct Financial Loss**; and (e) issue a report limited to the foregoing, in a format approved by the **Insurer**, in duplicate to the **Insured** and to the **Insurer**.

The **Insurer** has the right to attend the initial meeting between the **Insured** and the **Fraud Investigator**. The **Insured** is not obliged to use the services of a **Fraud Investigator**.

If the **Insured** does not elect to retain a **Fraud Investigator**, then any costs or expenses incurred by, on behalf of or in the right of an **Insured** in connection with investigating and proving a **Direct Financial Loss** shall be incurred solely at the expense of the **Insured** and this **Policy** shall not cover any such costs or expenses.

4.5.14 Loss Allocation

Where, as between any **Insured Person** and any other person (including the **Company**), any **Loss** has been jointly or jointly and severally incurred, the **Insurer's** liability under this **Policy** is limited to the proportion of the **Loss** which represents a fair and equitable allocation between the **Insured Persons** and those other persons, taking into account the relative legal and financial exposures of, and the relative benefits obtained by, the **Insured Persons** and those other persons (including the **Company**).

Where any **Loss** is incurred in respect of any **Claim** which arises from both covered matters and matters not covered by this **Policy**, the **Insurer's** liability under this **Policy** is limited to the proportion of the **Loss** which represents a fair and equitable allocation between the **Company**, the **Insured Persons** and the **Insurer**, taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this **Policy**.

Where the **Insurer's** liability under this **Policy** is limited under this clause, the **Company**, the **Insured Persons** and the **Insurer** must use their best endeavours to agree upon the allocation to be adopted by them as the fair and equitable allocation.

4.5.15 Loss Allocation Disputes

If the parties are unable to agree, then the fair and equitable allocation is to be determined by a **Senior Lawyer** (to be mutually agreed upon by the **Policyholder** and the **Insurer**, or in the absence of agreement, to be appointed by the President of the Law Society, or equivalent organisation, in the jurisdiction in which the **Loss** was incurred).

The **Senior Lawyer** is to determine the fair and equitable allocation as an expert, not as an arbitrator. The **Policyholder** (or its designee) and the **Insurer** may make submissions to the **Senior Lawyer**. The **Senior Lawyer** is to take account of the parties' submissions, but the **Senior Lawyer** is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. The **Senior Lawyer's** determination shall be final and binding. The costs of the **Senior Lawyer's** determination are to be borne by the **Insurer**.

For so long as the proportion of **Defence Costs** to be advanced under the **Policy** remains unagreed and undetermined, the **Insurer** shall advance the proportion of the **Defence Costs** which it considers represents a fair and equitable allocation. The fair and equitable allocation finally agreed or determined shall be applied retrospectively to any **Defence Costs** incurred prior to agreement or determination.

4.5.16 Basis of Valuation

With respect to any **Loss** which is covered under this **Policy**, the **Insurer** is not liable for more than:

- (a) the actual market value of **Securities, Money** or precious metals at the close of **Business** on the day the **Loss** was **Discovered** (determined by the value published in the Australian Financial Review), or the actual cost of replacing the **Securities, Money** or precious metals, whichever is less;
- (b) the actual cash value of other property (not referred to in (a) above) at the close of business on the day the **Loss** was **Discovered**, or the actual cost of replacing the property with property of like quality or value, whichever is less;
- (c) the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the **Insureds** in order to reproduce books of account and other records; or
- (d) the cost of labour for the actual transcription or copying of electronic data furnished by the **Insureds** in order to reproduce such electronic data.

4.6 Limit and Retention

4.6.1 Limit of Liability

The total amount payable by the **Insurer** under this Section 4 of the Policy shall not, in the aggregate, exceed the **Limit of Liability**. Sublimits of liability and Extensions are part of that amount and are not payable in addition to the **Limit of Liability**. The total amounts payable by the **Insurer** under any Extensions subject to a Sublimit of Liability shall not exceed the applicable amount specified as such for that Extension. The inclusion of more than one **Insured** under this **Policy** does not increase the total amount payable by the **Insurer** under this **Policy**.

4.6.2 Retention

The **Insurer** shall only pay for the amount of any **Loss** and **Direct Financial Loss** which, after any applicable allocation, is in excess of the **Retention**. Nevertheless, the **Retention** shall not apply to **Loss** of an **Insured Person** that cannot be indemnified by the **Company**. The **Retention** applies to **Defence Costs** and **Investigation Costs**. The **Retention** must be borne by the **Company** and shall remain uninsured. A single **Retention** shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or **Direct Financial Loss** arising from the same **Dishonest Acts**.

4.7 Severability

4.7.1 Proposal

With respect to the **Submission**:

- (a) no statements made or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine whether cover is available for any **Claim** made against such other **Insured Person**; and
- (b) only the statements and knowledge of any Chairman of the Board of Directors, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a **Company** shall be imputed to that **Company**, and the knowledge of the same officers of the **Policyholder** will be imputed to all Companies.

4.7.2 Conduct

For the purpose of determining the applicability of Exclusion 4.4.1 ('Conduct'):

- (a) the information or knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**; and
- (b) only information and knowledge possessed by any past, present or future Chairman of the Board of Directors, chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a **Company** shall be imputed to that **Company**.



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