



P.O BOX 30280, LILONGWE 3, MALAWI | (H/O) CHIEF KILIPULA BUILDING
Tel: +265 01 753012/757721 | Fax: +265 01 756320
E-mail:prime@primeinsurance.mw; Website: prime@primeinsurancemw.com

EEI CLAUSES

EEI 1 : COVER FOR THEFT

It is agreed and understood that otherwise subject to the terms exclusions provisions and conditions contained in the policy or endorsed thereon and subject to the Insured having paid the extra premium, this insurance shall be extended to include the risk of theft of the insured items whilst on the authorities immediately after any loss or damage due to theft is discovered.

Deductible : 20% of each and every loss due to theft Minimum K.....any one occurrence.

EEI 2 : EXCLUSION OF COST OF SCAFFOLDING AND LADDERS

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of any cost of scaffolding and ladders required in connection with the repair and/or replacement of any insured items.

EEI 3: EXCLUSION OF COST OF MASONRY WORK

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of any cost of masonry, plastering, painting, earth, civil engineering or similar work required in connection with repair and/or replacement of any of the items insured.

EEI 4: WARRANTY FOR MAINTENANCE CONTRACT

It is agreed and understood that otherwise subject to the terms exclusions, provisions and conditions contained in the policy or endorsed thereon, a maintenance contract has to be in force during the period of the policy.

Maintenance as used in this Endorsement is understood to mean the following:-

- Safety checks
- Preventive maintenance
- Rectification of loss or damage or faults arising from normal operation as well as from ageing, e.g. by repair or replacing or modules, section, assemblies and components.

according to the Policy conditions, costs of such maintenance work are not insurable.

EEI 5: DISTINCTION BETWEEN MAINTENANCE CONTRACT SERVICE AND INSURANCE COVER

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, maintenance services shall be deemed to be defined as follows during the period of the policy:-

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- safety checks
- preventive maintenance
- elimination of damage or troubles having occurred as a result of normal operation or wear and tear
and requiring repair or replacement of components, modules and parts.

In accordance with the conditions of the Policy, costs incurred for these maintenance services shall not be insured.

E EI 6: WARRANTY FOR LIGHTNING AND OVERVOLTAGE PROTECTION DEVICES

It is agreed and understood that otherwise subject to the terms, exclusions and conditions contained in the policy or endorsed thereon, the Insurers shall only indemnify the Insured in respect of loss or damage to electronic equipment or data media or increased cost of working as a result of lightning or overvoltage if the electronic equipment is fitted with lightning and overvoltage protection devices and alarm system and these have been installed and maintained in accordance with the recommendations of the manufacturers of the electronic equipment and the lightning and overvoltage protection devices.

This means that the lightning and overvoltage protection devices and alarm system.

- are regularly serviced by qualified personnel of the manufacturer or supplier.
- are kept under supervision by trained personnel are provided with an automatic switch -off device
complying with the latest requirements for electronic equipment and the Manufacturer's recommendations.

E EI 7: COVER FOR LOSS OR DAMAGE DUE TO STRIKE, RIOT AND CIVIL COMMOTION (SRCC)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by:-

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in condition 2 of the Special Conditions hereof;
2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbances;
3. the wilful act of any striker or locked - out worker performed in furtherance of a strike or in

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resistance to a lock-out;

4. the action of any lawfully constituted authority in preventing or attempting any such in minimising the consequences of any such act.

Provided that it is hereby further expressly agreed and declared that:-

1. all the terms, exclusions, provisions and conditions of the policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions, and any reference to loss or damage in the wording of the policy shall be deemed to include the perils hereby insured against;
2. the following Special Conditions shall apply only to the insurance granted by this extension, and the wording of the policy shall apply in all respects to the insurance granted by the policy as if this Endorsement had not been made thereon;

Special Conditions

1. This insurance shall not cover:
 - (a) loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation;
 - (b) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - (c) loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawfully occupation by any person of such building;

Provided nevertheless that the Insurers are not relieved under b or c above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

2. This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, or any of the following occurrences, namely:-
 - (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war;

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- (b) mutiny, civil commotion assuming the proportion of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power;
- (c) any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence;

In any action, suit or other proceeding, where the Insurers allege that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

3. This insurance may at any time be terminated by the Insurers on notice to that effect being given by registered post at the Insured's last known address, in which case the Insurers shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of termination.

EEI 8 : COVER FOR EARTHQUAKE

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to include the risk of earthquake, volcanic eruption and tsunami.

EEI 9 : COVER OF MOBILE AND PORTABLE EQUIPMENT OUTSIDE THE PREMISES (TRANSIT RISKS)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to include loss of or damage to the mobile and/or portable equipment as specified under item(s) No(s).

Contained in the schedule of the Policy.

Whilst stationary or in transit anywhere within the territorial limits of

The Insurers shall not be liable under this Endorsement for

- Loss or damage occurring whilst the above items are unattended unless locked inside a building or vehicle.
- Loss or damage from any cause whatsoever whilst the above items are installed or carried in or aircraft or aerial devices or waterborne vessels or craft.



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National Insurance Company Ltd
P.O Box 30421
Lilongwe 3.
Malawi

ELECTRONIC EQUIPMENT INSURANCE POLICY

Whereas the Insured named in the schedule hereto has made to the

NATIONAL INSURANCE COMPANY LIMITED

(hereinafter called “the Insurers” a written proposal by completing a questionnaire which, together with any other statements made in writing by the Insured for the purpose of this policy, is deemed to be incorporated herein.

Now this policy of Insurance witnesses that, subject to the Insured having paid to the Insurers the premium mentioned in the schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon, the Insurers will indemnify the Insured in the manner and to the extent hereinafter provided.

This policy applies whether the insured items are at work or at rest, or being dismantled for the purpose of cleaning, overhauling or of being shifted within the premises, or in the course of the aforesaid operations themselves, or during subsequent re-election, but in any case only after successful commission.

GENERAL EXCLUSIONS

The Insurers shall not indemnify the Insured in respect of loss or damage directly or indirectly caused by, arising out of or aggravated by

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organisation, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure facto or by any public authority.
- b) nuclear reaction, nuclear radiation or radioactive contamination.
- c) wilful act or wilful negligence of the Insured or his representatives.

In any action, suit or other proceeding where the Insurers allege that, by reason of the provisions of Exclusion (a) above, any loss, destruction or damage is covered shall be upon the Insured.

General Conditions:

1. The due observance and fulfilment of the terms of this policy, in so far as they relate to anything to be done or complied with by the Insured, and the truth of the statements and answers in the questionnaire

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and proposal made by the Insured shall be a condition precedent to any liability of the Insurers.

2. The schedule and the section(s) shall be deemed to be incorporated in and form part of this Policy and the expression “this Policy” wherever used in this contract, shall be read as including the schedule and the section(s). Any word or expression to which a specific meaning has been attached in any part of this policy, of the schedule or of the section(s) shall bear such meaning wherever it may appear.
3. The Insured shall at this own expense take all reasonable precautions and recommendations of the Insurers to prevent loss or damage and comply with statutory requirements and manufacturers’ recommendations.
4. (a) Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk.

(b) The Insured shall immediately notify the Insurers by telegram and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require to ensure safe operation of the insured items, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the cover provided under this policy is confirmed in writing by the Insurers.
5. In the event of any occurrence which might give rise to a claim under this policy, the Insured shall
 - a) immediately notify the Insurers by telephone or telegrams as well as in writing, giving an indication as to the nature and extent of the loss or damage.
 - b) take all steps within his power to minimize the extend of the loss or damage;
 - c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurers;
 - d) furnish all such information and documentary evidence as the Insurers may require;
 - e) inform the police authorities in the case of loss or damage due to burglary.

The Insurers shall on no account be liable for loss or damage of which no notice has been received by the Insurers within 14 days of its occurrence. Upon notification being given to the Insurers under this condition, the Insured may carry out repairs of or make good any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected. If a representative of the Insurers does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement.

The liability of the Insurers under this policy in respect of any insured item shall cease if said item is kept in operation after a claim without being repaired to the satisfaction of the Insurers, or if temporary repairs are carried out without the Insurers’ content.

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6. The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this policy whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Insurers.
7. If any difference arises to the amount to be paid under this policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.
8. a) If the proposal or declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Insurers shall not be liable to make any payment hereunder.

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- b) In the event of the Insurers disclaiming liability in respect of any claim and if an action or suit is not commenced within 3 months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three months after the arbitrators or umpire have made their award, all benefit under this policy in respect of such claim shall be forfeited.
9. If at the time any claim arises under this policy there is any other insurance covering the same loss or damage, the Insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss or damage.
10. This policy may be terminated on the requested of the Insured at any time, in which case the Insurers will retain the customary short - period rate for the time this policy has been in force. This policy may equally be terminated at the option of the Insurers by seven days' notice to that effect being given to the Insured, in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred and less any long-term discount on premiums granted.
11. Under an insurance for a third party's account the Beneficiary shall be entitled to exercise, in his own name, the rights of the Insured. Without obtaining the Insured's approval, the Beneficiary shall further have the right to receive any indemnity paid under this policy and to transfer the Insured's rights even if the Beneficiary is not in possession of this policy. Upon payment of an indemnity the insurers may require evidence of the Beneficiary having given his consent to the insurance and of the Insured having given his consent to the receipt of an indemnity by the Beneficiary.
12. The indemnity shall be payable one month after determination by the Insurers of the full amount due. Notwithstanding the above, the Insured may, one month after the Insurers have been duly notified liability, claim as an instalment the minimum amount payable the prevailing circumstances. The running of the periods shall be suspended for the time during which the indemnity is unascertainable or not payable due to reasons within the Insured's control.

The Insurers shall be entitled to withhold indemnification:

- a) if there are doubts regarding the Insured's right to receive the indemnity, pending receipt by the Insurers of the necessary proof;
- b) if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Insured, pending completion of such examination or inquiry.

SECTION 1 - MATERIAL DAMAGE

Scope of Cover

The Insurers hereby agree with the Insured that if at any time during the period of insurance stated in the schedule or during any subsequent period for which the Insured pays and the Insurers may accept the premium for the renewal of this policy, the items or any part thereof entered in the schedule suffer any unforeseen and sudden physical loss



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or damage from any cause other than those specifically excluded, in a manner necessitating repair or replacement, the Insurers will indemnify the insured in respect of such loss or damage hereinafter provided, by payment in cash, replacement or repair (at the Insurer's option) up to an amount not exceeding in any one year of insurance in respect of each of the items specified in the schedule the sum set opposite thereto and not exceeding in all the total sum expressed in schedule as insured hereby.

Special Exclusion to Section 1 The Insurers shall not, however, be liable for:-

- a) the deductible stated in the schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items;
- b) loss or damage directly or indirectly caused by or arising out of earthquake, volcanic eruption, tsunami, hurricane, cyclone or typhoon;
- c) loss or damage directly or indirectly caused by theft;
- d) loss or damage caused by any faults or defects existing at the time of commencement of this policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Insurers or not;
- e) loss or damage directly or indirectly caused by the failure or interruption of any gas, water or electricity service or supply;
- f) loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions;
- g) any costs incurred in connection with the elimination of functional failures, unless such failure were caused by an indemnifiable loss of or damage to the insured items;
- h) any costs incurred in connection with the maintenance of the insured items, such exclusion also applying to parts exchange in the course of such maintenance operations;
- I) loss or damage for which the manufacturer or supplier of the insured items is responsible either by law or under contract;

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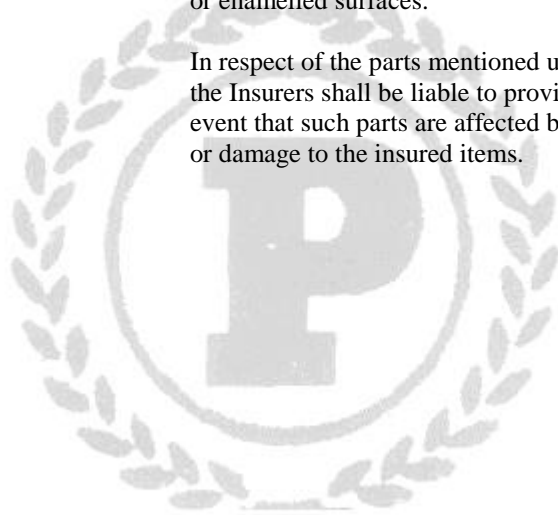


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- j) loss or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;
- k) consequential loss or liability of any kind or description;
- l) loss of damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media (e.g. lubrication oil, fuel, chemicals);
- m) aesthetic defects, such as scratches on painted, polished or enamelled surfaces.

In respect of the parts mentioned under (l) and (m) above the Insurers shall be liable to provide compensation in the event that such parts are affected by an indemnifiable loss of or damage to the insured items.





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Provisions Applying to Section 1

Memo 1 - Sum Insured

It shall be a requirement of this insurance that the sum insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their replacement costs including, e.g. freight, customs duties and dues, if any, and erection costs. If the sum insured is less than the amount required to be insured, the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured

Every item, if more than one, shall be subject to this condition separately.

Memo 2 - Basis of Indemnity

a) In cases where damage to an insured item can be repaired, the Insurers shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured, the Insurers shall pay the cost of material and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.

In the costs of repairs as detailed hereinabove equal or exceed the actual value of the insured items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

b) In cases where an insured item is destroyed, the Insurers shall pay the actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection, customs duties and dues, if any to the extent such expenses have been included in the sum insured. Such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The insurers shall also pay any normal charges for the dismantling of the item destroyed, but the value of any salvage shall be taken into account. The destroyed item shall no longer be covered under this Policy, and all necessary data on the relevant substitute

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item shall be indicated for its inclusion in the schedule.

(The Insurers may agree - by application of the relevant endorsement - to extend this insurance to cover reimbursement of the full replacement value.)

As from the date of an indemnifiable occurrence the sum Insured of shall be reduced for remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.



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SCHEDULE

Policy No.

Name and Address of Insured

The following endorsements are attached to and
Form part of this policy

Annual Premium : K
First Premium : K
Stamp Duty : K
Total Premium : K

Period of insurance
abovementioned

(inclusive of extra premiums for the
endorsements)

From:

To:

Section 1 - Material Damage

Item No	QTY	Description of Items	Year of Manufacture	Deductible	Sum Insured

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MEMO 3: THEFT RISK CLAUSE

Notwithstanding anything herein contained to the contrary it is agreed and understood that otherwise subject to the terms exclusions, provisions and conditions contained in the policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to include the risk of theft of the insured items whilst on the premises, provided that the insured informs the Police authorities immediately after any loss or damage due to theft is discovered.

It is further understood and agreed that the Insured shall maintain adequate security protection for the Insured item(s) at the premises containing the property.

Deductible: 20% of each and every loss due to theft minimum K750.00 any one occurrence in addition to any other excess applicable.

MEMO 6: ELECTRICAL CLAUSE EXTENSION

It is hereby declared and agreed that cover stands extended to include loss and/or damage directly or indirectly caused by the failure or interruption of any gas, water electricity service or supply.

MEMO 7: TRANSIT COVER

It is agreed and understood that cover provided by the within policy stands noted to include loss or damage to the insured's property as defined whilst in transit.



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THIS POLICY IS SUBJECT TO THE FOLLOWING CLAUSES

EEI 3: THEFT RISK CLAUSE

Notwithstanding anything herein contained to the contrary it is agreed and understood that otherwise subject to the terms exclusions, provisions and conditions contained in the policy or endorsed thereon and subject to the insured having paid the agreed extra premium, this insurance shall be extended to include the risk of theft of the insured items whilst on the premises, provided that the insured informs the Police authorities immediately after any loss or damage due to theft is discovered.

It is further understood and agreed that the Insured shall maintain adequate security protection for the Insured item(s) at the premises containing the property.

Deductible: 20% of each and every loss due to theft minimum K750.00 any one occurrence in addition to any other excess applicable.

EEI 4: COVER FOR LOSS OR DAMAGE DUE TO STRIKE, RIOT AND CIVIL COMMOTION (SRCC)

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon and subject to the Insured having paid the agreed extra premium, this insurance shall be extended to cover loss or damage due to strike, riot and civil commotion which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained) loss of or damage to the property insured directly caused by:-

1. the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in condition 2 of the Special Conditions hereof;
2. the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbances;
3. the wilful act of any striker or locked - out worker performed in furtherance of a strike or in resistance to a lock-out;
4. the action of any lawfully constituted authority in preventing or attempting any

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such in minimising the consequences of any such act.

Provided that it is hereby further expressly agreed and declared that:-

1. all the terms, exclusions, provisions and conditions of the policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special Conditions, and any reference to loss or damage in the wording of the policy shall be deemed to include the perils hereby insured against;
2. the following Special Conditions shall apply only to the insurance granted by this extension, and the wording of the policy shall apply in all respects to the insurance granted by the policy as if this Endorsement had not been made thereon;

Special Conditions

1. This insurance shall not cover:
 - (a) loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation;
 - (b) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - (c) loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawfully occupation by any person of such building;

Provided nevertheless that the Insurers are not relieved under b or c above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

2. This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, or any of the following occurrences, namely:-
 - (a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war;
 - (b) mutiny, civil commotion assuming the proportion of or amounting to a popular



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rising, military rising, insurrection, rebellion, revolution, military or usurped power;

- (c) any act of any person acting on behalf of or in connection with any organization with activities directed toward the overthrow by force of the government de jure or de facto or to the influencing of it by terrorism or violence;

In any action, suit or other proceeding, where the Insurers allege that by reason of the provisions of this condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

3. This insurance may at any time be terminated by the Insurers on notice to that effect being given by registered post at the Insured's last known address, in which case the Insurers shall be liable to repay a rateable proportion of the premium for the unexpired term from the date of termination.

E EI 5: WARRANTY FOR LIGHTNING AND OVERVOLTAGE PROTECTION DEVICES

It is agreed and understood that otherwise subject to the terms, exclusions and conditions contained in the policy or endorsed thereon, the Insurers shall only indemnify the Insured in respect of loss or damage to electronic equipment or data media or increased cost of working as a result of lightning or overvoltage if the electronic equipment is fitted with lightning and overvoltage protection devices and alarm system and these have been installed and maintained in accordance with the recommendations of the manufacturers of the electronic equipment and the lightning and overvoltage protection devices.

This means that the lightning and overvoltage protection devices and alarm system.

- are regularly serviced by qualified personnel of the manufacturer or supplier.
- are kept under supervision by trained personnel are provided with an automatic switch-off device complying with the latest requirements for electronic equipment and the Manufacturer's recommendations.

E EI 6: POLITICAL RISKS EXCLUSION CLAUSE

Notwithstanding any provision to the contrary it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting



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from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war.
2. Permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
3. Mutiny, civil commotion assuming the proportions of or amounting to a popular or military uprising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
4. Any act of terrorism
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This clause 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 points (1), (2), (3), and/or (4) above.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by the endorsement, the burden of proving the contrary shall be upon the Insured.

EEI 7 : TERRORISM EXCLUSION CLAUSE

Cover under this Policy shall not apply to the following:

Any loss, cost or expense arising out of or related to, either directly or indirectly, any "Terrorist Activity" as defined herein. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, cost or expense. For the purposes of this exclusion,

- A. "Terrorist Activity" shall mean any deliberate, unlawful act that:

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1. is declared by any authorised governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or
2. includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to
 - (a) promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective of the perpetrator or any organisation, association or group affiliated with the perpetrator;
 - (b) influence, disrupt or interfere with any government related operations, activities or policies;
 - (c) intimidate, coerce or frighten the general public or any segment of the general public; or
 - (d) disrupt or interfere with a national economy or any segment of a national economy; or
3. includes, involves, or is associated with, in whole or in part, any of the following activities, or the threat thereof:
 - (a) hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;
 - (b) hostage taking or kidnapping;
 - (c) the use of any biological, chemical, radioactive, or nuclear agent, material, device or weapon;
 - (d) the use of any bomb, incendiary device, explosive or firearm;
 - (e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;

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- (f) the injuring or assassination of an elected or appointed government official or any government employee;
 - (g) the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or
 - (h) the seizure, blockage, interference with, disruption of, damage to tunnels, roads streets, highways, or other places of public transportation or conveyance.
- B. Any of the activities in Section A(3) above shall be considered Terrorist Activity except where the Insured can conclusively demonstrate to the Company that the foregoing activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to
- 1. promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective of the perpetrator or any organisation, association or group affiliated with the perpetrator;
 - 2. influence, disrupt or with any government related operations, activities or policies;
 - 3. intimidate, coerce or frighten the general public or any segment of the general public; or
 - 4. disrupt or interfere with a national economy or any segment of a national economy.

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ENDORSEMENT NO. 2005.01 FORMING PART OF POLICY NO. 003441511

AGENT: Alexander Forbes Malawi Limited **AGENT'S NO.** 5715

TYPE OF COVER: Electronic Equipment Insurance

INSURED: Paragon Ceramics

EFFECTIVE DATE: 1st April, 2005

RENEWAL : K9,652.31 VAT : K1,689.15

FUTURE ANNUAL PREMIUM: K9,652.31 VAT: K1,689.15 S/DUTY: 0.80 TOTAL:
K11,342.26

DATE OF SIGNATURE OF ENDORSEMENT: 3rd September, 2005

Subject otherwise to its terms conditions and limitations the above policy is endorsed as follows:-

It is hereby declared and agreed that:

- (i) cover under the withinmentioned policy stands renewed for the period 1st April, 2005 to 31st March, 2006
- (ii) the schedule of items covered stands noted to read as attached.

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In consideration of the foregoing the renewal premium plus stamp duty shown above is payable to the Company.

Examined: TNL/em

