

Commercial Package Policy



In an uncertain world, it's good to know there's someone committed to protecting your business. In this document you'll find SafetyCulture Care's and the insurer's commitments described in detail.

By taking the time to read these pages you'll know exactly what you're covered for. You'll also learn what to do if you need to make a claim.

Claims made

Part A Directors & Officers Liability and Part B Employment Practices Liability of the Management Liability Section of the Policy Wording operates on a “claims made and notified” basis. This means that the section covers you for claims as defined in the Management Liability Section made against you and notified to SafetyCulture Care or the insurer during the policy period.

The Management Liability Section does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the policy period even though the event giving rise to the claim may have occurred during the policy period;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy that this policy replaces;
- claims made, threatened or intimated against you prior to the policy period or prior to the retroactive date of the policy (if such a date is specified in your policy schedule);
- facts or circumstances of which you first became aware prior to the policy period, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy Section;
- claims arising out of circumstances noted on the application and/or proposal for the current policy period or on any previous application and/or proposal.

Where you give notice in writing to SafetyCulture Care or the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the policy period, and provided the claim would otherwise be covered under the policy, you have rights under Section 40(3) of the Insurance Contracts Act 1984 (Cth) to be indemnified in respect of any claim subsequently made against you arising from those facts even though that claim is made after the expiry of the policy period. Any such rights arise under the legislation only. The terms of the policy Section and the effect of the policy Section is that you are not covered for claims made against you after the expiry of the policy period.

Please note that the above may be affected by any defined discovery period where applicable which may extend time for notification of a claim as defined.

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General Information

The General Information set out below is provided for your information only. It does not form part of the insurance contract with you, and is not part of the policy.

Managing risk is more than insurance

Welcome to SafetyCulture Care. While traditional insurance companies fix things after incidents, SafetyCulture Care also wants to help stop them from happening in the first place.

To help you better manage your business risks, SafetyCulture Care will provide you with access to the free version of SafetyCulture app, a mobile inspection app that makes it easy to monitor and manage safety, quality and efficiency. SafetyCulture Care will use the information you provided to create your SafetyCulture app account.

SafetyCulture app enables its users to conduct digital inspections to get on top of day to day business risks and prevent issues before they impact the business. SafetyCulture app is the flagship product of SafetyCulture, a global technology company that helps businesses around the world achieve safer, higher quality and more efficient workplaces by digitising business operations and processes. SafetyCulture App is supplied and supported solely by SafetyCulture and independently of the insurance policy and the insurer. Therefore the insurer has no liability for the SafetyCulture App or how you use it.

In an uncertain world, it's good to know there's someone committed to covering your business.

By taking the time to read these pages you'll know exactly what you're covered for under the Commercial Package Insurance Policy, what you can expect from the insurer and what the insurer expects of you. You'll also learn what to do if you need to make a claim or a complaint - it'll be time well spent.

This is an important document about insurance. It explains what is and what is not covered under the policy and your obligations. To check if the policy meets your needs, you need to understand it. If you cannot read and understand English please seek assistance from someone who can help you understand it in your preferred language.

About this document

There are two parts to this document. The first part is Important Information which includes information about your duty of disclosure, how SafetyCulture Care and the insurer will protect your privacy, how to make a complaint or access our dispute resolution service, and other important information. This is not part of the policy contract with you.

The second part is your Policy Wording which sets out the standard covers, benefits, terms, conditions and exclusions of the policy. The Policy Wording comprises several parts: Our Agreement, General Definitions, General Exclusions, General Conditions, Claims Procedures and Conditions, and the different sections of cover.

If SafetyCulture Care issues a policy to you, a policy schedule will be provided to you at the same time. The policy schedule sets out the specific terms applicable to your cover and should be read together with the Policy Wording.

The Policy Wording and policy schedule form your legal contract with the insurer so please keep them in a safe place for future reference. You should check the policy schedule when you receive it to ensure it accurately states what you have insured.

Because SafetyCulture Care and the insurer don't know your own personal circumstances, personal advice about the insurance will not be provided. Instead you should treat any advice in this document as purely general in nature. Any advice given about the insurance doesn't consider your objectives, financial situation or needs. You should carefully consider the information provided with regard to your personal circumstances to decide if it's right for you.

If you require personal advice about the insurance, contact a qualified insurance broker.

For more information

Take the time to read through this document and if you have any questions, need more information or to confirm your cover, please contact SafetyCulture Care, whose contact details are set out in this document and other documentation provided to you.

Important information

Full details of how to make a claim are provided in the 'Claims Procedures and Conditions'

About the Insurer

This policy is underwritten by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 (Allianz).

About SafetyCulture Care

Insurance products are issued by SafetyCulture Care Australia Pty Ltd ABN 54 662 653 303 (SafetyCulture Care). SafetyCulture Care is an Authorised Representative of Allianz, the insurer. SafetyCulture Care acts as agent for Allianz to market, solicit, offer, arrange and administer the insurance. SafetyCulture Care has a binding authority to issue, renew, vary and cancel contracts of insurance and to handle and settle claims on behalf of Allianz.

In all aspects of the policy SafetyCulture Care acts for the insurer and not for you.

SafetyCulture Care's contact details as shown below, and in the Complaints section of this Important Information.

Email: underwriting.care@safetyculture.com
Phone: 1300 164 884
Post: PO Box 304, Surry Hills, NSW 2010

Summary of policy sections

This policy provides a convenient way of protecting your major business assets and liability under one insurance policy. You can select which areas of cover and which limits to apply under the policy to suit your business needs.

The table below provides a summary of the key types of cover available under this policy. For full details of the cover provided, including any exclusions or conditions that may apply, please refer to the Policy Wording.

Your policy schedule will show the cover and options you have chosen.

Type of cover	Short description of cover
Section 1 Property Damage	Loss, damage or destruction to buildings, contents and stock and portable contents and Optional Covers for flood, internal and external glass, and equipment breakdown, up to the limits you select.
Section 2 Loss of Business Income	Loss of insurable gross profit and increase in cost of working caused by loss or damage to property insured under the Property or Crime sections, up to the limits you select.

Type of cover	Short description of cover
Section 3 Crime	Loss or damage resulting from theft of property, money belonging to you and connected with your business, and employee dishonesty, up to the limits you select.
Section 4 Public & Products Liability	All sums you become legally liable to pay as compensation in respect of personal injury, property damage and advertising liability that are caused by an occurrence in connection with your business, up to the limits you select.
Section 5 Management Liability	Liability for wrongful acts of directors and officers, loss from a claim for employment practices breach, and professional fees incurred in connection with a tax audit, up to the limits you select. This Section (other than Tax Audit) operates on a "claims made and notified" basis. This means that this Section covers you for claims made against you and notified to SafetyCulture Care or the insurer during the policy period.

Each of the Sections listed in the table above is subject to specific definitions, the basis of cover and specific exclusions. In addition, there are general exclusions and conditions that apply to all Sections of the policy.

Ensuring the limits are sufficient for your business needs

To ensure that the amount covered by the policy is adequate in the event of a claim, you should ensure that the limits you select when applying for the policy are sufficient. You should also take care to amend the limit when your situation or business needs change.

For example, if you have selected the Property Damage cover option and the policy covers your building or contents or both for reinstatement and replacement costs, the limit that you select for your building and contents when applying for the policy should represent the full replacement value at new costs. If your selected limit is not the appropriate amount, losses may not be paid in full. It is your responsibility to ensure adequacy of limits. You should reassess these limits during the currency of the policy and prior to renewal each year and notify SafetyCulture Care of any relevant changes as soon as possible.

The cost of this policy

Your premium is calculated on the basis of information SafetyCulture Care receives from you when you apply for the policy. Some factors impacting premiums include:

- the type of business you operate;
- your location;
- the types of cover you select;
- the amounts you select as limits;
- your claims history;
- if you elect to have a higher or lower deductible (where this is an option); and
- any remuneration paid to SafetyCulture Care and brokers.

Your premium also includes amounts that take into account SafetyCulture Care's and the insurer's obligations to pay any relevant compulsory government charges, taxes or levies in relation to your policy. These amounts will be itemised separately on your schedule as part of the total premium payable.

We have determined that the policy (or part of it) is a policy to which the Terrorism and Cyclone Insurance Act 2003 applies. We may elect to reinsure part or all of our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC). As a consequence, we may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by us and administrative costs associated with the legislation) is reflected in the premium charged to you. As with any other part of the premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry. The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists you by contacting SafetyCulture Care on 1300 164 884.

For more information on the Code Governance Committee (CGC) go to codeofpractice.com.au.

Your duty of disclosure

Before you enter into a contract of insurance with us, you have a duty of disclosure under the Insurance Contracts Act 1984 to disclose to us every matter that you know, or a reasonable person in the circumstances could be expected to know, that is relevant to our decision to insure you and if so on what terms. You need to disclose that information to SafetyCulture Care, which acts on our behalf. As part of complying with your duty of disclosure, if SafetyCulture Care asks questions of you that are relevant to our decision to insure you and on what terms, you must tell SafetyCulture Care anything that you know and that a reasonable person in the circumstances would include in their answer.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate the contract. This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty, however, does not require you to disclose any matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of our business, ought to know; or
- as to which compliance with your duty is waived by us.

If you do not tell us anything you are required to, we may be entitled to cancel your policy contract or reduce the amount we pay you if you make a claim, or both. If your failure to disclose information to us is fraudulent, we may refuse to pay a claim and treat the policy contract as if it never existed.

Privacy

SafetyCulture Care and Allianz give priority to protecting the privacy of your personal information, by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

How we collect your personal information

SafetyCulture Care and Allianz usually collect your personal information from you or your agents. SafetyCulture Care and Allianz may also collect personal information from its agents and service providers; insurers and insurance reference bureaus; people who are involved in a claim or assist them in investigating or processing claims, including third parties claiming under your policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that you are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why SafetyCulture Care and Allianz collect your personal information

SafetyCulture Care and Allianz collect your personal information to enable provision of products and services, including to process and settle claims; make offers of products and services provided by SafetyCulture Care or Allianz and their related companies, brokers, intermediaries, business partners and others that SafetyCulture Care or Allianz have an association with that may interest you; and conduct market or customer research to determine those products or services that may suit you.

You can choose not to receive product or service offerings from SafetyCulture Care (including product or service offerings from us on behalf of our brokers, intermediaries and/or our business partners) or our related companies by calling SafetyCulture Care on 1300 164 884, EST 9am to 5pm Monday to Friday. If you do not provide your personal information required by SafetyCulture Care, they may not be able to provide you with their services, including settlement of claims.

If you do not want to receive product or service offerings from Allianz (including product or service offerings from us on behalf of our brokers, intermediaries and/or our business partners), contact Allianz by phoning 13 1000 or through the Allianz website allianz.com.au.

Who SafetyCulture Care and Allianz disclose your personal information to

SafetyCulture Care and Allianz may disclose your personal information to others with whom they have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to you. These parties may include service providers, insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, advisers, persons involved in claims, external claims data collectors and verifiers, parties that SafetyCulture Care or Allianz has an insurance scheme in place with under which you purchased your policy (such as an industry association). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure overseas

Your personal information may be disclosed to SafetyCulture Care and Allianz related entities, business partners, insurers, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Germany, United Kingdom, United States of America, Netherlands, Philippines, India, and other countries where SafetyCulture Care and Allianz or their related entities have a presence or engages subcontractors.

SafetyCulture Care and Allianz regularly review the security of their systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

When personal information is shared overseas, there is a possibility whomever receives the information may be required to disclose it under a foreign law.

Access to your personal information and complaints

You may ask for access to the personal information SafetyCulture Care holds about you and seek correction by calling 1300 164 884, EST 9am to 5pm Monday to Friday.

The Privacy Policies of SafetyCulture Care and Allianz contain details about how you may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how SafetyCulture Care and Allianz deal with complaints. SafetyCulture Care's Privacy Policy is available at care.safetyculture.com/privacy/. The Allianz Privacy Policy is available at allianz.com.au.

Telephone call recording

SafetyCulture Care and Allianz may record incoming and/or outgoing telephone calls for claims, training or verification purposes. Where SafetyCulture Care or Allianz has recorded a telephone call, they can provide you with a copy at your request, where it is reasonable to do so.

Your consent

By providing SafetyCulture Care or Allianz with personal information, you and any other person you provide personal information for consent to these uses and disclosures until you tell SafetyCulture Care or Allianz otherwise. If you wish to withdraw your consent, including for such things as receiving information on products and offers by SafetyCulture Care or Allianz, its related entities or persons we have an association with, please contact SafetyCulture Care or Allianz as appropriate.

Complaints Procedure

You can make a complaint about any aspect of your relationship with us or SafetyCulture Care, including your policy or claim, service, staff or handling of a complaint, or the service of any party acting for or appointed by us or SafetyCulture Care

If you wish to make a complaint please contact SafetyCulture Care in the first instance. SafetyCulture Care will attempt to resolve your complaint in accordance with its Internal Dispute Resolution ("IDR") procedure, which complies with Code and ASIC guidelines.

If they cannot resolve your complaint to your satisfaction, SafetyCulture Care will escalate your matter to us.

If you are not happy with our response, you may refer your complaint to AFCA. If your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint, AFCA may review it, subject to its Rules.

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances to apply.

SafetyCulture Care's contact details are:

Email: complaints.care@safetyculture.com
Phone: 1300 164 884
Post: PO Box 304, Surry Hills, NSW 2010

AFCA's contact details are:

The Australian Financial Complaints Authority

Online: afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Mail: GPO Box 3 Melbourne VIC 3001

This service is free of charge.

Financial Claims Scheme

This policy is protected under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the unlikely event the insurers become insolvent. You may be entitled to access the FCS if you have a valid claim. For information about eligibility criteria, visit: apra.gov.au/financial-claims-scheme-general-insurers.

Policy Wording

This **policy** is issued by SafetyCulture Care and underwritten by the **insurer** stated in the **schedule**.

Our agreement

Your **policy** is an agreement between **you** and **us**, made up of:

- this Policy Wording document.
- **your policy schedule**, which sets out the cover **you** have chosen, the period of cover and other terms which relate specifically to the cover provided to **you**.

We agree to insure **you** subject to the payment of the **premium** (and all relevant taxes and statutory charges) and the terms and conditions of the **policy**. This Policy Wording document includes:

- conditions and exclusions which apply to specific covers or Sections in the **policy**;
- general exclusions, which apply to any claim **you** make under the **policy**;
- general conditions, which set out **your** responsibilities under this **policy**;
- claims conditions, which set out **our** rights and **your** responsibilities when **you** make a claim; and,
- other terms, which set out how this **policy** operates may be contained in **your policy schedule**.

There are words and expressions in this **policy** document that have particular meanings and they appear in **bold** throughout the Policy Wording. They are used to help **you** in understanding how the **policy** operates. So, wherever a word or expression appears in **bold** type it will have the meaning set out in the General Definitions.

In some Sections of the **policy** there are additional defined terms that apply only to those Sections. Those particular defined terms also appear in **bold** and can be found in the relevant **policy** Section.

Headings are provided for reference only and do not form part of **your policy** for interpretation purposes.

General Definitions

accidental means unexpected and unintended from **your** standpoint.

act of terrorism means and includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes, to intimidate the public, or a section of the public, of any nation by any person, or group(s) of persons, whether acting alone or on behalf of, or in connection with, any organisation(s) or government(s) de jure or de facto, and which:

- involves violence or threat of violence against one or more persons; or
- involves damage to property; or
- endangers life other than that of the person committing the action; or
- creates a risk to health or safety of the public or a section of the public; or
- is designed to interfere with or to disrupt an electronic system.

aircraft means any vessel, craft or device intended to fly or move in or through the air, other than model aircraft or unmanned inflatable balloons used for advertising purposes.

building means a non-portable structure having a roof and walls, which completely enclose the space beneath the roof and all other structures in or on the **location** including infrastructure associated with all utility services. **Building** does not include **your** residential home or any **contents**.

business means **your** business or occupation as described in the **schedule**.

catastrophe event means a significant destructive natural **event**, in the area in which the **location** is situated, which either the Insurance Council of Australia has declared to be an 'insurance catastrophe event' or, as a consequence of the natural event, the relevant government authority has declared a state of emergency.

computer attack means any malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilising the computer system or network of whatsoever nature.

computer system means any computer, hardware, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud storage and any similar system or any configuration of the above used by **you** for the purpose of the **business** and including any associated input, output, **electronic** data storage device, networking equipment or computer back-up facility.

consequential loss means loss of use, earning capacity, reputation, enjoyment, profits or depreciation, and any other consequential financial loss of any kind including an increase in costs and expenses caused directly or indirectly or resulting from:

- delay or interruption of the **business**;
- lack of power, light, heat, steam or refrigeration; or
- any other indirect result or consequence of a breakdown.

contamination means the discharge, dispersal, release, seepage, escape or migration of any type of **pollutant/pollution**.

contents means office furniture and furnishings, documents, tools of trade, communications systems, and all other plant, equipment and accessories used by **you** for the purpose of the **business** and which belong to **you**, for which **you** have accepted responsibility. If **you** are a tenant of premises at a **location** used for the purposes of the **business**, **contents** also includes:

- any of **your** landlord's fixtures and fittings, window dressings, floor coverings and **glass** which **you** have responsibility for under **your** written tenancy agreement; and
- landlord's improvements to premises at the **location** which are provided for **your** use for which **you** are responsible to repair or replace if **damaged**.

contents in no case will include:

- **buildings**;
- **stock**;
- **directors** and **employees' personal property**;
- **money**;
- motor vehicles, motorcycles and machinery while registered or licensed to travel on a public road, **aircraft**, hovercraft, caravans, trailers and watercraft, but not if any of these are **stock** covered under Section 1 Property Damage and are **damaged** whilst at **your location**;

- animals other than where they are covered as **stock** under Section 1 Property Damage or which are decorative fish;
- plants (other than potted plants) shrubs, lawns, growing crops, pastures and standing timber.

cyber war & terrorism event means any **act of terrorism** or **cyberterrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or **damage**.

cyberterrorism means any premeditated politically, religiously, or ideologically (or similar objective) motivated attack or disruptive activity, or the threat thereof, by a group or individual against a computer system or network of whatsoever nature or to intimidate any person in furtherance of such objectives.

damage means physical loss, damage or destruction.

debris means the residue of **damaged property** and liquids and/or chemicals used to extinguish, prevent or suppress **damage** or in preventing imminent **damage to property**.

declared value means:

- For **property**, the values of **property** (other than **money**) at each **location** declared by **you** to us when you made **your** application for this insurance and calculated in accordance with the definition of **reinstatement** value at the beginning of the **policy period**. **You** are not required to include in **your declared value** any amounts for goods sold but not delivered, or for the value of **personal property**.
- For **insurable gross profit**, the amount **you** insure for **insurable gross profit**.

deductible means the first amount of each claim or series of claims arising from any one **event**, which you must contribute to the settlement of a claim. For Section 2 Loss of Business Income, deductibles may be expressed in dollar terms or as a period of time.

defence costs means reasonable fees, costs and expenses (other than regular wages, salaries, fees or commissions payable to any **director**, **officer** or **employee**, or any other internal expenses) reasonably incurred by **you** or on **your** behalf of in the investigation, defence, settlement or appeal of any claim under Section 4 Public and Products Liability or Section 5 Management Liability.

director means any natural person who is, now is, was or becomes during the **policy period** a director of **your business** as defined in the Corporations Act 2001 (Cth), or the equivalent legislation in any other jurisdiction, including for the avoidance of doubt, a de facto director or a shadow director of **your business**.

electronic data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

electronic data media means the physical components or materials, whether magnetic or optical, on which **electronic data** or computer programs are recorded.

electronic equipment means any computer equipment, electronic machines, telecommunications transmission and receiving equipment including associated wiring.

employee means any person under a contract of service or apprenticeship with **you**, and which **you** have the right at all times to instruct and direct in the performance of work for **you**.

event means one incident or a series of incidents which is in consequence of, or attributable to, one source or original cause.

family member means only those members of **your** family who live permanently with **you**, including **your** domestic partner.

flood means the covering of normally dry land by water that has escaped or been released from the normal confines of any lake or any river, creek or other natural watercourse, whether or not altered or modified, or of any reservoir, canal or dam.

geographical limit means only the Commonwealth of Australia, and elsewhere in the world in respect of:

- **your** exported **products** other than any **products** sent to **North America** with **your** knowledge;
- business visits by **your** directors and/or **employees** who are normally resident in Australia and who do not perform or supervise manual work in **North America**; and
- loss or **damage** to **portable contents**.

glass means:

- fixed glass forming part of, or fixed to the exterior of the **building**, including glass doors and glass in fixed signs, and
- fixed internal glass including in furniture, counters, shelving and showcases, mirrors (whether fixed or not), washbasins, sinks, toilet pans and cisterns, contained within **your building**.

but **glass** does not mean **stock**.

incidental contract means:

- any written rental or hiring agreement for real estate or personal property. However, cover for any **incidental contract** shall not apply to any condition contained in an agreement that requires **you** to insure such property;
- any written contract with any entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, communication services or other essential services, except those contracts in connection with work performed by **you** or on **your** behalf for such authorities or entities;
- 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.

indemnity value means the cost necessary to **reinstate** or **replace damaged property** to a condition substantially the same as, but not better or more extensive than its condition at the time of the **damage**.

insured, you, yours means the persons, companies, and other entities specified in the **schedule** as **insureds**, and any other party deemed to be an **insured** pursuant to the terms and conditions of this **policy** including all subsidiary companies, organisations and entities domiciled in Australia in which the the persons, companies, and other entities specified in the schedule have a controlling interest but only to the extent that each of them is engaged in carrying on the business or activities which are substantially of the same kind or related to the **business**. For the purpose of this definition, a controlling interest shall, in the case of a company, mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast.

For the purposes of Employee Dishonesty cover provided under Section 3 Crime, **insured** includes any welfare, social or sporting club which has been created by **you** for the benefit of **employees** and their **families**.

insurer means the company or companies that underwrites the insurance risks of this **policy**.

limit means:

- in relation to the cover provided under Section 1 Property Damage, Section 2 Loss of Business Income and Section 3 Crime, the amount specified in the **schedule** applicable to each of Sections 1, 2 or 3 being

the maximum up to which **we** may be liable to pay to **you** for loss or **damage** suffered by **you** which is covered under any one or more of those Sections;

- in relation to Section 4 Public and Products Liability and Section 5 Management Liability, the amount specified in the **schedule** applicable to each of Sections 4 and 5 and which **we** may be liable to pay on **your** behalf for liability which **you** have in respect of any **claim** made against **you** under either of those sections.

location means the address(es) listed in the **schedule** from which **you** operate **your business**, including **buildings** and land within its legal boundaries, not being **your** residential home.

machine, machinery means any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form of energy or power.

money means cash on hand and in bank accounts, current coin, bank notes, currency notes, cheques, credit card sales vouchers, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value, all belonging to **you** or for which **you** are legally responsible or have assumed a responsibility to insure. **Money** does not include collectable items (for example coin or stamp collections), anticipated revenue or any form of crypto-currency.

North America means:

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

obsolete stock means **stock** which can no longer be sold for its full value, for example **stock** which is out of fashion, superseded computers or perishable goods beyond their use by date.

personal property means personal items designed to be worn or carried but not cheques, **money**, credit cards, negotiable instruments, or firearms.

policy means this Policy Wording, any amendments to it and the **schedule**.

policy period means the period specified in the **schedule**.

pollutant, pollution means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

portable contents means tools of trade, communications systems, and all other plant, equipment and accessories belonging to **you** which may be carried with **you** in the course of the conduct of **your business** and which are referred to in the **schedule** as **specified items** or **unspecified items**. **Portable contents** includes carrying cases and normal accessories. **Portable contents** does not include **money**, documents, **personal property** or **valuables**.

product means anything, after it has ceased to be in **your** possession or under **your** control, that was or is deemed to have been sold, supplied, designed, created, developed, assembled, manufactured, grown, extracted, produced, processed, imported, exported, constructed, erected, repaired, serviced, renovated, treated, distributed, handled, installed, or disposed of by **you** or on **your** behalf (including **your** predecessors in **your business**), including labels, packaging or any container thereof the design, specification or formula of the products and directions, instructions or advice 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 **your business** (including discontinued products). **Product** does not include:

- food and beverages supplied by **you** or on **your** behalf primarily to **your employees** as a staff benefit;
- any property rented to or located for the use of others, and not sold by **you**.

property means commercial **buildings, contents** and/or **stock** owned by **you** and used in connection with **your business** or for which **you** are responsible or have assumed responsibility to insure prior to an **event**.

reinstate/reinstatement means the restoration, repair or rebuilding of **property** to a condition substantially the same as, but not better or more extensive than its condition when new.

reinstatement value means the cost necessary to **reinstate damaged property**.

replace/replacement means the cost necessary to replace, repair or rebuild the **property** to a condition substantially the same as but not better or more extensive than the insured **property's** condition when new.

schedule means the schedule issued for this **policy** (including for new policies, renewal policies, mid-term endorsements and cancellations). In the event of a claim it is the **schedule** that applied at the time of loss.

seasonal increase period means any period of time during the **policy period** that has turnover, sales or levels of **stock** at least 20% higher than the average turnover, sales or level of **stock** at other times during the **policy period**.

social engineering fraud means any act of a person to deceive or mislead an **employee** into transferring, paying or delivering money, valuables and/or other tangible or intangible property, or changing any bank account details held by **you**, by impersonating or representing that they are another person who has authority to provide such instructions, but who is not duly authorised to give those instructions.

stock means products and materials **you** intend to sell, customer's goods in **your** care, custody or control, raw or consumable materials or products used by **you** in the **business** and **your products** while being made, repaired or altered. Stock includes items of **property** at **your location** under a 'sell or return' consignment agreement. Stock does not include motor vehicles, motor cycles, or animals other than stock of a pet shop or restaurant. For the purposes of Section 3 Crime stock does not include tobacco and tobacco products, vaping or shisha products, or liquor unless shown as covered on **your schedule**.

theft means the dishonest taking of **your property** by a third party, with the intention of permanently depriving **you** of it, and includes any attempt at theft.

time element loss means loss resulting from an inability to use **property** for a certain amount of time.

valuables means jewellery, bullion, antiques, curiosities, works of art, or collection of items and other articles containing gold, silver, precious metals or stones. Valuables does not mean **stock**.

watercraft means any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

we, us or **our** means the **insurer(s)** specified in the **schedule**.

General Exclusions

The following exclusions apply to all cover Sections of the **policy** unless stated otherwise.

In some Sections of the **policy** there are additional exclusions that apply only to those Sections (as well as these general exclusions).

This **policy** does not provide cover for any of the following:

1. Communicable disease

Any liability under this **policy** in respect of any claims or costs arising out of any actual or alleged loss, liability, **damage**, compensation, loss of use, loss of profit, injury, sickness, disease, death, medical payment, defence cost, inquest cost, accident enquiry, cost, expense or any other amount incurred either directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with **communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease** or the actual or alleged transmission of a **communicable disease**.

As used herein, **communicable disease** shall mean:

- a. any disease infectious in humans forming part of the Listed Human Diseases under, or is the subject of a Human Biosecurity Emergency under, the Biosecurity Act 2015 (Cth) and any of its subsequent amendments or any similar such listing or declarations of diseases under any subsequent statute that repeals and replaces the Biosecurity Act 2015 (Cth) in whole or part, whether or not such declaration has taken place before or after inception of this **policy**;
- b. any disease infectious in humans forming part of the Quarantinable Infectious Diseases as defined under the Health Act 1956 (NZ) and any of its subsequent amendments or any similar such listing of diseases under any subsequent statute that repeals and replaces the Health Act 1956 (NZ) in whole or part, whether or not such declaration has taken place before or after inception of this policy; or
- c. any pandemic or epidemic, as declared as such by the World Health Organisation.

2. Consequential loss

Except as specifically provided otherwise, the **policy** does not cover:

- a. consequential loss of any kind;
- b. legal liability to pay compensation or damages; or
- c. **damage** caused by, contributed to by or arising from faults or defects known to **you** or any **employee** whose knowledge in law would be deemed to be **yours** and not disclosed to **us** at the time the **policy** was entered into.

3. Electronic data

This **electronic data** exclusion is applicable to the following Sections of the **policy**:

- Property Damage (other than Optional Cover 3 Equipment Breakdown);
 - Loss of Business Income;
 - Crime; and
 - Management Liability, Part C Tax Audit.
- a. These sections do not insure any loss or **damage** of whatsoever kind directly or indirectly caused by, contributed to by or arising from:
 - i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;
 - ii. error in creating, amending, entering, deleting or using **electronic data**; or
 - iii. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

- b. However, in the event that any of the matters described in the above paragraph is caused by a peril listed below (being a peril insured by the relevant Sections but for this exclusion) the relevant Sections, subject to all their provisions, will insure:
- i. physical loss of or **damage** or destruction to **property** insured directly caused by such listed peril; and/or
 - ii. consequential loss insured by the **policy**.

Damage other than non-physical damage, fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by **aircraft** or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, theft of **electronic data** solely where such theft is a consequence of theft of any computer and/ or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such **electronic data**, breakage of **glass**, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the **location**.

- c. For the purposes of the Basis of Settlement provisions in these Sections, computer systems records include **electronic data**. Any terrorism exclusion in these Sections or any endorsement thereto prevails over this exclusion.

4. Cyber & electronic data exclusion

Notwithstanding any provision to the contrary in the policy or any endorsement thereto, this policy does not cover:

- a. damage, loss, destruction, distortion, erasure, corruption, alteration, theft or other dishonest, criminal, fraudulent or unauthorised manipulation of electronic data from any cause whatsoever (including, but not limited to computer attack and/or a cyber war & terrorism event) or loss of use, reduction in functionality, loss, cost expense and/or fee of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage;
- b. error in creating, amending, entering, deleting or using electronic data; or
- c. total or partial inability or failure to receive, send, access or use electronic data for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, but for this General Exclusion, in the event that any damage results from any of the matters described in the above paragraph (except for a cyber war & terrorism event), or theft consequent upon forcible and violent entry or felonious concealment upon premises committed by your employee, the policy, subject to all its terms, provisions, conditions, exclusions and limitations, will cover direct physical damage and/or consequential loss arising therefrom occurring during the policy period to property insured. Any terrorism exclusion in this policy or any endorsement thereto prevails over this endorsement.

5. Geographical limitations

Loss or **damage** to **your property** that is outside the **geographical limit**, except as stated in Section 3 Crime and Section 4 Public & Products Liability or shown on **your policy schedule**.

6. Intentional acts.

Loss, destruction, liability or **damage** directly or indirectly caused by, contributed to by or arising from any:

- a. dishonest, fraudulent, criminal or malicious act;
- b. wilful breach of any statute, contract or duty; or
- c. conduct intended to cause loss or **damage** or with reckless disregard for the consequences, carried out by **you** or any person acting with **your** knowledge, consent or connivance.

7. Known defects

Loss or **damage** caused by faults or defects which **you**, or any **employee** whose actions **you** are liable for, knew about and did not disclose to **us** prior to the commencement of the **policy period**.

8. War, terrorism, confiscation & Nuclear

We will not be liable for:

- a. any loss, **damage** or liability directly or indirectly caused or occasioned by, in any way connected with or happening through or in consequence of or arising from any war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or **damage** to property by or under the order of any government or public or local authority
- b. any death, injury, illness, loss or **damage** directly or indirectly caused or contributed by, in any way connected with or arising or resulting from:
 - i. any **act of terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss, damage, cost or expense, or
 - ii. any action in controlling, preventing, suppressing, retaliating against or responding to any **act of terrorism**. However, this exclusion will not apply to Section 3 Crime.
- c. any loss, **damage** or liability directly or indirectly caused by or arising from confiscation or nationalisation, or requisition or destruction of or **damage** to property by or under the orders of any government or public or local authority.
- d. any loss, **damage** or liability directly or indirectly caused by, in any way connected with, contributed to by or arising from:
 - i. ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - ii. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - iii. any weapon or other device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

9. Sanctions

Regardless of anything contained in this **policy** to the contrary, **we** shall not be liable to provide any cover or benefit or pay any claim where the provision of cover or benefit or payment of claim would constitute a breach to any trade or economic sanction, embargo, prohibition or restriction imposed by any of the following: United Nations, United States of America, Australia, European Union, United Kingdom, or New Zealand, or any other applicable national trade or economic sanctions, laws or regulations. This clause shall apply where such geographical location, provision of goods, services or other reasons shall contravene such sanction, embargo, prohibition or restriction.

10. Aggravated, punitive or exemplary damages, fines or penalties

Your policy does not cover any fines, penalties, exemplary, punitive, liquidated or aggravated damages and/or additional damages resulting from the statutory multiplication of damages otherwise awarded.

11. Unoccupied buildings

The **policy** does not provide any cover at a **location** after the **building** has been unoccupied for more than 60 consecutive days.

Unoccupied means left vacant by **you** or any other authorised person whether furniture or other contents remain or not.

This exclusion does not apply to loss or **damage** to **property** caused by:

- a. lightning, earthquake and subterranean fire; or
- b. impact by any road vehicle or their loads, animals, trees or branches, meteorite, **aircraft** or other aerial devices or articles dropped from them, sonic boom or space debris, falling communication masts, towers, antennae or dishes, falling buildings or structures or parts thereof which do not belong to **you**.

Provided that:

- i. cover will apply at an unoccupied building if **we** have specifically agreed to this in writing;
- ii. **you** agree to pay **us** any additional premium that **we** may require; and
- iii. cover will resume when that building is again occupied by authorised persons.

12. Computer technology

The **policy** does not cover any **damage** to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

General Conditions

The following Conditions apply to all cover Sections of the **policy** unless stated otherwise.

In some Sections of the **policy** there are additional Conditions that apply only to those Sections.

Policy Conditions

1. Reasonable care

We may refuse to pay a claim which may otherwise be covered under this **policy** if **you** do not:

- a. take all reasonable care to minimise loss, damage and liability, and to prevent personal injury or damage to **your property** and the property of others, including **your** compliance with all laws and regulations that apply to **your business**;
- b. take all reasonable steps at **your** expense, to trace, recall or modify any **products** which **you** know or have reason to believe may be defective.

2. Where 'prior consent' is required from us

There are certain benefits under the **policy** which require **you** to obtain **our** consent before incurring costs. In

each case where prior consent is required, **you** must obtain it from **us** before incurring such costs unless the **policy** states otherwise. **We** will not unreasonably withhold or delay **our** consent.

If **you** do not obtain **our** prior consent where required, **we** may be able to reduce the claim payable by an amount that fairly represents the amount by which **our** interests were prejudiced by **your** failure to obtain **our** prior consent.

3. Payment of reasonable amounts of any costs, charges, expenses and fees under this policy

We will cover a range of different costs, charges and fees (“costs”) under this **policy**, and unless **we** state otherwise, **we** will provide cover for the ‘reasonable’ amount of such costs.

Reasonable amount means an amount that is not excessive and to which **you** have given reasonable consideration to the potential courses of action available prior to incurring the amount and the course of action **you** have taken was reasonable in that context.

Where consent is required before incurring such costs and **you** seek **our** consent, **you** can advise **us** of the matters **you** have had regard for when considering the costs **you** propose to incur and discuss the circumstances with **us**. If the amounts are reasonable in the circumstances, **we** will provide **our** consent.

4. Paying your premium

We are entitled to deduct from any amount **we** pay **you** under a claim any premium that remains unpaid at the time of settlement.

You need to pay **your** premium on time to ensure **you** are covered. If **you** don't pay the premium **we** may be entitled to reduce or refuse to pay a claim and cancel the **policy**.

5. Accountancy records

You must provide **us** with all **business** records and other documents that **we** reasonably require to properly investigate or verify claims.

6. Alteration to risk

If there are any changes in the nature of **your business** or other changes affecting **your location** during the **policy period** that may result in an increased risk of loss or **damage to your property**, or **your** liability to third parties, **you** must tell **us** as soon as reasonably possible after **you** become aware of such changes and provide any further information **we** may reasonably require.

If **we** agree to continue **your** cover, **we** will let **you** know in writing, and **you** must pay **us** any extra premium **we** require.

If **you** do not tell **us** about the changes, it may result in **us** refusing to pay a claim, reducing **our** liability under the **policy** to the extent **we** have been prejudiced and/or cancelling the **policy** (where permitted by law), except where **we** have specifically allowed changes without notification in a particular Section of the **policy**.

7. Acquisition of companies

If **you** acquire any company or other legal entity within Australia during the **policy period** for the purposes of **your business**, **we** will cover **you** for **property** and liability of the acquired company or entity, provided that:

- a. the business of the acquired company or entity is a similar business to **your business**;
- b. **you** advise **us** of such acquisition within 30 days of it happening;

c. **you** accept **our** terms and pay **us** any additional premium **we** may require.

We will provide cover for such acquired company or entity, subject to the terms, conditions and limits applicable to this **policy**.

8. Deductible

The **limits** and sub-limits which **we** have agreed to pay under the **policy**, are subject to **you** paying a **deductible** in the event of a claim which is specified in the **schedule**.

If more than one **deductible** can be applied to one **occurrence**, **you** will only need to pay the highest **deductible**.

Depending on the type of claim, **you** may need to pay the **deductible** to **us** when the claim is settled, or **we** may deduct it from the amount **we** pay **you**.

The **limit** and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any relevant **deductible**.

For all loss or **damage** resulting from earthquake, subterranean fire, volcanic eruption, bushfire, grass fire, scrub fire, **flood**, storm, wind, hail or rainwater, that is continuous, results from the same general conditions, and which occurs within a 72 hour period from the time of the first **damage**, only one **deductible** will apply.

All loss or **damage** resulting from earthquake occurring during each period of 72 consecutive hours will be considered as one event, whether the earthquake is continuous or sporadic in its sweep and/or scope and the **damage** was due to the same seismological conditions.

9. GST notice

This **policy** has a GST provision in relation to premium and **our** payment to **you** for claims. It may have an impact on how **you** determine the amount of insurance **you** need. Please read it carefully. Seek professional advice if **you** have any queries about GST and **your** insurance.

Limits:

All monetary **limits** in this **policy** may be adjusted for GST in some circumstances (see below).

Claims settlements - where **we** agree to pay:

Where **we** agree to pay a claim and calculate the amount **we** will pay **you**, **we** will consider the following:

Acquisition of goods, services or repairs:

Where **you** are liable to pay an amount for GST in respect of an acquisition relevant to **your** claim (such as services to repair a damaged item insured under the **policy**) **we** will pay for the GST amount.

We will pay the GST amount in addition to the **limit** or sub-limits shown in the **policy** or in the current **schedule** (unless we state GST is included in the **limit**).

If **your limit** is not sufficient to cover **your** loss, **we** will only pay the GST amount that relates to **our** settlement of **your** claim.

We will reduce the GST amount **we** pay for by the amount of any input tax credits to which **you** are or would be entitled.

Payment as compensation:

Where **we** make a payment under this **policy** as compensation instead of payment for a relevant acquisition, **we**

will reduce the amount of the payment by the amount of any input tax credit that **you** would have been entitled to had the payment been applied to a relevant acquisition.

Where the **policy** insures loss of business income, **we** will (where relevant) pay **you** on **your** claim by reference to the GST exclusive amount of any supply made by **your business** that is relevant to **your** claim.

Disclosure – input tax credit entitlement:

If **you** register, or are registered, for GST **you** are required to tell **us** **your** entitlement to an input tax credit on **your** premium. If **you** fail to disclose or understate **your** entitlement, **you** may be liable for GST on a claim **we** may pay. This **policy** does not cover **you** for this GST liability, or for any fine, penalty or charge for which **you** may be liable.

10. Jurisdiction and service of suit

We agree that:

- a. **your policy** is governed by the law of the Australian state or territory where **your** insured **property** is usually kept or is located. Any dispute relating to this **policy** shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the **policy** was issued.
- b. any summons notice or process to be served upon **us** may be served upon:

Safety Culture Care Australia Pty Ltd
PO Box 304
Surry Hills, NSW 2010.
- c. if a suit is instituted against **us**, **we** will abide by the final decision, after all appeals, of the relevant Australian Court.

11. Non-imputation

If more than one **insured** is covered under this **policy**, **we** agree that:

- a. each **insured** shall be regarded as having made its own proposal for this insurance;
- b. any statement or representation made in any proposal shall be deemed to be a separate declaration, statement or representation by each **insured**; and
- c. any knowledge possessed by one **insured** shall not be imputed to any other **insured**.

12. Other persons or organisations

- a. Any other party having a legal or financial interest in **your** property is automatically covered as an additional **insured** under this **policy** to the limited extent of their insurable interest only, provided that interest is noted in **your business** records. **You** will need to tell **us** the nature and extent of that interest if there is a claim which is covered under the **policy**. All parties having such an interest are subject to all of the terms and conditions of this **policy**.
- b. If there are other parties covered under this **policy**, any unintentional error made by any one party will not prejudice the rights of any other party provided that the party which did not make the error tells **us** in writing, within a reasonable time after becoming aware of the error.

It is only necessary for **you** to tell **us** about the error if the risk of loss or **damage** has increased as a result of the identification of the error. If the risk has increased, **we** may require an additional premium.

- c. No interest in this policy can be transferred without **our** written consent.

13. Waiver of subrogation rights

Regardless of **our** rights of recovery under the Claims Procedures and Conditions, **we** will waive any rights and remedies or relief to which **we** are or may become entitled by subrogation against:

- a. any other party (including **directors**, officers and **employees**) who is insured under this **policy**.
- b. any entity (including its **directors**, **officers** and **employees**) owned or controlled by any **insured**, or against any co-owner of the **property**.

14. Cover under more than one Section

If loss, **damage** or liability is covered under more than one Section of the **policy**, **we** will only pay under one Section of the **policy** for the same **event** or **occurrence**.

15. Release of other parties

You may without prejudicing **your** rights under the **policy** enter into an agreement:

- a. with any statutory, governmental or municipal authority to release such company or authority from liability if the agreement requires **you** to do so;
- b. for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
- c. for the lease or hiring of any property which contains a clause which limits **your** rights against the party **you** are hiring or leasing the property from.

You may without prejudicing **your** rights under Section 1 Property Damage enter into an agreement with any railway or other transportation company to release such company from liability if the agreement requires **you** to do so.

16. Reinstatement of limit

If **we** pay a claim for **damage** during the **policy period** under:

Section 1 Property Damage; or

Section 2 Loss of Business Income; or

Section 3 Crime sub-sections 1 or 2,

we will reinstate the amount necessary to bring the **limit** for the relevant Section back to the original amount shown in the **schedule** provided **you** pay any premium **we** require for the reinstatement.

We will not reinstate the **limit** for Section 1 Property Damage or Section 2 Loss of Business Income if **we** have paid a total loss under either of these Sections.

We will not reinstate the **limit** for Employee Dishonesty.

17. Sprinkler installations

Where **building(s)** at **your location** are protected or are required by law, the Building Code of Australia or National Construction Code to be protected by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station, in or on the **location**, **you** shall use reasonable care to ensure that the same are maintained in good working order.

You undertake that provision will be made for the regular maintenance and testing of the installation in accordance with Australian Standards by the installing engineers or qualified fire protection contractor. Notice of

all alterations and additions to the automatic sprinkler installation shall be given by **you** to **us** as soon as reasonably practicable.

18. Reasonable care and compliance

You shall take all reasonable care to prevent loss, **damage** or legal liability, maintain **your property** in sound condition and, in particular, to minimise or avoid theft, loss, **damage** or liability.

In addition, **you** shall comply with all relevant laws, regulations, codes, standards or industry practices during the **policy period**, minimise any loss or **damage**, and only employ competent **employees** and ensure they adhere to these requirements.

19. Cancelling the policy

When **you** can cancel:

You can cancel **your policy** whenever **you** want by giving written notice.

When **we** can cancel:

We can cancel **your policy** when the law allows **us** to do so, including if:

- **you** failed to comply with **your** duty of disclosure;
- **we** find out that **you** made a misrepresentation when **you** applied for, changed or renewed **your** insurance;
- **you** don't comply with **your policy's** terms and conditions, including the terms of paying **your** premium;
or
- **you** make any fraudulent claim.

If **we** cancel the **policy**, **we'll** give **you** at least 3 business days' notice in writing before the cancellation date, either:

- in person to **you** or **your** agent;
- electronically; or
- by post to the address **you've** given **us**.

If the **policy** is cancelled either by **you** or **us**, **we'll** refund any premium covering the rest of the **policy period**, unless **you've** made a total loss claim under this **policy** and **we've** agreed to cover it.

We will not refund the non-refundable premium paid for Section 5 Management Liability Section Discovery Period Optional Cover.

20. Compliance with policy terms and conditions

You are required to comply with the terms and conditions of the **policy**. If more than one person is insured under the **policy**, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the **policy**.

Claims Procedures and Conditions

1. Claims

If an **event** occurs which causes loss, **damage** or liability or which **you** think may result in a claim being made

under this **policy**, **you** must as soon as reasonably possible, at **your** own expense (unless the expense is covered under "3. Claims preparation expenses" below):

- a. tell **us** about the claim and if **we** request, complete a claim form within a reasonable time after the **event** which caused the loss, **damage** or liability. If **we** ask **you** to provide **us** with a statutory declaration **you** must provide it.
- b. **you** must provide **us** with details of any other policy which may provide cover for any of the loss, **damage** or liabilities insured by this **policy**.
- c. provide **us** with any documents and full details of other relevant legal or other proceedings such as an impending prosecution or inquest **you** receive or become aware of which relate to the loss, **damage** or liability as soon as reasonably possible.
- d. take all reasonable action to:
 - i. recover lost or stolen property and minimise the claim;
 - ii. prevent further loss, **damage** or liability.
- e. inform the police as soon as reasonably possible of any malicious damage, **theft**, attempted **theft** or loss of **property**;
- f. take reasonable steps to preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until **we** have had an opportunity for inspection. To ensure **you** are covered please contact **us** before any repairs or disposal.

However, **you** must not:

- g. admit liability, make any agreement to pay for **damage** or agree or offer to settle any claim, without **our** written consent. If **you** do, **we** may not pay the claim.
- h. incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without **our** agreement.

2. If a claim is made

- a. **you** must cooperate with **us** and give **us** all the information and assistance **we** may reasonably require in respect of **your** claim.
- b. **you** must comply with all the terms of the **policy** including the general conditions and claims conditions. **We** may reduce or refuse **your** claim to the extent **we** are prejudiced by **your** noncompliance.
- c. **we** have the right to conduct any legal proceedings that occur, and to take over and conduct, in **your** name, the defence or settlement of any claim.
- d. **we** may at any time, pay to **you** for all claims (or series of claims caused by the one **event**):
 - i. the amount of the **limit** or sub-limit less any amounts already paid by **us** for that claim;
 - ii. any lesser amount that the claim can be settled for.
- e. after **we** have settled the claim or paid the **limit** to **you**, **we** shall relinquish the control of the claim and will not be under any further liability in relation to that claim.

3. Claims preparation expenses

We will pay **your** reasonable costs as are necessarily incurred by **you** with **our** consent (which **we** will not

unreasonably withhold) for the preparation of a claim under Section 1 Property Damage, Section 2 Loss of Business Income and/or Section 3 Crime which **we** have agreed to cover **you** for.

The most **we** will pay in total for these costs for any one **event** is the amount shown in the **schedule**. These costs are in addition to the **declared values**.

4. Progress payments

We may:

- a. make progress payments on claims that are covered under Section 1, Property Damage and Section 2, Loss of Business Income. **We** will consider making progress payments if they are recommended by **our** loss adjuster or claims handler. **We** will consider all of the circumstances relevant to **your** claim and will not unreasonably withhold progress payments, if they are recommended.
- b. prior to making a final payment on **your** claim and at **your** request, decide to make an advance cash payment to **you** to overcome any immediate financial difficulties that **you** may suffer as a result of loss or **damage** which may be covered under this **policy**. **You** will need to provide **us** with the reasons why **you** need an advance payment, and any other information which **we** reasonably require to make **our** decision.

However, the making of any payment under sub-clauses 4.a. and/or 4.b. shall not be taken as an indication that cover under the **policy** is confirmed, and **we** reserve all **our** rights under the **policy**.

5. Rights of recovery

If **we** have paid a claim under this **policy**, **we** have the right to take action in **your** name to recover against any party who may have a legal liability to **you** in relation to that claim. These are called subrogation rights.

You must provide **us** with all the information that is relevant to **our** right to take such action and provide **us** with all reasonable assistance, and **you** must not make any agreement with any such party or make any admissions that may have the effect of limiting or excluding **your** rights against such party and/or **our** rights to recover against such party.

6. Recoveries

Subject to Section 67 of the Insurance Contracts Act 1984 (Cth), any recoveries obtained from other parties after the settlement of a claim under this **policy**, net of the expense of such recovery, will be allocated as follows:

- a. first, to **you** for **your** uninsured loss in respect of a claim paid under this **policy** (disregarding the amount of any **deductible** applicable);
- b. secondly, to **us** in reimbursement of the amount paid to **you** in respect of that claim; and
- c. thirdly, to **you** in satisfaction of any **deductible** amount **you** contributed in relation to the claim.

Any other monies remaining after these allocations will be retained by **us**.

Nothing in this condition shall prevent **you** and **us** entering into a "Subrogation Agreement" following a loss agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

7. Salvage

We will not dispose of any property which is able to be salvaged from an **event** which gave rise to a claim under this **policy** without giving **you** the opportunity to buy at a reasonable salvage value.

If **we** pay **you** for branded **stock** which is **damaged** but not destroyed, **you** may at **your** option keep the **damaged stock**, but **we** shall be entitled to a reasonable salvage value allowance for that **stock**.

If **you** recover or find any lost or stolen property for which **we** have paid a claim, **you** must tell **us** as soon as reasonably possible and give **us** the recovered or found property if **we** request **you** to do so. This condition does not allow **you** to abandon **property** to **us**.

8. Access to property

If **you** advise **us** of loss or **damage** to **property** insured, **as set out in this condition**:

- a. **we**, or anybody **we** appoint, may for reasonable purposes and in any reasonable manner:
 - i. enter, take or keep possession of the **buildings** where destruction or **damage** has happened;
 - ii. take or keep possession of the **property** insured for the purpose of **our** investigations; and
 - iii. if **we** accept liability for the loss, sell such **property** insured or dispose of it in a reasonable manner, but, **you** are not entitled to abandon such **buildings** or **property** insured to **us**. If **we** enter, take or keep possession of the **buildings** or **property** insured it will not be an admission of liability nor will it affect any of **your** obligations under the **policy**;
- b. if **we** elect or become bound to **reinstate** or **replace** any **property** insured, **you** must at **your** own expense produce and give **us** all such plans, documents, books and information as **we** may reasonably require; and
- c. where **we** are not able to **reinstate** exactly or completely (for example, if exact materials are no longer manufactured), **we** will **reinstate** in a reasonable manner, up to the **limit** or other sub-limit specified in the **schedule** or the **policy**.

9. Fraudulent claims

If **you** or any party covered by **your policy** makes a claim or arranges for some other party to make a claim that is in any way false, dishonest or fraudulent, then payment of the claim may be refused.

Section 1 Property Damage

You will only be covered under this Section 1 Property Damage if it is shown in the **schedule** as “Covered”.

Your cover under Section 1 is subject to the General Definitions, General Exclusions, General Conditions, Claims Procedures and Conditions, and any of the Definitions, Exclusions and Conditions contained in this Section.

What is covered under Section 1

Your property at the **location** is insured against **accidental damage** caused by an **event** during the **policy period**, up to the amount of the applicable **limit** or sub-limit shown in the **schedule** in accordance with the Basis of Settlement.

Limit, sub-limits and deductibles

We will not pay more than the overall **limit** that applies to the **location** where the damage happens, as stated in the **schedule** as the Location Limit, per **event** subject to any applicable sub-limit and **deductible**. The **limit** and sub-limits apply in excess of the relevant **deductible**.

The Location Limit for a specific **location** will be reduced by any payment made or due to be made by **us** following **damage** covered by this Section at that **location**.

If more than one sub-limit applies, **we** will pay up to the one with the highest value.

The sub-limits are within the **limit** and not in addition, unless stated to the contrary.

A **deductible** of \$20,000, or 1% of the total **declared values** for **property** at the **location**, whichever is lesser, applies for loss or **damage** caused by earthquake, tsunami, subterranean fire or volcanic eruption.

All other **deductibles** payable under Section 1 will be shown in the **schedule** and apply to each and every **event**.

Basis of Settlement – How we pay for claims under Section 1

1. Reinstatement/Replacement

- a. **We** will pay to **reinstate** or **replace damaged buildings** at **your location**, or at another site in Australia.
- b. For **damaged contents** (other than **valuables**) or **portable contents** **we** will, where it is practical for **us** to do so, pay the necessary and reasonable cost to restore or repair the **damaged contents** or **portable contents** to a condition substantially the same as, but not better than, when new.
- c. If it is practical for **us** to replace **your contents** or **portable contents**, at **your** option, **we** will **replace** lost or **damaged contents** or **portable contents** with similar property.
- d. If it is not practical for **us** to replace **your contents** or **portable contents** due to their age, style, type, condition or nature or at **your** option, **we** will pay **you** the **indemnity value** of the **contents** or **portable contents** at the time of loss or **damage**, or the **replacement value** as shown on **your policy schedule** where the item is specified.
- e. For **damage to stock** **we** will at **our** option (acting reasonably):
 - i. replace or repair the **damaged stock** with property or materials of equal quality, standard and specification unless the **stock** is **obsolete stock**;
 - ii. where the **stock** is **obsolete stock** at the time of the **damage**, **we** will pay **you** its value as **obsolete stock** but no more than its original cost to **you**; or
 - iii. if **you** request a cash settlement and **reinstatement** or repair is not carried out, and the **stock** is not

obsolete stock, we will pay the original cost to **you** of the stock that is **damaged** beyond repair and an amount commensurate with the cost of repairing **damaged stock** that can be repaired, if any, but not exceeding its value prior to when the **damage** took place.

- f. For **property insured** which is **damaged** in transit, we will pay:
- i. for **property** sold, the sale price plus freight if paid by **you**;
 - ii. for **property** purchased, the purchase price shown on the invoice plus freight if paid by **you**;
 - iii. for any **property** other than referred to in clauses 1 f. i and 1 f. ii. above, the indemnity value, plus the cost of the freight, if applicable.
- g. For **glass**, we will pay the cost of repairing or **replacing damaged glass** with glass of a similar type and quality necessary to comply with the minimum requirements of the relevant statutory authority, including fixing the **glass** in its frame or its location and including the reasonable costs to expedite the **replacement**.
- h. For Optional Cover 3 Equipment Breakdown, if insured, we will settle **your** claim as follows:
- i. if **your property** is insured on a **reinstatement** or **replacement** basis we will pay to reinstate or replace the **damaged** equipment at **your location**, or at **our** option (acting reasonably), we will replace the **damaged** equipment with similar **property** or pay **you** the indemnity value of **your** equipment at the time of the **damage** provided the claim does not exceed the cost of **reinstatement** or **replacement**; or
 - ii. for restoration of **electronic data**, the reasonable costs of restoration;
- i. For **valuables**, we will, where it is practical to do so, pay the necessary and reasonable cost to restore or repair the item to a condition substantially the same as, but not better than, when new. If after the repair or restoration, the market value of the item is less than its market value immediately before the loss, we will pay the difference.

If it is not practical for **us** to restore or repair the item due to its age, style, type, condition or nature or at **your** option, we will pay **you** the **indemnity value** of the item at the time of loss or **damage**, or the **replacement value** as shown on **your policy schedule** where the item is specified.

The most we will pay for **damage** to any one item of **valuables** for any one **event** is the **limit** stated in the **schedule** for the specified item of **valuables** or, if not specified, the **limit** stated in the **schedule** for unspecified items.

- j. If we pay **your** claim under this Section 1 on a **reinstatement** basis, we will also pay **you** the extra costs of reinstatement which **you** incur to in order to comply with any laws or regulations with respect to reinstatement.

The amount we will pay for this extra cost will not include the cost of complying with any requirement that **you** were obliged to comply with before the damage occurred.

The most we will pay for this extra cost is the amount shown in the **schedule** for Extra Cost of Reinstatement.

If **reinstatement** involves a **building** which is subject to any heritage or listing protection and we have been told about that at the time when this **policy** commenced, and if **you** decide to **reinstatement** the **building** at the same location, we will also pay **you** the extra costs of reinstatement for special materials and specialised labour to ensure compliance with the standards imposed by the authority under which the **building** is listed or protected.

If original materials are not locally available within a reasonable time frame, then we will only pay for

suitable modern equivalent materials.

2. Conditions which apply to reinstatement.

Unless stated elsewhere in Section 1, the following conditions apply to **reinstatement**.

- a. **You** must not unreasonably delay **reinstatement** of the **damaged property**. If **you** do, **we** will only pay the amount that **we** would have been required to pay if **reinstatement** had not been unreasonably delayed.
- b. If **you** rebuild at another site, **we** will not pay any more than **reinstatement value** that would have applied at the **location**.
- c. If **you** choose not to **reinststate** or **replace** any **damaged property**, **we** will only pay **you** the amount that **we** would have been required to pay if the **property** had been insured on the **indemnity value** basis.
- d. If any **property** is **damaged** but not destroyed, **we** will not pay any more than **we** would have been required to pay if the **property** had been destroyed.

The following additional provisions apply to the way in which we will settle your claims under Section 1.

3. Undamaged foundations

If foundations are not destroyed following an **event** and any government or statutory authority requires **reinstatement** of the **property** insured to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original **building** site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to **us** at the time of sale.

4. Underinsurance

You must declare to **us** when **you** apply for this **policy** the full **replacement** value of all **buildings, contents** and **stock** insured at each **location** under Section 1 Property Damage in accordance with the definition of **declared values**.

If **you** did not declare the appropriate value and **you** make a covered claim under Section 1 Property Damage, then the amount that **we** pay to **reinststate** or **replace damaged buildings, contents** and **stock** insured at the **location** will be reduced to the proportion of the value **you** declared bears to 80% of the full **replacement** value of the **buildings, contents** and **stock** insured at the **location** declared at the commencement of the **policy period**.

For the purposes of this underinsurance clause, additional costs incurred for **you** to comply with the requirements of any lawful authority related to **reinstatement** or **replacement** will be excluded from the calculation of full **replacement** value.

However, if **we** pay **your** claim on an **indemnity** basis, then the amount **we** pay will be reduced to that proportion of the value **you** declared bears to 80% of the **indemnity value** of the **buildings, contents** and **stock** insured at the **location** declared at the commencement of the **policy period**.

For claims under Section 1, this Clause 4 will not apply;

- a. if the value of the **damage** at the **location** is below 10% of the **declared value** for **buildings, contents** and **stock** insured at the **location** for which a claim is made.
- b. to **buildings** if the **declared values** for **buildings** at the **location** is at least the value provided for **your buildings** by a professional commercial property valuer and that valuation is not more than 3 years old at the date of the **event**.

The following is an example of how Underinsurance applies:

The value of **your building** is declared at \$1,000,000.

Damage to your building to the value of \$490,000 occurs from an **event** covered by the **policy**.

The insurable value of the **building** at the commencement of the **policy period** is actually \$2,500,000.

Underinsurance applies because the **declared value** of \$1,000,000 for that **building** is less than 80% of the insurable value (\$2,500,000 x 80% = \$2,000,000) calculated in accordance with the basis of settlement.

In this example **we** would pay only \$245,000 of **your damage** less any **deductible** that has to be paid.

Claim Payment = \$1,000,000 / (\$2,500,000 x 80%) x \$490,000 = \$245,000

5. Loss of floor space

If the law or local authority regulations requires that **you** can only rebuild with a reduced floor space in **your building** **we** will, in addition to paying **you** the **reinstatement** costs, pay **you** the difference between the costs to rebuild with the reduced floor space, and the estimated costs to rebuild with the same floor space as had existed before the **damage**.

6. Replacement equipment

If **you** replace **damaged property** with new **equipment** which has a different capability or output, **we** will pay the costs of that **property** on the following basis:

If the new **property**:

- a. has the same or lesser capability or output, **we** will pay the new installed cost of the **replacement property** as would give the same capability or output as **replaced property**;
- b. has a greater total capability or output, and the new installed cost of the **replacement property** is no greater than the **replacement** cost of the **damaged property**, **we** will pay the new installed cost of the **replacement property**;
- c. has a greater total capability or output, and the new installed cost of the **replacement property** is greater than the **replacement** cost of the **damaged property**, then **we** will pay the **reinstatement value**.

Additional benefits provided under Section 1

We will provide the following additional benefits under this **policy**.

The most **we** will pay for each additional benefit for any one **event** is the amount stated in the **schedule** for the respective additional benefit, unless stated otherwise. **We** will not pay more than the 'allowance for all other additional benefits' included in the Location Limit stated in the **schedule** for all additional benefits combined other than Removal of Debris and Catastrophe Event Cover, which are subject to their own **limits** as stated in the **schedule**.

Part A - **We** will extend the cover provided by this Section 1 for the following additional benefits:

1. Property in the open air

We will cover **you** for **damage to property** which is in the open air, but only if such **property** is;

- designed to operate in the open air;
- is within the boundaries of the **location**; and

- the **location** is enclosed after hours by walls or fences, the entry points of which are lockable.

However, the most **we** will pay for all **damage** to outside textile blinds and awnings, shade cloth, shade houses, fibreglass houses and glass houses, gates, fences, signs and retaining walls which is caused by or arising from storm, rainwater, wind, cyclone, flood (if shown as covered), hail or snow is the amount shown in the **schedule**.

2. Business equipment used at home

We will cover **you** for loss or **damage** to equipment (but not specialised equipment or **stock**) which is normally used for the conduct of **your business**, but which is located at **your** private residence within Australia and being used for the purposes of the **business**, provided that such loss or **damage** is caused by an **event** which would have been covered had the **property damaged** been located at the **location**.

For the purposes of this additional benefit 2 only, the expression “**your** private residence” means the private residence of any officer, **employee**, agent or consultant engaged in the conduct of **your business**.

3. Temporary removal

We will insure **you** for **damage** to **your property** insured under this **policy** that **you** have temporarily moved from **your location** to other premises within the **geographical limit**, for a period of 90 consecutive days from the day **you** first moved the **property** from **your location**.

We do not cover **stock** already sold or any **property** in transit.

We will not pay for **damage** to motor vehicles or motorcycles. **We** will not pay for **damage** to trailers, caravans, watercraft or hovercraft, unless they are **your business stock**.

4. Temporary cover for new locations

If **you** acquire **property** at a new **location** during the **policy period** which is used by **you** for the purposes of **your business**, **we** will temporarily cover **you** for **damage** to **your property** at the new location provided that:

- you** carry on the same type of business at the new location as is covered under this **policy**;
- the **property** at the new location is of a similar condition and type as the **property** under this Section, and is not excluded from cover under this **policy**;
- the **buildings** at the new location are constructed of the same type of materials and have the same or better protection systems that are at least equivalent as those in place at the **location** covered under this Section;
- you** give us full details of the new location within 30 days of the date on which **you** acquired the new location.

We will insure **your property** at the new location under this additional benefit from the date on which **you** acquired the new location until the expiry of 90 consecutive days from that acquisition date, or the expiry of the **policy period**, whichever occurs first.

This additional benefit applies only to **property** insured at **your location** which is shown on the **schedule**. The most **we** will pay for this additional benefit is the percentage stated in the **schedule** times the highest total **declared value** of all **locations**.

If the new location meets **our** underwriting rules and **you** pay the additional premium, if any, **we** will at **your** request extend **your policy** for the remainder of the **policy period** to cover the **property** at the new location.

5. Seasonal increase in stock

We will increase cover for **your stock** during the **seasonal increase period** by 50%.

The total number of days **we** will allow as a **seasonal increase period** is 120 days in total during any one **policy period**. **You** do not have to tell **us** what the dates of the **seasonal increase periods** are, but if **you** make a claim under this additional benefit 5, then **your business** records over the previous 2 years must confirm that the period is a **seasonal increase period**.

However, if **your business** is less than 2 years old, **we** will use the financial records of **your business** from the date **your business** started until the date of the loss or **damage** to support **your** claim.

If **your business** records are unavailable due to being **damaged** by the **event** giving rise to the claim, the dates of the **seasonal increase period** will be determined by reference to available records and/or periods of seasonal increases typical for the industry and situation **your business** operates in.

6. Playing surfaces

Regardless of any other provision in this **policy**, **we** will cover **you** for the cost of repairing **damage** to outdoor playing surfaces including supporting base, drainage, sub layers and foundations of those playing surfaces at **your location**, caused by:

- a. vandals or malicious persons, other than **you**, or **your** guests, **directors**, partners, officers, **employees** or members, or their guests;
- b. the action of the firefighting services, police or other emergency services in attending to their duties at the **location**.

7. Incidental transit

We will insure **you** for **damage** to **your contents** and **stock**, other than **valuables**, while in transit between **your locations** and between **your locations** and situations to which **your property** is temporarily moved, within Australia. The expression "in transit" includes being loaded onto or unloaded from, a conveying vessel, vehicle, locomotive or **aircraft**.

Part B - When damage to **your property** occurs and is covered by this Section 1, **we** will provide the following additional benefits:

8. Floating stock

Where **we** pay a claim for **damage** to **stock** at **your location**, the **declared value** for **stock** at the **location** where the **damage** occurred under Section 1 will be increased by the amount stated in the **schedule** to allow for the transfer of **stock** from another of **your locations**, provided that:

- a. **you** have **stock** insured at more than one **location** where **stock** is located, including the **location** affected;
- b. **you** regularly transfer **stock** between **locations** as part of **your** normal **business** operations, and
- c. **we** will not pay more than the total **declared value** for **stock** for all **locations**.

9. Expediting costs

We will pay **your** reasonable costs for express delivery including overseas freight, penalty rates for labour and which are incurred by **you** in connection with the **replacement** or **reinstatement** of **damaged property**.

10. Professional fees

We will pay **your** reasonable costs for professional fees paid for plans, specifications, tenders, quantities, supervision and the like incurred for the **reinstatement** or **replacement** of **damaged buildings**.

11. Records and data

If **we** have paid a claim for **damage** to **contents** at **your location**, **we** will pay the cost of recreating:

- a. **your** business books, plans, computer records, patterns and other **business** records;
- b. **your** customer's business records while in **your** care, custody or control at **your location** or **your** business records that are **damaged** while in **your** care, custody or control for **business** purposes while temporarily away from **your location**.

12. Alterations or additions

If **buildings** at **your location** are insured, **we** will pay up to the additional amount stated in the **schedule** for **reinstatement** of **damaged** alterations, or capital additions made to **buildings** during the **policy period**.

If **you** are a tenant of premises at a **location** used for the purposes of the **business**, **we** will pay up to the additional amount stated in the **schedule** for **reinstatement** of **damaged** alterations or additions to **your contents** that comprise landlord's fixtures and fittings, window dressings, floor coverings, and glass which **you** have responsibility for under **your** written tenancy agreement, made by **you** during the **policy period**.

13. Discharge of mortgage

If **your** claim is paid on a total loss basis and requires the discharge of a mortgage over the **damaged property**, **we** will also pay **your** reasonable legal costs for preparation and lodging of the discharge of such mortgage.

14. Efficiency improvements

We will pay the reasonable costs of repairing or **replacing damaged buildings** and **contents** with materials or equipment that will improve **your** energy or water efficiency of such property.

15. Government fees

If **you** need to obtain the consent of any government or statutory authority to **reinstate your damaged property**, and are required to pay a fee for such consent, **we** will reimburse **you** for the amount **you** are required to pay to the government or statutory authority.

16. Landscaping

If **we** have paid a claim for **damage** to a **building** at **your location**, **we** will pay:

- a. to **reinstate damaged** landscaping, which shall mean the alteration of the natural condition of land through the use of trees, shrubs, plants, lawns and ornamentation at **your locations**;
- b. for clearing and/or repairing drains, gutters and sewers servicing the **location** which is necessary because of **damage** to landscaping other than caused by flood or storm, including cyclone, wind or rain (including snow, sleet or hail).

17. Loss of land value

If **we** have paid a claim for **damage** to a **building** at **your location**, and any relevant authority refuses to allow rebuilding at the **location**, either partly or at all, **we** will pay for any resulting loss of land value.

The amount **we** pay will be calculated as follows:

- a. if **you** have been refused a permit to allow rebuilding at the **location**;
- b. where partial rebuilding is permitted,

we will pay the difference between the land value immediately before the **damage** and the land value after the rebuilding or, in the case that rebuilding is refused, the land value immediately after the damage. In any case, the amount **we** pay will be reduced by the amount of any compensation paid to **you** by the relevant authority.

18. Directors and employee's tools of trade and personal property

We will pay for insured **damage** to **director's** and **employee's** tools of trade and **personal property** that occurs at **your location**.

19. Temporary protection for damaged glass

In the event of **damage** to **glass**, **we** will pay the reasonable cost of temporary shuttering, boarding up and the employment of security guards to safeguard the insured **property**, or other reasonable security protection necessary, pending **replacement** of the broken **glass**.

20. Rewards

We will reimburse **you** for any reasonable reward which **you** pay for information which leads to a charge of anyone responsible for **damage** which is covered under Section 1.

21. Taking inventory

We will pay the reasonable costs incurred by **you** for unpacking and repacking **stock** in order to quantify and value **damaged property**, including other property in **your** care, custody or control which is **damaged** during the **policy period**.

22. Increased water charges

If **you** are charged by a water authority for metered water use arising from the loss or escape of water following **theft** or attempted **theft** from a **building** covered by this **policy**, **we** will reimburse **you** for the increased amount **you** are charged by that authority.

The amount **we** will pay is the difference between the amount **you** were charged for water use during the period of escape, and the amount **you** were charged for the same period in the previous year.

23. Catastrophe event cover

If **damage** to **buildings** which are part of **property** occurs as a direct result of a **catastrophe event**, **we** will pay the increased cost of **reinstatement** of such **damaged building** which arises from the increase in prices of labour and materials brought about as a direct result of the **catastrophe event**.

We will not pay any amount under this additional benefit until **you** have incurred rebuilding costs exceeding the **declared value** for **buildings** at the **location**.

We will increase the **limits** for the following additional benefits in this Section 1 by the same percentage that **we** increase the **limits** for the costs of **reinstatement** of damaged **buildings** under this Catastrophe event cover additional benefit:

- 9. Expediting costs;
- 10. Professional fees;
- 12. Alterations or additions;
- 14. Efficiency improvement;
- 16. Landscaping;

- 24. Removal of debris.

24. Removal of debris

We will pay the reasonable costs for demolition, dismantling, disposal, clean-up and necessary temporary repairs to **damaged property**, together with the removal, storage and disposal of **debris**, or anything which caused the **damage** from the **location**.

We will also cover **your** legal liability to remove **debris** or anything which caused the **damage** from adjoining property. **We** will not provide this cover if **your** liability arose from any agreement **you** made after the commencement of the **policy period**, unless such liability would have existed regardless of the agreement.

Part C - **We** will also pay the following additional benefits, even though **damage** to **your property** may not have occurred:

25. Fire brigade attendance fees

We will cover **you** for charges that **you** are required to pay for the attendance by any firefighting authority at a fire or other emergency, involving **your property**. **We** will also pay to refill any fire fighting appliances, which were used to extinguish a fire at or adjoining **your location** threatening **your property**.

26. Death following assault

If any person is injured while protecting or attempting to protect **property** from loss or **damage** covered by this **policy** and death results from that injury within 12 months, **we** will pay the amount shown in **your policy schedule** to the estate of that person.

27. Prevention of damage

We will cover you for the reasonable expenses **you** incur:

- to extinguish a fire at, or which threatens, **your property** at **your location**;
- to prevent or minimise imminent **damage** to **your property**;
- following loss or damage to **your property**, for the temporary protection (including for the engagement of security services) of **your property**;
- to remove **property** from **your location** in order to prevent or minimise imminent **damage**. **We** will also cover any **damage** which results from the removal.

28. Locating leaks

We will pay **your** reasonable costs of locating and exposing the source of gas, water or other liquid, escaping, discharging, leaking or overflowing from fixed systems including tanks, pipes and other fixed apparatus to prevent imminent **damage**, or diminish **damage** to **property** including the costs and expenses of making good or reinstating **damage** to other **property** necessarily caused in locating the source of the problem, but not the cost of repairing or reinstating any part found to have been installed incorrectly or which has failed due to age, gradual deterioration and corrosion, or was unfit for its intended purpose.

Optional Covers provided under Section 1

The following covers are optional. If **you** apply for an Optional Cover, and **we** agree to provide that cover, **we** will charge an additional premium.

1. Flood

If Optional Cover 1 Flood is shown in the **schedule** as “Covered”, excluded cause Clause 8 shall not apply and **we** will cover **you** for loss or **damage** to **building, contents** and/or **stock** caused by **flood** up to the Location Limit.

2. Glass

If Optional Cover 2 Glass is shown in the **schedule** as “Covered”, excluded property Clause 7. Glass shall not apply, and **we** will also cover Additional Costs up to the **limit** shown in the **schedule** related to **damage** to sign writing, ornamentation, security film, reflective materials or window tinting film, burglary alarm sensors, wiring, tape and electrical connections affixed to the **glass**, the cost of removing and re-fixing of show-case frames and fittings, and the cost of temporary repairs.

3. Equipment breakdown

If Optional Cover 3 Equipment Breakdown is shown in the **schedule** as “Covered”, excluded cause Clause 13. Equipment breakdown shall not apply to the extent of cover provided by this Optional Cover 3, and **we** will cover **you** under Section 1 (subject to its terms conditions and exclusions) for **breakdown** during the **policy period** of **equipment** which is in use or ready for use, at **your location**.

- a. **We** will also cover **you** for **damage** to other **property** which is caused directly by such **breakdown** other than deterioration of **stock** in cold storage.
- b. The most **we** will pay for **damage** to **equipment** for any one **event** for **equipment breakdown** during the **policy period** is the **limit** stated in the **schedule** for the specified item of **equipment** or, if not specified, the **limit** stated in the **schedule** for unspecified items..
- c. **“Equipment”** for the purposes of the cover provided under this Optional Cover means **electronic equipment** and **machinery** but does not include:
 - mobile phones, tablets, personal audio or video equipment;
 - a boiler, economiser or other pressure vessel including pipes, valves and associated apparatus;
 - escalators or elevators;
 - motor vehicles, motorcycles, watercraft, aircraft or mobile plant;
 - research, diagnostic and electro-medical equipment;
 - coin or card-operated machines;
 - audio visual, amplification, burglar alarms, monitoring systems, surveillance equipment, office machines;
 - lighting facilities;
 - storage tanks and vats;
 - any container used to contain explosive or inflammable gases and liquids;
 - building ducts, reticulating electrical wiring, water and gas piping;
 - refrigeration or display cabinet housing;
 - portable hand-held tools other than vacuum cleaners; and
 - hot water systems used for heating up to 500 litres of water to a temperature below one hundred degrees Celsius (100°C).

- d. **“Breakdown”** for the purposes of the cover provided under this Optional Cover means:
- i. in respect of **machinery**, sudden, unintended and unexpected failure of an item or part of any item of a **machine** whilst in use and which results in **damage** to the **machine** requiring the repair or **replacement** of the **machine** or any or part of it, before it can resume operations.

However, **“breakdown”** does not mean **damage** which is caused by:

- wear and tear, gradual deterioration or corrosion or erosion of any part of a **machine**;
 - vibration or mis-alignment;
 - the failure of any safety or protective device; or
 - the failure of any structure (except a bedplate) that is in place to support the **machine**.
- ii. in respect of **electronic equipment**, the sudden, unintended and unexpected failure of an item or part of any item of **electronic equipment** whilst in use and which results in **damage** to such item requiring the **repair** or **replacement** of the item, or any or part of it, before it can resume operations.

Additional benefits for Equipment Breakdown

We will provide the following additional benefits under this **policy**. The most **we** will pay for each additional benefit for any one **event** is the amount stated in the **schedule** for the respective additional benefit, unless stated otherwise.

- a. **We** will pay the reasonable additional cost of reinstatement where **you** incur extra expense, in complying with the requirements of any Act of Parliament or regulation made thereunder or any by-law or regulation of any municipal or other statutory authority, in the course of effecting repair or replacement of the **equipment**, **we** will pay **you** for such extra expense in addition to the **limit**. Provided that the amount so recoverable hereunder shall not include the additional cost in complying with any such Act, regulation, by-law or requirement with which **you** had been required to comply with prior to the **breakdown**.
- b. **We** will pay the reasonable temporary equipment hire costs and expediting costs following **breakdown** covered by this Optional Cover 3. **We** will pay for:
- i. the cost of hiring temporary equipment;
- ii. the cost of temporary repairs;
- iii. the extra cost of expediting permanent repairs including:
- charges for overtime and work on public holidays where necessary and reasonably incurred;
 - freight within Australia by any recognised schedule service;
 - overseas air freight by any recognised schedule service and/or overseas labour,
- provided **our** written approval for all these additional costs has first been obtained.
- c. **We** will also pay the reasonable cost of cleaning, storing, recycling and replacing:
- i. insulating oil in transformers, capacitors or switch gear; and
- ii. refrigerant gas or liquid in air-conditioning or refrigeration units.
- d. **We** will provide temporary cover for a period of up to 90 consecutive days for additional **equipment** that, during the **policy period**, is installed or brought into use at the **location**, provided that:

- i. **you** must give **us** notice in writing within the 90 days of it coming into **your** possession. If **you** do not, **we** may reduce or deny **your** claim to the extent **we** are prejudiced by **your** delay;
 - ii. **we** will not cover **breakdown** resulting from existing defects in such additional **equipment** at the time when it comes into **your** possession;
 - iii. this temporary cover shall not commence until the additional **equipment** has worked satisfactorily for eight (8) hours and has been handed over after commissioning;
 - iv. the **declared value** and **deductible** for the additional **equipment** will be that specified for a similar **equipment** in the **schedule**;
 - v. **you** pay the premium that **we** require for this additional **equipment** calculated from the date of installation or bringing into use.
- e. If **we** accept a claim under Optional Cover 3 Equipment Breakdown, **we** will pay **you** for the cost of restoring **electronic data** which are:
- i. **your** business records and which have been lost or damaged solely as a result of **breakdown** of **electronic equipment**; and/or
 - ii. **your** customer's electronic records and lost or damaged at **your location** solely as a result of **breakdown** of **electronic equipment**.

We will extend cover under this additional benefit to include restoration of **electronic data** lost on an electronic data processing system which is not owned by **you** and which **you** are not responsible to insure but which is being used by **you** at the time of happening of the **breakdown** if the **breakdown** to that system occurs in circumstances which would give rise to indemnity under this additional benefit if it was insured under this Optional Cover 3.

The most **we** will pay for this additional benefit is 20% of the relevant Equipment Breakdown **limit** shown in the **schedule** relevant to the equipment for which a claim is admitted under this Optional Cover 3, for the costs incurred for the purpose of restoring **electronic data**, provided those costs are incurred within 90 days following the happening of a **breakdown**.

We will not pay any amount under this additional benefit unless **you** have duplicate backup copies of updated **electronic data** stored off site at alternative premises, other than for firmware where it is reasonable not to duplicate off site.

Special Exclusions for Equipment Breakdown

The following exclusions apply to the cover provided under this Optional Cover 3. **We** will not pay for:

- a. consequential loss;
- b. liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency; or
- c. repair or replacement necessitated by:
 - i. naturally resulting from ordinary use of working, rusting, oxidation, cavitation, or deposits of scale, sludge or other sediment;
 - ii. any direct consequences of progressive or continuous influences from working, or from atmospheric or chemical action other than **accidental** contact with acids or other corrosive substances causing **breakdown** that manifests itself within 24 hours of such **accidental** contact
- d. repair of any crack, chip, scratch, fracture, blister, lamination, flaw or grooving which has not penetrated

completely through the entire thickness of the material of the **equipment**, even though repair or renewal of the part affected may be necessary either immediately or at some future time;

- e. in respect of **equipment breakdown** directly or indirectly caused by, or arising from, or in consequence of any of the following:
- i. any cause of loss or **damage** that would be covered under Section 1 in the absence of this Optional Cover 3;
 - ii. testing and commissioning, intentional overloading or experiments;
 - iii. faults or defects known to **you** or to any **employee** whose knowledge in law would be deemed to be **your** knowledge and not disclosed to **us** at the time this **policy** was arranged, extended, varied, renewed or reinstated;
 - iv. any process of heat treatment, welding, grinding, cutting, drilling or shaping or the application of tools to the **property** other than for the purpose of lifting the insured **machine** or item; or
 - v. **damaged** or faulty doors, lids, catches, latches, locks or any door-closing or lid-closing or securing mechanism or device of a cold chamber.
- f. **damage** or **breakdown** caused to any of the following:
- i. bits, drills, knives, saw blades, heating elements, fuses, contacts that spark or arc, and electronic valves and tubes, lasers and magnetron units;
 - ii. dyes, moulds, patterns, blocks, stamps, punches;
 - iii. coating or engraving on cylinders and rolls;
 - iv. crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature, suffer a high rate of wear or gradual deterioration;
 - v. sieves, flexible pipes, seals, jointing and packing materials, filters, ropes, chains, belts, tracks, rails, elevator and conveyor belts or bands, cables (other than electrical conductors), brushes, refractory materials, fire bars, unless as a result of **breakdown**;
 - vi. fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials. **We** will not pay for loss or damage to refrigerants or transformer oils due to defective valves, glands, seals, gauges, or loose connections of pipes. However, this exclusion does not apply to loss or **damage** to refrigerants or transformer oils due to breaking of pipes or flared joints;
 - vii. materials in the course of or undergoing processing;
 - viii. foundations and masonry or brick work;
 - ix. turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switchgear;
 - x. any below ground turbine pump, submersible pump or motor, unless such pump or motor is fitted with an effective pressure or flow cut out switch that will stop the motor if the normal pumping pressure or flow is interrupted; or
 - xi. any unattended engine unless such engine is fitted with an effective automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.

- g. **equipment** which is useless or obsolete to **your business**.
- h. the cost of:
- i. maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments;
 - ii. alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - iii. modification or alteration of **equipment** to enable it to operate with a more ozone-friendly refrigerant gas as required by the United Nations Environmental Protection Montreal Protocol, with respect to substances which deplete the ozone layer, unless conversion is necessitated by a claim that we have agreed to pay under this Section;
 - iv. replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts;
 - v. replacement of component parts worn through normal use or operation, unless necessary as part of the rectification of insured **breakdown** not otherwise excluded under this Optional Cover;
 - vi. adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment;
 - vii. repairs to piping and other ancillary systems due to cracking of pipe work;
 - viii. any costs **you** are entitled to recover for labour or parts under a maintenance agreement, warranty, guarantee or indemnity in **your** favour by the manufacturer of the relevant item or any other person; or
 - ix. any unsafe or unlawful operation to the extent that such unsafe or unlawful operation caused or contributed to the **breakdown**.
- x. **damage** or **breakdown**, if at the time of **breakdown**:
- the setting of any safety device was in excess of the limit imposed by any applicable regulation or the limit recommended by the manufacturer;
 - any safety device was removed or rendered inoperative;
 - the pressure equipment was not duly maintained in good working order and the subject of a current certificate of inspection as required by any regulation; or
 - the pressure equipment:
 - does not conform with all applicable Australian Standards or code; or
 - is operating in an unsafe condition, and you knew, or should have known that it was unsafe to use.
- i. **damage** or **breakdown** where an inspection by a competent person has not been carried out at intervals specified as per Australian Standards.
- j. **breakdown** occurring to **equipment** during any period when it is out of **your** possession on hire, rental, lease or loan.
- k. **breakdown** covered under any manufacturers' or suppliers' guarantee/warranty or which would have been covered but for a breach of **your** obligations under the terms of the guarantee/warranty.
- l. legal liability of any kind.

- m. any loss caused by **your** failure to upgrade or update **equipment** in accordance with manufacturers recommendations.
- n. any loss caused by the use of any item of **equipment** which is contrary to, or not in accordance with manufacturers specifications;
- o. any loss or **damage** of whatsoever kind directly or indirectly caused by, contributed to by or arising from:
 - i. damage, loss, destruction, distortion, erasure, corruption, alteration, theft or other dishonest, criminal, fraudulent or unauthorised manipulation of **electronic data** from any cause whatsoever (including, but not limited to **computer attack** and/or a **cyber war & terrorism event**) or loss of use, reduction in functionality, loss, cost expense and/or fee of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage;
 - ii. error in creating, amending, entering, deleting or using **electronic data**;
 - iii. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all; or
 - iv. any business interruption losses resulting therefrom, regardless of any other contributing cause or **event** whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured damage and provided that **electronic data** and **electronic data media** and/or business interruption is insured by these Sections.

Any terrorism exclusion in this **policy** or any endorsement thereto prevails over this exclusion.

4. Deterioration of Stock in Cold Storage

If Optional Cover 4 Deterioration of Stock is shown in the **schedule** as "Covered", **we** will cover **you** up to the **limit** shown in the **schedule** for reasonable costs to **replace** frozen or refrigerated stock, contained in **your** refrigerated storage spaces, which deteriorates or putrefies as a result of:

- a. **equipment breakdown** for which a claim is covered under Optional Cover 3 Equipment Breakdown;
- b. **equipment breakdown** of an item of **equipment** covered under warranty or maintenance agreement;
- c. sudden and unforeseen failure of the public power supply;
- d. operation or failure to operate, of controls or protective devices within **your** refrigeration **equipment**; but not include loss caused by the manual operation or manual setting of controls or protective devices;
- e. **contamination** of stock directly caused by the **accidental** escape of refrigerant into the cold chamber, or
- f. sudden leakage of refrigerant from the refrigeration **equipment** or pipe system forming part of the refrigeration **equipment**;

occurring during the **policy period** at **your location**.

Special Exclusions for Deterioration of Stock

The following exclusions apply to the cover provided under this Optional Cover 4.

We will not pay for:

- a. any cause of loss or **damage** that would be covered under Section 1 in the absence of this Optional Cover 4.
- b. any deterioration or putrefaction caused by:
 - i. inappropriate or improper storage, **damage** to packing materials or inadequate air circulation;

- ii. **damage** to goods due to any rationing of the electricity supply other than **accidental damage** to the generation equipment;
 - iii. shortage of fuel or water for generation of the public power supply; or
 - iv. **damage** to goods which are alive or are of a bacterial nature.
- c. any goods which have passed their use by date, nor will **we** pay for the disposal costs of those goods.

Exclusions – causes of damage that are not covered under Section 1

You are not covered under Section 1 of the **policy** for loss or **damage** caused by:

1. Action of the sea

the action of the sea, storm surge or high water, unless caused by or arising directly from an earthquake or seismological disturbance.

2. Bushfire, grass fire, scrub fire, cyclone – delay of cover

- a. any bushfire, or grass fire or scrub fire or, any attempt to defend against any of them; or
- b. any named cyclone,

if the **damage** occurs within a period of 72 hours from the commencement of this **policy**.

However, this exclusion will not apply if:

- c. this **policy** commenced immediately after another policy covering **damage** by bushfire, grass fire, scrub fire or named cyclone expired;
- d. **you** had entered into a contract to buy, sell or lease the **damaged property** before the **damage** occurred.

3. Contamination

contamination, pollution, smoke, or smut, except directly caused by an insured peril or caused by any peril insured against which itself results from **contamination** or **pollution**.

4. Defect

inherent or concealed defect, error or omission in design, plan, specification, faulty workmanship or use of faulty materials, or non rectification of a defect, error or commission, faulty workmanship or material which **you** or any **employee** whose knowledge in law would be deemed to be **yours** were or should be reasonably aware of. Provided this exclusion shall not apply to subsequent loss or damage to **your property** caused by faulty workmanship or materials.

5. Non-compliance

loss, **damage**, or demolition ordered by a lawful authority caused by or resulting from **your** failure, or the failure of anyone acting on **your** behalf, to comply with any relevant law or ordinance.

6. Dishonesty

Fraud or dishonesty by **you** or **your** employees acting alone or in collusion with any other person(s), including any corruption, unauthorised amendment or erasure of **electronic data**.

7. Erosion, earth movement and settling

- a. erosion, subsidence, landslip or mudslide and/or any other earth movement of any type, but **we** will cover loss or **damage** caused by a landslide or subsidence that occurs within 72 hours of, and directly because of, a storm, earthquake, subterranean fire, volcanic eruption or water escaping from a water main owned by a water supply authority;
- b. normal settling, seepage, shrinkage or expansion in **buildings** or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.

8. Flood

flood, unless Optional Cover 1. Flood is shown as "Covered" in the **schedule**.

9. Incorrect siting of building

the incorrect siting of a **building** on **your** property which was itself caused by error in design or specification, faulty workmanship or failure to comply with the requirements of any lawful authority.

10. Liability

Any legal liability which **you** have other than legal liability which is covered under additional benefit 24. Removal of debris.

11. Theft

theft, except for **damage** to **property** at the **location** which occurred during **theft** or attempted **theft**. This exclusion shall not apply to **Portable Contents**, if a **limit** for **Portable Contents** is shown on the **schedule**.

12. Wear and tear and progressive causes

- a. wear and tear, gradual deterioration or normal maintenance of **your property**;
- b. rust, oxidation, corrosion, fungi, disease, variation in temperature or atmosphere, tree roots, evaporation, loss of weight, shrinkage, scratching, fading, change in colour, flavour, texture or finish, unless such cause was itself brought about by an insured peril;
- c. wet or dry rot, mould, mildew, unless these are the direct result of an event covered by this Section of the **policy**;
- d. insects or vermin such as moths, white ants and termites;
- e. birds or animals that peck, bite, chew or scratch.

13. Equipment breakdown

mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any **equipment**. This exclusion shall not apply to the extent of cover provided under Optional Cover 3. Equipment Breakdown, if insured:

14. Boilers, pressure vessels and pressure equipment

loss or **damage** to any boiler, pressure vessel or pressure equipment caused by its explosion, rupture, collapse, bursting, cracking or overheating.

15. Property in the open air

loss or **damage** to **property** in the open air other than **property** covered by additional benefit 1.

16. Criminal action

actual or attempted kidnapping, threat, hoax, or extortion.

17. Cessation

the cessation of work (whether total or partial), interruption or retarding of any process or operation as a result of any industrial dispute.

18. Welding

arc or flame cutting, flame heating, arc or gas welding or similar operation in which **you** operate welding equipment unless such activity is conducted in strict compliance with Australian Standard in welding and allied processes issued by the Standards Association of Australia.

Exclusions – property that is not covered under Section 1

You are not covered under this Section 1 for loss or **damage** to the following **property**:

1. Property in transit

all **property** while in transit other than to the extent covered by additional benefit 7. Incidental Transit.

2. Loss from unattended vehicle

theft of **portable contents** from an unattended motor vehicle left overnight unless within securely locked vehicle and **location**.

3. Plants and animals

- a. standing timber, growing crops and pastures;
- b. plants, unless covered under additional benefit 16. Landscaping of Section 1;
- c. livestock, animals, birds or fish other than live animals that are **stock** in pet shops.

4. Property undergoing processing

any **property** whilst undergoing any processing, if the **damage** was caused by its processing.

5. Unexplained disappearance

unexplained or inventory shortage, disappearance resulting from clerical or accounting errors, shortage in the supply or delivery of materials to **you**, or from **you**.

6. Vacant property

vacant **buildings** awaiting or undergoing demolition at the time of the **damage**.

7. Glass

glass for loss or damage caused by any peril other than by fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by **aircraft** or aerial object dropped therefrom, impact by road vehicle or animal, sonic boom, the acts of persons taking part in riots or civil commotions or of strikers or

of locked out workers or of persons taking part in labour disturbances, storm, tempest, rainwater, flood (if Optional Cover 1. Flood is shown in the **schedule** as “Covered”), wind, hail, water and other liquids or substances discharged or overflowing or leaking from any apparatus or pipes at the **location**.

8. Portable Contents

portable contents away from the **location** unless Portable Contents is shown in the **schedule** as “Covered” If covered, the most **we** will pay for **damage** to **portable contents** for any one **event** is the **limit** stated in the **schedule** for the specified item of **portable contents** or, if not specified, the **limit** stated in the **schedule** for unspecified items.

9. Transport vehicles

any vehicle or trailer registered or licensed to travel on public roads, locomotives, rolling stock, watercraft or **aircraft** and their accessories other than as **stock** while at **your location**. Provided always that no cover shall apply while any watercraft is on the water, and no cover shall apply to aircraft during taxiing, take-off, flight or landing.

10. Land

land, provided that this exclusion shall not apply to **your** structural improvements on or in the land if those structural improvements are not excluded elsewhere in this **policy**.

11. Property under construction

property undergoing construction, erection, alteration or addition when the value of work exceeds the **limit** shown on the **schedule**.

12. Bridges canals roadways

bridges, canals, roadways and tunnels, railway tracks (other than on the premises **you** occupied or use), dams and reservoirs (other than tanks) and their contents.

13. Docks wharves piers

docks, wharves and piers not forming part of any **building**.

14. Mining and underground property

mining **property** and any **equipment** located beneath the surface of the ground, provided that this exclusion does not apply to underground services connected to a **building**.

15. Valuables away from the building

valuables while outside **your building** at the **location**.

16. Money

money, whether physical or non-physical.

Section 2 Loss of Business Income

We will only cover **you**, in accordance with the Basis of Settlement set out in this Section, for Loss of Business Income if **we** have also covered **you** under Section 1 Property Damage, and cover for Loss of Business Income is also shown in the **schedule** as "Covered".

Your cover under Section 2 is subject to the General Definitions, General Exclusions, General Conditions, Claims Procedures and Conditions, and any of the Definitions, Exclusions and Conditions contained in this Section.

Definitions that apply to Section 2

The following definitions apply wherever they are found in this Section:

additional increased costs of working means the additional expenditure, not otherwise recoverable under this Section, necessarily and reasonably incurred during the **indemnity period** as a consequence of the **insured damage** for the sole or main purpose of avoiding or diminishing reduction in business income and/or resuming and/or maintaining normal business operations and/or services.

rate of gross profit means the ratio of **insurable gross profit** to **turnover** earned during the financial year immediately before the financial year in which the **insured damage** happened.

indemnity period means the period that starts with the happening of the **damage** that causes the interruption or interference of **your business** and ends no later than the number of months shown in the **schedule** during which the results of **your business** are affected because of the **insured damage**.

insurable gross profit means the sum of **your** sales, adjusted for movement (closing less opening balances) in **stock** and work in progress (including materials and components), all adjusted for trends in **your business** and the **indemnity period**.

insured damage means **damage** when both the property that is **damaged** and the cause of the **damage** is covered, or would have been covered but for the application of a **deductible** by:

- a. Section 1 of **your policy**;
- b. Section 3 of **your policy**; or
- c. another insurance policy that insures **your property** under coverage provisions generally equivalent to Section 1 of **your policy**, and names **you** as the insured, provided that:
 - **we** receive confirmation of the extent of cover from the Insurer who issued such other policy; and
 - cover for both the **property** that is **damaged** and the cause of the **damage** would have been covered, or would have been covered but for the application of any **deductible**, under **your policy**.

For the purposes of additional benefits 2, 3, 4, 5, 7, 9c and 10, for property of **your** suppliers, customers and other third parties, **insured damage** means **damage** which, had the property been insured under Section 1 or Section 3 of **your policy**, would not otherwise be excluded by **your policy**.

rental income means **your** rental income including any other monies paid to **you** or on **your** behalf by the lessee under the terms of the written rental or leasing agreement.

sales means **turnover** less the cost of freight, packing, bad debts, and the purchase of goods, materials, components, or **stock**.

turnover means

- a. income derived from the sale of products and services (including electrical power generated on the **location** and sold into an electricity grid operating at the **location**) or any Government approved incentives, subsidies or market development allowances you are entitled to in relation to **your business** in the course of **your business**; and
- b. **rental income** shown in the **schedule** including any other monies paid by the lessee under the terms of the rental or leasing agreement.

What is covered under Section 2

Under this **policy** Section, **you** have the option to insure for:

- a. **insurable gross profit** and/or,
- b. **additional increased costs of working**.

The insurance cover **you** have selected will be shown in **your schedule**.

Where **insurable gross profit** is shown as Covered on the **schedule**, **we** will pay **you**, in accordance with “**Basis of Settlement - How we pay claims**”, for a reduction in **insurable gross profit** during the **indemnity period** resulting from interruption of or interference of **your business** that is caused by **insured damage** that occurs during the **policy period** at **your location**.

Limit, sub-limits and deductibles

We will not pay more than the **limit** as stated in the **schedule**, subject to any applicable sub-limit and **deductible**. The **limit** and sub-limits apply in excess of the relevant **deductible**.

The sub-limits are within the **limit** and not in addition, unless stated to the contrary.

The **deductibles** payable under Section 2 will be shown in the **schedule** and apply to each and every **event**.

Calculation adjustment clause that applies to Section 2

When calculating **rate of gross profit**, annual **turnover**, and standard **turnover** such adjustments will be made:

- a. as may be necessary, to provide for the trend of **your business**; and
- b. for variations in or special circumstances affecting **your business**; and
- c. for variations in or other circumstances affecting **your business**.

either before or after the **insured damage** or which would have affected **your business** had the **insured damage** not occurred, so that the adjusted figures represent as nearly as may be reasonably practicable the results that but for the **insured damage** would have been obtained during the relative period after the **insured damage**.

Basis of Settlement – How we pay claims –Section 2

1. Insurable Gross Profit

Where **insurable gross profit** is shown as “Covered” on the **schedule**, **we** will pay the actual loss of **insurable gross profit** due to reduction in **turnover** and increase in cost of working, and the amount payable will be:

- a. in respect of reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** since the **insured damage** happened, fell short of:
 - i. the **turnover** in the corresponding twelve (12) month period in the year before such **insured damage**;
or

- ii. a period of **your** normal business operations that corresponds most closely to the **indemnity period** if **your business** has operated for less than a year at the time of the **insured damage**,
- b. in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** that, but for that expenditure, would have taken place during the **indemnity period** in consequence of the **insured damage**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction so avoided;

less any sum saved during the **indemnity period** in respect of the charges and expenses of **your business** payable out of **insurable gross profit** that cease or are reduced in consequence of the **insured damage**.

2. Additional increased costs of working

When additional increased costs of working are shown to be “Covered” on the **schedule** and consequent upon a claim being admitted under this Section, **we** will also pay **you**, up to the amount shown in the **schedule** for the relevant additional expenses, those expenses **you** have necessarily and reasonably incurred during the **indemnity period** to resume or maintain the normal running of **your business**.

Additional benefits that apply to Section 2

If **you** are insured under coverage Clause 1 **insurable gross profit** and provided that the **limit** for Section 2 is not exceeded, **we** will provide the following additional benefits.

1. Catastrophe event cover

When additional benefit 23. Catastrophe event cover under the Property Damage Section 1 applies, and the **indemnity period** stated in the **schedule** is twelve (12) months or more, **we** will increase the **indemnity period** by a further three (3) months, providing that **you** are covered for **reinstatement** and undertake the **reinstatement** of **your business** at the existing or an alternative **location** and the results of **your business** continue to be affected because of the **insured damage**.

2. Computer equipment

We will cover interruption or interference of **your business** caused by **insured damage** to computer installations including ancillary equipment and **electronic data media** utilised by **you** anywhere in Australia.

The most **we** will pay for this additional benefit is the percentage shown on the **schedule** of the **declared value** for **insurable gross profit**.

3. Suppliers and customers

We will cover interruption or interference of **your business** caused by **insured damage** to property within Australia at the premises of any of

- a. **your** suppliers of goods, materials, produce, or services;
- b. **your** customers.

However, **we** will not pay for losses involving any organisation that produces, supplies or delivers communication services, electricity, gas, water or sewerage used by **your business**.

The most **we** will pay for this additional benefit is the percentage shown on the **schedule** of the **declared value** for **insurable gross profit**.

We will not cover interruption or interference of **your business** caused by interruption or interference of **your** supplier or customer which is not directly arising from a cause of **damage** covered under Section 1 of this **policy**.

4. Insured damage in the vicinity

We will cover interruption or interference of **your business** caused by **insured damage which** had it been insured under the **policy**, is not otherwise excluded and occurs:

- a. to any property within a multi-tenanted commercial complex within which **your business** is located; or
- b. to property within the kilometre radius specified of **your location**, as shown on **your schedule**;

which prevents or hinders the use of or access to **your location** for a continuous period of greater than 48 hours.

5. Non-owned property

We will cover interruption or interference of **your business** caused by **insured damage** to **your** landlord's and/or other non-owned property used by **you** at the **location**.

6. Registered motor vehicles

We will cover interruption or interference of **your business** caused by **insured damage** to registered motor vehicles, motorcycles, caravans and trailers that are owned and/or operated by **you** but only while at **your location**.

7. Prevention of access by a public authority

We will cover interruption or interference to **your business** that is caused by an order of any competent public authority which prevents or restricts access to the **location**, provided that:

- a. the order results from **damage** or a threat of **damage** to **property** within the kilometre radius specified of **your location**, as shown on **your schedule**;
- b. the **damage** or threat of **damage** which, had it been insured under the **policy**, is not otherwise excluded; and
- c. the prevention of access or restricted access to the **location** extends for a continuous period of greater than 48 hours.

The maximum **we** will pay for losses arising from this additional benefit 7 is the amount shown on the **schedule** during any one **policy period**.

The **indemnity period** applicable to losses payable under this additional benefit is 3 months irrespective of the **indemnity period** stated in **your schedule**.

8. Prevention of access

We will cover interruption or interference to **your business** as a result of closure or evacuation of the whole or part of the **location** during the **policy period**:

- a. by order of a competent government, public or statutory authority as a result of vermin or pests or defects in the drains or other sanitary arrangements, occurring at the **location**;
- b. by order of a competent government, public or statutory authority as a result of injury, illness or disease caused by the consumption of food or drink supplied at or from the **location** or the wilful threat of contamination of food or drink at the location; or
- c. as a result of murder, suicide or rape occurring at the **location**;
- d. as a result of a shark or crocodile attack within a twenty (20) kilometre radius of the **location**

- e. bomb threat at or **adjacent** to the **location**;

This additional benefit 8. is subject to the General Exclusions, including "1. Communicable disease".

Provided that 8 a. and 8 b. will not indemnify loss resulting from interruption of or interference with the **business** if poor hygiene is the cause or a contributing cause of the closure or evacuation.

We will not pay for any cost to clean up, decontaminate, disinfect, remove, replace, monitor and/or test for any diseases, conditions or circumstances described above.

The maximum **we** will pay for losses arising from this additional benefit 8 is the amount shown on the **schedule** during any one **policy period**.

The indemnity period applicable to losses arising from this additional benefit is 3 months irrespective of the **indemnity period** stated in **your schedule**.

9. Storage, transit, bridges, railway lines and roads

We will cover interruption or interference of **your business** caused by **insured damage** to:

- a. **your property** stored at any premises not occupied by **you**;
- b. **your property** while in transit within Australia, outside of the **location** occupied by **you**; or
- c. bridges, railway lines and roads within Australia, over which **stock**, components and materials are conveyed to and from the **location**.

The most **we** will pay for this benefit for any one **event** is the amount stated in the **schedule**

10. Utilities

We will cover interruption or interference of **your business** caused by **insured damage**, to land-based property within Australia that belongs to or is controlled by any organisation that produces, supplies or delivers communication services, electricity, gas, water or sewerage used by the **business**.

We will not be liable to pay for loss covered under this benefit which occurs during the first 48 hours immediately following the time at which the interruption or interference first commenced.

11. Accounts Receivable

We will cover all amounts due to **you** from customers that **you** are unable to collect because of **insured damage** to records of accounts receivable. **We** will also pay collection expenses in excess of **your** normal collection costs made necessary because of the **insured damage** as well as interest charges at the ruling rate of **your** bank on any loan to offset impaired collections pending payment of amounts payable to **you** that are made uncollectable because of the **insured damage**.

If **you** cannot accurately establish the total amount of accounts receivable outstanding as at the date of loss **event**, the amount will be calculated as follows:

- a. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss **event** occurs;
- b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the loss **event** occurs, as compared with such average for the same months of the preceding year;
- c. the amount determined under a., increased or decreased by the percentage calculated under b. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which the loss

event occurs;

- d. the amount determined under c. above, will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of **your business** since the last day of the last fiscal month for which statements have been rendered less:
 - i. the amounts of such accounts evidenced by records not suffering **damage** or otherwise established or collected by **you**,
 - ii. an amount to allow for probable bad debts that would normally have been uncollectable by **you**,
 - iii. all unearned interest and service charges, and
 - iv. settlement or term discounts normally allowed.

The most **we** will pay for this additional benefit is the percentage shown on the **schedule** of the **declared value** for **insurable gross profit**.

12. Additional location

If **you** acquire or use during the **policy period** any other **location** within Australia for the purpose of **your business** **we** will treat any damage relating to **that location** as covered by this Section of the **policy** provided that **we** are advised of the use or acquisition of the **location** within 30 days of **you** acquiring or first using it.

13. Fines, damages and penalties

This Section also extends to include liability for:

- a. fines or damages for breach of contract resulting from non-completion or late completion of orders. **We** will not pay for exemplary, punitive or aggravated damages; or
- b. the discharge of contract purchases, cancellation notices, fines or damages for breach of contracts for the purchase of goods or services **you** cannot use during the **indemnity period**, less the value of these goods to **you** or the amount received for their sale; but only where such is due to **insured damage** to the **property** insured which has resulted in an admissible claim under Property Damage Section or Crime Section of the **policy**.

Under this additional benefit, the maximum **we** will pay is the percentage shown on the **schedule** of the **declared value** for **insurable gross profit** within any one **policy period**.

14. Government incentives

The monetary loss of **insurable gross profit** is extended to include the loss of any government-approved incentives, subsidies or market development allowances **you** are entitled to in relation to **your business**.

This only applies if the loss of these benefits was caused as a result of **insured damage** to the **property** insured which has resulted in an admissible claim under Property Damage Section or Crime Section of the **policy**.

Under this additional benefit, the maximum **we** will pay is the percentage shown on the **schedule** of the **declared value** for **insurable gross profit** within any one **policy period**.

Specific conditions that apply to Section 2

1. Progress payments

We will make progress payments on a monthly basis where reasonably possible and mutually agreed upon.

2. Accumulated Stock

If **you** delay the reduction in **your turnover** by running down accumulated stocks, **we** will make a reasonable adjustment to any amount **we** might have otherwise allowed for shortage in turnover.

3. Departmental clause

If **your business** is conducted in departments and each of the department's turnover can be determined, the provisions of the Basis of Settlement will apply separately to each department affected by the **insured damage**.

4. Alterations, forfeiture and closure of your business

We will not pay any claim under this Section if **your business** is wound up or carried on by either a liquidator, administrator or a receiver or is permanently discontinued.

5. Underinsurance

If the **declared value** for **insurable gross profit** at the commencement of each **policy period** is less than the sum produced by applying the **rate of gross profit** to 80% of the **turnover**, (or a proportionately increased multiple of it, where the **indemnity period** exceeds 12 months) the amount payable under this Section will be proportionately reduced.

6. Turnover elsewhere after damage

If during the **indemnity period** **you** or others on **your** behalf operate the **business** from a situation other than the **location** specified in the **schedule** then the **turnover** earned by operating at the other situation will be brought into account when calculating the **turnover**.

Section 3 Crime

Cover types

We will only provide cover under this Section 3 if **we** have also covered **you** under Section 1 Property Damage, and cover for Crime is shown in the **schedule** as “Covered”. **You** must also pay **us** the premium **we** request for cover under this Section. If **you** do not pay **your** premium, you will not have cover under this Section.

Your cover under Section 3 is subject to the General Definitions, General Exclusions, General Conditions, Claims Procedures and Conditions, and any of the Definitions, Exclusions and Conditions contained in this Section.

The cover for Crime under this Section 3 consists of three (3) sub-sections. They are:

Part A - Theft

Part B - Money

Part C - Employee Dishonesty

You may select any combination of the three sub-sections. **Your schedule** will state which sub-sections **you** are covered for.

Definitions that apply to Parts A, B & C of Section 3

The following definitions apply wherever they are found in this Section:

employee dishonesty means the unlawful taking of **property** by **your employee**, whether acting alone or in collusion with others, with the intent to:

- cause loss to **you**; or
- benefit any person or organisation other than **you**.

financial service provider means a bank, building society or credit union or an agency for any of these that is in the business of providing banking services to the public.

Limit, sub-limits and deductibles

We will not pay more than the **limit** as stated in the **schedule**, subject to any applicable sub-limit and **deductible**. The **limit** and sub-limits apply in excess of the relevant **deductible**.

The sub-limits are within the **limit** and not in addition, unless stated to the contrary.

The **deductibles** payable under Section 3 will be shown in the **schedule** and apply to each and every **event**.

Part A – Theft

What is covered under Part A of Section 3

We will cover **you**, in accordance with the Basis of Settlement, under this Part A Theft for loss or **damage to your property** which is caused by **theft at your location** during the **policy period**, but **we** will only cover **you** where one or more of the following applies:

- a. the **theft** involves visible forcible entry to or exit from a **building at your location**, or any locked cupboard, showcase or counter;

- b. actual, or threatened armed hold-up;
- c. actual or threatened violence;
- d. the **theft** involved a person concealed on the premises at **your location** during business hours before the premises were closed and locked.

Exclusions that apply to Part A of Section 3

- a. We will not cover **you** for:
 - i. fraudulent or dishonest acts committed by **you, your family** or **your employees**; or
 - ii. any claim payable under Part 3 Employee Dishonesty.
- b. **We** will not pay for:
 - i. **theft** from any open-sided structure such as, but not limited to, verandas, yards or other open spaces whether they are partially or fully enclosed by a building or not, except as provided under additional benefits **theft** without forcible entry and **theft** in the open air;
 - ii. **theft** when entry has been made using keys or security codes unless obtained through actual or threatened violence to person(s) or property;
 - iii. **theft of money**;
 - iv. **theft** of motorised vehicles and/or watercraft;
 - v. unexplained disappearances or unexplained shortages whether resulting from clerical or accounting errors or shortages in the supply of materials to or by **you**;
 - vi. **consequential loss** of any kind;
 - vii. the dishonest manipulation of any database or computer system; or
 - viii. **damage to glass** unless it is **stock**.
 - ix. theft of **valuables** while located outside **your building** at the **location**.

Part B – Money

What is covered under Part B of Section 3

We will cover **you**, in accordance with the Basis of Settlement, under this Part B Money for **your money** which is accidentally lost, **damaged** or destroyed (including by **theft**) during the **policy period**:

- a. from within a building at **your location**, or when it is in transit to or from **your location**;
- b. from a bank night safe, night deposit chute or automatic teller machine;
- c. from a locked safe or strongroom;
- d. whilst at **your** or **your** authorised **employee's** residence until the closing time on next business day when the **money** can be deposited with a **financial service provider**; or
- e. whilst in **your** custody or the custody of an authorised **employee** whilst travelling on business anywhere in the world.

We will also pay for damage to **your** safes or strongrooms provided the **limit** is not exhausted.

Exclusions that apply to Part B of Section 3

We will not pay for:

- a. **theft** from an unattended vehicle that is not locked;
- b. **theft** from a safe or strongroom when the locking device is opened by:
 - i. a key, a magnetic key or card, or similar device, unless obtained through actual or threatened violence to person(s) or **property**;
 - ii. a sequence of numbers or letters, or numbers and letters; or
 - iii. any combination of the security devices shown in i. and ii. above, when these security devices are left unsecured at the **location**;
- c. **theft** from a safe or strongroom that is not locked during non-business hours;
- d. shortage due to error or omission;
- e. loss due to fraudulent or dishonest acts by **you** or **your family member(s)** or **your employees**. However this exclusion shall not apply to **theft** by **your employees** following visible, forcible and violent entry.
- f. loss due to the dishonest manipulation of any database or **computer system**;
- g. loss of **money** while professional money carriers, professional carriers or common carriers are carrying it;
- h. **consequential loss** of any kind; or
- i. loss of **money** occurring outside of Australia except as provided by clause e. under What is covered under Part B of Section 3 .

Part C – Employee Dishonesty

What is covered under Part C of Section 3

We will cover **you**, in accordance with the Basis of Settlement, under this Part C Employee Dishonesty for loss **of**;

- a. physical **money, contents** or **stock**, which happens at **your location**; and
 - b. where **you** select Part C Employee Dishonesty for any of **your locations**, for loss of non-physical **money** belonging to **you** regardless of where the **employee** is based;
- provided that the loss;
- c. directly resulted from the dishonesty of your **employee** who resides within Australia;
 - d. happens during the **policy period**; and
 - e. is discovered not later than 12 months after the expiry of the **policy period** or not later than 12 months after the termination of the employment of the **employee**, whichever occurs first.

Exclusions that apply to Part C of Section 3

We will not pay any claim:

- a. if **you** are unable to identify the actual person responsible. However, **we** will pay for **your** loss if **you** are able to show that the loss was due to the fraud or dishonesty of one or more **employees**;
- b. if **you** had knowledge or information about a prior act of dishonesty on the part of that **employee** before the loss occurred;
- c. if the loss occurred because of the dishonesty of a **director**, officer or **family member**.

We will not pay for:

- a. any loss or part of a loss the proof or quantification of which depends upon any shortage revealed by or inconsistency in any accounting records, an inventory computation or enumeration, a comparison of inventory records with an actual physical count, or a profit and loss computation;
- b. any loss arising from a failure to make payment of or default under any loan or credit transaction obtained from or made by **you** whether authorised or unauthorised unless there is fraud or dishonesty by an **employee**;
- c. any loss arising out of a change or variation in the method of conducting the **business** that results in information provided to **us** in any application for this insurance or any supporting documentation being materially different;
- d. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;
- e. error in creating, amending, entering, deleting or using **electronic data**; or
- f. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.
- g. any loss arising from **social engineering fraud**.

Specific Conditions that apply to Part C of Section 3

If **you** do not meet the following conditions, **we** may reduce or refuse to pay a claim to the extent **we** are prejudiced by **your** non-compliance.

- a. **You** must perform all checks or precautions described by **you** in any application for this insurance or any documentation supporting the application.
- b. **You** must inform **us** as soon as reasonably possible in writing and obtain **our** written consent if there has been any change in the ownership of the **business** without **our** prior written consent. If **you** do not, **we** may reduce or deny **your** claim to the extent **we** are prejudiced by **your** delay.
- c. In the event of any loss being discovered **you** must, to the extent allowed by law, retain all salary, commission moneys or assets that are the property of the **employee** in respect of whose conduct a claim is made and which are or may come within **your** control and **you** must apply them towards making good the amount of the loss.
- d. **You** must give to **us** written notice as soon as reasonably possible upon the discovery of any conduct that is fraudulent or dishonest by any **employee** or of reasonable cause for suspicion as to any such conduct by an **employee** whether giving rise to a claim or not. **We** will not pay for any loss occurring after the date of discovery of such conduct. If **you** do not notify **us** as soon as reasonably possible, **we** may reduce or deny **your** claim to the extent **we** are prejudiced by **your** delay.

Basis of Settlement – How we pay claims under Section 3

For all claims for loss under any of Parts A, B and C of this Section 3, **we** will settle **your** claims on the following basis:

- a. for **money we** will pay **you** the amount of **money** lost, or if the loss of **money** is of foreign currency, **we** will pay **you** the amount calculated by converting the lost amount of foreign currency to Australian dollars at the market rate applicable at the date of discovery of the loss.
- b. for **contents we** will at **our** option (acting reasonably), **repair** or **replace** lost or **damaged contents** with similar property, or pay **you** the **indemnity value** of the **contents** at the time of loss;
- c. for **securities we** will pay as follows:
 - i. if **securities** can be replaced, the cost paid or payable by **you**; or,
 - ii. if the **securities** cannot be replaced, the greater of;
 - the closing market value (in Australian dollars) on the business day prior to the discovery of their loss, or
 - if their loss is discovered after the close of the market, their closing value (in Australian dollars) on the day of discovery of their loss;
- d. for loss or **damage to stock we** will at **our** option (acting reasonably):
 - i. replace or repair the lost or **damaged stock** with property or materials of equal quality, standard and specification unless the **stock** is **obsolete stock**;
 - ii. where the **stock** is **obsolete stock** at the time of the damage, **we** will pay **you** its value as **obsolete stock** but no more than its original cost to **you**; or
 - iii. if **you** request a cash settlement and **reinstatement** or repair is not carried out, and the **stock** is not **obsolete stock**, **we** will pay the original cost to **you** of the stock that is **damaged** beyond repair and an amount commensurate with the cost of repairing **damaged stock** that can be repaired, if any, but not exceeding its value prior to when the **damage** took place.

Any **stock** recovered after **we** have made a claim payment for it will belong to **us**, subject to **your** right to reclaim it by repaying the claim amount **we** paid to **you**.

Additional benefits that apply to Section 3

Where **you** have selected cover under Parts A, B or C of this Section 3, **we** will extend the cover for those Parts as provided in additional benefits 1. to 7. If **we** accept a claim for loss under any of Parts A, B or C of this Section 3, **we** will also provide the additional benefits 8. to 12. to the extent that they are relevant to **your** claim.

The most **we** will pay for each additional benefit for any one **event** is the amount stated in the **schedule** for the respective additional benefit, unless stated otherwise. Additional benefits 9. to 12. are in addition to the main **limits** stated in the **schedule**.

1. Theft in the open air

Where Part A Theft is insured, **we** will extend Part A Theft to cover **your contents and stock** in the open air, provided that all gates and fences are maintained and locked when **your location** is unattended. This additional benefit will not be cumulative with additional benefit 2. for the same **event**.

We will not pay for:

- a. **theft** involving shoplifting;
- b. **theft** by **you** or any of **your employees**;
- c. **consequential loss** of any kind; or
- d. **theft** of **property** insured in the open air unless the **location** is fully enclosed by a secure and appropriately locked fence after hours.

2. Theft without forcible entry

Where Part A Theft is insured, **we** will extend Part A Theft to cover loss during the **policy period** from **theft** where there are no signs of forcible and violent entry to or exit from **your building**, provided the **theft** was not from an open sided structure.

We will not pay for:

- a. **theft** involving shoplifting;
- b. **theft** by **you** or any of **your employees**; or
- c. **consequential loss** of any kind.

We will not pay if the loss arises in relation to an unexplained disappearance or inventory shortage, clerical or accounting errors or shortage in supply or delivery.

3. Temporary removal

Where Part A Theft is insured, **we** will extend Part A to cover for loss of **property you** have temporarily moved from **your location** to anywhere within the **geographical limit** where the loss arises from forcible and violent entry to the building. Cover under this benefit ceases when **your property** has been removed from **your location** for 90 consecutive days.

We will not pay for loss of **stock** already sold or on consignment, tobacco products, alcoholic beverages, **personal property**, or **employees'** tools and equipment.

4. Credit card loss

Where Part B Money is insured, **we** will extend Part B to cover financial loss incurred because of the illegal or unauthorised use of **your** business credit or debit card, which is lost or stolen but only for such part of the loss that is not covered by the institution which issued the card.

5. Cover for new locations

We will temporarily extend cover provided by Parts A Theft, B Money and C Employee Dishonesty of this Section 3, if insured, at any new **location** first occupied by **you** during **the policy period** provided that;

- a. this temporary cover will only be provided for a maximum period of 60 days from the date **you** first occupy the new **location** or until the expiry of the **policy period**, whichever is the earliest; and
- b. the **buildings** at the new **location** have the same or better security and protection systems that are at least equivalent as those in place at the **locations** covered under this Section.

The most **we** will pay for this additional benefit is the percentage stated in the **schedule** times the highest **limits** insured for Parts A, B and C of Section 3 for **your locations**.

If the new **location** meets **our** underwriting rules and **you** pay the additional premium, if any, **we** will at **your** request extend **your policy** for the remainder of the **policy period** to provide cover for the new **location** under

this Section 3.

6. Continuous cover for employee dishonesty

If **your** cover for Part C Employee Dishonesty under this **policy** replaces similar cover provided under a previous policy, and this **policy** replaces the previous policy immediately after its expiry, **we** will cover **you** under Part C Employee Dishonesty of this **policy** provided that:

- a. the employee dishonesty loss occurred not more than 12 months prior to the commencement of cover under Part C Employee Dishonesty of this **policy**;
- b. the employee dishonesty loss is not covered under the previous policy solely because it was not discovered during the period of the cover under the previous policy; and
- c. **you** first became aware of the loss during the **policy period**.

The **limit** of cover under this additional benefit is the Part C. Employee Dishonesty **limit** shown on **your schedule** or the limit or sum insured of the employee dishonesty cover **you** held immediately prior to this **policy**, whichever is the lesser. All other terms and conditions of this **policy** will apply.

7. Counterfeit currency

Where Part B Money is insured, **we** will extend Part B to cover loss of **money** arising from **your** acceptance in good faith of counterfeit Australian currency in exchange for the provision by **you** of goods or services in the course of **your business**.

8. Employees tools and equipment

Where Part A Theft is insured, **we** will extend Part A to cover **your employees'** tools and equipment used in connection with **your business**, and personal effects of **employees, directors** and **officers** while at **your location**.

9. Locks, keys and combinations

Where Part A Theft is insured, if, as a result of **damage** caused by **theft** or attempted **theft** covered under Part A, **your** keys, combinations or other locking devices at the **location** are stolen or **your** combinations become known or if there are reasonable grounds to believe that **your** keys or other locking devices may have been duplicated, **we** will pay for the replacement of locks, keys, combinations, and electronic cards or other locking systems or devices.

We will also pay the cost to open safes and strongrooms which is necessary because of the **theft** of keys and/or other locking devices forming part of the **property**, and the cost of restoring any security system to its condition prior to the **damage**.

10. Seasonal increase period

We will increase the Theft and Money **limits**, if insured, by the same percentage stated in the Seasonal increase in stock additional benefit in Section 1 Property Damage. The period during which **we** will increase the **limits** is;

- a. for Part A Theft, the same period as applies to the Seasonal Increase in Stock additional benefit in Section 1 Property Damage;
- b. for Part B Money, any public holiday until **your** bank's closing time on the day following that public holiday.

11. Rewriting of records

Where Part A Theft is insured, **we** will extend Part A to cover clerical and professional costs to recreate **your**

business books, plans, computer records, patterns and other business records, that are damaged or lost by an **event** covered by the Theft section.

12. Cost of recovery

Where Part C Employee Dishonesty is insured, **we** will extend Part C to cover costs and expenses **you** have reasonably incurred with **our** permission in an attempt to recover **property** that has been lost as a result of employee dishonesty.

We may withhold **our** consent for recovery if, in **our** opinion, the attempted recovery is not economically viable.

Section 4 Public and Products Liability

We will only provide cover under this Section 4 if cover for Public and Products Liability is shown in the **schedule** as "Covered". **You** must also pay **us** the premium **we** request for cover under this Section. If **you** do not pay **your** premium, **you** will not have cover under this Section.

Your cover under Section 4 is subject to the General Definitions, General Exclusions, General Conditions, Claims Procedures and Conditions, and any of the Definitions, Exclusions, and Conditions contained in this Section.

Definitions that apply to Section 4

For the purposes of this Section 4,

occurrence means one incident or a series of incidents which is in consequence of, or attributable to, one source or original cause including continuous or repeated exposure to substantially the same general conditions which results in **personal injury, property damage or advertising liability**, which was not expected nor intended by **you**.

advertising liability means liability arising from any of the following:

- defamation; or
- breach of the misleading or deceptive conduct provisions of any Australian competition and consumer legislation, or any fair trading or similar legislation of any country, state or territory; or
- infringement of copyright or passing off of title or slogan; or
- unfair competition, piracy, misappropriation of advertising ideas, style of doing business; or
- invasion of privacy,

committed or alleged to have been committed during the **policy period** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

personal injury means:

- bodily injury, death, sickness, disease, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom;
- false arrest, false detention, wrongful imprisonment, malicious prosecution or malicious humiliation;
- discrimination (unless insurance of it is prohibited by law) not committed by you or any person insured by this policy or at **your** or an insured person's direction;
- wrongful entry or wrongful eviction or other invasion of privacy;
- defamation, libel and slander except arising out of **advertising liability**;
- assault or battery.

property damage means:

- a. physical **damage** to or physical loss or destruction of tangible property including the loss of use of that property at any time resulting therefrom;
- b. loss of use of tangible property which has not been physically **damaged** or destroyed provided such loss of use is caused by physical **damage** to or destruction of other tangible property.

you, your means the **insured** and:

- every **director**, executive officer, **employee**, partner or shareholder of the **insured** or in a company designated in parts of this definition above but only whilst acting within the scope of their duties in such capacity;
- any **director** or senior executive of the **insured** in respect of private work undertaken by the **insured's employees** for such **director** or senior executive;
- every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with the **insured's** consent (but not persons designated in the parts of this definition below) in respect of claims arising from their duties connected with the activities of any such club, organisation or service;
- every principal of the **insured**, in respect of that principal's liability caused by the performance of work for that principal, but subject always to the extent of coverage and the **limit** provided by this **policy**;
- each partner, joint venturer, co-venturer or joint lessee of the **insured** but only:
 - with respect to liability incurred as the partnership, joint venture, co-venture, joint lease; and
 - provided the partnership, joint venture, co-venture, joint lease has been notified to **us** within 60 days of formation and shown in the **policy schedule**;

you, your does not include the interest of any other person other than as described above.

What is covered under Section 4

We will cover **you** under this Section for **your** legal liability to a third party to pay compensation for **personal injury, property damage, and advertising liability**, provided that **your** liability is caused by an **occurrence** which happens within the **geographical limit** during the **policy period** and is in connection with **your business**.

Supplementary Benefits that apply to Section 4

If **we** cover **you** for a claim for **personal injury, property damage, or advertising liability**, **we** will also provide **you** with the following supplementary benefits in addition to the **limit** applicable to this Section 4:

1. Defence costs

- a. If a claim is made against **you** for **personal injury, property damage or advertising liability**, **we** will defend **you** against that claim, even if the allegations against **you** are groundless, false or fraudulent.
- b. **We** will pay reasonable **defence costs** which **we**, or **you** incur with our written consent, to defend the claim, including any loss of income **you** suffer because of attendance at **our** request at any hearing relating to the claim, and any expenses to appeal or defend an appeal in relation to the claim. Contact SafetyCulture Care and obtain approval before incurring costs **you** want to claim, otherwise **we** will pay up to the amount **we** would have authorised had **you** asked **us** first.

2. Other costs

We will pay:

- a. all costs and expenses which **you** are obliged to pay as a result of a judgement or award against **you**;
- b. pre-judgment interest that is awarded against **you** for that part of the judgement that **we** are responsible to indemnify **you** for, together with any interest that accrues until **we** have actually paid it;

- c. reasonable expenses incurred by **you** to render first aid as result of **personal injury** (other than the payment of any medical expenses which **we** are prevented by law from paying);
- d. for reasonable expenses incurred by **you** for the temporary protection of property of any other party that has been damaged as a result of an **occurrence** which is the subject of indemnity under the **policy**;
- e. the reasonable costs of providing, erecting and dismantling of barriers for the temporary protection of property which **you** are obliged to provide to comply with by law;
- f. the legal costs incurred by **you** with **our** consent, for representation at any:
 - i. coronial inquest or enquiry,
 - ii. proceedings in any court or other tribunal which relates to liability insured by this **policy** Section
- g. the costs of representation at any royal commission, fatal accident inquiry or other formal enquiry by a lawfully constituted authority established to inquire into the circumstances surrounding any **event** that could result in a claim that would be covered under this **policy** Section, or any disciplinary action against **you**.

If a payment exceeding **your limit** for this Section 4 has to be made to dispose of a claim, **our** liability to pay supplementary benefits of defence and other costs will be limited to that proportion of defence and other costs as **your limit** bears to the amount paid or payable to dispose of the claim.

Limit, sub-limits and deductibles that apply to Section 4

Subject to Clauses a. and b. below and to any applicable sub-limit and **deductible**, **our** liability to pay compensation as a result of an **occurrence** shall not exceed the Public and Products Liability **limit** stated in the **schedule**.

- a. **Our** liability to pay compensation in respect of or in any way related to **your products** shall not exceed the Public and Products Liability **limit** stated in the **schedule** for all **occurrences** during any one **policy period**.
- b. With respect to **products** sent to **North America** without **your** knowledge or knowledge of **your** agent or **employees**, and/or **business** visits by **directors** and **employees** who are normally not resident in **North America** and do not perform or supervise manual work in **North America**, the **limit** shall apply inclusively of all supplementary benefits and additional payments for any claim covered by this Section being made against **you** in any court or before any other legally instituted body in **North America**.

Sub-limits, if any, will be shown in the **schedule** and are within the **limit** and not in addition.

The **deductibles** payable under Section 4 will be shown in the **schedule**, and apply to each and every claim, unless stated to the contrary.

We shall not be obligated to pay any compensation, defence or other costs, or judgement or to defend any suit after **our limit** has been exhausted by payment of claims, judgments and/or settlements.

Exclusions that apply to Section 4

We will not pay any claim, compensation or cost, or defend any claim, for **your** liability:

- a. for **advertising liability**:
 - i. resulting from any statement, publication, utterance or testimonial used or made by **you** or at **your** direction which **you** knew or a reasonable person in the circumstances would have known to be inaccurate, false or had no reasonable basis to believe to be true;

- ii. resulting from a defamatory statement used or made by **you**, or at **your** direction, prior to the **policy period**;
 - iii. resulting from any incorrect description of **your products** or services;
 - iv. caused by a mistake in the advertised price of **your products** or services;
 - v. caused by the failure of **your products** or services to conform with advertised performance, quality, fitness or durability;
 - vi. failure of performance of any contract;
 - vii. infringement of any trade mark, service mark or trade name, but this shall not relate to titles or slogans;
 - viii. if **your business** is principally in advertising, broadcasting, publishing or telecasting.
- b. for **personal injury** or **property damage** arising from:
- i. **your** ownership, possession, cleaning, repair, maintenance, refuelling, operation, navigation or use of any **aircraft** or hovercraft;
 - ii. **products** that are **aircraft** or designed or manufactured for the purpose of being **aircraft** components;
 - iii. **products** which **you** knew would be used as **aircraft** components or used in the construction of any part of the hull or machinery of an **aircraft**;
 - iv. **your** ownership, operation, navigation or use of any **watercraft**, but this exclusion will not apply to **watercraft** less than eight metres in length which is under the control of a licensed and qualified person for the vessel, or to a **watercraft** of any length which **you** do not own or operate, but which is chartered by **you** for **business** entertainment.
- c. if it arises from professional advice or service **you** provided or failed to provide, but this exclusion will not apply to:
- i. advice or services by qualified medical practitioners, dentists, nurses, paramedics, and first aid attendants who are **your employees** and are employed by **you** to provide first aid and medical services to **your employees** at **your location** provided **your** primary business does not involve the provision of medical, dental or health care at **your location**;
 - ii. advice or services provided by **you** without charge;
 - iii. advice or services provided in relation to the use or storage of **your products**.
- d. if it arises out of an agreement or contract whereby **you** have agreed to effect insurance over property or accept liability for **personal injury**, **property damage** or **advertising liability**, (including for payment of any damages, penalties or performance warranties), that **you** would not have had liability for if **you** had not entered into the agreement or contract;

However, this exclusion will not apply to liability:

- i. arising out an **incidental contract** other than **your** liability to insure any rented, hired or leased property;
- ii. assumed by **you** in relation to the merchantability, quality, fitness or care of **your products** whether implied by law or statutes; or

- iii. any agreement of a type referred to in General Condition, Release of Other Parties.
- e. for **property damage to your products** caused by a defect in the **products** or their own harmful nature or unsuitability, but this exclusion will only apply to the defective, harmful or unsuitable part, and not to **property damage** to other parts of the **product**.
- f. any liability:
 - i. in respect of which **you** are or would be entitled to indemnity under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers' compensation whether or not such insurance has been effected;
 - ii. imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination; or
 - iii. relating to an **employment practices breach**. For the purposes of this exclusion, employment practices breach means:
 - any employment-related discrimination on any ground including but not limited to sex, age, religion, disability, race, colour, sexual orientation, marital status or pregnancy;
 - wrongful dismissal, discharge or termination of employment;
 - workplace or sexual harassment;
 - oral or written publication of material that slanders or libels an **employee**;
 - breach of any oral, written or implied employment contract or misrepresentations as to terms of employment; or
 - denial of natural justice.
- g. for **property damage** to any part of any property that must be repaired, reconditioned or replaced by reason of incorrect work performed by **you** or on **your** behalf, or by reason of materials or equipment which are or are proved to be defective or inadequate in connection with such work. But this exclusion shall not apply to **property damage** resulting from such work;
- h. for fines, penalties, punitive, liquidated or exemplary damages, aggravated damages or multiple damages, whether imposed on **you** through a court of law, legislation or under a contractual arrangement or otherwise;
- i. for loss of use of tangible property which has not been physically lost, **damaged** or destroyed which is caused by:
 - i. **your** failure to perform **your** obligations under an agreement or contract on time, or at all;
 - ii. **your products** or work performed by **you** or on **your** behalf failing to meet the level of performance, quality, fitness or durability warranted or represented by **you**, but this exclusion will not apply to the loss of use of other tangible property which occurs as a result of sudden and unexpected **damage** or destruction of **your products** or work performed by **you** or on **your** behalf after they have been put to their intended use by anyone other than **you**.
- j. for **damage** to property in **your** care, custody or control other than:
 - i. the **personal property**, cheques, money, credit cards, and negotiable instruments of any of **your directors**, officers or **employees**, clothing and **personal property** of any of **your** visitors;
 - ii. property, (including **contents**) tenanted, leased, hired or temporarily occupied by **you** in the conduct of **your business**

- iii. any vehicle not owned or used by **you** or on **your** behalf, including any **contents**, while the vehicle is in any car park owned or operated by **you** in the course of **your business**, provided **you** do not charge for the car parking or operate the car park for profit;
- iv. any other property which is not **yours**, but which is lawfully in **your** care, custody or control, except:
 - **property damage** to that part of any property upon which **you** are or have been working on and the loss arises directly from the performance of that work;
 - any property for which **you** are obligated to insure, or;
 - any property while in transit.

The most **we** will pay for any one **occurrence** under this clause j. is the sub-limit amount shown in the **schedule**.

- k. for liquidated damages, penalties or performance warranties imposed by any agreement, unless they would have been payable by **you** in the absence of the agreement;
- l. for **damage** to **your** own property;
- m. arising from any warranty or **product** guarantee given by **you** or on **your** behalf, unless the guarantee or warranty is required by law to be given;
- n. for the withdrawal, recall, inspection, repair, adjustment, removal, modification or **replacement** of any property **your products** form a part of, or for the loss of use of **your products**, or any work completed by **you** or on **your** behalf, after they have been recalled from sale or use by any party because of a known or suspected defect or deficiency in them;
- o. for **personal injury** or **property damage** which arises from **your** ownership, possession or use of a motor vehicle:
 - i. which is required by law to be registered; or
 - ii. for which compulsory liability insurance or statutory indemnity is required by virtue of any legislation, but this exclusion will not apply to:
 - iii. **personal injury** where the insurance or indemnity does not cover **you** and the lack of cover is not because of a breach by **you** of any law or regulation;
 - iv. **personal injury** or **property damage** caused by the use of a tool, plant or equipment forming part of or attached to any motor vehicle or used in connection with a motor vehicle where applicable legislation does not require insurance against such liability;
 - v. **personal injury** or **property damage** that occurs during the loading or unloading of any motor vehicle where the **personal injury** or **property damage** occurs beyond the limits of any carriageway or thoroughfare, and where applicable legislation does not require insurance against such liability.
- p. for **personal injury** or **property damage** arising out of or in connection with any of **your products** sent to **North America** with **your** knowledge;
- q. in connection with or in respect of asbestos or anything containing asbestos in any form or quantity, including in any way connected with investigation, testing or monitoring for, or preventing, removing, nullifying or cleaning up any asbestos, or involving any bodily injury, disease or illness related to asbestos;
- r. if it arises directly or indirectly out of or in connection with the actual, alleged, threatened or suspected

inhalation of, ingestion of, contact with, exposure to, existence of or presence of "silica" or "silica-related dust" or any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by **you** or by any other person or entity.

"Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

"Silica-related dust" means a mixture or combination of silica and other dust or particles.

- s. for **personal injury** arising directly or indirectly out of or in connection with the actual, alleged, threatened or perceived sexual assault, sexual harassment or molestation of any person by **you** or any party for whom **you** may be vicariously liable. Further, **we** will not have any duty to defend any action, suit or proceedings brought against **you** or any other person;
- t. **personal injury** or **property damage** caused by or arising from assault or battery committed by **you** or at **your** direction unless reasonably necessary for the protection of persons or property. Further, **we** will not have any duty to defend any action, suit or proceedings brought against **you** or any other person.

This exclusion will not apply when such assault or battery is committed for the purpose of preventing or eliminating danger to persons or **property damage**.

- u. for liability for **personal injury** arising directly or indirectly out of or in connection with any:
 - i. sporting or physical activities on or in water or snow, racing of any kind, aerial activities or equestrian activities;
 - ii. amusement involving bodily contact with persons and/or machines (amusement includes but is not limited to sumo wrestling, bar flying, arm wrestling and mud wrestling). Machines or devices means machines or devices designed to challenge the user to contests of strength and/or other physical skills;
 - iii. any ride or inflatable device;
 - iv. use of weapons of any kind;
 - v. use of explosives.
- v. for **personal injury** or **property damage** which arises directly or indirectly out of or in connection with the actual, alleged, threatened or suspected **contamination**, or any expense for testing or monitoring for, or preventing, treating, detoxifying, removing, nullifying or cleaning up any **contamination**.

However, other than in relation to:

- i. preventing **contamination** from the **location** or any premises owned or occupied by **you** or on which **you** have property or conduct **your business**;
- ii. any occurrence within **North America**;

this exclusion will not apply if the liability for, or expense incurred is consequent upon a sudden identifiable, unintended and unexpected **event** from **your** perspective, and which happens entirely at a specific time and place.

The most **we** will pay for any and all claims for **contamination** in the aggregate during the **policy period** is the Public and Products Liability **limit** stated in the **schedule**.

- w. arising directly or indirectly out of or in connection with **your internet operations**.

This exclusion will not apply to liability otherwise covered by this **policy** which would have arisen irrespective of **your internet operations**.

For this exclusion, **internet operations** includes but is not limited to, the following:

- i. use of electronic mail systems by **you** or **your employees**, including part-time and temporary staff, and others acting on **your** behalf;
- ii. access through **your** network to the world wide web or a public internet site by **you** or **your employees**, including part-time and temporary staff, and others acting on **your** behalf;
- iii. 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; or
- iv. the operation and maintenance of **your** website.

Nothing in this exclusion shall be construed to extend coverage under this Section to any liability which would not have been covered in the absence of this exclusion.

- x. if it arises directly or indirectly out of or in connection with grinding, flame cutting, flame heating, brazing, hot welding or similar operation, unless such activity is conducted in strict compliance with all relevant laws, regulations, codes, standards and industry practices and a formalised hot work procedure or permitting process.
- y. caused or contributed by or arising directly or indirectly out of or in connection with:
- i. the communication, display, distribution or publication of **electronic data**. But this exclusion does not apply to **personal injury** or **advertising liability**;
 - ii. the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;
 - iii. an error in creating, amending, entering, deleting or using **electronic data**;
 - iv. the total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all.

Conditions that apply to Section 4

1. Cross liability

Every entity or person who is an **insured** under this **policy** Section will be covered as if a separate **policy** had been issued to each of them, and each **insured** is covered against claims made by any other **insured**, subject to all the terms, conditions, exclusions and definitions of this **policy**, provided that nothing in this clause results in the increase of the **limit** or Supplementary Benefits in respect of any **occurrence**.

2. Defective products

You shall take reasonable steps, at **your** own expense, to withdraw, inspect, repair, replace, trace, recall or modify any **product** containing any defect or deficiency **you** are aware of or have reason to suspect.

3. Release and subrogation - government authorities

Regardless of **our** rights of recovery under the Claims Procedures and Conditions, **you** may without prejudicing

your position under this Section 4 release any statutory governmental, semi- governmental or municipal authority from any liability if required at law, including by contractual agreement. **We** shall waive any subrogation rights, remedies or relief to which **we** are or may become entitled against that authority in the event of any **occurrence** for which a claim may be made under this Section 4.

Section 5 Management Liability Section

Important Notice: 'Claims made and notified'

Part A & B of this Section provide 'Claims made and notified' cover and will only respond to **claims** first made against **you** or an **insured person** during the **policy period** and notified to **us** during the **policy period**.

To the extent permitted by law, **we** will not pay for any **claim** that **you** notify **us** of after the **policy period** has expired.

Cover types

We will only provide cover under this Section 5 if cover for Management Liability is shown in the **schedule** as "Covered". **You** must also pay **us** the premium **we** request for cover under this Section. If **you** do not pay **your** premium, **you** will not have cover under this Section 5. If **you** have not selected Section 4 Public and Products Liability cover, **you** will not have cover under this Section 5 Management Liability.

Your cover under Section 5 is subject to the General Definitions, General Exclusions, General Conditions, Claims Procedures and Conditions, and any of the Definitions, Exclusions and Conditions contained in this Section.

The cover for Management Liability under this Section 5 consists of three (3) sub-sections. They are:

Part A – Directors and Officers Liability

Part B – Employment Practices Liability

Part C – Tax Audit.

You are covered for all three sub-sections if cover for Management Liability is shown in the **schedule** as "Covered".

Definitions that apply to Parts A & B of Section 5

claim(s) means:

- a writ, statement of claim, summons, application or other originating legal or arbitral process, cross claim, counter-claim or third or similar party notice for compensation or non-monetary relief;
- a written assertion of a right to, or a demand for, compensation or non-monetary relief;
- a formal administrative or regulatory proceeding including any arbitration, mediation, conciliation or alternative dispute resolution proceeding; or
- any criminal proceeding.

discovery period means the period of time after the end of the **policy period** where **you** may continue to notify **us** of a **claim** but only in relation to **management wrongful acts** or **employment practices breaches** committed prior to or during the **policy period**.

employee means any natural person who is **your** past present or prospective employee, including any full time, part time, casual, secondee or volunteer. Provided that the term "employee" shall not mean independent contractors, consultants, or **your** agents or their respective employees, including employees of labour hire companies.

employment practices breach means any employment-related:

- discrimination on any ground including but not limited to sex, age, religion, disability, race, colour, sexual

orientation, marital status or pregnancy;

- wrongful dismissal, discharge or termination of employment;
- workplace or sexual harassment;
- oral or written publication of material that slanders or libels an **employee** or violates or invades an **employee's** right of privacy;
- breach of any oral, written or implied employment contract or misrepresentations as to terms of employment;
- wrongful refusal to employ; or
- demotion, failure to promote, deprivation of career opportunity, refusal of tenure, unfair evaluation or disciplinary action, in respect of **your employee**.

insured person means:

- any natural person who is now or will be **your director**, company secretary, **officer** or **employee**, or any person who was or now is or will become a trustee of a superannuation fund established for the benefit of **your employees** and whether or not validly appointed to occupy or duly authorised to act in such position;
- any person who by virtue of any applicable legislation or law is deemed to be **your director**. Provided that the term "**insured person**" shall not include:
 - any externally appointed **officers** such as administrators, receivers, statutory managers, liquidators, mortgagees in possession, or the like; or
 - any registered company or corporation.

management wrongful act(s) means;

- for Individual Cover and Your Reimbursement, any breach of duty, breach of trust, act, error, omission, neglect, misstatement, misleading statement or breach of warranty of authority actually or allegedly committed or attempted by **insured persons** in their capacity as a **director**, company secretary or **officer** of the **insured** named in the **schedule**.
- for Your Liability Cover, any breach of duty, breach of trust, act, error, omission, neglect, misstatement, misleading statement actually or allegedly committed or attempted by the **insured** named in the **schedule** in connection with **your business**.

It does not include an **employment practices breach** committed by an **insured person** while acting in their capacity as an **insured person** of **you**.

officer means any of **your employees** who are concerned in, or take part in, the management of **your business**, regardless of the name that is given to their position, including the company secretary.

official inquiry means any official investigation, examination, inquiry ordered or commissioned by a statutory body or institution, and:

- which the **insured person** is legally compelled to attend; and
- which has as its subject matter **your** affairs or the conduct of an **insured person** in that capacity, or the conduct of the **business**; and

- notice of which is first served on the **insured person** and notified to **us** during the **policy period**.
- **securities** means any shares, preference shares, stocks, debentures, warrants, options, bonds, promissory notes or other equity or debt security.

senior counsel means a barrister in active practice who is entitled to use the post nominals KC or SC in any superior court in Australia.

third party means any natural person or entity other than **you**. For the sake of clarity, a third party can include a client.

Exclusions that apply to Parts A & B of Section 5

We shall not be liable under Parts A & B of this Section for any loss for any **claim**:

1. Bodily injury & property damage

for physical injury, sickness, death, disease or mental injury or anguish, nervous shock or emotional distress of any person or destruction of or damage to tangible property including the loss of use of it.

This exclusion will not apply to any **claim** based on an **employment practices breach** to the extent it alleges mental injury, mental anguish or emotional distress, or to the additional benefit to Part A of this Section "Workplace Health and Safety Laws".

2. Geographical limits

arising from, attributable to or in any way connected with any conduct occurring, in whole or part outside of Australia.

3. Insolvency

arising directly or indirectly from or is in any way connected to the **financial impairment**, bankruptcy, insolvency, receivership or administration of the **insured**, any associated company, or any non profit entity.

For this exclusion, **financial impairment** means **your** status resulting from the appointment by any governmental official, agency of court of any receiver, manager, liquidator (including a provisional liquidator), or similar official to take control of, supervise, manage or liquidate the **insured**;

- going into bankruptcy, administration, receivership, liquidation, or insolvency; or
- entering into a scheme of arrangement, a debt agreement or other agreement or arrangement with creditors; or
- being unable to pay debts as and when they fall due.

4. Jurisdiction

brought in a court outside Australia, or brought in a court within Australia to enforce a judgement handed down in a court outside Australia.

5. Known, prior or pending claims

arising from, attributable to or in any way connected with:

- any facts, circumstances or occurrences:
 - noted on the proposal or online application for the current **policy period** or on any previous proposal

to any insurer or of which notice had been given to any insurer under any previous policy, however expressed; or

ii. of which **you** were aware prior to the commencement of the **policy period** and knew (or ought reasonably to have realised) may give rise to a **claim**; or

b. any intimation, complaint or allegation of any conduct or **management wrongful act** or an **employment practices breach** that might give rise to any relief, in any way known to **you** prior to the commencement of the **policy period**; or

c. any written notice of an **official inquiry** of which **you** were aware of prior to the **policy period**; or

i. any civil, criminal, administrative or regulatory proceeding, investigation, arbitration or adjudication of which **you** were aware prior to the **policy period**, or derived from essentially the same facts.

6. Pollution

arising from, attributable to or in any way connected with directly or indirectly the actual, alleged or threatened dispersal, release or escape of **pollutants** into or upon real or personal property, the atmosphere, any water course or body of water, including but not limited to any enforcement action or proceeding in connection with the containment, clean up, removal, treatment or monitoring of such **pollutants**, or seepage, **pollution** or contamination however it occurs.

7. Securities offering

arising from, attributable to or in any way connected with a public offering, solicitation, sale, distribution or issuance of **securities**, whether or not a disclosure document has been issued.

8. Crime and social engineering fraud

for loss of **money** arising from **theft**, including by means of **social engineering fraud**.

9. Electronic data

arising from, attributable to, or in any way connected with:

a. the unauthorised communication, display, distribution or publication of **electronic data**;

b. total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation or misappropriation of **electronic data**;

c. error in creating, amending, entering, deleting or using **electronic data**; or

d. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

10. Acts prior to retroactive date

for acts, errors or omissions actually or allegedly committed prior to the retroactive date of the **policy** (if such a date is specified in the **schedule**).

Conditions that apply to Parts A & B of Section 5

1. Allocation of Loss

a. Where any liability or amount has been jointly, or jointly and severally, incurred as between **you** and any

other uninsured person or entity, **our** liability under the **policy** shall be the proportion of that liability or amount which represents a fair and equitable allocation between **you** and the other uninsured person or entity, taking into account the relative legal and financial exposures of, and the relative benefits obtained in any settlement by, **you** and the other person or entity in or as a result of the **claim** or **official inquiry**.

- b. Where any liability or amount is incurred in respect of any **claim** or **official inquiry** which arises from both matters covered and matters not covered by the **policy**, **our** liability under the **policy** is limited to the proportion of that liability or amount which represents a fair and equitable allocation taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under the **policy**.
- c. While the proportion of **defence costs** to be advanced under the **policy** remains disputed and undetermined, **we** shall advance that proportion of **defence costs** which **we** consider represents a fair and equitable allocation. The allocation finally agreed or determined shall be applied retrospectively to any **defence costs** incurred prior to agreement or determination but shall not be a presumption as to other loss covered by the **policy**.

2. Alteration to risk

You must notify **us** as soon as practicable of any material alteration to risk during the **policy period** that **you** know or ought to reasonably have known is relevant to **our** decision to insure **you** and the terms on which **we** will insure **you**, including but not limited to:

- a. **you** consolidating with or merging into or selling all or substantially all of **your** assets to any other person or entity or group of persons and/or entities acting in concert; or
- b. any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote at **your** general meetings or control the appointment of **directors** who are able to exercise a majority of votes at **your** board meetings; or
- c. **you** going into voluntary bankruptcy, receivership, liquidation or administration; or
- d. **you** entering into a scheme arrangement, debt agreement or arrangement with creditors; or
- e. any public offering of **your securities**; or
- f. the cancellation or suspension of, or the imposing of specific conditions upon, any statutory licence or registration **you** or an **insured person** is required to hold at law in order to conduct **your business**.

3. Assignment

You must not assign the **policy**, or any rights under the **policy**, without **our** prior written consent by way of endorsement to the **policy**. **We** will not unreasonably withhold **our** consent.

4. Claim settlement

If **you** disagree with a **claim** settlement recommended by us, **you** may elect to contest such **claim**. However, **our** liability in respect of the **claim** shall not exceed the amount for which the **claim** could have been so settled plus the **defence costs** and any other covered **loss** incurred up to the date of such election.

5. Conduct of defence/settlement

- a. Unless otherwise agreed, **we** shall be entitled at any time to, having regard to **your** interests and acting reasonably, take over and conduct in **your** name the investigation, defence and/or settlement of any **claim** or legal representation at an **official inquiry**.

- b. **you** shall not, without **our** prior written consent:
 - i. make any offer or admit liability for or settle any **claim** or **official inquiry**. If **you** do, **we** may reduce or refuse **your claim** to the extent **we** are prejudiced by **your** admission or settlement; or
 - ii. incur any defence costs or legal representation costs; or
 - iii. assume any liability or obligation for any **loss** for which indemnity is sought under the **policy**; or
 - iv. forego, waive, exclude or limit any rights of indemnity or recovery;
- c. **we** may reduce or refuse to pay for any **loss**, settlement or other liability assumed, or costs and expenses incurred by **you** to the extent that **we** are prejudiced by such offer, payment, admission, **loss**, settlement made or costs or expenses incurred without **our** consent. To ensure **you** are covered, please contact **us** before incurring any liability, costs or expenses.
- d. If **we** assume the conduct of the defence of a **claim** or representation at an **official inquiry** and **we** carry out any investigation regarding such **claim** or **official inquiry** without prejudice to the question of indemnity until sufficient facts and information are available to make a decision on the question of indemnity, this does not:
 - i. indicate an **insured** is entitled to indemnity under the **policy**, or
 - ii. waive or prejudice **our** rights (if any) under the **policy**.

6. Confidentiality

You or an **insured person** may not disclose to any other party that **you** have paid, or agreed to pay, a **premium** for the **policy**. **you** or an **insured person** must not otherwise disclose to any other party any terms of the **policy**, including but not limited to the **limit**, the cover and the exclusions except to the extent that:

- a. disclosure of the terms of the **policy** is required by law;
- b. disclosure is to legal advisors for the purposes of **you** obtaining **policy claims** advice; or
- c. **we** may consent in writing to disclosure of the terms of the **policy**.

7. Co-operation and mitigation

- a. **You** shall, at **your** own cost, immediately provide us such assistance and information as **we** may reasonably require to enable **us** to determine whether or not **you** are entitled to an indemnity under the **policy**, and to enable **us** to investigate and defend any **claim**, including representation of **you** or any **insured person** at an **official inquiry**, or investigate any other **claim** for indemnity under the **policy**.
- b. **You** shall, at **your** own cost, diligently do all things reasonably practicable to avoid or minimise any **loss** payable under this **policy**.

8. Defence costs within limit

Defence costs are part of and not in addition to the **limit** for Part A Directors and Officers Liability and Part B Employment Practices Liability of this Section.

9. Notification

You must notify **us** of any **claim** made against **you** or **official inquiry** notified to **you**, during the **policy period** as soon as practicable and during the **policy period** or **discovery period**, if applicable.

You must give notice of any **claim** or **official inquiry**, or other matter to **us** in writing.

Part A – Directors and Officers Liability

What is covered under Part A of Section 5

1. Individual cover

We will pay to or on behalf of the **insured person** all **loss** resulting from a **claim** against the **insured person** for any **management wrongful act**, except to the extent that **you** are not legally permitted and have not agreed to indemnify the **insured person**. This cover only applies where the **claim** is first made during the **policy period** and reported to **us** in the **policy period**, or **discovery period** if applicable.

2. Your reimbursement cover

We will pay to **you** or on **your** behalf all **loss** resulting from a **claim** against the **insured person** for any **management wrongful act** to the extent that **you** are legally permitted and have agreed to indemnify the **insured person**. This cover only applies where the **claim** is first made during the **policy period** and reported to **us** in the **policy period**, or **discovery period** if applicable.

3. Your liability cover

We will pay to or on **your** behalf all **loss** resulting from a **claim** against **you** for any **management wrongful act**. This cover only applies where the **claim** is first made during the **policy period** and reported to **us** in the **policy period**, or **discovery period** if applicable.

4. Legal representation costs

In respect of any **official inquiry**, we will pay legal representation costs of the **insured person** to or on behalf of:

- a. the **insured person** where **you** are not legally permitted and have not agreed to indemnify the **insured person** for such legal representation costs; or
- b. **you** where **you** are legally permitted and have agreed to indemnify the **insured person** for such legal representation costs.

This cover only applies where the notice compelling the **insured person's** attendance at the **official inquiry** is first served on the **insured person** in the **policy period**, or **discovery period**, if applicable.

5. Excess of limit for all insured persons

In the event that the **limit** stated in the **schedule** and all other indemnification available to an **insured person** is exhausted, we will automatically extend cover under this **policy** for Part A Insuring Clauses 1. Individual Cover, 2. Your Reimbursement Cover and 4. Legal Representation Costs up to the "Excess of Limit" as outlined below. This cover is only available where there is no other source or sources of indemnification available to the **insured person**.

This "Excess of Limit" cover is subject to the **limit** stated in the **schedule** in the aggregate for all **insured persons** during the **policy period**.

Definitions that apply to Part A of Section 5

bail and civil bond expenses means the premium (but not collateral) for a bond or other financial instrument to guarantee the contingent obligation of an **insured person** for a specified amount required by a court hearing a **claim**.

crisis, crises means any of the following unforeseen events where, in the reasonable opinion of **your** managing **director** (or equivalent) the event has the potential to cause an immediate and serious effect on **your business** of greater than 20% of **your** total annual consolidated revenues, if left unmanaged:

- the sudden, unexpected death or disability of any **director** or **officer**;
- the sudden loss of a major customer, contract or credit facility;
- **employee** workplace violence;
- the first apparent unauthorised intrusion into **your** computer facilities;
- a recall or boycott of any **product**;
- a man made disaster; or
- any criminal or fraud investigation.

Crisis is not an event that affects generally the industry in which **you** conduct **your business**.

joint venture means any unincorporated enterprise undertaken jointly by **you** with a **third party**.

loss means the amount **you** and/or an **insured person** is legally liable to pay including but not limited to damages, judgments, interest, claimant's costs and expenses and settlements entered into with **our** prior written consent.

media costs means reasonable fees and expenses of a public relations firm which **you** and/or an **insured person** engages with **our** prior written consent (not to be unreasonably withheld) for the purpose of preventing or limiting potential adverse or negative publicity in respect of a covered **claim** or **official inquiry**.

non-executive director means:

- any natural person who was or is or during the **policy period** becomes a member of **your** board; and
- who within the last three years:
 - has not served as an executive **director** for **you**; and
 - has not been one of **your employees**; and
 - has not received, either directly or indirectly from **you**, money or benefits of any kind for services given in any capacity except as a **director** of **you**.

retired director or officer means a **director** or **officer** of **your business** who has ceased to hold any such office prior to the expiry of the **policy period**, for any reason other than disqualification, and who has not assumed any similar office with **you**.

spouse means any lawful spouse, civil partner or person deriving a similar status by reason of statute or common law.

transaction is where:

- **you** consolidate with or merge into or sell all or substantially all of **your** assets to any other person or entity or group of persons and/or entities acting in concert; or
- any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote at **your** general meetings or control the appointment of **directors** who are able to exercise a majority of votes at **your** Board meetings.

Limit, sub-limits and deductibles that apply to Part A of Section 5

1. Limit

Our total liability for all **claims** under Part A of this Section shall not exceed the **limit** stated in the **schedule**.

Any number of **claims** against, or **official inquiries** involving, **you** and/or an **insured person** which arose out of or are attributable to or connected in any way with a single **management wrongful act** or the same conduct or a series of the same, related, interconnected or continuous **management wrongful acts** or conduct shall constitute a single **claim** or **official inquiry** for the purpose of Part A of this Section. Where there is more than one such **claim**, all such **claims** shall be deemed first made when the earliest such **claim** was first made.

For the purpose of this clause, an **official inquiry** is deemed to be a **claim**, even if there is no **management wrongful act** alleged.

2. Deductible

Our liability under Part A of this Section shall apply only to that part of each **loss** which exceeds the **deductible** as set out in the **schedule** for Part A of this Section. Such **deductible** shall be borne by **you** and shall remain uninsured.

The **deductible** with respect to a **claim** is inclusive of **defence costs**.

The **deductible** payable under Part A of Section 5 is shown in the **schedule**, and applies to each and every **claim**, unless stated to the contrary.

Where we make a payment in respect of a **claim**, including for **defence costs**, which includes payment of part or all of the **deductible**, **you** shall within 30 days of being notified by **us**, reimburse **us** for the amount of the **deductible** paid by **us** on **your** behalf.

Additional benefits to Part A of this Section 5

1. Automatic reinstatement of the limit for non-executive directors

In the event the **limit** and all other indemnification available to a **non-executive director** is exhausted, we will reinstate the **limit** once, provided that this provision is only available to an **insured persons** to the extent an **insured person** is a **non-executive director** of **you**.

2. Bail and civil bond expenses

We agree to pay to **you** or on **your** behalf the **bail and civil bond expenses** for a period not exceeding 12 months. **You** must obtain **our** prior written consent, which shall not be unreasonably withheld. **Our** maximum liability, for all such **loss** for all **insured persons**, is sub-limited to the **limit** stated on the **schedule** in the aggregate in any one **policy period**.

No **deductible** applies to this additional benefit.

3. Spousal liability

If a **claim** against an **insured person** includes a **claim** against an **insured person's spouse** solely by reason of:

- a. their legal status as a **spouse** of an **insured person**; or
- b. ownership or interest in property which the claimant seeks as recovery for alleged **management wrongful acts** of an **insured person** then:
 - i. all **loss** that the **spouse** becomes legally obligated to pay by reason of the **claim** will be treated for

purposes of Part A of this Section as **loss** which an **insured person** becomes legally obligated to pay on account of the **claim** made against an **insured person**;

- ii. all terms and conditions of Part A of this Section, including without limitation the **deductible** if any, applicable to **loss** incurred by an **insured person** in the **claim** will also apply to such spousal **loss**; and
- iii. the cover provided by this additional benefit does not apply to the extent the **claim** alleges any act or omission by an **insured person's spouse**.

4. Retired director or officer

We agree to indemnify any **retired director** or **officer** for **claims** made against, or **official inquiries** involving, such persons during the 84 months immediately following the expiry of this **policy period**, provided that:

- a. the **policy** is not renewed or replaced with any other **policy** affording **directors** and **officers** or management liability cover; and
- b. a **discovery period** (other than the 30 day automatic **discovery period**) is not invoked.

5. Workplace health and safety laws

Notwithstanding Exclusion 1. "Bodily Injury & Property Damage", under exclusions applicable to Part A and B of this Section, we will pay **defence costs** in respect of any **claim** for a **management wrongful act**, or legal representation costs in respect of an **official inquiry**, involving conduct which, if established, would constitute a breach of Workplace Health and Safety legislation, unless prohibited at Law. For the sake of clarity this additional benefit does not apply to workers' compensation claims.

Extra Covers to Part A of this Section 5

1. Advancement of defence costs

We shall advance **defence costs** for a **claim** or costs for an **official inquiry**, as incurred with our prior written consent, within a reasonable time of receiving an invoice from defence counsel and prior to final disposition or adjudication.

If it is not possible for you and/or an **insured person** to obtain our consent prior to incurring of **defence costs** or costs for an **official inquiry**, we will waive prior consent as long as our consent is obtained within 15 days of such costs or expenses first being incurred.

If at any time a **claim** or **official inquiry**, or part thereof, is determined by us to be outside the scope of indemnity provided by Part A of this Section, including as determined pursuant to Specific Conditions applicable to Part A & B of this Section "1. Allocation of Loss", we reserve the right to recover any **defence costs** or costs for an **official inquiry** paid under this extra cover from you to the extent that you were not entitled to indemnity under Part A of this Section.

However, if and to the extent that you and/or an **insured person** are not entitled to cover for **loss** under the terms of Part A of this Section, then we will cease to make any such advances and any amounts previously advanced shall be repaid to us by you and/or an **insured person**, according to your and/or an **insured person's** respective rights and interests.

If a **claim** alleges a **management wrongful act**, or illegal or improper conduct, as described in the Specific Exclusions applicable to Part A of this Section "Dishonesty or Improper Conduct", then we will advance **defence costs** in respect of such **claim** until an admission by you, a final judgement or other final adjudication that you did in fact commit such **management wrongful act** or engage in such conduct.

2. Continuous cover

Regardless of Specific Exclusions applicable to Part A & B of this Section "5. Known, prior or pending **claims**", **we** will provide cover under this Section Part A for **loss** from **claims** arising from facts known to **you** and/or an **insured person** prior to the **policy period**, provided that:

- a. **you** and/or an **insured person** first became aware of the facts that gave rise to the **claim** prior to **policy period**; and
- b. **you** and/or an **insured person** have maintained uninterrupted coverage with **us** since **you** first became aware of the fact that gives rise to the **claim**; and
- c. Part A of this Section of the **policy** is a replacement or renewal of the **policy you** and/or an **insured person** held with **us** when **you** and/or an **insured person** first became aware of the fact that gave rise to the **claim** in accordance with clause a. above; and
- d. there has been no fraudulent non-disclosure or fraudulent misrepresentation by **you** and/or an **insured person**.

The cover provided under this extra cover will be in accordance with the terms of Part A of this Section of the **policy**.

3. Court attendance reimbursement

Where an **insured person** is legally compelled to attend court to give evidence in connection with a **claim** covered by the **policy**, **we** agree to pay the daily amount stated in the **schedule** in respect of that **insured person's** attendance. The sub-limit of indemnity for all payments in the aggregate under this extra cover is the amount stated in the **schedule** for all **insured persons** in any one **policy period**.

No **deductible** applies to this extra cover.

4. Crisis management costs

We agree to pay to **you** or on **your** behalf the reasonable costs and expenses paid by **you** for external crisis management services provided in response to a **crisis** within the first 30 days after the **crisis**. The entity or person providing the services, and their fees and expenses, must first be approved by **us**. **We** are not liable for any fees and expenses incurred by **you** without **our** prior approval, not to be unreasonably withheld. Please contact **us** to confirm approval of these costs.

The sub-limit of indemnity for this extra cover for all such costs and expenses in respect of all **crises**, is the amount stated in the **schedule** in any one **policy period**.

No **deductible** applies to this extra cover.

5. Fines & penalties cover

We agree to cover as **loss**, to the extent permitted by law, any fines and penalties imposed upon **you** and/or the **insured person** in the jurisdictions of, and under the laws of, Australia on account of any **claim**, with the exception of fines and penalties:

- a. which are uninsurable at law; or
- b. arising directly or indirectly from a requirement to pay taxes, duties, rates, levies, charges, fees or any other revenue raising measure; or
- c. imposed where **you** and/or the **insured person** knew, or where a reasonable person ought reasonably to

have known, prior to the **policy period** that **you** and/or the **insured person** had committed an offence under law; or

- d. imposed pursuant to any law regulating air, marine or vehicular traffic; or
- e. imposed by reason of conduct has been reckless, grossly negligent or a knowing violation of any law or regulation.

In the event of any conflict between this extra cover and the Specific Exclusions applicable to Part A & B of this Section "1. Bodily Injury & Property Damage", "2. Geographical limits" and "6. Pollution" and the Additional benefits to Part A of this Section "5. Workplace Health and Safety Laws this additional benefit shall apply.

The total payable under this extra cover shall not exceed the amount stated in the **schedule** in the aggregate combined for **you** and all **insured persons** in any one **policy period**.

6. Joint venture liability

We agree to extend cover to **claims** resulting from **your** participation in any **joint venture** provided that:

- a. the cover given will only relate to **your** proportion of any liability incurred by such **joint venture**; and
- b. **your** income derived from participation in such **joint venture** shall have been included in the calculation of income furnished by **you** for the purposes of calculating the premium for this **policy**.

7. Media costs

We agree to pay **your media costs** or **media costs** of any **insured person** against which or whom a **claim** is made and which is covered by the **policy**. The sub-limit of indemnity for all payments under this extra cover is the amount stated in the **schedule** in the aggregate for all **claims** combined for **you** and all **insured persons** in any one **policy period**.

No **deductible** applies to this additional benefit.

8. Discovery period

An automatic **discovery period** of 30 days is provided in some circumstances. Refer to Optional Cover applicable to Part A of this Section "1. **discovery period**" below for details of the circumstances, terms and conditions applicable to this extra cover.

Optional Cover applicable to Part A of this Section 5

Discovery Period

If **we** refuse to offer any renewal terms for the **policy** at the end of the **policy period** for any reason other than non-payment of premium or fraudulent nondisclosure or misrepresentation, then **you** shall be entitled to:

- a. an automatic **discovery period** of 30 days with no additional premium payable; or
- b. purchase a **discovery period** of 12 months, upon **your** written request to do so within 30 days following the end of the **policy period** at an additional premium determined by **us**.

If a **transaction** occurs, **you** may purchase the Optional Cover of a **discovery period** of up to 72 months. This is at **our** discretion (acting reasonably), and conditional upon:

- a. **your** written request to do so as soon as reasonably possible following the end of the **policy period** or the effective date of the **transaction**, whichever is the earlier; and

- b. payment of the additional premium determined by **us** within 30 days of **our** request for the additional premium; and
- c. the **policy** not being replaced by any other policy or policies affording substantially the same cover as the **policy**.

If a **discovery period** is effected, **we** will issue **you** with a **policy** endorsement confirming the applicable **discovery period** and any additional premium payable. If a **discovery period** is effected, the **limit** stated in the **schedule** shall not be increased in any way. A **discovery period** may not be cancelled by **you** and the additional premium for a **discovery period** is not refundable.

Specific Exclusions that apply to Part A of Section 5

We shall not be liable under this Part A of this Section for any **loss** for any **claim**:

1. Asbestos

directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

2. Silica

if it arises directly or indirectly out of or in connection with the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of or presence of "silica" or "silica-related dust" or any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by **you** or any **insured person** or by any other person or entity.

"Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

"Silica-related dust" means a mixture or combination of silica and other dust or particles.

3. Consensual claims

made, brought or maintained by or on behalf of any person or entity with the solicitation, co-operation or assistance of any **insured person**.

4. Dishonesty or improper conduct

which involves **you** and/or the **insured person**:

- a. committing or permitting any criminal, fraudulent, dishonest or malicious act;
- b. knowingly, wilfully or recklessly violating any obligation, contract, law or regulation;
- c. gaining any personal profit or advantage to which **you** and/or the **insured person** were or was not legally entitled;
- d. having been improperly involved in any **securities** transaction by using information that is/was not available to other sellers or purchasers of such **securities**;
- e. having been improperly involved in any **securities** transaction by using information that is/was not available to other sellers or purchasers of such **securities**; or
- f. engaging in any conduct, breach or contravention which is subject to the prohibition in Section 199B of the

Corporations Act 2001 (Cth).

This exclusion will only apply where the conduct in question has been established by admission, agreement, or court judgement. No fact pertaining to conduct of, or knowledge possessed by, **you** and/or an **insured person** will be imputed to any other **insured person** and/or **you** to determine whether any part of this exclusion applies.

This exclusion shall not apply in relation to **defence costs**, or legal representation costs, in respect of additional benefit of Part A of this Section 5. Workplace Health and Safety Laws” or Extra Covers to Part A of this Section 5. Advancement of **defence costs**”.

5. Employment practice breaches

arising from, attributable to or in any way connected with an **employment practices breach**.

6. Restrictive trade practices

resulting from **claims** against **you** and/or an **insured person** arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including but not limited to, Part IV of the Competition and Consumer Act 2010 (Cth) or tortious interference with any other party's business or contractual relationship.

7. You versus insured person

brought or maintained by **you**. This exclusion does not apply to:

- a. defence costs of any **insured person**; or
- b. any claim:
 - i. by a liquidator, administrator or receiver; or
 - ii. arising from a shareholder derivative action, which has been brought or maintained without the solicitation or participation of any **insured person**.

8. Breach of professional duty

arising from:

- a. the rendering or failure to render professional services and/or professional advice; or
- b. a breach or alleged breach of any contract for the provision of professional services and/or professional advice.

9. Major shareholders

directly or indirectly brought or maintained by or on behalf of any of **your** shareholders:

- a. where, at the time of the **management wrongful act**, such shareholder held (20%) or more of **your** issued share capital either directly or beneficially; or
- b. where, at the time of the **management wrongful act**, the shareholder had any representation on **your** board of **directors**.

Specific Exclusions relating to Your Liability Cover

In addition to the Specific Exclusions applicable to Part A of this Section, **we** will not pay for any **loss** under “Your Liability Cover” in respect of any **claim** directly or indirectly:

- a. arising from or attributable or related to any actual or alleged breach of any law, whether statutory, regulatory or common law, relating to any trust, business competition, price fixing, unfair or restrictive trade practice or tortious interference in any other party's business or contractual relationships;
- b. in respect of any actual or alleged misappropriation, plagiarism or infringement of any trade mark, trade secret, patent, copyright or any other intellectual property rights;
- c. arising out of any actual or alleged violation of any responsibilities, obligations or duties protecting or regulating any superannuation, pension or similar fund;
- d. arising from, attributable to or in any way connected with any actual or alleged trading or business debt incurred by **you** or any guarantee given by an **insured person** for any debt;
- e. arising from, attributable to or in any way connected with any duty, obligation or liability assumed by **you** under any contract, warranty, guarantee or indemnity, unless such duty, obligation or liability would have existed in the absence of such assumption;
- f. arising from or attributable or related to any actual or alleged obligation pursuant to any law, regulation, industrial agreement in respect of workers compensation, workplace health and safety, disability benefits, unemployment benefits or compensation, retirement benefits, social security benefits or any similar law or regulation whatsoever; or
- g. arising from or attributable or related to any actual or alleged breach of any environmental protection legislation or regulation whatsoever.
- h. arising from, attributable to, or in any way connected with:
 - i. the unauthorised communication, display, distribution or publication of **electronic data**;
 - ii. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **electronic data**;
 - iii. error in creating, amending, entering, deleting or using **electronic data**; or
 - iv. total or partial inability or failure to receive, send, access or use **electronic data** for any time or at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Part B – Employment Practices Liability

What is covered under Part B of Section 5

1. Employment practices breach

We will pay to **you** or on **your** behalf all **loss** resulting from a **claim** against **you** for any **employment practices breach**. This cover only applies where the **claim** is first made during the **policy period** and reported to **us** in the **policy period**.

2. Third party discrimination and sexual harassment cover

We will pay to **you** or on behalf of **you** all **loss** resulting from a **claim** made by a **third party** against **you** for discrimination or sexual harassment, up to the sub-limit stated in the **schedule** in the aggregate for all **claims** during the **policy period**.

This cover only applies where the **claim** is first made during the **policy period** and reported to **us** in the **policy**

period.

Definitions that apply to Part B of Section 5

discrimination means discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law).

employment benefits means, but is not limited to:

- non-monetary benefits to the allocation of a company car, travel allowance, mobile or landline telephone, medical or life insurance expenses, education and training allowances, and equipment allowances;
- stock, shares, stock options, share options or any entitlement or right under any employee plan of any description;
- participation in any stock, share option or share option plan, or participation in any employee plan of any description;
- severance or redundancy payments or entitlements;
- any benefit, payment or entitlement of any kind in respect of paid or unpaid leave;
- bonus or incentive payments, or any entitlement or right under a bonus or incentive plan (which, for the avoidance of doubt, does not include any payments, entitlement or right under any commission scheme);
- payments or contributions in respect of any provident, benefit, superannuation, pension or retirement fund, or any other account, fund, scheme or plan intended to provide benefits, in whole or in part, at retirement or a particular age, or on the happening of a particular event; or
- any amount **you** pay or are ordered to pay pursuant to any determination or settlement in respect of an allegedly unfair contract, notwithstanding that **you** acted in accordance with the terms of the employment contract.

loss means any amount which **you** become legally obligated to pay on account of any **claim** made during the **policy period**. Such **claim** must be made against **you** for an **employment practices breach** or **discrimination** or **sexual harassment** for which cover applies, including, but not limited to damages, judgments settlements and defence costs. But **loss** does not include:

- any amount for which you are absolved from payment;
- taxes, fines or penalties imposed by law;
- the multiple portion of any multiplies damage award or punitive or exemplary damages; or
- any other amount which is uninsurable under the law pursuant in relation to the cover provided by Part B of this Section.

sexual harassment means any unwelcome sexual conduct, advances, contact or communications including requests for sexual favours.

Limit, sub-limits and deductibles that apply to Part B of Section 5

1. Limit

Our total liability for all **claims** under Part B of this Section shall not exceed the **limit** stated in the **schedule**.

Any number of **claims** against, or **official inquiries** involving, **you** and/or an **insured person** which arose out of

or are attributable to or connected in any way with a single **employment practices breach** or **discrimination** or **sexual harassment** or the same conduct or a series of the same, related, interconnected or continuous **employment practices breaches** or **discrimination** or **sexual harassments** or conduct shall constitute a single **claim** or **official inquiry** for the purpose of Part B of this Section.

For the purpose of this clause, an **official inquiry** is deemed to be a **claim**, even if there is no **employment practices breach** or **discrimination** or **sexual harassment** alleged.

Where there is more than one such **claim**, all such **claims** shall be deemed first made when the earliest such **claim** was first made.

2. Deductible

Our liability under Part B of this Section shall apply only to that part of each **loss** which exceeds the **deductible** as set out in the **schedule** for Part B of this Section. Such **deductible** shall be borne by **you** and shall remain uninsured.

The **deductible** with respect to a claim is inclusive of **defence costs**.

The **deductible** payable under Part B of Section 5 is shown in the **schedule**, and applies to each and every **claim**, unless stated to the contrary.

Where we make a payment in respect of a claim, including for **defence costs**, which includes payment of part or all of the **deductible**, **you** shall within 30 days of being notified by **us**, reimburse **us** for the amount of the **deductible** paid by **us** on behalf of **you**.

Optional Cover that applies to Part B of Section 5

Discovery Period

If **we** refuse to offer any renewal terms for the **policy** at the end of the **policy period** for any reason other than non-payment of premium or fraudulent nondisclosure or misrepresentation, then **you** shall be entitled to:

- a. an automatic **discovery period** of 30 days with no additional premium payable; or
- b. purchase of the Optional Cover of a **discovery period** of 12 months, upon **your** written request to do so within 30 days following the end of the **policy period** at an additional premium determined by **us**.

If a **discovery period** is effected, **we** will issue **you** with a **policy** endorsement confirming the applicable **discovery period** and any additional premium payable. If a **discovery period** is effected, the **limit** stated in the **schedule** shall not be increased in any way. A **discovery period** may not be cancelled by **you** and the additional premium for a **discovery period** is not refundable.

Specific Exclusions that apply to Part B of Section 5

We shall not be liable under this Part B of this Section for any **loss** for any **claim**:

1. Employment benefits

in connection with **employment benefits**.

2. Industrial action

- a. involving a lockout, strike, picket line, stand down, related worker replacement(s) or other similar actions resulting from industrial disputes or negotiations; or
- b. involving industrial disputes other than industrial disputes relating to an unfair dismissal comprising an

application by an **employee** on the basis that termination of employment is harsh, unjust or unreasonable.

3. Compliance/non-compliance

- a. for or in connection with the cost of complying with any injunctive or other non-monetary relief or any agreement to provide any such relief; or
- b. for non-compliance with any judgement, award, determination or demand against **you** issued or published by any court or statutory body.

4. Workplace

for any costs incurred arising from any requirement for physical modifications to **your location, property, fixtures, fittings, plant or equipment** or changes to **your** usual **business** operations.

5. Unfair contract

for or in connection with an allegedly unfair contract of employment.

Part C – Tax Audit

What is covered under Part C of Section 5

We will insure **you** for the **professional fees** reasonably and necessarily incurred within Australia in connection with an **audit** that commences during the **policy period**.

We will not pay **you** more than the **limit** stated in the **schedule** for this Section Part C – Tax Audit during any one **policy period**.

The **deductible** payable under Part C of Section 5 is shown in the **schedule**, and applies to each and every **claim**, unless stated to the contrary.

Definitions that apply to Part C of Section 5

audit means the investigation of **your business'** current and prior years' financial affairs by an Australian statutory authority following lodgement of **your** return and the making of an assessment (including a self-assessment) regarding **your** obligation to pay:

- income tax;
- fringe benefits tax;
- capital gains tax;
- wholesale and sales tax;
- payroll tax;
- goods & services tax; or
- superannuation contributions tax.

For the purpose of Part C of this Section, the **audit** commences at the time **you** first receive notice that the **auditor** proposes to conduct an **audit**, and is completed when the **auditor**:

- has given written notice to **you** to that effect;

- notifies **you** that they have made findings in connection to an **audit** and notified you of those findings and/or the actions the auditor proposes to take in connection with those findings; or
- has issued an assessment or amended assessment as to **your** liability to pay an amount under any relevant legislation.

auditor means an officer of a statutory authority who is properly authorised to conduct the **audit**.

deductible means the amount **you** will bear as an uninsured contribution of the greater 10% of all **professional fees** incurred or the amount shown in the **schedule** in respect of each claim under Part C of this Section. All payments of **professional fees** made by us in settlement of a claim under Part C of this Section will be exclusive of **your** contribution which is to be paid by **you** directly to the supplier(s) of the service for which **professional fees** are payable.

professional fees means:

- fees paid to registered tax agents, financial advisers, company **auditor**, accountants and solicitors who are not **your employees**, for the preparation of evidence to be submitted to the **auditor**;
- fees charged to **you** for preparation of evidence by **your** financial service providers;
- overtime paid by **you** to **your employees** to prepare for or represent **you** in any **audit**; and
- travelling and accommodation expenses incurred by **you** or **your employees** in order to attend an **audit**.

Specific Exclusions that apply to Part C of Section 5

We will not pay:

- for any legal liability, court costs, fines, penalties, tax, penalty tax or interest;
- for any routine enquiries or enquiries made by an auditor which are not identified as being either preliminary to or relating to an **audit**;
- for **professional fees** incurred:
 - prior to the commencement of the **audit**;
 - after the **audit** has been completed;
 - due to **your** improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by an **auditor**. Refusal or failure to comply will not be deemed to be improper, unwarranted or unjustified if **you** refuse or fail to comply upon the written advice of **your** accountant or solicitor;
 - from **audits** or investigations under customs legislation;
 - from **audits** which **you** were notified of or knew of prior to the **policy period**;
 - from **audits** of income received or earned, or where the source of income is, outside Australia or where the service giving rise to the claim are performed by people or entities ordinarily resident outside Australia;
 - from any fraudulent act or omission committed by **you** or on **your** behalf or by **your employee(s)**;
 - which are ordinarily associated with the maintenance and upkeep of **your** business accounts, returns, taxation and financial records and the preparation prior to lodgement of **your** accounts, returns, taxation and financial records as required by any relevant legislation;

- ix. more than twelve (12) months after the commencement of the **audit**, unless **you** can show that completion of the **audit** has been delayed as a result of the conduct of the **auditor**;
- if the annual return in relation to which the **audit** is proposed to be conducted was not reviewed by an accountant prior to dispatch;
 - if the final assessment of **your** taxable income for the period being audited is more than 20% higher than the taxable income which **you** originally declare; or
 - if **you** have not maintained all records that **you** are required to maintain or should or would maintain in the ordinary course of **your business**.

Specific Conditions that apply to Part C of Section 5

1. Errors

If **you** or any person acting on **your** behalf becomes aware of any error in any return of income or other documents supplied to a statutory authority, **you** must notify the statutory authority without delay.

2. Conduct during the audit

You agree to:

- a. keep **us** informed of all material matters in relation to the **audit**;
- b. send **us** copies of all correspondence in relation to the **audit** as soon as reasonably possible of receiving them. If **you** do not, **we** may reduce or deny **your** claim to the extent **we** are prejudiced by **your** delay;
- c. instruct **your** accountants and solicitors to provide **us** with all reasonable documents and information in relation to the **audit**; and
- d. permit **us**, when necessary, to instruct **your** accountants and solicitors in matters relating to the **audit**. When **we** do this, the **professional fees** will include the fees payable to **your** accountants and solicitors arising from **our** instructions to them. This does not mean **we** will take over or represent **you** in the **audit** or investigation.

3. Income disclosure

You must make full and complete disclosure of all income (including capital gains), turnover and expenses required by any tax legislation. If the final assessment of **your** taxable income for the period being audited is more than 20% higher than the taxable income which **you** originally declared, **we** will not pay any of **your** claim.

4. Tax returns

You must submit all returns and documents within the time limits prescribed by all relevant statutes or regulations or within any extensions of time as lawfully granted by the relevant statutory authority. **We** or **our** duly appointed agent may conduct **our** own investigation into any matter which is or may be the subject of a claim under Part C of this Section the **policy**.