



ENGINEERING INSURANCE LIMITED

PLATFORM ENGINEERING INSURANCE POLICY

In consideration of the premium specified in The Schedule and subject to the terms Conditions and Exclusions of this Policy HSB Engineering Insurance Limited ("The Company") agree to indemnify the Insured named in The Schedule (referred to herein as "The Insured") against loss or damage as specified in this Policy

The Contract will be subject to English Law and subject to the exclusive jurisdiction of the English courts unless The Insured is domiciled in Scotland in which event Scottish Law shall apply and the Courts of Scotland shall have exclusive jurisdiction

This Document and any Specifications Schedules Memoranda Cover Clauses or Endorsements are to be read together and form the Policy

Please read this Policy in its entirety to ensure that it satisfies all your Insurance needs

In witness whereof this Policy has been signed for and on behalf of The Company

A handwritten signature in black ink, appearing to read 'Hans Schols', with a horizontal line underneath.

Hans Schols

Chief Executive Officer

For and on behalf of

HSB Engineering Insurance Limited

Aldgate House

33 Aldgate High Street

London

EC3N 1AH



ADDITIONAL COVER APPLYING TO ALL SPECIFICATIONS

Debris Removal

1. In respect of each claim for loss or damage for which liability is accepted the cover provided by this Policy extends to include costs incurred in the removal of debris and protection of the Insured Property following indemnifiable damage not exceeding £25,000 or 20% of the indemnifiable loss or damage whichever is the lower

Loss Avoidance Measures

2. Subject to the Limit(s) of Indemnity The Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending loss or damage for which indemnity is provided by this Policy

Provided that

- (a) loss or damage would reasonably be expected if such measures were not implemented
- (b) The Company are satisfied that loss or damage has been avoided or mitigated by means of the exceptional measures
- (c) the amount payable will be limited to the cost of loss or damage which would have otherwise occurred
- (d) the terms Conditions and Exclusions of this Policy apply as if loss or damage had occurred

Automatic Reinstatement

3. Sums Insured or Limits of Indemnity will be reinstated from the date of occurrence of any claim subject to an additional premium

The Company will waive the additional premium if the cost of the claim does not exceed £25,000

Expediting Costs

4. The Company will pay costs necessarily and reasonably incurred in making temporary repairs upon and / or expediting the repair reinstatement or replacement of Insured Property as a result of indemnifiable loss or damage provided that the liability of The Company shall not exceed 50% of the cost of such loss or damage or £50,000 whichever is the lower

Repair Costs Investigation

5. With their prior written agreement The Company will pay costs relating to repair investigations and tests following indemnifiable damage to Insured Property by consulting engineers not exceeding £25,000 in any one Period of Insurance

The Company shall not be liable under this Additional Cover for fees incurred in preparing a claim under this Policy

GENERAL DEFINITIONS

Limit of Indemnity

The liability of The Company in respect of any one loss or series of losses arising out of any one occurrence shall not exceed the amount specified in The Schedule as the Limit of Indemnity or Sum Insured

Excess

The amount of a claim not payable by The Company and which shall be deducted after calculation of the amount payable under a claim and unless endorsed otherwise will apply separately in respect of individual Specifications

Insured Property

Wherever the term Insured Property is used in this Policy it shall mean only that property insured by this policy and described in The Schedule



GENERAL CONDITIONS

Misrepresentation

1. This Policy shall be voidable in the event of misrepresentation misdescription or non disclosure of any material fact

Fraud

2. Presentation of any fraudulent claim or use of any fraudulent means to obtain benefit under this Policy by either The Insured or any person acting on their behalf with the knowledge of The Insured will result in the Policy being voidable

Claims Notification and Requirements

3. In the event of any occurrence giving rise or likely to give rise to a claim The Insured or his representative shall
 - (a) as soon as practicable notify The Company giving full particulars and information and notify the Police in the event of loss where The Insured has reason to believe a criminal offence has been committed
 - (b) take all reasonable action to prevent or minimise the loss and prevent further loss or damage

The Company shall not be liable for any further damage resulting from the continued use of the Insured Property until repaired to the satisfaction of The Company
 - (c) retain any damaged property or parts
 - (d) when required to do so but in any event no later than 30 days after the expiry of any Indemnity Period deliver to The Company a statement in writing of all particulars and details relating to the incident and other evidence as may be required

No claim shall be paid until The Insured has complied with this Condition

Claims Settlement

4.
 - (a) The Company may at its option repair reinstate replace or pay in money for any loss or damage covered by this Policy

The amount stated as the **Excess** or the loss sustained by the Insured during any **Time Exclusion** shown in a relevant Schedule will be deducted from the settlement and borne by The Insured
 - (b) Without prejudice to liability The Insured may proceed with minor repairs subject to compliance with General Condition 3
 - (c) The Company shall be entitled to take over defend or settle any claim in the name of The Insured
 - (d) to the extent that The Insured is accountable to the tax authorities for Value Added Tax all claims settlements shall be exclusive of such tax

Payments on Account

5. Notwithstanding General Condition 3 where liability is accepted The Insured shall be entitled to receive interim payments as agreed between The Insured and The Company

Other Insurance

6. This insurance does not cover any loss or damage which is insured by or would but for the existence of this Policy be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such policy or policies had this insurance not been effected

Average

7. If any item of Insured Property has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then The Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly



Precautions

8. The Insured shall exercise due diligence in
 - (a) complying with any statute or order
 - (b) ensuring that Insured Property is maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage

Access

9. The Company or its representatives shall have the right of access to the Insured Property at reasonable times

Alterations in Risk

10. The Insurance under this Policy may be avoided if
 - (a)
 - (i) The Insured becomes the subject of voluntary or involuntary rehabilitation proceedings or
 - (ii) becomes the subject of an action in bankruptcy or makes or
 - (iii) proposes any arrangement with their creditors which acknowledges their insolvency
 - (b) The Insured's interest ceases other than by death
 - (c) any alterations are made either in the business of The Insured or in the premises or property whereby the risk of loss or damage is increased
 - (d) any loss minimising factors in existence at the commencement of the insurance are reduced discontinued or not maintained

unless its continuance be accepted by The Company and the Policy endorsed accordingly

Subrogation

11. The Company may at its expense use all legal means in the name of The Insured to secure reimbursement for loss or damage and The Insured shall give all reasonable assistance for that purpose

Suspension of Cover

12. The Company reserves the right to suspend this insurance at any time by written notice to The Insured's last known address until The Company's requirements have been fulfilled

Cancellation

13. The Company may cancel this insurance by written notice to The Insured's last known address giving ten days notice

In such event provided that the premium has been paid in full The Insured shall become entitled to the return of the proportion of the premium corresponding to the unexpired Period of Insurance

Arbitration

14. If any difference arises as to the amount to be paid under this Policy (liability having been accepted) the difference shall be referred to an arbitrator to be appointed by both parties in accordance with the statutory provisions applicable

The making of an award against The Company shall be a condition precedent to any right of action against it

Abandonment

15. The Insured shall not be entitled to abandon any Insured Property to The Company whether or not taken possession of by it

Observance

16. The observance and fulfilment of the terms and Conditions of this Policy or Endorsements shall be conditions precedent to liability



GENERAL EXCLUSIONS

Other than as specifically provided for elsewhere within this Policy The Company shall not be liable for

Intentional Acts

1. Loss or damage caused by or arising out of
 - (a) any intentional act or wilful omission of The Insured (other than an act or omission the purpose of which is an exceptional measure to prevent injury loss or damage) which having regard to the nature and circumstances of the act or omission could reasonably be expected to cause contribute to or exacerbate any loss or damage
 - (b)
 - (i) intentional overloading
 - (ii) testing or experiments involving the imposition of any abnormal conditions

Wear and Tear

2. Loss or damage caused directly by
 - (a) wear and tear gradual deterioration or rust
 - (b) gradually developing defects
 - (c) scratching or chipping of painted or polished surfaces
 - (d) erosion or corrosion

but this shall not exclude resultant loss or damage not otherwise excluded

Application of Tools

3. Loss or damage caused by or arising out of the direct application of any tool or process during the course of repair maintenance inspection modification or overhaul

Guarantees of Performance

4. Liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency

War Risks

5. Any loss or damage directly or indirectly caused by or in consequence of 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 Insured Property by or under the order of any government or public or local authority

Terrorist Acts

6.
 - a) Any consequence of civil commotion assuming the proportion of or amounting to a popular rising martial law or the act of any lawfully constituted authority
 - b) Loss or damage caused by or happening through or in consequence directly or indirectly of **TERRORISM**
 - c) Loss or damage directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any act of **TERRORISM**
 - d) Loss or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot strike civil commotion locked out workers or persons taking part in labour disturbances

For the purposes of this Policy **TERRORISM** shall mean any act of any person or group of persons acting alone or on behalf of or in connection with any organisation or government with activities directed towards the overthrowing or influencing of any government force or violence and / or putting the public or any section of the public in fear

In any action suit or other proceedings where The Company allege that by reason of this Definition any loss or damage is not covered by this Policy (or is covered only up to a specified Limit of Indemnity) the burden of proving that such loss or damage is covered (or is covered beyond that Limit of Indemnity) shall be upon The Insured



Riot Strike and Civil Commotion

7. Loss or damage occurring at the premises of The Insured caused by or arising from riot strike lock-out or civil commotion

Nuclear Risks

8. Loss destruction or damage to Insured Property or expense or consequential loss nor any legal liability caused by or arising from
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

Sonic Bang

9. Loss or damage directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

Airborne and Waterborne Craft

10. Loss of or damage to airborne or waterborne vessels craft platforms or rigs or any Insured Property situated thereon or being loaded onto or offloaded therefrom

Electronic Risks Exclusion

11.
 - a) loss or damage to any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of The Insured or not where such damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack
 - b) Consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

Virus or Similar Mechanism shall mean any program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not

The definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data whether it be the property of The Insured or not

Denial of Service Attack shall mean any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks network services network connectivity or information systems

Denial of Service Attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Pollution or Contamination

12. Loss or Damage caused by or arising from pollution or contamination

This exclusion shall not apply to cost arising from pollution or contamination of Insured Property caused directly by an occurrence which is insured by this Policy provided that the liability of The Company shall be limited to a maximum of £50,000 in respect of pollution or contamination

Excess

13. The amount(s) specified as the Excess(es) as detailed in Schedules attaching to this Policy



Date Recognition Related Losses

14. Loss damage expense or liability directly or indirectly caused by or connected with performance or function of any computerised or non-computerised equipment or component (whether or not owned by The Insured) or production services (whether or not provided by The Insured) being affected by any failure malfunction or inadequacy to
- (i) Correctly recognise register or establish any date as its true calendar date
 - (ii) Capture save or retain or correctly manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
 - (iii) Capture save retain or correctly processes any date as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly process such data as a result of treating any date otherwise than its true calendar date

This Policy does not insure the expense of any advice consultation design evaluation inspection installation maintenance repair replacement or supervision done by or for The Insured to determine rectify or test any potential or actual failure or inadequacy described above including the expense of carrying out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process whether or not agreed in writing by The Company

However this Policy does not exclude ensuing loss damage expense or liability arising from critical applications as identified by carrying out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process agreed in writing by The Company provided such loss damage expense or liability is not otherwise excluded and provided such loss or damage is to property owned by The Insured and not otherwise excluded above

It is a Condition precedent to any Liability under this Policy that The Insured has carried out The Year 2000 Project Process in accordance with the British Standard Institute PD 2000-2: Managing Year 2000 Conformity or other similar internationally recognised process agreed in writing by The Company



ENGINEERING INSURANCE LIMITED

How To Notify Us of Claims

Claims should be notified promptly to your Broker or Intermediary. If you do not have a Broker or Intermediary, please contact us directly at the following address:-

The Claims Manager
HSB Engineering Insurance Ltd
Cairo House
Greenacres Road
Waterhead
Oldham OL4 3JA

Telephone: +44 (0)161 621 5555

Fax: +44 (0)161 621 5507

Customer Service & Complaints Procedure

HSB is committed to the highest standards of customer service and aims to achieve customer satisfaction in all cases. If you have any cause for complaint, therefore, you should let us know immediately.

If the matter cannot be resolved simply with the Intermediary who arranged the policy for you, you should contact us at the following address:-

The Commercial Manager
HSB Engineering Insurance Ltd
Cairo House
Greenacres Road
Waterhead
Oldham OL4 3JA

Telephone: +44 (0)161 621 5555-

Fax: +44 (0)161 621 5500

We shall always acknowledge your complaint within 5 business days and do our best to resolve it within four weeks. If the matter remains unresolved at the end of eight weeks, or you are unhappy with our response, you may, if you are a small business, have recourse to the Financial Ombudsman Service, or other dispute resolution service.

Your right to take legal proceedings is not affected by this complaints procedure.

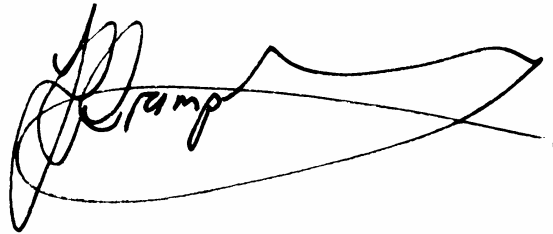
INSPECTION CONTRACT

Where contracted to do so The Company will periodically inspect the Machinery Appliance Apparatus or Installation (hereinafter referred to as "Plant") described in the Plant Schedules and will supply reports on the basis agreed between The Company and the Client

Provided that:-

- (1) The Client shall allow The Company access to its premises and Plant at such reasonable times as shall be agreed
- (2) The Client shall at their expense have the Plant properly prepared and reassembled as necessary in order to enable The Company to carry out inspections
- (3) The Company undertakes only to examine and report on the condition of such parts of the Plant described in the Plant Schedule as have been sufficiently prepared and made available for that purpose by the Client
- (4) The Company shall not carry out or witness special tests of a non routine nature (including any ultrasonic radiographic hydrostatic or other NDE tests or in the case of lifting and handling Plant any proof load stability anchorage or similar tests) unless specifically agreed otherwise
- (5) In undertaking inspections The Company shall be deemed to be acting as the competent person appointed by the Client for the purpose of inspection of the specified Plant

Signed for and on behalf of
HSB Haughton Engineering Insurance Services Ltd.



Timothy G. Cramphorn
Managing Director

Cairo House
Greenacres Road
Waterhead
Oldham
Lancashire
OL4 3JA



MACHINERY DAMAGE INSURANCE SPECIFICATION SUD

COVER

The Company will indemnify The Insured against loss of or damage to **Machinery** described in The Schedule from sudden and unforeseen cause whilst at The Situation specified in The Schedule

ADDITIONAL COVER

In respect of each claim for loss or damage for which liability is accepted the Cover provided by this Specification extends to include

Automatic Cover

1. Additional **Machinery** belonging to The Insured from the time the installation is completed and the **Machinery** is ready to commence normal working at The Situation shown in The Schedule

Provided that

- (a) the **Machinery** belongs to a category shown in The Schedule and is of a type similar to that which the Insured previously declared his intention to insure
- (b) the **Machinery** shall be insured to the same extent as **Machinery** of a similar type
- (c) the **Machinery** is free from defects so far as The Insured is aware and complies with any statutory obligations concerning its examination and certification
- (d) The Insured shall inform The Company in writing of such **Machinery** within twelve months of installation and shall pay the appropriate additional premium

Subject otherwise to the terms Conditions and Exclusions of this Policy

Temporary Removal

2. loss of or damage to the **Machinery** occurring within the European Union or European Free Trade Area whilst temporarily located at any other location or in transit for the purposes of repair service overhaul or maintenance

OPTIONAL EXTENSION AND LIMITATIONS

Subject otherwise to the terms Conditions and Exclusions of this Policy where any of the following symbols appear against any item of **Machinery** the Cover is amended accordingly

BDN - Breakdown Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Machinery** caused by **Breakdown**

EXP - Explosion/Collapse Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Machinery** caused by its **Explosion** or **Collapse**

ADL - Accidental Damage Limitation Cover Clause

The Company shall not be liable for loss of or damage to **Machinery** caused by or arising from **Breakdown** **Explosion** or **Collapse**

MDL - Material Damage Limitation Cover Clause

The Company shall not be liable for any loss of or damage to the **Machinery**

ISE - Inspection Service Exclusion Cover Clause

Notwithstanding Special Condition 1 of this Specification neither HSB Engineering Insurance Limited nor HSB Haughton Engineering Insurance Services Limited undertake to make periodical inspections of the **Machinery** nor to report thereon



LGE - Lifted Goods Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against accidental direct damage to property belonging to or in the custody and control of The Insured whilst being handled by the **Machinery** and arising out of its normal use

This Extension does not cover damage resulting from a fault in or fragility of the property being lifted or its container

FRA - Fragmentation Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against accidental damage by impact to surrounding property belonging to or in the custody and control of The Insured and for which The Insured is responsible resulting from fragmentation of any part of the **Machinery**

This Extension does not cover damage

- (a) to the **Machinery** causing the damage or any **Machinery** directly driving or driven by the **Machinery**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Machinery**
- (c) caused by leakage or by lack of heat cooling light power or steam
- (d) caused by and occurring during testing of **Machinery**

OSP - Own Surrounding Property Extension Cover Clause

The Company will subject to the Limit of Indemnity for this Extension indemnify The Insured against damage to property belonging to or in the custody and control of The Insured and for which The Insured is responsible

1. directly resulting from any damage to the **Machinery** insured under this Specification
2. caused by impact through the normal operation of lifting and handling **Machinery** though the **Machinery** itself may not be damaged

This Extension does not cover damage

- (a) to the **Machinery** causing the damage or any **Machinery** directly driving or driven by the **Machinery**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Machinery**
- (c) caused by leakage or by lack of heat cooling light power or steam

excepting that (b) and (c) above shall not apply to damage directly consequent upon and solely due to **Explosion**

SPECIAL DEFINITIONS

Machinery

Machinery shall include all component parts of the permanent structure of any item described in The Schedule commencing in the case of a fixed unit at the point of anchorage and in the case of a travelling unit at the road or track wheels

Machinery shall not include within its meaning

- (a) superheaters economisers piping and ancillary electrical or mechanical plant attached to boilers or pressure vessels chimneys or appliances used for attaching the load to any lifting machine glass bulbs or valves or electronic apparatus
- (b) supporting structures lift enclosures (other than landing gates) rail tracks anchorage bolts or fixing appliances brickwork masonry or foundations
- (c) tools cutting edges moulds dies patterns non-metallic linings pulverising and crushing surfaces flexible pipes trailing cables driving belts or bands or parts requiring periodic renewal
- (d) parts not made of metal (other than ropes integral gearing bearings bushes batteries tyres slabs of switchboards and insulation of electrical conductors)

Unless specified otherwise in The Schedule



Breakdown

Breakdown shall mean

- (a) The actual breaking failure distortion or burning out of any part of the **Machinery** whilst in ordinary use arising from defects in the **Machinery** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- (b) Fracturing of any part of the **Machinery** by frost when such fracture renders the **Machinery** inoperative
- (c) The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

Explosion

The sudden and violent rending of the **Machinery** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **Machinery** together with forcible ejection of the contents

Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **Machinery** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

Pressure Plant

Machinery which stores fluids either below or above atmospheric pressure

SPECIAL CONDITIONS

Inspection

1. Where contracted to do so HSB Haughton Engineering Insurance Services Limited will periodically inspect the **Machinery** described in The Schedule and will report thereon

The Insured shall at their expense have the **Machinery** properly prepared to enable HSB Haughton Engineering Insurance Services Limited to carry out inspections

In undertaking inspections HSB Haughton Engineering Insurance Services Limited shall be deemed to be acting as the agent of the Insured

HSB Haughton Engineering Insurance Services Limited shall not carry out or witness special tests of a non routine nature (including any ultrasonic radiographic tests or in the case of lifting and handling **Machinery** any proof load stability anchorage or similar tests) unless specifically agreed otherwise

Multiple Lifting Operations

2. For the insurance provided under this Specification to be operative during any operation in which a load is shared between any items of **Machinery** classed as lifting plant or lifting equipment (whether insured under this Specification or not) the lifting operation must be conducted in accordance with BS7121

Basis of Settlement

3. In respect of
 - (a) **Machinery** less than three years old at the time of a claim
 - (b) boilers and associated pipework or **Pressure Plant**

the basis upon which the amount payable for loss of or damage to the **Machinery** (excluding stock in trade or goods in process of manufacture) belonging to The Insured or in their custody or control or for which The Insured is responsible is to be calculated shall be **Reinstatement** of the **Machinery**-



Reinstatement shall mean

Where **Machinery** or other Insured Property is destroyed or damaged to the extent that repair is uneconomic or impractical:-

- (i) if a building its re-building
- (ii) if not a building its replacement by similar **Machinery** or property but in either case in a condition equal to but not better or more extensive than its condition when new

Where **Insured Property** other than **Machinery** is damaged the repair of the damage and the restoration of the damaged portion of the **Insured Property** to a condition substantially the same as but not better or more extensive than its condition when new

Where **Machinery** is damaged the repair of the damaged item to a condition substantially the same as that immediately before the occurrence of the damage

Reinstatement shall include additional costs incurred to comply with European Union Legislation Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority where necessary

Provided that

- (a) the liability of The Company shall not exceed the Limits of Indemnity stated in The Schedule for loss of or damage to the **Machinery** or other Insured Property belonging to The Insured
- (b) the work of **Reinstatement** must be commenced and carried out expeditiously and must be completed within twelve months of the destruction or damage or within any further time The Company may allow and may be carried out wholly or partially upon another site (if Legislation Act Regulations or Bye-laws require) provided that the liability of The Company is not increased
- (c) where Insured Property is partially damaged or destroyed the liability of The Company shall not exceed the sum which The Company would have been called upon to pay for **Reinstatement** in the event of total destruction
- (d) no payment beyond the amount which would have been payable had this **Basis of Settlement** not been incorporated shall be made until the cost of **Reinstatement** has been incurred
- (e) no payment beyond the amount which would have been payable had this **Basis of Settlement** not been incorporated shall be made if at the time of destruction or damage to the **Machinery** or other Insured Property it is covered by any other insurance held by or on behalf of the Insured which is not upon a **Reinstatement** basis
- (f) the amount recoverable shall not include
 - (i) the cost incurred in complying with any Legislation Acts Regulations or Bye-Laws
 - (1) in respect of destruction or damage occurring prior to the application of this Condition
 - (2) under which notice had been served upon The Insured prior to the happening of the destruction or damage
 - (3) in respect of undamaged **Machinery** or other Insured Property or undamaged portions of **Machinery** or Insured Property
 - (ii) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Insured Property or by the owner by reason of compliance with any Legislation Acts Regulations or Bye-Laws
- (g) where by reason of the above Provisions no payment will be made beyond the amount which would have been payable if this **Basis of Settlement** had not been incorporated the rights and liability of The Company and The Insured in respect of the destruction or damage shall be subject to the terms and Conditions of this insurance as if this **Basis of Settlement** had not been incorporated

Subject otherwise to the terms Conditions and Exclusions of this Policy



SPECIAL EXCLUSIONS

The Company shall not be liable for

Excluded Perils

1. Loss of or damage to **Machinery** caused by or from
 - (a) fire lightning explosion (other than **Explosion** as defined in this Specification) earthquake flood storm tempest inundation escape of water from water containing apparatus leakage from sprinkler installations aircraft and other aerial devices or articles dropped therefrom
 - (b) theft or attempted theft

but damage to any **Machinery** insured under this Specification by its own **Explosion** as a result of any such cause is not excluded

This Exclusion shall not apply in respect of **Machinery** whilst in transit for the purposes of repair service overhaul or maintenance

Erection Risk

2. Loss of or damage to **Machinery** during installation erection dismantling re-siting transportation or removal other than re-siting transportation or removal under its own power whilst at its operating site

Consequential Loss

3. Loss of use or consequential loss or damage of any kind or description unless specifically provided for elsewhere within this Policy

Excluded Parts

4. Loss of or damage to
 - (a) safety or protective devices due to their functioning
 - (b) tyres by cuts bursts punctures or the application of brakes unless arising from a malicious act
 - (c) batteries other than loss or damage due to extraneous cause