

ENHANCED BROADFORM LIABILITY INSURANCE**INSURED: MAFOKO SECURITY****POLICY NO. 1000/71572**

This is to certify that in accordance with the authority granted under Section 48A of the Short Term Insurance Act No.53 of 1998 to

Stalker Hutchison Admiral (Pty) Ltd**The Underwriter**

Company Reg. Number: 1985/00368/07
VAT Number: 4310103082
FSP Number: 2167

By

Santam Limited**The Insurers**

Company Reg. Number: 1918/001680/06
VAT Number: 4440102095
FSP Number: 3416

and in consideration of the payment of the premium by the Insured or on their behalf and having agreed that any proposal or other information supplied by the Insured or on their behalf shall be the basis of this contract of Insurance, the Insurers agree to indemnify the Insured subject to the terms Exclusions and Conditions of this Insurance.

Mbalenhle Thabethe

Underwriter

03 June 2019

Date

BUSINESS:

Security Contractors as well as all past, present and future similar activities of the Insured and the Insured's predecessors in similar business.

TERRITORIAL LIMITS:

Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi

JURISDICTION:

Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi

PERIOD OF INSURANCE:

01 June 2019 to 31 May 2020

RETRO DATE:

1 June 2016

BROKER:

Tshianeo Holdings (Pty) Ltd

COMMISSION:

20%

SCHEDULE OF LIMITS OF INDEMNITY AND DEDUCTIBLE

Section	Class	Limit of Indemnity		Deductible each and every Occurrence	Basis
		Any one Occurrence	Annual Aggregate		
A	Public Liability	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	Not Applicable	R7 500 each and every claim	CM
B	Pollution Liability in respect of ACSA contract only	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	R7 500 each and every claim	CM
C	Security Services Liability in respect of ACSA contract only	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	15% of claim minimum R50 000, maximum R150 000	CM
D	Professional Indemnity	R 14 000 000	R 14 000 000	15% of claim subject to R75 000 each and every claim	CM
E	Products Liability including Defective Workmanship	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	R 14 000 000 But R 100 000 000 in respect of ACSA contract only	R7 500 each and every claim	CM
F	Advertising Liability	R 250 000 but Nil in respect of ACSA contract only	R 250 000 but Nil in respect of ACSA contract only	R Nil	CM

EXTENSIONS

Class	Limit of Indemnity		Deductible each and every Occurrence	Basis
	Any one Occurrence	Annual Aggregate		
Claims Preparation Costs	R 250 000	R 250 000	R Nil	CM
Employers Liability	Automatically included as per Section A Limit of Indemnity		R Nil	CM
Employee to Employee (RSA Employees Only)	Automatically included as per Section A Limit of Indemnity		R Nil	CM
Fidelity Risks	R 500 000	R 500 000	25% of claim subject minimum R50 000 each and every claim	CM
Firearms	R 1 000 000 (maximum limit of indemnity is half of "Security Services" limit of indemnity)	R 1 000 000 (maximum limit of indemnity is half of "Security Services" limit of indemnity)	15% of claim minimum R50 000, maximum R150 000	CM
Negligent Advise	Automatically included as per Section C Limit of Indemnity		15% of claim minimum R50 000, maximum	CM

Class	Limit of Indemnity		Deductible each and every Occurrence	Basis
	Any one Occurrence	Annual Aggregate		
			R150 000	
Special Event Security Services	Automatically included as per Section C Limit of Indemnity		20% of Claim subject minimum R75 000 each and every claim	CM
Statutory Legal Defence Costs	R 250 000	Not Applicable	R5 000 each and every claim	CM
Wrongful Arrest and Defamation	R 250 000	Not Applicable	R5 000 each and every claim	CM

All amounts stated above are expressed exclusive of VAT. In settling claims the Insurer will add VAT at 15% to the VAT exclusive settlement to allow for a vendor insured's output VAT liability under section 8(8) of the VAT Act. For clarity it is noted that in cases where and excess/deductible is expressly recovered by the Insurer from the Insured the excess/deductible in terms of the Policy does not constitute a consideration as defined in the Vat Act and as such has not VAT consequence.

Annual Premium	R 609 773.91	Exclusive
15% VAT	R 31 466.08	
Annual Premium	R 641 240	Inclusive
Brokerage	20%	

SUBJECTIVITIES

1. SHA Broad Form, but specifically Claims Made
2. Limits inclusive of Costs and Expenses
3. Limits and Deductibles exclusive of VAT
4. Retro Inception unless otherwise agreed
5. Excluding exports to North America/Canada unless specifically agreed
6. Worldwide jurisdiction excluding North America/Canada unless specifically agreed
7. No contractual liability exclusion
8. Non Accidental operative clause
9. Terrorism Exclusion Clause
10. Sanctions Exclusion Clause
11. Asbestos Exclusion Clause
12. Nuclear Exclusion Clause
13. Anti Cession Condition
14. Excluding any claim arising out of Medical Malpractice
- 15. Quote is valid for 30 days**

WORDING AMENDMENTS

- Inclusion of the following statement below the Schedule of Limits of Indemnity:
The “Basis” of the indemnity is either “claims made” or “losses occurring” as referred to in the Operative Clause and General Conditions.
- Amending the definition of Damage to read as follows:
loss of or physical damage to tangible property , loss of use of tangible property which has not been lost or damaged, interference with servitude or other infringement of real or personal rights to the use of property.
- Amending the definition of Deductible to read as follows:
the first amount stated as such in the Schedule for which the Insurers are not liable to indemnify the Insured in respect of each Occurrence which Deductible shall also apply cumulatively to Costs and Expenses and any other costs. In the event of a claim being indemnified under more than one Section of the Policy the highest single deductible shall apply.
- Amending the definition of Injury to read as follows:
death, bodily or mental injury, disfigurement, loss of amenities, illness or disease of or to any person and, where resulting from such injuries only, mental anguish, shock, humiliation or emotional distress.
- Amending the definition of Occurrence to read as follows:
an accident or event or a series of accidents or events or continuous or repeated exposure to a set of conditions which have a specific and common originating cause or source and whether concurrently or in any sequence unexpectedly or unintentionally result in liability as insured in terms of this Policy.
- The Limits of Indemnity Clause is replaced with the following:
Insurers’ total liability to pay damages and claimants’ costs and expenses and also Costs and Expenses expended in connection therewith shall not exceed the values stated for each Section in the Schedule of Limits of Indemnity in respect of any one Occurrence and where stated, in the Annual Aggregate.

In the event of any one Occurrence involving more than one entity comprising the Insured, each such entity shall severally be indemnified provided that the cumulative amount of Insurers’ liability for all such indemnified entities shall not exceed the highest single Limit of Indemnity in the Schedule of Limits of Indemnity.

In the event of any one Occurrence giving rise to indemnity payments under more than one Section of this Policy, each Section shall separately apply and be subject to its own separate limits of indemnity provided that the cumulative amount of Insurers' liability shall not exceed the greatest Limit of Indemnity available under any one of the Sections affording indemnity for the Occurrence less prior payments that eroded an annually aggregated Limit of Indemnity (where applicable).

Regardless of the number of premiums paid for the renewal or replacement of this insurance, where more than one Period of Insurance applies to an Occurrence, the Limits of Indemnity shall not aggregate from one Period of Insurance to the next.

Should any Limit of Indemnity in respect of any Section of the Policy be altered during the Period of Insurance, the original Limit of Indemnity shall apply to any Occurrence prior to the date of such alteration.

The limits of indemnity apply in excess of the Deductible.

The indemnity in terms of Section XOL – Excess of Loss Liability, shall apply in excess of the Insured's primary liability insurance policy and only after the Limit in terms of the primary policy has been exhausted.

- The Acquisition Clause is replaced with the following:
The indemnity granted by this Policy extends to any company formed and/or acquired by the Insured during the Period of Insurance for a period of 90 days of such formation and/or acquisition
Provided always that
 1. such company is domiciled within the Republic of South Africa.
 2. the Retroactive Date in respect of such new company shall be deemed to be the date when a newly formed and/or acquired company first purchased liability insurance of the type hereby insured on a "Claims Made" basis, subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at the date of acquisition. In the event of no such declaration, the Retroactive Date shall be the date of such acquisition.
 3. the Insured's business activities remain unchanged
 4. the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the Insurers at inception hereof.
 5. The Insured shall advise the Insurers of such formations and/or acquisitions before the expiry of 90 days thereof and the Insurers may amend the terms of this Policy accordingly.
- The General Exclusion relating to Data is replaced with the following:

No indemnity is granted by this Policy against liability for any costs or claims as a result of, arising from or in any way connected with:

- (a) a Data Breach;
- (b) loss, corruption or damage (including detrimental change) to Data;
- (c) prevention of access to Data;

howsoever caused and including, without limitation, any consequence therefrom.

For the purpose of this Policy Exclusion:

“Data” shall mean any machine readable information, including ready for use programs, applications, account, customer, health and medical information or electronic data, irrespective of the way it is used and rendered including, but not limited to, text or digital media.

“Data Breach” shall mean any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, personal data or confidential information transmitted, stored or otherwise processed on the Insured’s Computer System or a Computer System for which the Insured is responsible.

“Computer System” shall mean the information technology and communications systems (such as hardware, infrastructure, software, or electronic media) used for the purpose of creating, accessing, processing, protecting, monitoring, storing, retrieving, displaying or transmitting Data.

- o The Manifestation Clause is replaced with the following:

Where it is not otherwise possible to determine the date of Occurrence (and thereby the applicable Period of Insurance) an Occurrence, irrespective of its duration, is deemed to have occurred during the Period of Insurance when loss, Injury or Damage first manifested even if the specific and common originating cause or source was unknown at that time.

- o The Statutory Legal Defence Costs section is replaced with the following:

LDC1. INDEMNITY

The Insured or any Employee of the Insured is indemnified by this Section for the reasonable costs and expenses incurred with the Insurer’s consent (which consent shall not be unreasonably withheld) in the defence of any prosecution of the Insured or any Employee of the Insured, first prosecuted during the Period of Insurance, for a breach or alleged breach of any statute arising out of the performance of the Business provided that the Insurers shall not be liable for any fines or penalties imposed as a consequence of prosecution.

LDC2. SPECIFIC EXCLUSIONS

This Section does not defend any prosecution for breach or alleged breach:

LDC2.1 VEHICLES, AIRCRAFT AND WATERCRAFT

of any Statute governing the ownership, use or licensing of vehicles, aircraft and watercraft;

LDC2.2 COMPANIES ACT

of the Companies Act No.71 of 2008 or any other similar legislation in any other jurisdiction.

LDC2.3 RETROACTIVE DATE

of any Statute that occurred or is alleged to have occurred prior to the Retroactive Date stated in the Schedule.

- Include the following exclusions under the Pure Economic Loss Section:

PEL2.1.12 PRODUCTS LIABILITY

arising directly or indirectly from the nature or condition of, the costs incurred in the repair, reconditioning, modification or replacement or the recall of any Product or part thereof or the failure of any Product or any part thereof to fulfill its intended function or to perform as specified, warranted or guaranteed;

PEL2.1.13 STRIKES/PROTESTS

Arising out of strikes, protests or disturbances by the Insured's employees;

- Include the following exclusions under the Medical Malpractice Section:

5. surgery, gynecology, obstetrics and the health care/treatment of minors
6. the failure to diagnose or an incorrect diagnosis

- The Pollution Clean-up Costs section is replaced with the following:

CC1. INDEMNITY

The Insurers will pay to or on behalf of the Insured, the reasonable clean-up costs incurred by the Insured:

CC1.1 in order to avoid or mitigate the effects of sudden, unexpected and unintended (from the standpoint of the Insured) Pollution

CC1.2 in response to a specific order by the relevant authority acting in terms of environmental legislation to clean up sudden, unexpected and unintended (from the standpoint of the Insured) Pollution

such Pollution having occurred during the Period of Insurance.

CC2. LIMIT OF INDEMNITY

The Insurers' total liability under this Section shall not exceed the value stated in the Schedule of Limits of Indemnity in respect of any one Occurrence and in the Annual Aggregate.

CC3. SPECIFIC EXCLUSIONS

This Section does not cover liability:

CC3.1 WASTE DISPOSAL ACTIVITIES

arising out of Waste Disposal Activities by or on behalf of the Insured.

For the purposes of this Specific Exclusion "Waste Disposal Activities" means the importation and exportation of; the generation of including the undertaking of any activity or process that is likely to result in the generation of; the accumulation and storage of; the collection and handling of; the reduction, re-use, recycling and recovery of; the trading in; the transportation of and the transfer, treatment, depositing, placement, abandonment, dumping and disposal of wastes. For the purposes of this Specific Exclusion "wastes" includes metabolic products, medical, infectious, anatomical and pathological wastes; nuclear waste and radioactive materials whether from the combustion of nuclear fuel or naturally occurring (Naturally Occurring Radioactive Materials, [NORM]) or Technologically Enhanced Naturally Occurring Radioactive Materials [TENORM]).

CC3.2 VEHICLES

arising out of Pollution emanating from a Vehicle.