
ELECTRONIC EQUIPMENT INSURANCE POLICY

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WHEAREAS THE INSURED named in the schedule hereto has made to JUBILEE ALLIANZ GENERAL INSURANCE (K) LTD (hereinafter called "the Company") a written Proposal by completing a questionnaire made in writing by the Insured for the purpose of this Policy, is deemed to be incorporated herein.

THE COMPANY AGREES that, subject to the Insured having paid to the Company the premium mentioned in the Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon, the Company will indemnify the Insured in the manner and to the extent hereinafter provided.

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

GENERAL EXCLUSIONS

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

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, civil commotion, military or usurped power, a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;

Authorized Officer

Date

- b) nuclear reaction, nuclear radiation or radioactive contamination;
- c) willful act or willful negligence of the Insured or his representative.

In any action, suit, or other proceeding where the Insurers allege that, by reason of the provisions of Exclusion (a) above, any loss, destruction or damage is not covered by this Policy, the burden of proving that such loss, destruction or damage is covered shall be upon the Insured.

GENERAL CONDITIONS

1. The due observance and fulfillment of the terms of this Policy, in so far as they relate to anything to be done or complied with by the Insured, and the truth of the statements and answers in the questionnaire and Proposal made by the Insured shall be a condition precedent to any liability of the Company.

2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy", wherever used in this Contract, shall be read as including the Schedule and the Section(s). Any word or expression to which a Specific meaning has been attached in any part of this Policy, of the Schedule or of the section(s) shall bear such meaning wherever it may appear.

3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Company to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.

4. a) Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.

b) The Insured shall immediately notify the Company by fax or telephone and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require to ensure safe operation of the insured item, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the cover provided under this Policy is confirmed in writing by the Company.

5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall

a) immediately notify the Company by fax or telephone as well as in writing, giving an indication as to the nature and extent of the loss or damage;

b) take all steps within his power to minimize the extent of the loss or damage;

c) preserve the parts affected and make them available for inspection by a representative or surveyor of the Company;

d) furnish all such information and documentary evidence as the Company may require;

e) inform the police authorities in the cases of loss or

6. If at the time any claim arises under this Policy, there is any other insurance covering the same loss or damage, the Company shall not be liable to pay or contribute more than their ratable proportion of any claim for such loss or damage.

damage due to burglary.

The Company shall on no account be liable for loss or damage of which no notice has been received by the Company within 14 (fourteen days) of its occurrence. Upon notification being given to the Company under this Condition, the Insured may carry out repairs of or make good any minor damage; in all other cases a representative of the Company shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected.

If a representative of the Company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement.

The liability of the Company under this Policy in respect of any insured item shall cease if the said item is kept in operation after a claim without being repaired to the satisfaction of the insurers, or if temporary repairs are carried out without the Company's consent.

6. The Insured shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or required by the insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Company are or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Company.

7(a) Any dispute/complaint between the parties to the insurance may first be resolved amicably between the parties without the intervention of a third party and/ or the dispute/complaint may be escalated to the **Insurance**

Regulatory Authority of Uganda or Ombudsman in accordance with the Insurance Act and Regulations before resorting to other mediation, arbitration, litigation or any other form of dispute resolution.

7(b) If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at all their meetings. The making of an award shall be a condition precedent to any right of action against the Company.

8. a) If the Proposal or Declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false Declaration or statement is made in support thereof, then this Policy shall be void and the Company shall not be liable to make any payment hereunder.

b). In the event of the Company disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three months after the arbitrators or umpire have made their award, all benefit under this Policy in respect of such claim shall be forfeited.

10. This Policy may be terminated at the request of the Insured at any time, in which case the Company will retain the customary short-period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the insurers by seven days notice to that effect being given to the Insured, in which case the Company will be liable to repay on demand a ratable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Company may have incurred and less any long-term discount on premiums granted.

11. Under an insurance for a third party's account the Beneficiary shall be entitled to exercise, in his own name, the rights of the Insured. Without obtaining the Insured's approval, the Beneficiary shall further have the right to receive any indemnity paid under this Policy and to transfer the Insured's rights even if the Beneficiary is not in possession of this Policy. Upon payment of an indemnity the insurers may require evidence of the Beneficiary having given his consent to the insurance and of the Insured having given his consent to the receipt of an indemnity by the Beneficiary.

12. The indemnity shall be payable one month after determination by the Company of the full amount due. Notwithstanding the above, the Insured may, one month after the Company have been duly notified of the loss and have acknowledged their liability, claim as an instalment the minimum amount payable under the prevailing circumstances. The running of the periods shall be suspended for the time during which the indemnity is unascertainable or not payable due to reasons within the Insured's control.

The Company shall be entitled to withhold indemnification

a) if there are doubts regarding the Insured's right to receive the indemnity, pending receipt by the Company of the necessary proof;

b) if in connection with the claim an examination by the police or an inquiry under criminal law has been instituted against the Insured, pending completion of such examination or inquiry.

SECTION 1 - MATERIAL DAMAGE

SCOPE OF COVER

The Company hereby agree with the Insured that if at any time during the Period of Insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Company may accept the premium for the renewal of this Policy, the items or any part thereof entered in the Schedule suffer any unforeseen and sudden physical loss or damage from any cause other than those specifically excluded, in a manner necessitating repair or replacement, the Company will indemnify the Insured in respect of such loss or damage, as hereinafter provided, by payment in cash, replacement or repair (at the Company's option up to an amount not exceeding in any year of insurance in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.)

SPECIAL EXCLUSIONS TO SECTION 1

The Company shall not, however, be liable for:

a) the deductible stated in the Schedule to be borne by the

Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items;

b) loss or damage directly or indirectly caused by or ionizing out of earthquake, volcanic eruption, tsunami, hurricane, cyclone or typhoon;

c) loss or damage directly or indirectly caused by theft;

d) loss or damage caused by any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the insurers or not;

e) loss or damage directly or indirectly caused by the failure of interruption of any gas, water or electricity service or supply;

f) loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, cavitation, erosion, corrosion, incrustation) or of gradual deterioration due to atmospheric conditions;

g) any costs incurred in connection with the elimination of functional failures, unless such failures were caused by an indemnifiable loss of or damage to the insured items;

h) any costs incurred in connection with the maintenance of the insured items, such exclusion also applying to parts exchanged in the course of such maintenance operations;

i) loss or damage for which the manufacturer or supplier of the insured items is responsible either by law or under contract;

j) loss of or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;

k) consequential loss or liability of any kind or description;

l) loss of or damage to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media (e.g. lubrication oil, fuel, chemicals);

m) aesthetic defects, such as scratches on painted, polished or enamelled surfaces.

In respect of the parts mentioned under (l) and (m) above, the insurers shall be liable to provide compensation in the event that such parts are

affected by an indemnifiable loss or damage to the insured items.

PROVISIONS APPLYING TO SECTION 1

Memo 1 - Sum Insured

It shall be a requirement of this insurance that the Sum Insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their replacement costs including e.g. freight, custom duties and dues, if any, and erection costs. If the Sum Insured is less than the amount required to be insured, the Company shall pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item if more than one shall be subject to this Condition separately.

Memo 2 - Basis of Indemnity

a) In cases where damage to an insured item can be repaired, the Company shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purposes of effecting the repairs as well as ordinary freight to and from a repair shop, custom duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repairs are executed at a workshop owned by the Insured, the insurers shall pay the cost of materials and wages incurred for the purposes of the repairs plus a reasonable percentage to cover overhead charges. No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. If the costs of repairs as detailed hereinabove equal or exceed the actual value of the insured items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in (b) below.

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

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

As from the date of an indemnifiable occurrence the Sum Insured shall be reduced for the remaining

Period of Insurance by the amount of indemnity paid unless the Sum Insured is reinstated.

Any extra charges incurred for overtime, night work, work on public holidays or express freight shall be covered by this insurance only if especially agreed in writing.

The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy.

The costs of any provisional repairs shall be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The Company shall make payments only after being satisfied by production of the necessary bills and documents that the case may be.

SECTION 2 - EXTERNAL DATA MEDIA

SCOPE OF COVER

The Company hereby agree with the Insured that if the external data media entered in the Schedule inclusive of the information stored thereon, which can be directly processed in EDP systems, suffer any material damage indemnifiable under Section 1 of this Policy, the insurers will indemnify the Insured, as hereinafter provided, in respect of such loss or damage up to an amount not exceeding in any one year of insurance in respect of each of the data media specified in the Schedule the sum set opposite thereto and not exceeding in all the Total Sum Insured hereby, provided always that such loss or damage occurs during the Period of Insurance stated in the Schedule or during any subsequent period for which the Insured pays and the insurers may accept the premium for the renewal of this Policy. This cover applies while the insured data media are kept on the premises.

SPECIAL EXCLUSIONS TO SECTION 2

The Company shall, however, not be liable for
a) the deductible stated in the Schedule to be borne by the Insured in any one occurrence;

b) any costs arising from false programming, punching, labeling or inserting, inadvertent canceling of information or discarding of data media and from loss of information caused by magnetic fields;

c) consequential loss of any kind or description whatsoever.

PROVISIONS APPLYING TO SECTION 2

Memo 1 - Sum Insured

It shall be a requirement of this insurance that the Sum Insured is the amount required for restoring the insured external data media by replacing lost or damaged data media by new material and reproducing lost information.

Memo 2 - Basis of Indemnity

The Company shall indemnify any expenses that can be proved to have been incurred by the Insured within a period of 12 (twelve months) as from the date of the occurrence strictly for the purpose of restoring the insured external data media to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations to be continued in the normal manner.

If it is not necessary to reproduce lost data or information, or if such reproduction is not effected within 12 (twelve months) after the occurrence, the Company shall only be liable to indemnify the expenses incurred for replacing the lost or damaged data media themselves by new material.

As from the date of an indemnifiable occurrence the Sum Insured shall be reduced for the remaining Period of Insurance by the amount of indemnity paid, unless the Sum Insured is reinstated.

SECTION 3 - INCREASED COST OF WORKING

SCOPE OF COVER

The Company hereby agree with the Insured that if material damage indemnifiable under Section 1 of this Policy gives rise to a total or partial interruption of operation of the EDP equipment entered in the Schedule, the Company will indemnify the Insured, as hereinafter provided, for any additional expenditure incurred for the use of substitute EDP equipment not covered under this Policy up to an amount not exceeding the agreed indemnification per day and not exceeding in all the Sum Insured in any one year of insurance, provided always that such interruption occurs during the Period of Insurance stated in the Schedule or during any subsequent period for which the insured pays and the Company may accept the premium for the renewal of this Policy.

SPECIAL EXCLUSIONS TO SECTION 3

The Company shall, however, not be liable for any additional expenditure incurred as a result of:

a) restriction imposed by public authorities concerning the reconstruction or operation of the EDP equipment insured;

b) the necessary funds not being available to the Insured in time for repairing or replacing damaged or destroyed equipment.

c) Additional increased cost of working incurred by the insured.

PROVISIONS APPLYING TO SECTION 3

Memo 1 - Sum Insured

It shall be a requirement of this insurance that the Sum Insured stated in the Schedule is the amount which the

Insured would have to pay as additional expenditure for 12 (twelve months) use of EDP equipment of similar performance to the EDP equipment insured. The Sum Insured shall be based on the amounts agreed per day and per month as specified in the Schedule.

The Company shall also reimburse the Insured for personnel expenses and costs for transportation of materials following upon any event giving rise to a claim under this Section, provided separate sums therefor have been entered in the Schedule.

Memo 2 - Basis of Indemnity

In the event of the EDP equipment insured the Company shall be liable for the additional expenditure that can be proved to have been incurred for the period during which the use of substitute EDP equipment is essential, but at the most of the Indemnity Period agreed.

The Indemnity Period shall commence as soon as the substitute equipment is put into use.

The Company shall bear that proportion of each claim which corresponds to the time excess agreed.

If it is found following an interruption of the operation of the EDP equipment insured that the additional expenditure incurred during the period of interruption is higher than the proportionate share of the Annual Sum Insured which is applicable to this period, the Company shall only be liable to indemnify the Insured in respect of that proportion of the agreed Annual Sum Insured which is applicable to the period of interruption, duly taking into account the Indemnity Period agreed. Any savings in cost shall be taken into account when calculating the indemnity amount to be paid by the Company.

As from the date of an indemnifiable occurrence the Sum Insured shall be reduced for the remaining Period of Insurance by the amount of indemnity paid, unless the Sum Insured is reinstated.

ADDITIONAL CLAUSES APPLICABLE TO THIS POLICY.

ELECTRONIC DATA EXCLUSION

1.1. Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

1.1.1. This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom,

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

1.1.2. ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

1.1.3. COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

2. Electronic Data Processing Media Valuation

2.1. Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

2.1.1. Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

COMMUNICABLE DISEASE EXCLUSION

1. This Policy excludes any loss, damage, liability, claim cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease (e.g. any action taken in controlling, preventing or suppressing a Communicable Disease) regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where

2.1 the substance or agent includes, but it is not limited to a virus, bacterium, parasites or other organism or any variation thereof, whether deemed living or not, and

2.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

2.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

3. Notwithstanding the foregoing, losses directly caused by any otherwise covered peril under subject Policies and not otherwise excluded under this insurance agreement shall be covered

TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to pull the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way related to any act of terrorism.

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

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect

POLLUTION AND CONTAMINATION EXCLUSION

Any loss arising from pollution and contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by:

- Pollution or contamination which itself results from a peril insured against (1)
- Any peril insured against which itself results from a pollution or contamination
- Any liability in connection with disposed or dumped waste materials or substances may not be covered.

SANCTIONS CLAUSE

Sanctions / Embargoes

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United States of America and/or any other applicable national economic or trade sanction law or regulations.

Contract Certainty

Please read the terms of this policy document carefully. If you find that the terms of the policy do not meet your requirements, please return the policy document to your broker or the Company with your comments for the necessary rectification. If the policy meets your requirements, please sign and return a copy of the signed schedule of this policy to your broker or the company within 30 days of the date when the policy was sent to you.

If the Company does not receive a signed copy of the signed policy document or does not otherwise hear from you within 30 days of sending you this policy, subject to receipt of the premiums payable under the policy, you will be deemed to have read and accepted the policy on the terms, conditions and limitations contained herein and will accordingly be bound by them