

LIABILITY INSURANCE POLICY

The insured named in the Schedule having applied to the Insurers and in consideration of The payment of the premium by the insured or on his behalf and having agreed that any proposal or other information supplied by the Insured or on his behalf shall be the basis of this contract of insurance, the Insurers agree to indemnify the Insured subject to the terms Exclusion and Conditions of the Policy.

BINDER HOLDER

Forestry & General Insurance Brokers CC
In terms of a binder held with Santam Limited at Johannesburg.
(Close corporation registration number 1999/018756/23)
(VAT number 4410181145)
(FSP licence number 14523)

THE INSURER

For and behalf of Santam Limited at Johannesburg on
(Company Reg no. 1918/001680/06)
(VAT number. 4440102095)
(FSP licence number 3416)

THE UNDERWRITER

In accordance with the authority granted under
Section 48A of the Short Term Insurance Act No. 53 of 1998
to Stalker Hutchison Admiral (Pty) Limited
(Company Reg No. 1985/000368/07)
(VAT number 4310103082)
(FSP licence number 2167)

THE SCHEDULE
(PAGE 1)

CERTIFICATE NUMBER	AS ISSUED PER INDIVIDUAL MEMBER
INSURED	Southern African Forestry Contractors Association (SAFCA) and/or SAFCA NPC and/or the individual Members thereof employed in the Western Cape and the southern parts of the Eastern Cape for their respective rights and interests.
BUSINESS	Association of independent forestry operations contractors and all forestry contracting activities and ancillary services as agreed with its principal, all having to pertain to commercial forestry plantations.
PERIOD OF INSURANCE	From: 01 May 2018 To: 30 April 2019 (both days inclusive)
RETROACTIVE DATE	01 May 2018
TERRITORIAL LIMITS	RSA, Namibia, Lesotho, Botswana, Swaziland.
CONDITIONS	<ol style="list-style-type: none">1. Basis of cover - Claims Made, subject to active membership at the time;2. Limit of liability inclusive of all costs, fees and expenses. Cover in respect of a member is deemed to be cancelled immediately, without notice upon non-payment of membership or cessation of membership and this also applies to prior occurrences/actions for the member who may still be held liable. "held liable" equates to receiving a letter of demand.
INDEMNITY LIMIT	Section A: R5,000,000 per originating cause or source but not exceeding R10,000,000 annually in aggregate in respect of Per originating cause or source arising out of fire (subject to one reinstatement). Section B: R1,000,000 per originating cause or source. Section C: R1,000,000 per originating cause or source. Limits of Indemnity are exclusive of VAT

EXCESS

Section A: Public Liability - Either of the following as defined in details supplied to insurers:

- R50,000 each and every claim arising out of Spread of Fire But each and every claim arising from controlled burning or contractually obligated firefighting, the excess will either be 10% of claim with a minimum of R50 000 or 5% of claim with a minimum of R75 000, as elected by the insured at renewal and indicated as such on the certificate issued to the insured member. In the event of no election by the insured member, 10% of claim with a minimum of R50 000 will apply.
- But R5,000 each and every claim not arising from Spread of Fire.

Section B Pollution Liability - R5,000 each and every claim

Section C Products Liability - R5,000 each and every claim

Excesses are not subject to VAT

NORTH AMERICAN
JURISDICTION

Granted:	No
Applicable Excess:	Not Applicable
Retroactive Date:	Not Applicable

PREMIUM:

R 198 838.47	Exclusive
R 27 837.38	VAT
R 226.675.85	Inclusive (Subject Condition 14.6)

In terms of a ruling issued by SARS, this document together with proof of payment of premium constitutes an alternative to a tax invoice, debit note or credit note as contemplated in sections 20(7) and 21(5) of the VAT Act respectively.

INSURERS

Santam Limited	100%
----------------	------

THE SCHEDULE
(Page 2)

POLICY NO: 1000/28969

EXTENSIONS:

9.1	Defamation:	Granted	Yes
		Indemnity Limit	R100 000
		Excess	: R 2,500
9.2	Statutory Defence Costs:	Granted	Yes
		Indemnity Limit	R100 000
		Excess	: R 2,500
9.3	Wrongful Arrest:	Granted	Yes
		Indemnity Limit	R100,000
		Excess	: R 2,500
9.4	Employer's Liability	Granted	Yes
		Indemnity Limit	R2000 000
		Excess	: Nil

ENDORSEMENTS

Endt 1: Costs of Inclusive Excess:

For the purpose of the Excess applicable to claims arising out of Spread of Fire, the term "claim" shall be deemed to include all compensatory awards, claimants' costs fees and expenses and associated Defence Costs per originating cause or source

Endt 2: Sub-Contractors:

Indemnity herein to Sub-Contractors appointed by Primary Forestry Contractors shall be governed by the Sub-Contract Agreement lodged with insurers and which forms part of this Policy.

Endt 3: Controlled Smoking Warranty:

The insured and/or insured member(s) herewith agree to the following being made applicable to its, his/her liability insurance.

No smoking of tobacco, or any other substance, will be allowed by the insured and its members in circumstances other than stated herewith:

1. All employees to be informed of tobacco smoking policy. Such information to be given or read to and if necessary explained to the employee, by the insured member or a senior employee of the insured (at least a supervisor) what the nature and application of the policy is. Such information and/or instruction to be given to the employee not later than 21 days after the date of inception of employment.
2. The insured member must keep record of such instruction given to employees by means of a statement which contains the name of the employer, the name and surname of the employee, date of first employment, date of the instruction/ Information given and either the thumb print or signature of the employee next to his/her name. Such confirmation of instruction to the employee may be contained in a written and signed employment agreement with such employee.
3. The smoking policy must at least state the places and times when smoking of tobacco or any other substance will be allowed and where and when it will not be allowed. Copy of such smoking policy and record of instructions to employees to be submitted by the insured member to the insurer in the event of a claim for spread of fire being reported. The records submitted to the insurer must be for at least a period of two months prior to and including the date of fire.
4. In the event of a new member or new employees of a member, allowance will be made for the period which the member have taken part and this warranty clause interpreted as such, with particular reference to the period of keeping of records referred to in clause 3.
5. In the event of existing insured members who had been insured members on a continuous monthly basis in the year prior to the annual renewal of the policy and continue to be insured members. Such records of instruction which may be of an earlier date than renewal of the policy, will be accepted.

Endt 4: Forestry and General Insurance Brokers:

It is herewith stated that Kurt Friedrich Balzun (RSA ID No. 580521 5073 088) of Forestry & General Insurance Brokers CC (Reg. No. CK99/18756/23 is granted the authority to issue a certificate on the letterhead of the said Close Corporation to confirm, decline or cancel cover to the cover of an individual contractor as a member of the insured partaking in the cover afforded by the policy. It is also herewith stated that the letter of confirmation may include the limiting of cover for certain contractors where such limitation may be deemed necessary and subject to the terms and conditions of the policy. This authority will always be restrictively interpreted and can and may never be interpreted to offer a wider scope of cover than that afforded by the policy. The main purpose of this clause is to limit cover which may be afforded by the policy wording and subject to its terms and conditions, to such contractor members who also operate enterprises which do not fall within the scope of the usual forestry contracting activities, which term excludes farming, saw milling and other non-forestry contracting type of operations or to place limitations on the general policy cover where it may be deemed necessary due to the nature of the Insured forestry contractor's activities or risk exposure.

Endt 5: Financial Interest:

The indemnity granted herein specifically excludes claims against any member, where the claimant or owner of the damaged goods has any financial interest in the member or vice versa or where any person associated in business with or related with the second degree of consanguinity or affinity to the other party exists. Any such interest held by any other person as described above, be it a natural or juristic person, which interest or interest are held to the ultimate benefit or control of the member or relation, must be stated on the application form when completed or any later date when such interest may be acquired or gained control over. No indemnity of whatsoever nature is provided for the member or relation or such nominee in terms of the indemnity provided. Interests (in particular shares or bonds or options available in the open market) held in listed public companies or by a contractor member of the SA Forestry contractors Association (SAFCA) or any relation to any to any to any degree of consanguinity or affinity, or any nominee, will not be deemed to exclude such contractor from indemnity against claims lodged by such public company or any other party against such contractor.

Endt 6: Non-Core Contractors:

The limit of indemnity in respect of Non-Core Contractors is limited to a maximum of R1 000 000 per originating cause or source.

Endt 7: Subcontractors Exclusion:

No indemnity in terms of this insurance policy will be afforded to any subcontractor to the Primary forestry Contractor purely on the basis that such subcontractor executes duties on behalf of the Primary Forestry as is required or necessary per the agreement concluded with the Principal Party (the plantation owner and/or land owner and/or the lease holder or owner of standing timber), by the Primary Forestry Contractor. Such subcontractor will only receive indemnity in terms of the SAFCA policy if such subcontractor obtains cover in his/her/its own name as a member of SAFCA.

For the purpose of this clause, the Primary Forestry Contractor will deemed to be the party or parties whom has entered into an agreement in his/her/its own name with the Principal Party on whose behalf the forestry contracting services are rendered (the

plantation owner and/or land owner and/or the lease holder or owner of standing timber). In the absence of any formal written agreement the Primary Forestry Contractor will be the party whom renders in its own name an invoice for services rendered to the Principal Party in the agreement and/or whom receives direct payment from the Principal Party for such services rendered.

A subcontractor in any party who is not a Primary Forestry Contractor as stated above or any party or person that cannot be considered to be an employee as defined in the Basic Condition of Employment Act No. 75 of 1997 (as amended) and the Labour Relations Act No. 28 of 1995 (as amended).

Endt 8: Condition Precedent - Villages, kampongs and infield use of fire as method for food preparation or warming

A. In the event of the Insured Contractor Member's employees being housed in a village or kampong, the following minimum standards must be adhered to, irrespective whether such village or kampong units are within plantation boundaries:

1. A fire break (free of combustible material) of such size that can be considered reasonable in the circumstances must be made around the perimeter of the village or kampong and the condition of the fire break must comply with the requirements of the National Veld and Forest Fire Act (101 of 1998 as amended).
2. No open fires may be made on the ground. All cooking and warming fires to be made in a semi-enclosed metal or concrete container or surface or enclosed ventilated room which is suitable for that purpose.
3. All fires must be appropriately and properly extinguished after use with either water, sand or soil as is available.
4. No ash or coals may be discarded in the open veld or on open ground or in the fire break around the kampong or village or in a general purpose refuse hole. No cover is given for liability attaching due to damages or loss by fire resulting from coals or ash discarded as aforementioned.
5. A fire break (free of combustible material) of such size that can be considered reasonable in the circumstances and with due regard to standards prescribed in the National Veld and Forest Fire Act (101 of 1998 as amended) must be maintained around the perimeter of any general refuse hole which is or will be utilised by such kampong or village.
6. No contents of any refuse hole may be burned on any day that intentional burning has been generally or specifically forbidden either by statute or regulation or proclamation or instruction of the timber owner or the landowner or the principal of the Insured Contractor Member or on any other such day that may reasonably be considered to be detrimental to the lighting of fires in a forestry environment, with specific reference to the Fire Danger Index. In the event of the burning of contents of a refuse hole on any

other day, the Insured Contractor Member **must ensure the fire has been properly extinguished with either water, sand or soil as is available before sunset.**

In the event of an insured Contractor Member experiencing a fire which causes damage to the property of a third party or injuries to any person, the onus of proof rests upon the insured Contractor Member to provide evidence as to whether the size and condition of the fire breaks as above prescribed were reasonable, if the Insurer alleges that a reasonable standard had not been met.

- B.** In the event of the insured Contractor Member or employees being housed in a caravan, tent, temporary hut or any other form of temporary accommodation stationed at the actual infield work site of the insured Contractor Member, no cover is given for liability due to damages or loss of whatever nature by fire resulting from the employees or any other person using any cooking or warming method at any time which requires timber (in any form) or charcoal or coal or any other combustible material as the source of heat for preparing food or heating **unless the fire is made in a metal container with enclosed sides and properly extinguished with either water, sand or soil as is available no later than 07h30.**
- C.** In the event of the Insured Contractor Member or employees arriving at the worksite in early morning no cover is given for liability due to damages or loss of whatever nature by fire resulting from the employees or any other person using any cooking or warming method at any time which requires timber (in any form) or charcoal or coal or any other combustible material as the source of heat for preparing food or heating **unless the fire is made in a metal container with enclosed sides and properly extinguished after use with either water, sand or soil as is available, no later than 07h30.**
- D.** no cover is given for liability due to damages or loss of whatever nature by fire resulting from the Insured Contractor Member or employees or any other person making any cooking or warming fires during the workday or at the end thereof at the work site **unless the fire is made in a metal container with enclosed sides and properly extinguished when the work site is vacated.**

In all the above circumstances **A, B, C** and **D**, to minimise the risk of fire spreading whichever heat source the Insured Contractor Member or its employees may use, it must be used to a standard as would apply when used by a reasonable forester.

No cover is given for liability due to damages or loss of whatever nature by fire resulting from the Insured Contractor Member or employees or any other person making any fires for any purpose at any place at any time during the workday other than as allowed for and under the conditions prescribed in **A, B, C** or **D** above

Endt 9: Warranty – All Intentional burning activities:

It is herewith warranted that the following minimum procedures will be adhered to prior to commencing any burning operation, be it fire break preparation, burning of slash, block burning or any other similar activity where fire is intentionally applied.

- A burning permit must be issued to the Insured Contractor Member and by the relevant Fire Protection Association and/or land owner or bona fide possessor (as is applicable and hereafter called the Principal). The burning permit must at least include the planned date upon which any burning activity is to be undertaken and the specific area to be burned;
 - In the event of a general burning instruction being issued to the insured Contractor Member (that is a defined area to be burnt on the dates and times as considered reasonable and acceptable to the Insured Contractor Member) by the Principal to the Insured Contractor Member, the Insured Member must ensure that he/she/it complies with the requirements of the National Veld and Forest Fire Act (101 of 1998, as amended) – hereinafter called the Fire Act) and regulations and/or instructions issued by the relevant Fire Protection Association and/or any prohibitions issued by the government department responsible for the commercial forestry industry. The onus of proof of such compliance rests with the insured Member.
 - In the absence of a general instruction to burn, the Principal of the Insured Contractor Member, must issue a written instruction to the Insured Contractor Member on the actual day that the burning activity is to take place, such instruction given by an employee of the Principal (or any other such authorised person) duly authorised to issue such instruction. The Insured Member must still comply with the requirements of the Fire Act and obtain a burning permit prior to actual burning activity being done in the absence of a written instruction;
 - The Insured Contractor Member must obtain the local Fire Danger Index (FDI) in writing prior to commence burning and such data may not be older than approximately 24 hours from the actual time that burning is initiated. The data as it relates to the FDI, may be received via the Short Message Services (SMS) or other application on such cellular telephone or electronic tablet of a manager or other accountable senior employee of the Insured Contractor Member. Such data must be available for inspection by the insurer in the event of a claim;
 - In the event of the Insured Contractor Member being instructed by the Principal to cease burning due to whatever reason and the Insured Contractor Member wilfully does not cease burning within a reasonable period of time or is instructed by the Principal not to start burning (due to whatever reason) and the Insured Contractor Member proceeds to burn, no cover is given for such activity;
 - In the event of the Principal having Standard Operating Procedures (SOP) for the burning activities and the Insured Contractor Member wilfully does not follow the SOP during the burning activities , no cover is given for loss or damages resulting from such activity.
- Subject otherwise to the terms, conditions, limitations and exclusion of the Policy.

1. OPERATIVE CLAUSE

The Insurers will indemnify the Insured against their liability to pay compensation (including claimant's costs, fees and expenses) for and arising out of injury and/or damage in accordance with the law of any country but not in respect of any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) unless the insured has requested that there shall be no such limitation and has accepted the terms of the North American Jurisdiction Extension Clause 10 which forms part of this Certificate.

The indemnity applies only to claims first made against the Insured during the Period of Insurance. This insurance will not apply to any claims made against the Insured:

1. arising from circumstances known to the Insured at the inception or renewal date of this Policy which could reasonably have been foreseen to give rise to a claim against the Insured; nor
2. arising from any circumstances advised to the insurers of any other policy prior to the inception date hereof.
3. arising from any circumstances occurring or alleged to have occurred prior to the applicable Retroactive Date stated in the Schedule.

If, however, subject always to the above provisions, the Insured notifies Insurers during the period of this Policy in accordance with General Condition 8.1 hereof of any circumstance occurring during the period from the applicable Retroactive Date to the expiry date of this Policy, then any claim or claims which may subsequently arise in connection with such circumstances shall be treated as having been made during the period of this Policy.

For the purpose of determining the indemnity granted:

- 1.1 "Injury" means death, bodily injury, illness or disease of or to any person
- 1.2 "Damage" means loss of possession or control of or actual damage to tangible property
- 1.3 "Pollution" means pollution or contamination of the atmosphere or of any water, land or other tangible property
- 1.4 "Product" means any tangible property after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, Supplied, distributed, treated, services, altered or repaired by or on behalf of the Insured, but shall not mean food and drink supplied by or on behalf of the Insured primarily to the Insured's employees as a staff benefit ("Food and Drink")
- 1.5 "Territorial Limits" means the Republic of South Africa, Namibia, Lesotho, Botswana and Swaziland.
- 1.6 "Vehicle" means any land vehicle or trailer (including machinery or apparatus attached thereto) whether or not subject to vehicle registration and whether or not self-propelled including locomotives and rolling stock.

1.7 "Occurrence"

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.

2. CONTINUOUS EXPOSURE CLAUSE

In the event of any claims arising from continual inhalation, ingestion or application of any substance where the insured and the Insurers cannot agree when the Injury or Damage occurred then:

- (a) Injury shall be deemed to have occurred when the claimant first consulted a qualified Medical Practitioner in respect of such Injury
- (b) Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

3. INDEMNITY TO OTHERS

The Indemnity granted extends to

3.1 any party who enters into an agreement with the Insured for any purpose of the Business, but only to the extent required by such agreement to grant such indemnity and subject to Clauses under Section A 4.3 and Extensions 9.3

3.2 Officials of the Insured in their business capacity arising out of the performance of the Business or in their private capacity arising out of their temporary engagement of the Insured's employees

3.3 the officers, committee and members of the insured's canteen, social, sports, medical, firefighting and welfare organisation in their respective capacities as such

3.4 the personal representatives of the estate of any person who would otherwise be indemnified by this Certificate, but only in respect of liability incurred by such person

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, Conditions and Exclusions of this Certificate as though they were the Insured.

4. CROSS LIABILITIES

Each person or party indemnifies is separately indemnifies in respect of claims made against any of them by any other, subject to Insurers total liability not exceeding the stated indemnity Limits.

5. DEFENCE COSTS

The Insurers will pay all costs, fees and expenses incurred with their prior consent in the Investigation defence or settlement of any claim made against the Insured and the costs of representation at any inquest, inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the Insured, provided such claim or claims are the subject to indemnity by this Certificate. Such costs, fees and expenses are called "Defence Costs"

6. INDEMNITY LIMITS

Insurer's total liability to pay compensation, claimant's costs fees and expenses and Defence Costs shall not exceed the Indemnity Limits stated in the Schedule.

Under Section A (Public Liability) the Indemnity Limit applies to any one claim or series of claims arising from one originating cause.

Under Section B (Pollution Liability) the Indemnity Limit represents the total amount of Insurer's liability during the Period of Insurance.

Under Section C (Products Liability) the Indemnity Limit represents the total amount Insurer's liability during the Period of Insurance.

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.

REINSTATEMENT

In the event of exhaustion of the whole or any portion of the aggregate Limit of Indemnity by reason of claims made against the Insured, it is agreed to reinstate the aggregate Limit of Indemnity but any such reinstated aggregate Limit of Indemnity shall apply solely to indemnity payments unrelated to those giving rise to such exhaustion.

It is understood that the total indemnity payable by insurers under this insurance during the Period of Insurance shall be limited to twice the aggregate Limit of indemnity shown in the Schedule.

If the insured has in effect any insurance contributing in excess of or in proportion to the indemnity available under this insurance the reinstatement herein provided shall become effective once the limits of such contributing insurance are exhausted by indemnity payments thereunder.

SECTION A – PUBLIC LIABILITY

SECTION A – INDEMNITY

The insured is indemnified by this Section in accordance with the Operative Clause but not against claims for and/or arising out of:

- (a) Pollution
- (b) Any Product

SECTION A – EXCLUSIONS

This section does not cover liability for claims arising out of:

1. the ownership possession or use by or on behalf of the insured of any Vehicle for which compulsory insurance is required by legislation, other than claims:
 - 1.1 caused by the use of any tool or plant forming part of or attached to or used in connection with any Vehicle.
 - 1.2 arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any Vehicle.
 - 1.3 for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any vehicle or the load carried thereon
 - 1.4 arising out of any Vehicle temporarily in the Insured's custody or control for the purpose of parking
 - 1.5 which from the subject of Extension 9.4 – Employer's Liability
2. liability for which is the subject of statutory or similar legislation controlling the possession or use of the Vehicle and in respect of which liability:
 - 2.1 the Insured is compelled to effect insurance or otherwise furnish security, or
 - 2.2 the State or other governmental authority has accepted responsibility.
3. The ownership possession or use by or on behalf of the insured of any aircraft watercraft or hovercraft (other than watercraft not exceeding five metres in length and then only whilst on inland waterways)
4. damage to property owned leased or hired by or under hire purchase or on loan to the insured or otherwise in the insured's care, custody or control other than:
 - 4.1 premises (or the contents thereof) temporarily occupied by the insured for work therein or other property temporarily in the insured's possession for work thereon (but no indemnity is granted for damage to the part of the property on which the insured is working and which arises out of such work)
 - 4.2 employees' and visitors' clothing and personal effects
 - 4.3 premises tenanted by the insured to the extent that the insured would be held liable in the absence of any specific agreement.

SECTION B – POLLUTION LIABILITY

SECTION B – INDEMNITY

The insured is indemnified by this Section in accordance with the Operative Clause against claims arising out of Pollution but only to the extent that it can be proved that such Pollution

- (a) was the direct result of sudden specific and indemnifiable event occurring during the Period of insurance
- (b) was not the direct result of the insured failing to take responsible precautions to prevent such Pollution

SECTION B – EXCLUSIONS

This Section is subject to the Exclusions to Section A insofar as they can apply, and also does not cover liability for claims out of or in connection with any Product.

SECTION C – PRODUCTS LIABILITY

SECTION C – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause but only against claims arising out of or in connection with any Product or Pollution resulting therefrom subject always to the provisions of Clause 9 of Section B.

SECTION C – EXCLUSIONS

This Section does not cover liability for claims:

1. for costs incurred in the repair, reconditioning, modification or replacement of any Product or any part thereof which is or is alleged to be defective.
2. for cost arising out of the recall of any Product or any part thereof
3. arising out of the failure of any Product or part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed unless such failure shall result in injury and/or injury and/or damage.
4. arising out of any Product which with the Insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft.

7. GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THE CERTIFICATE.

The Certificate does not cover liability:

1. arising of the deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all reasonable steps to ensure the fit and proper performance of their duties, contractually or otherwise, and shall take all reasonable steps to prevent claims.
2. arising out of injury to any persons under a contract of employment or apprenticeship with the insured where such injury arises out of the execution of such contract.
3. arising out of liquidated damages clauses, penalty clauses or performance warranty except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties.
4. for loss, damage, cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
 - 4.1 war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - 4.2 any act of terrorism

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

- 4.3 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 to (1) and (2) above

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 exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

5. directly or indirectly caused by or contributed to by or arising from ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

6. for the Excess in respect of the first amount of each claim (or series of claims arising out of one originating cause). This Exclusion does not apply to any indemnity that has been granted under the North American Jurisdiction Extension Clause
7. which forms the subject of insurance by any other policy or policies and this Certificate shall not be drawn into contribution with such other insurance.
8. for any claims arising out of any design, formula, specification or advice of a professional nature given by or on behalf of the insured in exchange for a fee.
9. whether actual or alleged for any claim or claims in respect of loss or losses directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to, by the hazardous nature of asbestos in whatever form or quantity.
10. arising out of the carrying out of the Business at or from premises or sites outside the Territorial Limits, but this Exclusion shall not apply to incidental business trips undertaken outside such limits.
11. for fines, penalties, demurrage, dead-freight, punitive and exemplary damages.
12. any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act No. 89 of 1998 as amended or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.
13. and Insurers shall not indemnify and Insurers shall not be liable to pay any claim or provide any benefit hereunder where the indemnity, claim payment or provision of such benefit is contrary to the prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America irrespective of enactment in the jurisdiction where indemnity or benefit is provided or payment made.

8. GENERAL CONDITIONS

(Conditions 1 to 5 are precedent to Insurer's liability to provide indemnity under this Certificate)

1. The Insured shall give written notice to the Insurers as soon as reasonable practicable of any claim made against the Insured (or any specific event or circumstances that may give rise to a claim being made against the Insured) and which forms the subject of indemnity under this Certificate and shall give all such additional information as the Insurers may require. Every claim, writ, summons or process and all documents relating to the claim event or circumstance shall be forwarded to the Insurer s immediately they are received by the Insured.
2. No admission offer promise or payment shall be made or given by or on behalf of the Insured without the written consent of the Insurer s who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may reasonably require.
3. The Insured shall give notice as soon as reasonable practicable of any fact, event or circumstance which materially changes the information supplied to the Insurer s at the time when this Certificate was effected, and Insurer s may amend the terms of this Certificate according to the materiality of such change.
4. The Insurer s may at any time pay to the Insured in connection with any claim or series of claims under this Certificate to which an Indemnity Limit applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the Insurer s shall relinquish the conduct and control of and be under no further liability in connection with such claims.
5. The Certificate and the Schedule shall be read together as one contract and a word or expression to which a specific meaning has been attached in any part of this Certificate or Schedule shall bear such specific meaning as has been attached in any part of this Certificate or Schedule wherever it may appear. The interpretations of the terms and Exclusions of this Certificate (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.
6. Where the Premium is provisionally based on the Insured's estimate's, the Insured shall keep accurate records and after expiry of the Period of Insurance declare as soon as possible such details as Insurer s require. The premium shall then be adjusted and an difference paid by or allowed to the Insured as the case may be subject to any Minimum Premium that may apply.
7. The Insurer s of the Insured may cancel this Certificate by the giving sixty days notice in writing of such cancellation to last known address of the other party. In the event of such cancellation, and providing that there shall have been no claims reported or paid under this Certificate, the Insured shall be entitled to pro-rata refund of premium for the unexpired Period of Insurance. Notwithstanding the foregoing, in the event of any

Member ceasing to be a Member of the Southern African Forestry Contractors Association the Insurance provided by this Certificate in respect of such Member shall, and without notice be deemed to be cancelled on the date of membership ceased.

8. If any claim under this Certificate is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain benefit under this Certificate:-

8.2 all benefit under this Certificate in respect of such claim shall be forfeited.

8.2 notwithstanding the provisions of Clause 14.7, the Insurer s may cancel the Certificate with immediate effect by notice in writing of such cancellation to the last known address of the Insured.

9. Neither this Policy nor any benefit, interest or right in this Policy or to any proceeds of the Policy may be ceded without the prior written consent of the Insurer.

9. EXTENSIONS

The following Extensions are deemed to apply only if so stated in the Schedule and, unless specifically varied herein:-

- (a) shall be subject to the relevant Indemnity Limits and Excesses stated in the Schedule to apply to the Extensions
- (b) are subject otherwise to the terms, Exclusions, Conditions and limitations of the Certificate. PROVIDED ALWAYS THAT the total liability of the Insurer s is not increased beyond that which would have applied in the absence of such Extensions:

9.1 Defamation:

Notwithstanding anything to the contrary contained in Clause 1.1, the indemnity granted by Section A extends to include claims arising out of defamatory statements, whether written or verbal, made by the Insured.

PROVIDED ALWAYS THAT:

- (i) no indemnity shall be granted in respect of claims which form the subject of Extension 15.2 – Wrongful Arrest or arising out of any publication in any journal magazine or newspaper or on radio or television
- (ii) the total liability of the Insurer s in respect of all claims under this extension shall not exceed the stated Indemnity Limit.

9.2 Statutory Defence Costs:

Notwithstanding anything to the contrary contained in this Certificate, the Und Insurer will indemnify the Insured under Section A in respect of legal costs, fees and expenses incurred with the consent of the Insurer s in the defence of any criminal

action brought against the Insured during the Period of Insurance as a result of the alleged contravention of any Statute, other than Statutes governing the ownership or use of motor vehicles, the relevant Labour Laws as promulgated in the Republic of South Africa from time to time or the Companies Act No 61 of 1973 (as amended from time to time), governing the conduct of the Business and as read in conjunction with the Criminal Procedure Act No 56 of 1955 (as amended from time to time)

9.3 **Wrongful Arrest:**

Notwithstanding anything to the contrary in Clause 1.1 of the Operative Clause, the Insurer s will indemnify the Insured under Section A in respect of claims arising out of Wrongful Arrest (as hereinafter defined) committed or alleged (other than by the Insured) to have been committed by the Insured during the Period of Insurance in the course of Business

PROVIDED ALWAYS THAT:

- (a) for the purpose of this Extension, the terms “Wrongful Arrest” shall mean
 - (i) assault and battery committed or alleged to have been committed at the time of making or attempting to make an arrest or in resisting an overt attempt to escape by a person under arrest before such person has been or could be placed in the custody of the police or a law enforcement officer

 - (ii) defamation, injuria, false imprisonment or malicious prosecution either committed or alleged to have been committed directly in connection with an arrest or arising out of the investigation of acts of shoplifting or theft

 - (iii) wrongful discharge of any employee

- (b) no indemnity shall be granted in respect of claims:
 - (i) made against the Insured by any person or persons other than those being or having been or alleged to have been arrested or under arrest, or their personal representatives.

 - (ii) made against the Insured by any Director, Partner or employee of the Insured or their personal representatives.

 - (iii) arising out of unfair labour practice as within the meaning of the relevant labour Laws as promulgated in the Republic of South Africa from time to time.

- (c) the total liability of the Insurer s in respect of all claims under this Extension shall not exceed the stated Indemnity Limit

9.4 **Employers Liability:**

Notwithstanding anything to the contrary contained in General Exclusion 13.2, the indemnity granted by Section A extends to include claims arising out of injury to any person employed under a contract of service or apprenticeship with the Insured where such injury arises out of and in the course of the execution of such contract.

PROVIDED ALWAYS THAT:

No cover is provided for:-

- a) arising out of or related to or in respect of any occupational, industrial, employment-related disease caused by or contributed to by or precipitated by prolonged or repeated exposure to substances of any sort, factors or circumstances peculiar to any industry, particular employment, occupation, workplace or working environment.
- b) arising out of liability assumed by the Insured by agreement unless such liability would have attached to the Insured in the absence of such agreement.
- c) arising out of any circumstances or claim compulsorily insurable as falls within the scope of any legislation, regulation or decree entitling an Employee (including a dependent of an Employee) to receive any benefit, allowance, pension or annuity. This Specific Exclusion shall apply notwithstanding the fact that no insurance under such legislation, regulation or decree be or has been in force or has been effected.
- d) arising out of any actual or alleged unfair labour practice as contemplated by the Labour Relations Act No. 66 of 1995 as amended (or any Act passed in substitution thereof).

10. **NORTH AMERICAN JURISDICTION EXTENSION CLAUSE**

Where the Insured has requested an extension to the Operative Clause for indemnity to be granted in respect of any judgement, award or settlement made within the countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) such extension is only granted where so stated in the Schedule to the Certificate and where a specific amount has been entered against "Applicable Excess", and where a specific date has been entered against "Retroactive Date" in the Schedule under the heading "North American Jurisdiction". Acceptance by the Insured of this Certificate is deemed to be acceptance of the above conditions as precedent to the granting of indemnity against such "North American Jurisdiction"

In consideration of the granting of such indemnity the Insured agrees to accept the following terms and Exclusions in respect of any such judgement, award or settlement:

- A. The indemnity granted by this extension only applies to claims first made against the insured during the Period of Insurance and arising out of the Business specified in the Schedule. Should the Insured notify the Insurers during the Period of Insurance, in accordance with General Conditions 8.1, of any specific event or circumstance which Insurers accept may give rise to a claim or claims which form the subject of indemnity by this Certificate, then acceptance of such notification means that Insurers will deal with

such claim or claims as if they had first been made against the Insured during the Period of Insurance.

- B. The Indemnity does not apply to awards or damages of a punitive or exemplary nature whether in the form of fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever
- C. The Indemnity does not apply to claims for or arising out of Pollution as defined in paragraph 1.3 or to claims which form the subject of any Extension under Clause 9.
- D. Insurers shall not be liable for the amount shown as the Applicable Excess in the Schedule, being the first amount of each and every claim. For the purpose of this sub-clause E "claim" shall be deemed to include compensatory awards, claimant's costs, fees and expenses and associated Defence Costs
- E. The indemnity does not apply to claims arising out of injury and/or damages occurring prior to the Retroactive Date as stated in the Schedule under the heading "North American Jurisdiction". Provided always that in the event of any injury or damage arising from continuous or continual inhalation, ingestion or application of any substance and where the Insured and the Insurers cannot agree when the Injury or Damage occurred the provisions of the Continuous Exposure Clause 2 shall apply

Subject in all other respects to the terms and Exclusions of the Certificate which shall not be deemed in any way whatsoever to over-ride, modify or alter any of the specific terms and Exclusions applicable to this Extension Clause