

FIRE & EXTRANEIOUS PERILS INSURANCE POLICY

In Consideration of the Insured named in the Schedule hereto having paid SUN INSURANCE COMPANY LIMITED (hereinafter called the Company) the Premium mentioned in the Schedule.

The Company Agrees (subject to the Conditions contained herein or endorsed or otherwise expressed hereon which condition shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if the Property insured described in the said schedule or any part of such property be destroyed or damaged by :

1. Fire (whether resulting from explosion or otherwise) not occasioned by or happening through :
 - 1.1 Its own spontaneous fermentation or heating or its undergoing any process involving the application of heat
 - 1.2 Earthquake, subterranean fire, riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power
2. Lightning
3. Explosion
 - 3.1 Of boilers used for domestic purposes only
 - 3.2 In a building not being part of any gas works, gas used for domestic purposes or used for lighting or heating the building - such explosions not being occasioned by or happening through any of the perils specified in 1.2 above

At any time before four o'clock in the afternoon of the last day of the period of insurance named in the said schedule or of any subsequent period in respect of which the Insured shall have paid that the Company shall have accepted the premium required for the renewal of this Policy, the Company will pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such property or any part thereof

Provided that the liability of the Company shall in no case exceed in respect of each item the sum expressed in the said schedule to be insured thereon or in the whole the total sum insured hereby, or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of the Company.

CONDITIONS

1. This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particular.
2. The policy shall be avoided with respect to any item thereof in regard to which there be any alteration after the commencement of this insurance :
 - 2.1 By removal
 - 2.2 In the trade or manufacture carried on, whereby the nature of the occupation of or other circumstances

- affecting the building insured or containing the insured property be changed in such a way as to increase the risk of destruction or damage
- 2.3 Whereby the building insured or containing the insured property become unoccupied and so remain for a period of more than thirty days
- 2.4 Whereby the Insured's interest ceases except by will or operation of law, unless such alteration be admitted by memorandum hereon or attached hereto signed by or on behalf of the Company
3. The Insured shall give notice in writing to the Company of any Insurance or Insurances already effected or which may subsequently be effected, covering any of the property hereby insured and unless such notice be given and the particulars of such Insurance or Insurances be stated in or endorsed on this Policy by or on behalf of the Company before the occurrence of any loss or damage all benefit under this Policy shall be forfeited.
4. 4.1 This policy does not cover :
- 4.1.1 Destruction or damage by explosion (whether the explosion is occasioned by fire or otherwise) except as stated on the face of this Policy
- 4.1.2 Goods held in trust or on commission, money, securities, stamps, documents, manuscripts, business books, computer systems records, patterns, models, moulds, plans designs, explosives, unless specially mentioned as insured by this Policy
- 4.1.3 Destruction of or damage to property which at the time of the happening of such destruction or damage is insured by or would but for the existence of this Policy be insured by any Marine Policy or Policies, except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this Insurance not been effected
- 4.1.4 Any curiosity or work of art for an amount exceeding F\$100 unless otherwise expressly stated in the policy
- 4.1.5 Destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material
- 4.2 This policy does not cover destruction or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this condition 4.2 only combustion shall include any self-sustaining process of nuclear fission
5. This Insurance may be terminated at any time at the request of the Insured, in which case the company will retain the customary short period rate for the time the Policy has been in force. This insurance may also at any time be terminated at the option of the Company on notice of that effect being given to the Insured in which case the Company shall be liable to repay on demand a rateable proportion of the Premium for the unexpired term from the date of the cancellation.
6. On the happening of any destruction or damage the Insured shall forthwith give notice thereof in writing to the Company and shall within thirty days after such destruction or damage, or such further time as the Company may in writing allow, at his own expense deliver to the Company a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property destroyed or damaged and of the amount of destruction or damage thereto respectively having regard to their value at the time of the destruction or damage together with details of any other Insurances on any property hereby insured. The Insured shall also give to the Company all such proofs and information with respect to the claim as may reasonably be required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under the Policy shall be payable unless the terms of this condition have been complied with.
7. If the claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.
8. If the company elect or become bound to reinstate or replace any property the Insured shall at his own expense produce and give to the Company all such plans, documents, books and information as the Company may reasonably require. The Company shall not be bound to reinstate exactly or completely but only as circumstances

permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the sum insured thereon.

9. On the happening of any destruction or damage in respect of which a claim is or may be made under this Policy the Company and every person authorised by the Company may without thereby incurring any liability and without diminishing the right of the Company to rely upon any conditions of this Policy enter take or keep possession of the building or premises where the destruction or damage has happened and may take possession or require to be delivered to them any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This Condition shall be evidence of the leave and licence of the Insured to the Company so to do. If the Insured or anyone acting on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in doing any of the abovementioned acts, then all benefit under this Policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.
10. If at the time of any destruction or damage to any property hereby insured, there be any other subsisting Insurance or Insurances, whether effected by the Insured or by any other person or persons covering any of the property the Company shall not be liable to pay or contribute more than its rateable proportion of such destruction or damage.

In all cases where any other subsisting insurance or insurances effected by the Insured or by any other person or persons covering any of the property hereby insured either exclusively or together with any other property in and subject to the same risk only shall be subject to the co-insurance clause the insurance on such property under this Policy shall be subject to the co-insurance clause in like manner.

Every item in respect of which a sum insured is specified herein shall be subject to the following clause :

- 10.1 In the event of destruction or damage by fire or any other peril hereby insured against the Company shall be liable for no greater proportion of the destruction or damage than the Sum Insured bears to ninety percent of the value of the property insured at the time such destruction or damage occurs limited however in all cases to the sum insured thereon.

Provided that the above provision shall not apply if the amount of any destruction or damage does not exceed five per cent of the sum insured thereon.

11. Any claimant under this Policy shall at the request and 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 reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any destruction or damage under this Policy whether such acts and things shall be or become necessary or required before or after this indemnification by the Company.
12. All differences arising out of this Policy 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 appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings. The making of an Award shall subject to any relevant statutory provisions to the contrary be a condition precedent to any right of action against the company but if such action be not commenced within one year of the making of an Award the right of action shall be deemed to be abandoned and released. After the expiration of one year after any destruction or damage the Company shall not be liable in respect of any claim therefor unless such claim shall in the meantime have been referred to arbitration.

EXTRANEOUS PERILS

Provided always that the Provisions and Conditions of the Policy shall apply as if they have been incorporated herein and for the purpose hereof any destruction or damage as aforesaid shall be deemed destruction or damage by fire.

1. IMPACT

Directly caused by impact by vehicles designed primarily for use on land or by animals.

2. EXPLOSION

Resulting from explosion but excluding :

- 2.1 Destruction of or damage to boilers, economisers, vessels under pressure and their contents resulting from the explosion thereof
- 2.2 Any destruction of or damage to property which at the time of the happening of such destruction or damage is insured by any boiler explosion, sprinkler leakage policy or policies except in respect of any excess beyond the amount payable for destruction of or damage to the said property such boiler explosion or sprinkler leakage policy or policies.

3. EARTHQUAKE

Directly caused by :

- 3.1 Earthquake, subterranean fire or volcanic eruption
- 3.2 Fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption

Provided that in respect of destruction of or damage to property occurring during any one period of forty-eight consecutive hours the Insurer shall not be liable to pay or contribute to :

- 3.3 The first F\$2,000
- 3.4 An amount equal to ten per cent of the total sum insured
- 3.5 An amount equal to ten per cent of the total asset value where the policy is a maximum loss or first loss contract unless there are specific limits on individual premises or locations

Whichever is the greater.

In respect of all buildings (whether or not separated by roadways) and contents, which are in the same ownership located at one situation and from one establishment.

Provided Further that the amount calculated under the Proviso above shall first be deducted from the amount of each claim as finally determined for loss arising out of any one event as ascertained after application of the co-insurance clause as set out in the conditions and memoranda forming part of this policy.

4. AIRCRAFT

Caused by aircraft, aerial devices, articles dropped therefrom including destruction or damage occasioned by pressure waves caused by aircraft or aerial devices travelling at sonic or supersonic speeds.

5. RIOTS, STRIKES, MALICIOUS DAMAGE

Directly caused by the acts of :

- 5.1 Persons taking part in riots or civil commotions or strikers or locked-out workers or persons taking part in labour disturbances but excluding destruction or damage caused directly or indirectly by total or partial cessation of work or the retarding or interruption or cessation of any process or operation
- 5.2 Other malicious person not being tenants provided that :
 - 5.2.1 The Insured shall bear the first F\$500 of each and every claim or series of claims arising out of one event.
 - 5.2.2 The police are immediately informed of any malicious damage
 - 5.2.3 Destruction or damage arising out of or in the course of burglary, housebreaking, theft, larceny or any attempt thereat are excluded
- 5.3 Any lawfully constituted authority in connection with the acts referred to in this sub-clause 5

Provided that the insurer shall not be liable in respect of physical loss, destruction of or damage to the property insured directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, terrorism, insurrection, military or usurped power. For the purpose only of sub-clauses 5.1, 5.2 and 5.3 destruction of or damage to the property insured shall include the physical loss of the property insured.

6. WINDSTORM, GALE, HURRICANE, TROPICAL CYCLONE

Destruction of or damage to the Property insured directly caused by windstorm, gale, hurricane, tropical cyclone only to buildings entirely enclosed with all outside doors, windows and roofs permanently in place and contents of such buildings.

Provided that the following Special Conditions are applicable :

- 6.1 No liability shall attach to the Company hereunder occurring before the expiration of seven days after four o'clock in the afternoon on the day of acceptance by the Company of the cover, evidenced by the issue of a cover note, certificate or policy
- 6.2 No claim will be admitted in respect of destruction or damage caused directly or indirectly :
 - 6.2.1 By the sea, erosion, subsidence, landslide, tidal wave, high water and flood
 - 6.2.2 To gates, fences, textiles awnings, blinds, signs, power, masi thatchings or any other outdoor fixtures and fittings
 - 6.2.3 To buildings (or their contents) in course of construction or reconstruction or repair **unless** such buildings are enclosed and under roof with all outside doors and windows permanently in place
 - 6.2.4 Deterioration of frozen or freezer/cooler goodstock resulting from electricity power failure
 - 6.2.5 By water or rain, unless such loss or damage is caused by openings to walls or roof(s) made by the tropical cyclone
- 6.3 It is a condition of this extension :
 - 6.3.1 That all fire insurance covering that identical interest thereunder be extended concurrently and in the same manner and for the total sum insured thereon
 - 6.3.2 That the Insured shall use due diligence to minimise damage
 - 6.3.3 That should any damage to buildings or contents by any of the insured perils have occurred prior to the commencement of this insurance, such damage not having been repaired or made good the Company shall not be liable for damage occurring subsequently.
 - 6.3.4 That all fixed glass on ground and first floor levels including external windows, fixed glass panels, skylights or glass doors be protected by cyclone shutters constructed and affixed in accordance with the minimum standards as laid down by the Company. Such shutters to be in place immediately following an official cyclone warning and to remain in place during the time the official cyclone warning remains in force.
 - 6.3.5 That the Company is not liable for loss or damage to buildings (or contents contained therein) not constructed in conformity with Regulations, codes, by-laws pertaining to prevailing building standards.

It is further provided that in the event of loss by cyclone the sum insured will be reduced but may be reinstated upon application to the Company and upon the payment of a full annual premium based on the amount of the loss but always subject to acceptance by the Company.

The deductible applicable in this section will be 20% of the amount of the final adjusted loss or F\$1000 whichever is the greater but not exceeding 10% of the sum insured as stated in the schedule of the within policy.

7. FLOOD

8. WATER OR OTHER LIQUIDS

Water or any substance at all discharged, overflowing, spilling or leaking from any pipe, tank, storage, distribution system or main or otherwise escaping from the intended confines of any container and including loss of or damage to such water or substances together with any expenses incurred for the attendance of the Fire Brigade for the purpose of shutting off the supply of water or other substance following accidental discharge of water or other substance from the Fire Protective Equipment and the cost of removal of water or other substance and cleaning operations incidental thereto.

9. SMOKE

Smoke except accumulative damage.

10. FUSION

10.1 Electrical Damage

This insurance extends to indemnify the insured to an amount not exceeding 10% of the sum insured or F\$1,000 whichever is the less unless otherwise expressed in the schedule against destruction or damage to any part or parts of the electrical machines, installations, or apparatus forming part of the property covered thereunder (excluding rectifiers, radio, television, amplifying or electronic equipment of any description) caused by the actual burning out of such part or parts by the electric current therein. Provided always that the Insurers shall not be liable under this extension for :

10.1.1 Loss of use, depreciation, wear and tear

10.1.2 Destruction or damage to :

- i. Lightning or heating elements
- ii. Electrical contacts at which sparking or arcing occurs in ordinary working

Provided further that the Insured shall bear the first F\$100 of each claim or series of claims arising out of the one event.

SPECIAL CONDITIONS

1. ARCHITECTS & CONSULTING ENGINEERS FEES

This insurance include architects, surveyors, consulting engineers, legal and other fees and clerk of works' salary for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement consequent on destruction of or damage by any insured peril but not such costs, fees and salary for preparing any claim hereunder.

2. CAPITAL ADDITIONS

The Insurance under this policy shall extend to include alterations and additions to the property insured (excluding stock-in-trade or merchandise) to an amount not exceeding in respect of any one situation 5% of the sum insured by this policy on such property at that situation.

3. ADJOINING BUILDINGS

Except where such property is more specifically insured, the items of this specification extend to small outside buildings, extensions and annexes adjoining or communicating with the building to which such item relates.

4. TEMPORARY REMOVAL

This insurance extends to cover the property insured whilst temporarily removed from any part of the Insured's premises described herein to any other part of the Insured's premises or to any other premises in Fiji Islands and in transit thereto and therefrom by road, rail, coastal or inland waterway but excluding :

4.1 Stock-in-trade and merchandise

4.2 Motor vehicles other fork lift, trucks and similar appliances used for hauling or conveying goods at the Insured's premises

4.3 Property if and so far as it is otherwise insured

The total sum payable shall not exceed

4.4 In respect of property comprising buildings landlord's plant and machinery (being attached to the building(s) but not used for any purpose of trade process) and landlord's fixtures and fittings attached to the building(s) an amount of F\$50,000

4.5 In respect of other property not excluded by 4.1, 4.2 and 4.3 above an amount which is equal to 10% of the total sum for which such property is temporarily removed

4.6 This endorsement shall not extend to cover damage by or resulting from water or impact to property temporarily removed whilst in the open air or in transit

5. TENANTS

This Insurance shall not be invalidated by reason of anything being done or omitted to be done in respect of any portion of the aforementioned premises not occupied by the Insured, whether constituting an increase in risk or not provided that the Insured's Officer responsible for insurance immediately becoming aware thereof shall inform the Insurers of such alteration and the Insured shall pay such reasonable additional premium as the Insurers may require.

6. HAZARDOUS GOODS

Hazardous goods usual to the trade or business are allowed to be stored in quantities and manner as permitted by law, by-laws or municipal regulation.

7. ALTERATIONS

This Insurance will not be prejudiced by the carrying out of any structural alterations, additions and repairs to buildings or contents and the insurance by this policy extended in respect thereof.

8. BREACH OF CONDITION OR WARRANTY OR MISDESCRIPTION

Breach of a condition or warranty without the knowledge or consent of the Insured or error in name, description, or location of property or omission to state a material fact shall not invalidate this insurance provided notice in writing be given to the Insurers when such breach or error or omission comes to the knowledge of the Insured's officer responsible for insurance and additional premium for any increased hazard shall be paid if required from the date of such breach or error or omission.

9. UNOCCUPANCY

Unoccupancy of the premises in excess of the stipulated number of days stated therein is allowed.

10. COST OF EXTINGUISHING A FIRE

Extends to include :

10.1 Wages of the Insured's employees other than full-time members of a Work Fire Brigade

10.2 The cost of replenishment of fire fighting appliances and destruction of or damage to materials (including employees' clothing and personal effects) unless specifically insured

10.3 Any other costs

11. OTHER INSURANCES

Other Insurance covering any of the property hereby insured is permitted provided the same be declared in writing when required.

12. SUBROGATION WAIVER

The Insurers agree to waive any rights and remedies or relief to which they may become entitled by subrogation against :

12.1 Any person corporation or organisation (including their directors, officers, employees or servants) owned or controlled by any Insured named herein or subsidiary to any insured named herein or any co-owner of the property insured hereunder

12.2 Any insured named or described by the policy (including their directors, officers, employees or servants)

13. PROGRESS PAYMENTS

Progress payments on account of any loss recoverable under this policy will be made to the insured at such stages as may be mutually agreed upon if desired by the Insured and on production of an interim report by the loss adjuster (if appointed) provided that such payments are deducted from the finally agreed claim settlement figures.

14. CANCELLATION

This insurance may be terminated at any time at the request of the insured in which case the insurers shall retain the customary short-period rate for the time the policy has been in force. This insurance may also be terminated at the option of the Insurers by 30 days prior notice to that effect being given to the Insured in writing in which case the Insurers shall be liable to repay on demand a rateable proportion of the premium for the unexpired terms from the date of cancellation.

15. REMOVAL OF DEBRIS

On the cost of removal of debris, demolition, dismantling and any temporary repairs necessary (including the Insured's legal liability for the cost of removal of debris, demolition, dismantling and temporary repairs in regard to other premises, property, services, roadways or waterways, as well as on the site), consequent upon the destruction of or damage to property throughout Fiji Islands insured by the insured's Fire Policy (or policies) occasioned by fire or any other perils thereby insured against.

Provided always that :

15.1 Indemnity afforded by this insurance shall not be subject to co-insurance in terms of the policy condition

15.2 Cost is not recoverable under any other Policy of insurance

15.3 Indemnity afforded by this insurance shall not apply to or include liability assumed by the Insured under agreement entered into after the commencing date of this insurance unless such liability would have attached to the insured in the absence of such agreement.

16. INTERESTS OF OTHER PARTIES

The insurable interest of any party (apart from the insured) in the property hereby insured shall be automatically included without notification or specification.

17. AMOUNT OF POLICY NOT REDUCED BY LOSS

Any loss, destruction or damage recoverable hereunder shall not reduce the amount of this policy. The Insured shall pay a pro-rata additional premium upon request by the Insurers on the amount of the loss, destruction or damage from the date thereof to the date of expiry of the period of insurance.