ARTHUR J. GALLAGHER & CO (NZ) LIMITED
PWC BUILDING, 60 CASHEL STREET CHRISTCHURCH 8013
PO BOX 3020 CHRISTCHURCH 8140
P: +64 3 335 3060 | AJG.CO.NZ

CLIENT REFERENCE: 302-084DS
BROKER: Murray Taylor

Policy Schedule
Material Damage Insurance

This is a summary of the cover provided by your policy. Please refer to the policy document for the full terms, conditions and exclusions relating to this insurance.

THE INSURED	CLIENT NO.	COVER NO.
Body Corporate 359630	302-084DS	1407542-024-01
THE INSURER	**% OF COVER**	**INSURER POLICY NO.**
IAG New Zealand Limited	100	15-6898503-BCP

PERIOD OF INSURANCE From 01/02/26 to 01/02/27 at 4:00pm; Local Standard Time

SCHEDULE OF PROPERTY INSURED

Location 41-43 Cambridge Terrace, Christchurch Central, Christchurch 8013

Interested Party
Unit 1 - Stephen John Matheson, Robyn Felicity Matheson, Shield Trustees 2017 Limited as trustees of the Matheson Family Trust as owners
Unit 2 - Fan-Rey Rebecca Yang as owner
Unit 3 - The Otherside Apartments Limited as owners & Bank of New Zealand Ltd
Unit 4 - Lynette Carol Heseltine as owner and Canterbury Building Society as 1st Mortgagee
Unit 5 - Kosmic Ion Investment Limited as owners
Unit 6 - Southorn Management Limited as owners
Unit 7 - Geck.Co.NZ Aviation Limited as owners
Unit 8 - Sally Elizabeth Austin as owner
Unit 9 - Helen Hoe-Hoong Chan, Clifford Chan & Co Trustee Limited as owners
Unit 10 - Rosemary Anne Fraser as owner
Unit 11 - Michael Derek Pendleton, Catherine Binti Jeneh, Hunter Joseph Studholme as trustees of Latitude 43 Trust as owners
Unit 12 - Maryjane Berry & Robert John Berry as owners
Unit 13- John Fenton Quealy as owner
Unit 14 - Carlos Da Costa & Tanya Da Costa as owners
Unit 15 - Peter Bellamy as owner
Unit 16 - Southorn Management Limited as owner
Unit 17 - Heather Dore, Kevin Patrick Dore, Lee Michael Christopher Robinson as owners and National Bank of NZ as Mortgagee
Unit 18 - Neil Douglas Whitehead & Pamela Mura Whitehead as owners
Unit 19 - R. J. West Trustee Company Limited as owner
Unit 20 - Heather Dore, Kevin Patrick Dore, Lee Michael Christopher Robinson as owners
Unit 21 - Cantab Enterprises Limited as owner
Unit 22 - Wayne Thomas Nuttall, Lynette Caroline Nuttall as owners
Unit 23 - Pauline Anne Lodder & William Robert Lodder as owners
Unit 24 - Lois June Fahey as owner
Unit 25 - Brian John Hooper, William Roy Atkin, Bevan John Marten, Sarah Anne Martenn as Trustees of the Marten Family Trust as owners
Unit 26 - Ashley Arthur Petterson, Chantelle Rossouw Petterson, GHP Trustees 2022 Limited as Trustees of the Arthur Vera Trust as owner
Unit 27 - Heather Dore, Kevin Patrick Dore & Lee Michael Christopher Robinson as owners
Unit 28 - Solveig Mortensen Northcote as owner
Unit 29 - Esther Yang as owner

Business Activity	Property Owner/Body Corporate	
Buildings	Replacement Value	$26,850,000
Location Total		$26,850,000
Total Sum Insured		$26,850,000

POLICY DETAILS

Policy Wording NZI Gallagher Agreed Material Damage May 2014 Standard Endorsements

To obtain a copy of this policy wording please visit www.ajg.co.nz/policy-documents and enter the following code in the search engine MDENZI0825.

Standard Material Damage Policy Clauses

MD01 Alternative Residential Accommodation - The maximum payable for any one event is $35,000	Included
MD02 Capital Additions	$100,000
MD03 Change of Temperature	Included
MD04 Claims Assessment	Included
MD05 Contractual Value	Included
MD06 Designation of Property	Included
MD07 Excess	Included
MD08 Expediting Costs	Included
MD09 General Average	Included
MD10 Goods and Services Tax (GST)	Included
MD11 Gradual Damage - The maximum payable for any one claim is $5,000	Included
MD12 Hazardous Substance Emergency Charges	$50,000
MD13 Keys and Locks	Included
MD14 Landslip and Subsidence	$250,000
MD15 Machinery Breakdown Damage	$10,000
MD16 Money	
- Section A	$10,000
- Section B	$2,500
MD17 Other Interests	Included
MD18 Other Premises Storage	Included
MD19 Professional Fees	Included
MD20 Property in the Course of Construction	$100,000
MD21 Property Sold	Included
MD22 Protection Costs	Included
MD23 Redundant Plant	Included
MD24 Redundant Stock	Included
MD25 Reinstatement of Amount of Insurance	Included
MD26 Reinstatement of Memorandum	Included
MD27 Removal of Debris	Included
MD28 Repair or Reinstatement by Insured	Included
MD29 Reservoirs, Tunnels and Bridges	$100,000
MD30 Residential Property - Natural Disaster Damage	Included
MD31 Restoration and Reproduction Costs	Included
MD32 Rewards	Included

MD33 Sanctions	Included
MD34 Several Liability	Included
MD35 Smoke Damage	Included
MD36 Spoilage	$5,000
MD37 Temporary Removal	Included
MD38 Theft	Included
MD39 Theft from Motor Vehicle or Storage Container	$20,000
MD40 Transit of Property	$20,000
MD41 Undamaged Foundations	Included
MD42 Unharmed Property	Included
Optional Material Damage Policy Clauses	
MD43 Computer Breakdown	Excluded
MD44 Pressure Vessel Clause	Excluded
MD45 Seasonal Stock Increase	Excluded
MD46 Stock Declaration Conditions	Excluded
MD47 Sustainable Rebuilding Costs	Excluded

ENDORSEMENTS AND / OR CLAUSES

The NZI Gallagher Agreed Material Damage May 2014 Standard Endorsements policy is amended as follows:

1. The Standard Material Damage Policy Clause, MD38 Theft, is deleted in its entirety and replaced by the following:

   MD38 Theft

   This policy covers Loss or Damage during the Period of Insurance caused by theft or attempted theft of Insured Property at the Location.

   This clause does not apply to Insured Property in any motor vehicle or Storage Container

   Policy exclusion 18(a) does not apply to this clause.

2. The Standard Material Damage Policy Clause, **MD39 Theft from Motor Vehicle or Storage Container**, is deleted in its entirety and replaced by the following;

   MD39 Theft from Motor Vehicle or Storage Container

   This policy covers Loss or Damage as a result of theft during the Period of Insurance to Insured Property in the following:

   1. Any Storage Container,
   2. Any vehicle.

   The Insurer's liability for any one Loss will not exceed the special limit shown in the Policy Schedule.

   The excess noted in the policy schedule for theft applies to theft of any kind from any motor vehicle or Storage Container, unless any higher excess already applies in which case such higher excess applies.

   Policy exclusions 18(a) and 20 do not apply to this clause.

Sanction Exclusion Policy Endorsement
This policy is amended as follows:
This Sanctions exclusion applies despite anything to the contrary in the policy or any endorsement.

This policy is deemed not to provide any cover, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

1. sanction, prohibition or restriction under United Nations resolutions; or
2. trade or economic sanction, law or regulation of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

Any equivalent clause applying to the policy is superseded by the Sanctions exclusion above. An equivalent clause may exclude, restrict, or deny cover, payments, services and/or benefits due to any sanction, prohibition, penalty, or restriction of any United Nations resolution, or the trade or economic sanctions, laws, or regulations of any country, and/or the European Union.

Defective Repair and Replacement Work
This policy does not insure the costs of putting right defective workmanship or design in any repair or replacement work covered by the policy.

This exclusion applies to the property or part immediately affected as well as any property or parts that need to be demolished, replaced or reinstalled or otherwise made good in order to rectify the defective work or design.

This exclusion does not apply to any resultant sudden and accidental physical loss or damage to separate insured property arising from the above.

The following endorsements apply:
- NZI Gallagher Body Corporate (Commercial & Mixed Use) Endorsement
- NZI Communicable Disease Exclusion
- NZI Cyber Exclusion

DEDUCTIBLES / EXCESSES

Standard	$500
Burglary	$1,000
Theft	$2,500
Money	$400
Landslip or Subsidence	$5,000
Owner Occupied Units	$250
Tenanted Units	$250
Unoccupied Units	$1,000
Stolen Keys Extension	$250
Meth Contamination Extension	$2,500
All other losses (excluding Natural Disaster)	$500

Natural Disaster Damage Excess - 41-43 Cambridge Terrace:
- 2.5% of the site sum insured with a minimum of $2,500

Natural Disaster
(Earthquake, volcanic activity, hydrothermal activity, subterranean fire, tsunami, geothermal activity, or fire caused by any of these).

For the Regions of Auckland, Northland, Otago, Southland, Taranaki, Tauranga City and Waikato	2.5% of the Location Sum Insured subject to minimum Natural Disaster Excess of $2,500.
For the Region of Wellington	5% of the Location Sum Insured subject to minimum Natural Disaster Excess of $5,000.
The other Regions of New Zealand	5% of the Location Sum Insured subject to minimum Natural Disaster Excess of $2,500.

For Pre 1935 building risks in all Regions of New Zealand. This applies where the Building was constructed prior to 1935, or where the contents / Stock is located in any Building constructed prior to 1935.	10% of the Location Sum Insured subject to minimum Natural Disaster Excess of $10,000.

The Natural Disaster Excess - applies to the combined Material Damage and Business Interruption loss from any one event at each Common Location. Where the insured property is residential property covered by EQC, the amount of the Natural Disaster Excess is reduced by the amount of the payment from EQC.

"Location Sum Insured" - For the application of Natural Disaster Excess this means the Insured Property sum insured at each Common Location.

"Common Location" - means a common physical Location where the Insured Property is linked to achieve a common business purpose at that Location.

Region - the areas of land in the Regions and Districts as defined in the Local Government New Zealand (LGNZ) Regional and Districts boundaries map.

INSURER RATINGS

Insurer	Rating	Agency
IAG New Zealand Limited	AA	S&P

The Standard & Poor's (S&P) Insurer financial strength rating scale is:

AAA	(Extremely Strong)	BBB	(Good)	CCC	(Very Weak)
AA	(Very Strong)	BB	(Marginal)	CC	(Extremely Weak)
A	(Strong)	B	(Weak)	NR	(Not Rated)
				R	(Regulatory Supervision)

Note: The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The ratings scale above is in summary form. The full version of this rating scale can be obtained from the Standard and Poor's website.

GALLAGHER BODY CORPORATE ENDORSEMENT (COMMERCIAL & MIXED USE)

This endorsement attaches to and forms part of the Gallagher NZI agreed Material Damage & Business Interruption policy wordings (0514)

MATERIAL DAMAGE

THE FOLLOWING AUTOMATIC POLICY CLAUSES ARE AMENDED AS FOLLOWS:

MD01 Alternative Residential Accommodation	MD01 – Alternative Residential Accommodation clause is amended by the deletion of the following: The Insurer's liability for any one Event will not exceed the special limit for Alternative Residential Accommodation shown in the Policy Schedule. The following provisions are added: For Contamination Damage insured by this policy: The Insurer's liability per Event per Unit will not exceed $25,000. The maximum period the benefit can be claimed per Event is 12 months. For all other Loss or Damage insured under this policy (or would be insured but is covered by EQC instead): The Insurer's liability per Event per Unit will not exceed $50,000. The maximum period the benefit can be claimed per Event is 36 months. The Natural Disaster damage excess will not apply to cover provided by this Alternative Residential Accommodation benefit where the entitlement to this benefit arises from Natural Disaster damage. This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable.1. Maximum Sum Insured.
MD11 Gradual Damage	It is hereby noted and agreed that the maximum amount payable per Event per Unit will not exceed $10,000 and the maximum amount payable in the Period of Insurance for all Events is $50,000.
MD14 Landslip and Subsidence	It is hereby noted and agreed that the maximum amount payable in the Period of Insurance for all Events is $500,000.
MD15 Machinery Breakdown Damage	It is hereby noted and agreed that the maximum amount payable in the Period of Insurance for all Events is $50,000.
THE FOLLOWING ARE ADDED TO "STANDARD MATERIAL DAMAGE POLICY CLAUSES"	
MD48 Common Property	This policy is extended to cover Loss or Damage during the Period of Insurance to the Insured's chattels, fixtures and fittings in common areas at the Building. The Basis of Settlement is Reinstatement Value as set out in MD26 Reinstatement Memorandum. The maximum amount payable in the Period of Insurance for all Events is $100,000. This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.

MD49 Loss of Residential Rents	Where any residential Unit becomes uninhabitable due to Loss, Damage or Contamination Damage during the Period of Insurance as covered by this policy, or would have been covered by this policy but is covered by EQC instead, this policy extends to cover the resultant loss of rent, provided that: 1. the residential Unit was occupied by a tenant at the time of the Loss, Damage or Contamination Damage, or 2. at the time of the Loss, Damage or Contamination Damage, there was a signed tenancy agreement for a new tenant to let the Unit for an ongoing period intended to be no less than 90 days. For Contamination Damage insured by this policy: The Insurer's liability for per Event per residential Unit will not exceed $25,000. The maximum period the benefit can be claimed is 12 months. For all other Loss or Damage insured by this policy (or would be insured but is covered by EQC instead): The Insurer's liability per for any Event per residential Unit will not exceed $75,000. The maximum period the benefit can be claimed is 24 months. For any given residential Unit, a claim can only be made under either this clause or under the Alternative Residential Accommodation clause but not both. The Natural Disaster damage excess will not apply to cover provided by this Loss of Rent benefit where the entitlement to this benefit arises from Natural Disaster damage. This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.
MD50 Commercial Landlords Contents	This policy is extended to cover Loss or Damage to Commercial Landlord's Contents located in a Unit during the Period of Insurance for the purposes of use by a commercial tenant. The Basis of Settlement is Reinstatement Value as set out in MD26 Reinstatement Memorandum. The Insurer's liability per Event per individual Unit will not exceed $50,000 and for all Events in the Period of Insurance is $500,000. This amount is included in the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured. **Commercial Landlord's Contents are defined as:** All fixtures & fittings provided by the landlord at an individual Unit.

MD51 Residential Landlords Contents	This policy is extended to cover Loss or Damage to Residential Landlord's Contents located in a Unit during the Period of Insurance for the purposes of use by a residential tenant. The Insurer will at their option pay: 1. an amount equal to the indemnity value, or 2. the cost to repair the item as nearly as possible to the same condition it was in immediately before the Loss or Damage occurred. The Insurer's liability per Event per Unit is limited to $50,000 and the maximum amount payable in the Period of Insurance for all Events is $500,000. This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured. **Residential Landlord's Contents are defined as:** Any of the following : 1. fixtures or fittings including drapes and light fittings, and 2. household goods such as washing machines, dryers, refrigerators, freezers, dishwashers and heaters, and 3. carpet or floor covering that is not glued to the floor, and 4. domestic garden appliances (including their parts and accessories). Provided that the property is owned or hired by a Unit owner (provided the Unit owner is legally liable under the hire agreement), and is provided by the Unit owner for use by a residential tenant. It does not include any: 1. personal effects, or 2. livestock, domestic pet or other creature, or 3. carpet or floor covering that is glued to the floor, or 4. watercraft or outboard motor and their parts, or accessories that are in them or attached to them, or 5. motor vehicle, trailer or caravan and their parts or accessories that are in them or attached to them, or 6. aircraft or other aerial device and their parts or accessories that are in them or attached to them.
MD52 Landlords Contents Removal & Storage	This policy is extended to cover reasonable costs incurred for the removal, storage and return of Landlord's Contents in consequence of Loss or Damage covered by this policy . The Insurer's liability per Event per individual Unit will not exceed $2,500 and the maximum amount payable in the Period of Insurance for all Events is $10,000 . This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.

MD53 Stress Payment	If a residential Unit is deemed a total loss following Loss or Damage covered by this policy, this policy will provide payment to the individual owner of the Unit as follows: 1. $2,000 per Unit deemed a total loss, up to 2. $50,000 in total for all Units per Event. Where the $50,000 limit occurs, the payment per Unit will be apportioned evenly between eligible Unit owners. This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.
MD54 Tree Removal	If Loss or Damage occurs to the Building as a result of a tree or part of a tree falling and that Loss or Damage is covered under this policy, the Insurer will also pay the reasonable costs incurred for the removal of that tree, including those parts that have not fallen. The Insurer will not pay the cost to remove stumps from the ground or any costs where the tree was known to be unsound or unstable and needed to be removed. The Insurer's liability for all Events in the Period of Insurance will not exceed $50,000. This amount is payable in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.
MD55 Natural Disaster Damage Excess Offset Against EQC Claims Payment	Where the Natural Disaster Damage Excess clause contained in the Material Damage and Business Interruption Policy Schedule applies to any part of the Insured Property that are 'residential buildings' covered under the Earthquake Commission Act 1993, the excess applicable under that clause will be offset by the amount actually paid by the Earthquake Commission to the Insured for the same Natural Disaster damage to that part of the buildings from the same event. In all cases, the minimum site sum insured excess of $2,500 or any different amount shown in the schedule will apply.

MD56 Unlawful Substances	This policy is extended to cover Contamination Damage caused by the manufacture, distribution or storage (but only where the storage is in connection with supply or distribution) of Methamphetamine to the: 1. Unit, and 2. Commercial Landlord's Contents located in a Unit, and 3. Residential Landlord's Contents located in a Unit, that first occurs and that is discovered by the Insured or the person who manages the tenancy on the Insured's behalf, during the Period of Insurance, provided that: 1. the Unit is tenanted for more than 90 consecutive days, and 2. the Insured, or the person who manages the tenancy on the Insured's behalf, has met the Landlord's obligations. The Insurer's liability is limited to 1. $30,000 per Unit per Contamination Claim, and 2. $250,000 in total for all Contamination Claims in the Period of Insurance. The insurer's liability is limited to the sum insured of the building specified in the policy schedule for loss resulting from fire or explosion. This extension will only cover the cost of decontamination to the extent required to reduce the level of Methamphetamine to below the guideline level for acceptable indoor surface residues contained in the NZ Standard NZS 8510. This means that the insurer will not pay to remove all traces of methamphetamine contamination and will not restore the insured property to its condition when it was new. Exclusion 15 of the policy does not apply to this extension. **Landlord's obligations:** 1. exercise reasonable care in the selection of tenant(s) by at least obtaining satisfactory written or verbal references, and 2. complete an internal and external inspection of the property at a minimum of 3-monthly intervals and upon every change of tenants, and 3. keep a written record of the outcome of each inspection, and provide to the Insurer a copy of the record if the Insurer requests it.
MD57 Cost of Re-Letting	If any individual Unit rented by the Unit owner to a tenant becomes uninhabitable due to Loss covered by this Policy and the existing tenant terminates their tenancy agreement as a result, this policy will cover the Unit owner's reasonable costs incurred to re-let the Unit. The Insurer's liability per Event per Unit will not exceed $1,000 and the maximum amount payable in the Period of Insurance for all Events is $10,000.

THE FOLLOWING IS ADDED TO "THE BASIS OF SETTLEMENT – MAXIMUM AMOUNT PAYABLE"

Margin for Buildings	The amount referred to in "Basis of Settlement – Maximum Amount Payable – 1. Maximum Sum Insured" is amended as follows: The maximum amount payable for all Loss or Damage during the Period of Insurance for a Building (or group of Buildings) at a specified Location shown in the Policy Schedule is: 1. An additional 25% of the sum insured for that item as stated in the Policy Schedule. 2. The additional percentage will not exceed $6,712,500 in addition to the 'maximum amount payable. The increase in 1. and 2. above does not apply to any cover in respect of Natural Disaster cover.

THE FOLLOWING OPTIONAL MATERIAL DAMAGE CLAUSES ARE NOTED AS INCLUDED:

MD43 Computer Breakdown	It is hereby noted and agreed that the Insurer's liability per Event will not exceed $25,000. This amount is in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.
MD44 Pressure Vessel Clause	It is hereby noted and agreed that the Insurer's liability for per Event will not exceed $50,000. This amount is in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.
MD47 Sustainable Rebuilding Costs	It is hereby noted and agreed that the Insurer's liability for per Event is as follows: The most the Insurer will pay per Event is limited to 5% of the actual costs to replace the building or $250,000, whichever is the lesser. Where one or more Units are destroyed, but the entire building is not, the most the Insurer will pay per Event is $5,000 per Unit, up to a maximum of $250,000. This amount is in addition to the maximum sum insured stated in Basis of Settlement – Maximum Amount Payable. 1. Maximum Sum Insured.

THE FOLLOWING CLAUSE IS AMENDED AS FOLLOWS:

GC02 Cancellation

By the Insurer

This policy may be cancelled by the Insurer at any time by providing written notice to the Insured at the address last known to them or to the Insured's insurance broker or representative and to every mortgagee of which it has notice by letter, fax or email.

The cancellation will take effect at 4pm on the 30th day after the written notice has been delivered or posted. Following such cancellation, the Insurer will refund to the Insured a pro-rata proportion of the premium, subject to any adjustment required by the terms of this policy.

THE FOLLOWING ARE ADDED TO "DEFINITIONS":	
Unit	Each self-contained part of the Building(s) designated for separate residential occupancy, or part of a Building(s) designated for separate commercial occupancy.
Event	Any one event or series of events arising from one source or original cause.
Methamphetamine	The Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined under the Misuse of Drugs Act 1975 or any precursor or chemicals or by-products for either.
Contamination Damage	Loss caused by Methamphetamine contamination that exceeds the Contamination Level.
Contamination Claim	Contamination Damage arising out of or attributable to an event or multiple events regardless of the number of acts, persons, tenancies, occupancies or incidents involved.
Contamination Level	The relevant guideline value for indoor surface contamination as set out in the most recent version of the New Zealand Standard NZS 8510.

THE FOLLOWING DEFINITIONS ARE AMENDED:	
Insured	Where 'The Insured' in the schedule is shown as a body corporate, then 'Insured' refers to the body corporate and each individual proprietor of that body corporate, for their respective rights and interests.
Insured Property	Other Property is extended to include: 1. Residential Landlords Contents (as defined under the Residential Landlords Contents extension in this endorsement) 2. Commercial Landlords Contents (as defined under the Commercial Landlords Contents extension in this endorsement)

ARTHUR J. GALLAGHER & CO (NZ) LIMITED
PWC BUILDING, 60 CASHEL STREET CHRISTCHURCH 8013
PO BOX 3020 CHRISTCHURCH 8140
P: +64 3 335 3060 | AJG.CO.NZ

CLIENT REFERENCE: 302-084DS
BROKER: Murray Taylor

Policy Schedule

Business Interruption Insurance

This is a summary of the cover provided by your policy. Please refer to the policy document for the full terms, conditions and exclusions relating to this insurance.

THE INSURED	CLIENT NO.	COVER NO.
Body Corporate 359630	302-084DS	1407542-024-06
THE INSURER	**% OF COVER**	**INSURER POLICY NO.**
IAG New Zealand Limited	100	15-6898503-BCP

PERIOD OF INSURANCE From 01/02/26 to 01/02/27 at 4:00pm; Local Standard Time

SCHEDULE OF ITEMS INSURED

Location 41-43 Cambridge Terrace, Christchurch Central, Christchurch
Business Activity Property Owner/Body Corporate

Schedule of Items Insured

Gross profit	
Gross revenue	
Gross rentals and management fees receivable	
Payroll - dual basis	
Wages	
Additional increased costs of working	
Severance and redundancy payments	
Accounts receivable	
Key money or goodwill	
Claim preparation costs	$10,000
Redeployment expenses	
Location Sum Insured	$10,000

Indemnity Period
Twenty Four (24) Months

Total Sum Insured	**$10,000**

POLICY DETAILS

Policy Wording NZI Gallagher Agreed Business Interruption May 2014 Standard Endorsements 04.22

To obtain a copy of this policy wording please visit www.ajg.co.nz/policy-documents and enter the following code in the search engine BIENZI0825.

Standard Business Interruption Policy Clauses

BI01 Accumulated Stocks	Included
BI02 Adjustment of Premium	Included
BI03 Alternative Index	Included
BI04 Contractual and Legal Commitments	$100,000
BI05 Customers and / or Suppliers Premises	Included
BI06 Departments	Included
BI07 Deterioration of Undamaged Property	Included
BI08 New Business	Included
BI09 Prevention of Access	Included
BI10 Provision of Services	Included
BI11 Reduced Margin	Included
BI12 Reinstatement of Amount of Insurance	Included
BI13 Salvage Sale	Included
BI14 Turnover Elsewhere After Damage	Included

Cover under each of the following clauses is limited to the lesser of 10% of the Business Interruption sum insured or $1,000,000.

Where indemnity is available to the Insured under a combination of the following clauses the Insurer's maximum liability for any one loss is 10% of the total sum insured or $1,000,000, whichever is the lesser:

BI05 Customers and / or Suppliers Premises

BI09 Prevention of Access

BI10 Provision of Services

ENDORSEMENTS AND / OR CLAUSES

The following endorsements apply:
- NZI Communicable Disease Exclusion
- NZI Cyber Exclusion
(refer to the policy wording)

The Business Interruption policy is amended as follows:

Deferral of Indemnity Period

The Insured has the option to defer the commencement of the Indemnity Period after Damage occurs on the following basis:

(a) the Insured must notify the Insurer (in writing or by electronic means) within 90 days of the Damage occurring of the Insured's intention to defer the commencement of the Indemnity Period, and

(b) the deferred Indemnity Period must commence:

(i) no later than the number of months specified in the Schedule as the Indemnity Period, or

(ii) within 12 months, from the date the Damage occurred, whichever is the earlier otherwise this option to defer expires, and

(c) the Indemnity Period cannot be deferred if the Insurer has already paid or agreed to pay a claim under any Insured Item or Interest under this Business Interruption Policy (other than for Claim Preparation Costs for quantification of the Insured's Material Damage claim) resulting from that Damage.

(d) If the Insured defers the commencement of the Indemnity Period then, the Insured must notify the Insurer (in writing or by electronic means) of the actual date on which the Insured elects the Indemnity Period to commence as soon as possible, and no later than 30 days after that actual date.

The Standard Business Interruption Policy Clause, BI05 Customers and/or Suppliers Premises is deleted and replaced with the following:

BI05 Customers and / or Suppliers Premises

This policy covers interruption to or interference with the Business resulting from Property Damage at a situation in New Zealand to:

(a) premises or property of any customer to whom the Insured directly provides products, goods, services, or materials, or work or assistance of whatsoever nature and description.

(b) premises or property of any supplier or organisation from whom the Insured receives supplies, services, materials, goods or assistance of whatsoever nature and description.

There is no cover under this clause for those services that are covered under clause BI10 Provision of Services.

The Standard Business Interruption Policy Clause, BI09 Prevention of Access is deleted and replaced with the following:

BI09 Prevention of Access

This policy covers interruption of or interference with the Business resulting from:

(a) Property Damage to property in transit by road, rail, air, inland waterway or sea from place to places within New Zealand including while temporarily stored in the course of such transit;

(b) Property Damage to property within 10 kilometres of the Location that prevents or hinders access to the Location;

(c) Property Damage to Transport routes, ports, airports or railways anywhere in New Zealand;

(d) bodily injury, murder, or suicide to any person at the Location or within 10 kilometres of the Location that prevents or hinders the access to the premises;

(e) defects in drains and other sanitary arrangements that prevents or hinders the access to the premises;

(f) the escape of fumes, gases, toxic chemicals or any hazardous material that prevents or hinders the access to the premises.

Such loss shall be deemed to result from Damage to the premises and/or property used by the Insured at the premises.

The Standard Business Interruption Policy Clause, BI10 Provision of Services is deleted and replaced with the following:

BI10 Provision of Services

This policy covers interruption to or interference with the Business resulting from Property Damage to:

(a) Any electricity station or sub-station or power lines or cables (excluding loss resulting from damage to any undersea electric cables),

(b) gas works or natural gas works (excluding loss resulting from damage to property comprising any offshore oil or gas facility, including but not limited to any undersea gas pipeline),

(c) water works or treatment plants,

(d) any pipelines or other conduit of any utility from whom the insured obtains electric current, gas, natural gas, water, (excluding loss resulting from damage to any undersea electric cables).

Definitions – The definitions Section of the policy is amended as follows:

The definition of Location is deleted and replaced with the following:

Location

All premises owned, leased or used by the Insured as detailed in the Schedule of Insured Property attaching to the policy.

The following new definition is added:

Property Damage

Sudden and Unintended and unforeseen physical loss of or physical damage during the Period of Insurance that would have been covered as a claim under the insured's Material Damage policy if the insured owned the property or would have been accepted but for the application of an excess.

Sanctions Exclusion Policy Endorsement
This policy is amended as follows:

This Sanctions exclusion applies despite anything to the contrary in the policy or any endorsement.

This policy is deemed not to provide any cover, and no payment will be made or benefit provided, to the extent that the provision of such cover, payment, or benefit may breach or risk exposure to any:

sanction, prohibition or restriction under United Nations resolutions; or

trade or economic sanction, law or regulation of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

Any equivalent clause applying to the policy is superseded by the Sanctions exclusion above. An equivalent clause may exclude, restrict, or deny cover, payments, services and/or benefits due to any sanction, prohibition, penalty, or restriction of any United Nations resolution, or the trade or economic sanctions, laws, or regulations of any country, and/or the European Union.

CLOSURE OF TRANSPORT ROUTES, PORTS OR AIRPORTS ENDORSEMENT
Your NZI Gallagher Agreed Business Interruption May 2014 Standard Endorsements policy is amended as follows

BI09 Prevention of Access (Endorsement NZ7306/1 05/22)
The following Part (c) of BI09 'Prevention of Access' (Endorsement NZ7306/1 05/22) is deleted:

(c) Property Damage to Transport routes, ports, airports or railways anywhere in New Zealand;

The following new clause is added to the Standard Business Interruption Policy Clauses:

BI 15. CLOSURE OF TRANSPORT ROUTES, PORTS OR AIRPORTS

This policy covers interruption to or interference with the Business caused directly by the complete closure of any transport route, port, airport or railway anywhere in New Zealand during the Period of Insurance where such closure was due to:

(a) physical damage to such transport route, port, airport or railway that would have been covered under the Insured's material damage policy if the Insured's material damage policy applied to such physical damage; or

(b) an unexpected lawful order by a public authority, consequent upon any of the following events:

  (i) the occurrence of physical damage to the transport route, port, airport or railway subject to the order; or
  (ii) identification of an immediate and imminent safety hazard to the transport route, port, airport or railway subject to the order.

For the purpose of any claim under this Closure of Transport Routes, Ports or Airports Endorsement, the Indemnity Period begins on the expiry of the Deferment Period. The Deferment Period is the period beginning with the occurrence of the business interruption to which this policy applies and continuing for the period stated as the Deferment Period.

Unless longer periods of time are stated in the Policy Schedule, any Deferment Periods in the Policy Schedule that are stated to apply to this Closure of Transport Routes, Ports or Airports Endorsement are deleted and replaced by the following:

The Deferment Periods under the Closure of Transport Routes, Ports or Airports Endorsement are

(a) business interruption in connection with any Natural Disaster peril: 21 days; or

(b) business interruption in connection with any peril other than Natural Disaster: 7 days.

For the avoidance of doubt:

(a) the cover provided under the other Standard Business Interruption Policy Clauses is not cumulative for any one event;

(b) the Insured only has cover under this Closure of Transport Routes, Ports or Airports Endorsement for the 'Insured Items' shown in the Policy Schedule;

(c) the Insurer will consider the business interruption in this Closure of Transport Routes, Ports or Airports Endorsement to have resulted from Damage covered under the Insured's Material Damage policy and will calculate the Insured's claim as set out in the relevant 'Insured Item' specified in the Policy Schedule.

Policy Schedule

The following is deleted from the Policy Schedule:
Cover under each of the following clauses is limited to 10% of the Business Interruption sum insured, maximum $1,000,000, whichever is the lesser. Where indemnity is available to the Insured under a combination of the following clauses the Insurer's maximum liability for any one loss is 10% of the total sum insured or $1,000,000, whichever is the lesser:
BI05 Customers and / or Suppliers Premises
BI09 Prevention of Access
BI10 Provision of Services

The below is added to the Policy Schedule:

The maximum amount payable under all 'Contingent Business Interruption Policy Clauses' in total for any event is:
(i) 10% of the sum insured shown in the Policy Schedule for each applicable 'Insured Item', or
(ii) $1,000,000 in total,

whichever is the lesser.

'Contingent Business Interruption Policy Clauses' means any clause or extension that provides cover for interruption or interference caused by any damage, shutdown, or other interruption or disruption suffered by a third-party and, to avoid doubt and without limitation, includes 'BI05 Customers and/or Suppliers Premises', 'BI09 Prevention of Access', 'BI10 Provision of Services' and 'BI15 Closure of Transport Routes, Ports or Airports', and any equivalent, successor, substituted, amended, re-enacted, or replacement clause.

EXCESS / DEFERMENT PERIODS

Natural Disaster Refer to Material Damage Natural Disaster Excess

Business Interruption Deferment Periods

The following clauses have a Deferment Period of 21 days for any loss arising from Natural Disaster (Earthquake, volcanic activity, hydrothermal activity, subterranean fire, tsunami, geothermal activity, or fire caused by any of these):
BI05 Customers and / or Suppliers Premises

BI09 Prevention of Access

BI10 Provision of Services

BI15 Closure of Transport Routes, Ports or Airports

The following clauses have a Deferment Period of 24 hours for any loss caused by perils other than Natural Disaster:
BI09 Prevention of Access

BI10 Provision of Services

The following clauses have a Deferment Period of 7 days for any loss caused by perils other than Natural Disaster:

BI15 Closure of Transport Routes, Ports or Airports

Deferment Period means the period for which you are not insured.

The Indemnity Period specified commences after the expiration of the relevant Deferment Period.

INSURER RATINGS

Insurer	Cover (%)	Rating	Agency
IAG New Zealand Limited	100	AA	S&P

The Standard & Poor's (S&P) Insurer financial strength rating scale is:

AAA	(Extremely Strong)	BBB	(Good)	CCC	(Very Weak)
AA	(Very Strong)	BB	(Marginal)	CC	(Extremely Weak)
A	(Strong)	B	(Weak)	NR	(Not Rated)
				R	(Regulatory Supervision)

Note: The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The ratings scale above is in summary form. The full version of this rating scale can be obtained from the Standard and Poor's website.

ARTHUR J. GALLAGHER & CO (NZ) LIMITED
PWC BUILDING, 60 CASHEL STREET CHRISTCHURCH 8013
PO BOX 3020 CHRISTCHURCH 8140
P: +64 3 335 3060 | AJG.CO.NZ

CLIENT REFERENCE: 302- 084DS
BROKER: Murray Taylor

Policy Schedule

Body Corporate Liability Package

This is a summary of the cover provided by your policy. Please refer to the policy document for the full terms, conditions and exclusions relating to this insurance.

THE INSURED	CLIENT NO.	COVER NO.
Body Corporate 359630	302-084DS	1407542-024-07
THE INSURER	**% OF COVER**	**INSURER POLICY NO.**
Vero Liability Insurance Ltd	100	

PERIOD OF INSURANCE From 01/02/26 to 01/02/27 at 4:00pm; Local Standard Time

Policy Wording VL Gallagher Body Corporate Liability Policy Wording November 2025

To obtain a copy of this policy wording please visit ajg.co.nz/policy-documents and enter the following code in the search engine LIVRL1125.

Business Activity Property Owner

OFFICE BEARERS LIABILITY

Body Corporate Liability	Any one Claim and in the aggregate	$1,000,000
Territory		New Zealand Only
Jurisdiction		New Zealand Only
Retroactive Date		16/01/2017

Deductibles

Standard	Each and every claim including costs	$1,000

PUBLIC AND PRODUCTS LIABILITY

Limit of Indemnity	Any one Claim and in the aggregate	$5,000,000
Territory		New Zealand Only
Jurisdiction		New Zealand Only

Extensions

Advertising liability	$1,000,000
Contractors and sub-contractors	Included
Fire protection costs	$1,000,000

Hazardous Substances Emergency		$1,000,000
Innkeeper's Liability		Included
Keys and Locks		$250,000
Property Owner's Liability		Included
Property in Care, Custody or Control		$500,000
Punitive or Exemplary Damages		
Any one occurrence		$1,000,000
In the aggregate		$2,000,000
Tenant's Liability		Included
Underground Services		Included
Vehicles - Additional Provisions		Included
Vibration or Removal of Support		Included
Welding/Gas Cutting/Burning Off/Use of Explosives		Included

Deductibles

Standard	Each and every claim including costs	$500
Advertising Liability		$1,000
Fire Protection Costs		$1,000
Hazardous Substances Emergency		$1,000
Keys and Locks		$1,000
Property in Care, Custody or Control		$1,000
Welding/Gas Cutting/Burning Off/Use of Explosives		$1,000

STATUTORY LIABILITY

Limit of Indemnity	Any one Claim and in the aggregate	$1,000,000
Territory		New Zealand Only
Jurisdiction		New Zealand Only
Retroactive Date		16/01/2016

Extensions

Goods and Services Tax	Included
Newly Created or Acquired Subsidiary Company	Included
Subsidiary Company change of Ownership	Included

Deductibles

Standard	Each and every claim including costs	$500
Officers	Each and every claim including costs	Nil

CRIME

NOT INSURED

DEFENCE COSTS

NOT INSURED

INSURER RATINGS

Insurer	Cover (%)	Rating	Agency
Vero Liability Insurance Ltd	100	AA-	S&P

The Standard & Poor's (S&P) Insurer financial strength rating scale is:

AAA	(Extremely Strong)	BBB	(Good)	CCC	(Very Weak)
AA	(Very Strong)	BB	(Marginal)	CC	(Extremely Weak)
A	(Strong)	B	(Weak)	NR	(Not Rated)
				R	(Regulatory Supervision)

Note: The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The ratings scale above is in summary form. The full version of this rating scale can be obtained from the Standard and Poor's website.

REFERRAL REMUNERATION

We sometimes pay a share of our remuneration to others who refer you to us. Remuneration is brokerage from insurers with whom your insurance is placed and/or fee income for our services.

FAIR INSURANCE CODE

If you have a general insurance policy underwritten by a member of the Insurance Council of New Zealand (ICNZ), your insurer will be committed to complying with the Fair Insurance Code. The Fair Insurance Code is a code of conduct developed by ICNZ, which sets out the standard of service member companies must provide to their customers.

A list of ICNZ members and a copy of the Fair Insurance Code can be found at www.icnz.org.nz.

DUTY OF DISCLOSURE

The insurance cover that has been arranged for you is based on the information you provided. Because that information is material to the insurer providing your insurance, you must advise any changes or any information that could affect the insurer's acceptance of your insurance. If you don't disclose or you misrepresent any material information your insurance could be invalidated and any claim may not be paid.

While your duty of disclosure applies before you take out an insurance policy or when you renew a policy, you should also advise us of any material change or circumstance if something comes to light during the period of your insurance. Examples of such disclosures could include structural alterations to a building, un-occupancy of insured premises, the installation of new equipment; a change in business operations or many other such changes.

Your duty of disclosure is crucial in maintaining your insurance protection. If you are unsure about any aspect of it please contact us for guidance.

Material Damage Insurance

Agreed policy wording, exclusive to Gallagher

In association with

Gallagher

Contents

Agreement 2
Basis of Settlement – Categories of Insured Property 2
Standard Material Damage Policy Clauses 5
Optional Material Damage Policy Clauses 18
Exclusions applying to the Material Damage Policy Wording 20
Conditions applying to the Material Damage Policy Wording 25
Definitions 29
Standard Endorsements 33

Agreement

In consideration of the Insured having paid or having promised to pay the required premium, the Insurer agrees to indemnify the Insured for Loss or Damage to Insured Property at the Location during the Period of Insurance in accordance with the terms of this policy.

The Policy Schedule, endorsements and warranties attached to this policy forms part of the policy.

Basis of Settlement – Categories of Insured Property

The insurer will at its option pay for the cost to reinstate or repair the Insured Property

1. Buildings, Plant and Other Property

Where designated with the words "Reinstatement Value" in the Schedule, the basis of settlement for the categories of Buildings, Plant and Other Property will be as detailed in Reinstatement Memorandum MD26.

Where designated with the words "Indemnity Value" in the Schedule, the basis of settlement will be one of the following options the Insurer chooses

(a) by paying the cost of repairs to restore the Insured Property to a condition that is as near as possible to its condition immediately prior to the loss, or
(b) by replacing the Insured Property with property of a similar condition, age and specification, as it was in, immediately prior to the loss or
(c) by payment of an amount equal to the indemnity value of the damaged portion of the Insured Property, or where a total loss occurs and the Insured Property is destroyed, the indemnity value of that property.

2. Stock

For the category of Stock the basis of settlement will be the cost of raw material, work in progress and finished goods, plus the cost of labour and other overhead charges expended at the time of the Loss or Damage.

Basis Of Settlement – Special Types Of Insured Property

The basis of settlement for the following types of Insured Property will apply regardless of the basis of settlement shown in the Schedule.

1. Records

(a) Electronic Data.
The cost of blank media plus the cost 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 the electronic data.
If the media is not repaired or reinstated, it will be the cost of blank media. However, there is no cover for the value of the Electronic Data to the Insured, even if the Electronic Data cannot be recreated, gathered or assembled.

(b) Software.
For loss to Software, the reasonable cost of restoring, re-setting or re-programming the Software that is necessary to operate any electronic equipment or machine insured under this policy.

(c) All other records.
For other records and documents manuscripts, deeds, drawings, specifications, plans, designs, business books and microfilm records, it will be the cost of reinstatement if replaced, including the information they contain, or if not replaced the indemnity value but in all cases excluding the value to the Insured of the information contained therein.

2. Money

The basis of settlement for Money will be its actual value immediately prior to the Loss or Damage.

3. Electronic Items

The basis of settlement for the following property, where insured for replacement value, will be the replacement cost for items three years old or less;

(a) cell phones, video data projectors, digital cameras,
(b) other audio visual equipment,
(c) portable computing devices and portable data storage devices.

The basis of settlement in all other circumstances will be the indemnity value of the item lost or damaged.

4. Works of Art

The Insurer may appoint an independent and suitably qualified valuer or restorer to determine whether the work of art can be restored to its pre-damage condition.

Where Destroyed

If the valuer or restorer determines that the work of art cannot be economically restored to its pre-damage condition, the work of art will be deemed destroyed. Its pre-damage value will be determined by the valuer, or, providing the restorer is suitably qualified, by the restorer. The amount payable as indemnity will be the difference between the pre-damage value and any salvage value of the damaged work of art.

Where any lost or damaged work of art is an item forming part of a pair or set of items, and the lost or damaged item cannot be economically restored to its pre-damaged condition, the item will be deemed destroyed. The amount payable will be such proportion of the pre-damaged value of the pair or set as the item bears to the set of items.

Where it is can be repaired

If the valuer or restorer determines that the work of art can be economically restored to its pre-damage condition, the amount payable as indemnity will be the cost of restoration or, if the restoration is not carried out, the restorer's reasonable estimate of the cost of restoration.

Providing a work of art has been satisfactorily restored following Loss or Damage, this insurance does not cover any reduction in value due solely to the fact of the work of art having been damaged and restored. The onus of proving that any restoration work is unsatisfactory rests with the Insured.

Basis of Settlement - Maximum Amount Payable

1. Maximum Sum Insured

Subject to the Reinstatement of the Amount of Insurance clause, (MD25), the maximum amount payable under the policy for all Loss or Damage during the Period of Insurance for each item of

Insured Property declared in the Policy Schedule of Property Insured is the sum insured specified in the Policy Schedule for that item.

However, the most that the Insurer will pay for all Insured Property in any one Period of Insurance is the total sum insured shown in the Policy Schedule.

2. Reduction for Unrepaired Items

Notwithstanding paragraph 1. Maximum Sum Insured above, where there has been Loss or Damage to an item of Insured Property that occurred prior to the Period of Insurance the Insurer's liability during the Period of Insurance will not exceed the sum insured for that item under this policy, less the cost of any Loss or Damage which occurred prior to the Period of Insurance that is not yet repaired or reinstated.

Where the repair or, replacement of the damaged item of Insured Property:

(a) is covered under this policy during the repair/ reinstatement of it, the amount deducted for the unrepaired portion is progressively added back to the sum insured for that item at the rate it is progressively repaired or reinstated.
(b) is not covered under this policy during the repair/ reinstatement of it, the amount deducted for the unrepaired portion is only added back to the sum insured once the repair/ reinstatement of that item has been completed and the principal for the contract works hands the finished works back to the Insured.

3. Margin for Plant and Stock at each Location

Notwithstanding paragraph 1. Maximum Sum Insured above, the maximum amount payable:

1. For all Plant at each Location as declared in the Policy Schedule is increased by 10% of the Plant sum insured declared at that Location or $100,000, whichever is the lesser.
2. For all Stock at each Location as declared in the Policy Schedule is increased by 10% of the Stock sum insured declared at that Location or $100,000, whichever is the lesser.

Provided however that:

(a) the increases do not apply to Loss or Damage caused by Natural Disaster, and
(b) the maximum sum insured for all Plant and all Stock at all Locations is not increased by this clause and the Insurer's liability is limited to the total sum insured as specified in the Policy Schedule.

Standard Material Damage Policy Clauses

These clauses form part of and are incorporated into the policy.

Except as otherwise stated any special limit applicable to a clause shall not increase the liability of the Insurer beyond the sums stated in the Policy Schedule.

MD01 Alternative Residential Accommodation

Where any Insured Property comprising residential accommodation, that is owned and occupied by the Insured, is rendered uninhabitable due to Loss or Damage during the Period of Insurance as insured under this policy, or would have been covered by this policy but is covered by EQC instead, for which a claim is payable, this policy covers the additional reasonable costs and expenses of temporary alternative accommodation (including the accommodation of resident domestic pets) necessarily incurred by the Insured provided that:

1. the costs and expenses are not otherwise insured,
2. the alternative accommodation is of a similar standard as the residential accommodation rendered uninhabitable.

The Insurer's liability for any one event will not exceed the special limit for Alternative Residential Accommodation shown in the Policy Schedule.

MD02 Capital Additions

This policy covers property (including, but not limited to, alterations, additions and improvements to existing Insured Property) acquired by the Insured during the Period of Insurance.

Additional Conditions

1. The cover under this clause does not apply to:
   (a) Stock;
   (b) property that is excluded by Policy Exclusion 4. (Excluded Property);
   (c) any appreciation in value which is not due to a physical alteration, addition or improvement.
2. Cover on the acquired property commences when the risk in the property passes to the Insured.
3. Cover for Insured Property under this policy will not be prejudiced where the process of installing or incorporating the acquired property necessitates the shut down or partial shut-down of the premises to effect the alteration, addition or improvement.

The Insurer's liability for any such acquisition will not exceed the special limit for Capital Additions shown in the Policy Schedule.

Unless otherwise specified the special limit for Capital Additions shall be in addition to the sums insured stated in the Policy Schedule.

MD03 Change of Temperature

This policy covers Loss or Damage insured by this policy during the Period of Insurance to Insured

Property arising from a change in temperature.

This clause does not cover Loss or Damage directly or indirectly caused by mechanical or electrical breakdown.

This includes reasonable costs incurred by the Insured in the removal to and/or storage of such property at alternative premises.

Policy exclusion 9(c)(iii) does not apply to this Clause.

MD04 Claims Assessment

This policy covers costs and fees reasonably incurred by the Insured for the preparation, presentation and certification of claims covered under this policy. Salaries, wages, overheads and other related expenses of the Insured's employees shall be deemed to be part of such costs and expenses.

This policy does not cover any costs incurred to investigate or negotiate a claim made under this policy.

MD05 Contractual Value

Where Insured Property is the subject of a lease, rental, hire or similar agreement which requires the Insured to insure and/or be responsible for the property at an agreed value then the cover provided will be the agreed value as stipulated in the lease, rental, hire or similar agreement.

The Insurer's liability for any one event will not exceed the special limit for Contractual Value shown in the Policy Schedule.

MD06 Designation of Property

Where it is necessary to determine the designation of any Insured Property for the purpose of this insurance, the Insurer will accept the designation under which the property is entered in the Insured’s records.

MD07 Excess

Each loss or series of losses arising out of one event will be adjusted separately.

The adjusted claim will be net of salvage and other recoveries. From each adjusted claim, the excess amount specified in the Policy Schedule will be deducted.

A series of events arising from any one cause during any period of 72 consecutive hours will be treated as one event for the purpose of applying the excess.

Where the Insured holds separate policies with the Insurer for property at one Location, only one excess per event will be applied, being the highest applicable. However this will not apply to any Natural Disaster Excess.

MD08 Expediting Costs

This policy covers the additional and reasonable costs of express freight, air freight, overtime labour and night, weekend or holiday working that may be reasonably incurred for the purpose of expediting the repair or reinstatement of Insured Property as a result of Loss or Damage covered by this policy.

MD09 General Average

When this policy applies to transit of Insured Property by coastal shipping between ports of New Zealand it covers the Insured for general average and salvage charges payable according to Foreign Statement or to York Antwerp Rules if in accordance with any freight contract.

MD10 Goods and Services Tax (GST)

Provided that Goods and Services Tax (GST) is recoverable by the Insurer, the sums insured

(including any special limits) by this policy are exclusive of GST.

The Insurer will pay a maximum of the sum insured plus additional GST for any accepted claim to a maximum of the current rate of GST applied to that sum insured.

Policy excesses are inclusive of GST.

MD11 Gradual Damage

This policy covers:

1. Gradual Damage to a Building that happens and that you discover during the Period of Insurance, and
2. any other part of the Building that is not directly affected but must be removed, damaged or destroyed to locate the cause of the hidden Gradual Damage, provided that the insurer has first given their permission.

Gradual Damage means hidden rot, hidden mildew or hidden gradual deterioration, caused by water leaking from any: internal tank, internal water pipe, internal waste disposal pipe, installed at the Building.

The Insurer's liability for any claim will not exceed the special limit for Gradual Damage shown in the Policy Schedule.

Policy exclusion 9(a) does not apply to this clause.

MD12 Hazardous Substance Emergency Charges

This policy covers the Insured for any charge which the New Zealand Fire Service is authorised to make against the Insured in respect of any Hazardous Substance Emergency during the Period of Insurance arising out of or in connection with any Insured Property, as a result of Loss or Damage as insured by this policy or threat of Loss or Damage as insured by this policy to the Insured Property.

The Insurers' liability for any one event will not exceed the special limit for Hazardous Substance Emergency Charges shown in the Policy Schedule.

"Hazardous Substance Emergency" has the same meaning as defined in the Fire Service Act 1975.

MD13 Keys and Locks

This policy covers the cost of replacing any lock, key, combination, electronic card or other locking system or device:

1. Where the key, combination, electronic card or other locking system or device are lost or stolen,
   or
2. Where the Insured has reasonable grounds to believe that the key, combination, electronic card electronic card or other locking system or device has been stolen or duplicated, during the Period of Insurance.

The costs include the reasonable cost of opening any safe or strongroom as a result of the loss of its key, combination, or card.

MD14 Landslip and Subsidence

This policy covers Loss or Damage during the Period of Insurance to Insured Property caused by landslip or subsidence.

The Insurers' liability for any one Location during the Period of Insurance will not exceed the special limit for Landslip and Subsidence shown in the Policy Schedule.

Policy exclusion 8(a) does not apply to this clause.

MD15 Machinery Breakdown Damage

This policy covers Loss or Damage during the Period of Insurance from mechanical or electrical Breakdown, derangement or failure of any Machine that has a cost of Reinstatement (as set out in MD26 Reinstatement Memorandum) not exceeding the special limit for Machinery Breakdown Damage shown in the Policy Schedule.

This clause does not provide cover for Loss or Damage to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.

For the purpose of this Clause the following definitions apply:

Machine

Any contrivance for the conversion and direction of motion or energy or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

Breakdown

The actual stopping or failing of the Machine due solely to internal stress or a fault in the machinery whilst in use and not by any cause external to the affected machine.

Exclusion 10 of this policy does not apply to this clause.

MD16 Money

This policy covers the Insured for Loss or Damage during the Period of Insurance to Money as set out below.

Section A

1. in transit, or
2. at the Insured's Location, places of business or sites of contract during business hours, or
3. at the Insured's Location, places of business or sites of contract while in a securely locked safe or strongroom outside business hours.

Section B

At the Insured's Location, places of business or sites of contract outside business hours and not in a securely locked safe or strongroom.

This clause does not provide for:

(a) Loss or Damage to Money insured by professional money carriers is excluded except for any amount not recoverable from such professional carriers.
(b) Loss due to the fraud or dishonesty of any employee of the Insured unless such loss is discovered within 72 hours of its occurrence excluding any Saturday, Sunday or public holiday.
(c) Loss due to shortages resulting from clerical or accounting errors.
(d) Loss occurring while the Money is in an unlocked and unoccupied vehicle.

The Insurers' liability for any one event will not exceed the special limits for Money shown in the Policy Schedule.

If an additional "Special Carry" limit designated is shown in the Policy Schedule it will operate for the period as noted in the Policy Schedule. The "Special Carry" Limit will apply to Section A only.

Policy exclusions 4(d) and 20 do not apply to this clause.

MD17 Other Interests

This policy covers any person or entity having an insurable interest in the Insured Property. This includes contractors and subcontractors as co-insureds to the extent required by any contract. Subrogation is waived against such interested parties to the extent required by the contract. The words "unintended or unforeseen" in this policy are to be interpreted from the standpoint of the person or entity seeking cover in respect of Loss or Damage.

MD18 Other Premises Storage

Where the Insured enters into a contract for the storage of property and the terms of such storage contain a disclaimer clause then the insurance for that property will not be prejudiced by the Insured agreeing to such terms.

MD19 Professional Fees

This policy covers the Insured for the cost of professional fees (including those of architects, engineers, surveyors, building consultants, council, legal fees, training consultants and IT technicians) that are necessarily and reasonably incurred as a result of Loss or Damage during the Period of Insurance as insured by this policy to Insured Property.

This clause excludes cover for those fees for the preparation or proving of claims.

MD20 Property in the Course of Construction

This policy covers Loss or Damage during the Period of Insurance to property that the Insured owns, will own, occupies or will occupy in the course of installation, construction, demolition, erection, or testing following any of them for the Insured.

The special limit shown in the Policy Schedule for Property in the Course of Construction includes allowances for:

(a) Professional Fees

(b) Demolition Costs

(c) Escalation in Cost during the building and rebuilding periods

The property insured under this Clause will also be insured in transit and elsewhere in New

Zealand.

The Insured shall declare to the Insurer the value of such works as soon as the Insured becomes aware of the necessity to do so at which a time a suitable premium will be paid if required by the Insurer.

This clause provides cover for contracts where the completed value of the works does not exceed the special limit for Property in the Course of Construction shown in the Policy Schedule.

Unless otherwise specified the special limit stated is additional to the sums insured stated in the Policy Schedule.

Policy exclusions 4(g) and 20 do not apply to this clause.

MD21 Property Sold

This policy covers Loss or Damage during the Period of Insurance to any building insured which is for sale, and where an agreement to sell the Insured's interest in the building has not been fully completed and is not otherwise insured by or on behalf of the purchaser against such Loss or Damage.

MD22 Protection Costs

This policy covers costs reasonably incurred during the Period of Insurance by the Insured for the purpose of fighting or controlling Loss or Damage as insured by this policy or threat of Loss or

Damage as insured by this policy to Insured Property.

MD23 Redundant Plant

Where there is Loss or Damage as covered by this policy to Insured Property covered by this policy and any undamaged or salvaged:

(a) plant forming part of the same interdependent system or line; or
(b) spare parts held exclusively for the Lost or Damaged plant or other plant in that system or line, are rendered redundant, the redundant plant and parts will be treated as lost by the same Loss orDamage.

Claims payable under this clause will be net of any realisable salvage value of the redundant plant and parts.

Policy exclusion 2 does not apply to this clause.

MD24 Redundant Stock

Where there is Loss or Damage as covered by this policy to Insured Property covered by this policy that leads to a reduction in the value of undamaged Stock, the reduction in value of the undamaged Stock will be treated as lost by the same Loss or Damage.

Policy exclusion 2 does not apply to this clause.

MD25 Reinstatement of the Amount of Insurance

Notwithstanding Basis of Settlement 1. Maximum Sum Insured, following any Loss or Damage during the Period of Insurance to Insured Property, the amount of the insurance reduced by the Loss or Damage will only be automatically reinstated as follows:

Where the repair or reinstatement of the damaged item of Insured Property:

(a) is covered under this policy during the repair or reinstatement of it, the amount deducted for the unrepaired portion is progressively added back to the sum insured for that item at the rate it is progressively repaired or replaced.
(b) is not covered under this policy during the repair or reinstatement of it, the amount deducted for the unrepaired portion is only added back to the Sum Insured once the repair or reinstatement of that Property Insured has been completed.

The Insured agrees to pay a reasonable additional premium for the increased risk if required to by the Insurer.

There will be no automatic reinstatement of the sum insured following Loss or Damage as a result of a Natural Disaster unless the Insurer agrees to this.

MD26 Reinstatement Memorandum

Where Insured Property is insured for 'Reinstatement' (designated by the words "reinstatement Value" in the Policy Schedule), this Reinstatement Memorandum applies to the applicable Insured Property comprising Buildings, Plant and Other Property.

This Reinstatement Memorandum does not apply to Insured Property that is shown in the Policy Schedule as being insured on a basis other than Reinstatement.

Following any Loss or Damage to any Insured Property to which this clause applies, the amount payable under this policy will be calculated on the basis of Reinstatement cost. Claims payable under this memorandum are subject to the Special Provisions set out below and to all other terms of this policy in so far as they can apply.

Definitions

1. 'Reinstatement' means:
   (a) where property is lost or Destroyed, its Reinstatement by an 'Equivalent Building' or by 'Equivalent Plant and Other Property' as the case may require,
   (b) where property is damaged but not Destroyed, the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.

2. 'Equivalent Building' means:
   (a) a building or structure that is as nearly as practicable the same as the building or structure lost or Destroyed, using current industry accepted building materials and construction methods and incorporating such alterations as are necessary to comply with any Regulation.
   (b) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph 2(a) can be constructed, a building or structure that is designed to perform a purpose or function the same as or equivalent to (but not more extensive than) that performed by the building or structure lost or Destroyed.
   (c) where, as a result of any special circumstances, no building or structure that falls within the scope of paragraph 2(a) is suitable to the Insured's reasonable requirement, then, with the consent of the Insurer (which will not be unreasonably withheld), a building or structure that is designed to perform a purpose or function suitable to that requirement, but not more extensive than that performed by the building or structure lost or Destroyed.

3. "Equivalent Plant and Other Property" means any plant, equipment or property as nearly as practicable the same as or equivalent to the plant, equipment or property lost or Destroyed, having regard to the current state of technology, and having an equivalent capacity to that of the lost or Destroyed plant, equipment or property, but not greater capacity unless plant, equipment or property with an equivalent capacity is not available and the replacement plant, equipment or property has the nearest to an equivalent capacity.

4. 'Destroyed' means the insured Loss or Damage is so great that that the property, by reason only of that damage, cannot be repaired.

5. ‘Regulation’ means any statutory, regulatory or code requirement imposed under the authority of any Act of Parliament or regulation or by-law promulgated by any lawful authority.

Special Provisions

1. The amount payable under this memorandum will include any additional cost necessarily incurred in complying with any Regulation. However, this will not include any such cost:
   (a) to the extent to which the work had already been required of the Insured by notice served prior to the Loss or Damage, or
   (b) in respect of any part of the Insured Property that was not damaged, other than;
      (i) it’s foundation, subject to Seismic Strengthening exclusion 17, or
      (ii) where the cost is incurred as the result of Loss or Damage to other Insured Property at the site.
2. Where Insured Property is Destroyed, the Insured may reinstate it upon any site owned or occupied by the Insured.
   However, the Insurer’s liability will not exceed the cost that would have been incurred had Reinstatement been carried out at the original site.
3. No payment, beyond the amount that would have been payable had this clause not been incorporated in the policy, will be made:
   (a) if the Insured elects not to Reinstate the property, or
   (b) if the work of Reinstatement is not commenced and carried out with reasonable despatch, or
   (c) until the cost of Reinstatement has been actually incurred, or
   (d) where a building or structure is damaged, but not Destroyed, and the repair of the damage is not permissible because of any Regulations, or because of the undamaged portion of the property.
4. The Insurer’s liability under this clause will not exceed the sum insured on the lost or damaged property. If the property is damaged but not Destroyed, the Insurer’s liability for the cost of Reinstatement will not exceed the amount for which they would have been liable had the property been Destroyed.

MD27 Removal of Debris

This policy covers the following costs necessarily and reasonably incurred in consequence of Loss or Damage during the Period of Insurance to Insured Property covered by this policy:

1. The cost of demolishing, dismantling, shoring up or propping of the Insured Property.
2. The cost of removing and disposing of debris and foreign matter from the Location of the Insured Property and any immediately adjoining site.
3. The cost of removing, temporarily storing and returning any damaged and undamaged Insured Property.
4. The cost of temporary repairs and other measures necessary to make it safe or suitable for continued use, including the cost of erecting and maintaining any temporary fencing, hoardings and scaffolding, where necessary to make the Insured Property safe and secure.

This clause MD27 does not include any sums which the Insured becomes legally liable to pay by way of compensation or other damages consequent upon pollution or contamination of property by any of the debris.

These costs are included and are not additional to the sum insured for each item of Insured Property unless a separate amount for removal of debris is specified in the Policy Schedule.

MD28 Repair or Reinstatement by Insured

This policy covers any repair or reinstatement work in relation to Loss or Damage to Insured Property, which is undertaken by the Insured, who is duly qualified to undertake any repair or reinstatement, and due allowance will be made for a reasonable margin of profit for such work provided these costs are reasonable.

MD29 Reservoirs, Tunnels and Bridges

This policy covers Loss or Damage as insured by this policy during the Period of Insurance to reservoirs, tunnels and bridges owned by the Insured at any Location.

The Insurer's liability for such Loss or Damage will not exceed the special limit shown in the Policy Schedule.

Policy exclusion 4(c) in relation to reservoirs, tunnels and bridges does not apply to this clause.

MD30 Residential Property – Natural Disaster Damage

Where the Insured Property includes residential property subject to compulsory EQC cover under the Earthquake Commission Act 1993, then, should the property suffer Natural Disaster damage during the Period of Insurance this policy does not insure Loss or Damage to the extent it is covered by the Earthquake Commission Act or that would have been covered but for:

1. the deduction of the EQC cover excess, or
2. the Earthquake Commission exercising its power to decline a claim for that Loss or Damage. Where the Earthquake Commission agrees to provide cover, but the Insured's Loss or Damage exceeds the Earthquake Commission payment, the most the Insurer will pay is the difference between what the Earthquake Commission pays, or would have covered (including the EQC cover excess) whether or not that is actually paid to the Insured, and the Insured's maximum entitlement under this policy.

MD31 Restoration and Reproduction Costs

This policy covers all costs and expenses incurred by the Insured for the replacement, reinstatement, repair, restoration and/or reproduction of proof materials that have suffered Loss or Damage covered by this policy, including but not limited to print blocks, plates lettering, films (positive or negative), artwork, typeset and/or paste-up.

This also includes the property of customers and shall provide cover to the owners of the Insured Property as joint insureds.

The reinstatement, repair, restoration and/or reproduction means the restoration of the damaged property to a condition substantially the same as but not better or more extensive than its condition

when new or if destroyed its replacement by similar property in a condition substantially the same as but not better than the condition of the Insured Property when new.

In all cases, the cover under this clause excludes the value to the Insured of the information contained therein.

This clause does not cover the restoration or reproduction costs for Electronic Data.

MD32 Rewards

This policy covers the cost of any reward paid by the Insured for the purpose of protecting or recovering any Insured Property during the Period of Insurance providing that:

(a) No payment will be made unless it contributes to the protection or recovery of all or part of the property, and
(b) The terms of the reward are agreed by the Insurer prior to the reward being offered.

The Insurer will not unreasonably refuse agreement to the terms of a reward payable under this clause.

MD33 Sanctions Clause

This policy shall not be deemed to provide cover and the Insurer will not be liable to pay any claim or provide any benefit under this policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would be in violation of any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or New Zealand.

MD34 Several Liability

If more than one Insurer subscribes to this policy the liability of each Insurer is several and not joint with any other Insurer.

The liability of each Insurer for each sum payable under the policy will not exceed the percentage set against the Insurer(s) name. The Insurers and their respective percentages will be shown in the Policy Schedule.

The Insurer first named is deemed to be the leading Insurer.

Each following Insurer agrees to follow the decision of the leading Insurer in all matters arising out of this policy.

MD35 Smoke Damage

For the avoidance of any doubt where adjoining or adjacent premises that are not owned by or occupied by or in the Insured's care custody or control are damaged by fire any damage to Insured Property by smoke or water or other material used in the extinguishing of the fire is deemed to be fire damage to the Insured Property.

Policy exclusion 9(b)(ii) does not apply to this clause.

MD36 Spoilage

If Stock is insured under this policy it is insured for:

1. deterioration during the Period of Insurance of goods stored in refrigerated cabinets or chambers or coolstores arising from any breakdown, defect or stoppage of the refrigerating plant from any cause, and
2. expenses reasonably incurred to avoid or diminish such deterioration to the said goods as provided under (1) above by transferring the threatened goods to alternative storage, or by other means.

Provided always that:

(a) The words "goods stored in refrigerated cabinets or chambers or coolstores" includes goods which, at the time of the breakdown, defect or stoppage of the refrigerating plant giving rise to the deterioration, are elsewhere on the Insured's premises, and which would, but for the breakdown, defect or stoppage of the refrigerating plant, have been placed in the said cabinets or chambers.
(b) Damage to goods arising from disconnection of the public electricity supply by the supply authorities where the disconnection was advised by the appropriate authority prior to the damage is excluded.

The Insurers' liability will not exceed the special limit shown in the Policy Schedule. Policy exclusion 9(c)(i) does not apply to this clause.

MD37 Temporary Removal

This policy covers any Insured Property (except Stock) for Loss or Damage during the Period of

Insurance while temporarily removed to any place in New Zealand and while in transit.

The amount recoverable under this clause shall not exceed the amount which would have been recoverable had the Loss or Damage occurred at the Location from which the Insured Property is temporarily removed providing that the property is not otherwise insured.

Policy exclusion 20 does not apply to this clause.

MD38 Theft

This policy covers Loss or Damage during the Period of Insurance caused by theft or attempted theft of Insured Property at the Location.

Policy exclusion 18(a) does not apply to this clause.

MD39 Theft From Motor Vehicle or Storage Container

This policy covers Loss or Damage during the Period of Insurance to Insured Property at any of the following:

1. any Storage Container,
2. any vehicle.

Provided that the Loss or Damage is caused by theft or attempted theft where that theft is accompanied by violence, or threat of violence, to any person, or involving violent and forcible entry to, or exit from, the Storage Container or vehicle.

The Insurer's liability for any one loss will not exceed the special limit shown in the Policy Schedule. Policy exclusions 18(a) and 20 does not apply to this clause.

MD40 Transit of Property

This policy covers Loss or Damage during the Period of Insurance to Insured Property while in transit within New Zealand.

Where the property comprises goods destined for transit beyond New Zealand, cover on the goods ceases at the earliest of:

1. the time the goods pass over the ships rail or through air transport loading doors for overseas transit from any New Zealand port or airport, or
2. when the Insured's risk in the goods ceases in accordance with the contract of sale. The Insurer's liability will not exceed the special limit shown in the Policy Schedule.
   The special limit does not apply to Loss or Damage that would be recoverable under this insurance without the benefit of this clause.

Policy exclusions 18(a) and 20 of this policy do not apply to this clause.

MD41 Undamaged Foundations

Subject always to Exclusion 17 – Seismic Strengthening, where any foundation of Insured Property is undamaged or damaged in part then:

1. If by order of competent authority, replacement cannot be carried out on the same site, or
2. If due to damage to other Insured Property such foundation is rendered unsuitable or unusable or of no further value,

the foundation will be deemed to be destroyed and the Insured will be indemnified according to the provisions of this policy.

This clause also covers the costs of any necessary removal of such foundations.

MD42 Unharmed Property

Where, for the purpose of reinstating Insured Property that has suffered Loss or Damage covered by this policy, it is necessary to demolish, damage or remove any property or part unharmed by that Loss or Damage, the Insurer will pay the costs to

(a) demolish, damage or remove, and
(b) subsequently repair or reinstatement

the insured property in accordance with the Reinstatement Memorandum MD26.

The amount payable under this clause does not increase the Insurer's total liability under this policy.

Optional Material Damage Policy Clauses

Where the optional clause is noted as included in the Policy Schedule those clauses form part of and are incorporated in to the policy.

Except as otherwise stated any special limit applicable to a clause shall not increase the liability of the Insurer beyond the sums stated in the Policy Schedule.

MD43 Computer Breakdown

This policy extends to cover Loss or Damage during the Period of Insurance caused by Breakdown of Insured Property, where it consists of computer or electronic control equipment.

For the purpose of this clause, Breakdown means: any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement or breakdown of whatsoever kind.

The Insurers' liability under this clause will not exceed the special limit shown in the Policy Schedule.

Exclusion 10 of this policy does not apply to this clause.

MD44 Pressure Vessel Clause

This policy covers Loss or Damage during the Period of Insurance to Pressure Vessels and associated piping arising from Explosion, Rapture, Bursting, Collapse or Overheating of the particular Pressure Vessel or piping.

Definitions for the purpose of this optional clause:

1. "Pressure Vessels" means those parts of the permanent structure of any item of such plant which in normal use are subject to generated or applied fluid pressure or vacuum up to and including fittings and direct attachments (subject to such pressure) which are connected to the permanent structure without intervening valve or cock.
2. "Explosion" means the sudden and violent rending of the permanent structure of the particular item of plant by force of internal steam or fluid pressure (other than pressure of ignited flue gases) causing bodily displacement of any part of the structure together with the forcible ejectment of its contents.
3. "Collapse" means the sudden and dangerous distortion of the furnace or firebox of an internally fired Boiler or any part of a Boiler or Pressure Vessel caused by bending or crushing of the permanent structure by force in internal steam or fluid pressure (other than pressure of ignited flue gases) or vacuum.
4. "Overheating" means overheating caused by deficiency of fluid therein.

The Insurers' liability for such Loss or Damage will not exceed the special limit shown in the Policy Schedule.

The special limit does not apply to Loss or Damage that is not otherwise excluded by this policy.

Policy exclusion 10 does not apply to this clause.

MD45 Seasonal Stock Increase

The Stock sum insured detailed in the Policy Schedule is increased by the percentage or amount specified and for the period of time specified in the Policy Schedule.

MD46 Stock Declaration Conditions

The initial premium charged for Stock is provisional and is adjustable at the end of the Period of Insurance in accordance with the following conditions:

1. Declarations of the actual value of the Stock held on the last day of each month (or any agreed alternative date) within the Period of Insurance must be made in writing to the Insurer.
   Declarations made to the Insured's insurance broker will be deemed declarations made to the Insurer.
2. If any monthly declaration exceeds the sum insured on Stock, then, in calculating the average of the monthly declarations, the sum insured will be included in place of the actual declaration for that month.
3. If no declaration is received for any one month the sum insured on Stock as noted in the Policy Schedule will apply in its place.
4. The average of these monthly declarations will be computed at the end of the Period of Insurance and the actual premium payable will be assessed on that average (or on one half of the sum insured on Stock, whichever is the greater).
5. If the provisional premium paid exceeds the actual premium payable, the Insurer will refund the difference to the Insured. If the actual premium payable exceeds the provisional premium paid, the Insured will pay the difference to the Insurer.

MD47 Sustainable Rebuilding Costs

This policy covers additional reasonable costs incurred to upgrade Building(s) with Sustainable Products, provided that:

1. the Building(s) have suffered a total loss covered by this policy, and
2. Reinstatement Conditions apply to the Building(s), and
3. the Building(s) are reinstated, and
4. the Insurer approves the Sustainable Products (approval will not unreasonably be withheld).

The Insurer's liability for such additional costs will be the lesser of 5% of the actual cost of Reinstatement of the Building or $250,000.

The amount payable under this clause is in addition to the total sum insured.

"Sustainable Products" means:

(a) products that increase the efficiency of the Building relating to the use of energy and/or water,
(b) rebuilding materials that reduce environmental impacts.

Exclusions applying to the Material Damage Policy Wording

1. Building Defects

This policy does not cover Loss or Damage to a building or structure being affected by:

1. Moisture or water build-up or the penetration or external moisture or water, or
2. The action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa, or any similar or like forms.

that is caused directly or indirectly by:

(i) Non compliance with the NZ Building Code, or
(ii) Faulty design or faulty specification, including but not limited to faulty sequence, procedure or program, or
(iii) Faulty materials, or
(iv) Faulty workmanship.

when the building or structure was constructed, manufactured, altered, repaired, renovated or maintained.

This exclusion does not apply to loss or damage that is caused by or directly arises from the leakage of internal pipes, internal water reticulation systems or internal cisterns.

2. Consequential Loss

This policy does not cover any consequential economic loss including penalties, loss of use of any property, delays or loss of market.

3. Electronic Data

This policy does not cover loss or damage to Electronic Data and Software from any cause whatsoever including, but not limited to, a Computer Virus. This includes loss of use, reduction in functionality or any other associated loss or expense in connection with Electronic Data and Software.

This exclusion does not apply to:

1. any Loss or Damage to other parts of the Insured Property, that occurs as a result of the Loss or Damage to Electronic Data and Software, or
2. the loss of Electronic Data and Software resulting from electronic equipment insured by this policy suffering Loss or Damage covered by this policy.

4. Excluded Property

(a) This policy does not cover Loss or Damage to:
Motor vehicles, registered mobile plant, watercraft, aircraft, railway rolling stock, and their accessories unless held as Stock for the business or auction.
This exclusion does not apply to mobile plant used in or around the Insured's premises.

This exclusion does apply to motor vehicles, registered mobile plant, watercraft, aircraft, railway rolling stock, and their accessories held as Stock unless they are in use at the time the Loss or Damage occurs.

(b) Livestock, animals, standing timber and growing crops.

(c) Land, dams, canals, reservoirs (but not tanks), rail or road bridges, road or rail tunnels, docks, piers, wharves, mining property located beneath the surface of the ground.
The exclusion of any reservoir, tunnel or bridge does not apply to any such property located at sites owned or occupied by the Insured and whose individual value does not exceed the special limit specified in the Policy Schedule.

(d) Money.

(e) Bullion, precious stones, jewellery, fur or precious metals unless it is an item of Stock, or a component of any plant or machinery.

(f) Transmission and distribution lines, wires, cables, towers, poles, pylons, standards, including any components or equipment attaching to these, unless they are at a Location shown in the Policy Schedule.

(g) Property in the course of installation, construction, demolition, erection, or testing following any of them.

5. Exposure to weather

This policy does not cover Loss or Damage to Insured Property caused solely by exposure to weather conditions where such property is not normally left in the open unless reasonable precautions have been taken to protect the property from those conditions.

6. Faulty Materials Workmanship or Design

This policy does not cover the cost of:

(a) repairing or replacing faulty materials, or

(b) fixing faulty workmanship, or

(c) fixing any work performed to a faulty design plan, or design specification.

This exclusion does not apply to any resultant Loss or Damage arising from any of these.

7. Infectious Disease

This policy does not cover Loss or Damage in connection with a Notifiable Infectious Disease under the Health Act 1956 or the Biosecurity Act 1993.

8. Landslip Subsidence

This policy does not cover Loss or Damage directly or indirectly caused by:

(a) Landslip, subsidence.

(b) Erosion or expansion of the ground.

(c) Normal settlement, normal shrinkage or normal expansion of buildings, foundations, walls, pavements, roads and other structural improvements.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

9. Loss or Damage Not Covered

This policy does not cover:

(a) The following types of damage:
  (i) Slowly developing deformation or distortion,
  (ii) Gradual deterioration,
  (iii) Rot, mould, fungi or mildew,
  (iv) Marring or scratching
(b) Loss or Damage directly or indirectly caused by any of the following:
  (i) Corrosion (caused only by atmospheric conditions), action of light, or inherent nature of the property,
  (ii) Fumes, gas, dust, smoke, smut or soot,
  (iii) evaporation, loss of weight, change of flavour, change of colour, change of texture or finish,
  (iv) Direct result of any maintenance of Insured Property including servicing, cleaning and subsequent testing,

This exclusion only applies to the parts of the Insured Property first affected and does not apply to any resultant physical loss or physical damage to other parts of the Insured Property.

(c) Loss or Damage immediately preceded by any of the following:
  (i) Interruption of the supply of water, gas, electricity, or any other fuel to the situation,
  (ii) Total or partial stoppage of work, or interruption or cessation of any process,
  (iii) A change in artificially controlled temperature or atmosphere.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

10. Machinery and Pressure Vessels

1. Machinery

This policy does not cover mechanical or electrical Breakdown, derangement or failure of any

Machine.

This exclusion will not apply to:

(a) electric motors and starters to a limit of 10 kW unless a higher limit is stated in the Policy Schedule.
(b) distribution switchboards, switchboards, circuit boards, circuit breakers, and permanently installed electrical reticulation,
  provided that the damage is fusion or burnout that is immediately preceded by:
  (i) the failure of electrical insulation, or
  (ii) abnormal electric current, or
  (iii) electrically induced self-heating.
(c) subsequent Loss or Damage to other Property that is not otherwise excluded by this policy.

For the purpose of this exclusion the following definitions apply:

Machine

Any contrivance for the conversion and direction of motion or energy or for the performance of any electronic process, and includes any protective device in connection with that contrivance.

Breakdown

The actual stopping or failing of the Machine due solely to internal stress or a fault in the machinery whilst in use and not by any cause external to the affected machine.

2. Pressure Vessels

This policy does not cover Loss to Damage due to the explosion, rupture, bursting, cracking, leakage, collapse or overheating due to fluid pressure within or without (other than pressure caused solely by weight of contents or by chemical explosion) or vacuum of any Pressure Vessel (other than a boiler used for domestic purposes).

This exclusion will not apply to subsequent Loss or Damage to other Insured Property.

11. Micro-organisms, vermin, insects

This policy does not cover Loss or Damage directly caused by action of micro-organisms, vermin or insects.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

12. Normal working, wear and tear, corrosion

This policy does not cover Loss or Damage directly caused by wear and tear, corrosion (caused only by atmospheric conditions), or normal working.

This exclusion only applies to the part or parts immediately affected.

This exclusion will not apply to Loss or Damage arising from a cause that is not otherwise excluded by this policy.

13. Nuclear Risks

This policy does not cover Loss or Damage in connection with:

1. ionising radiation or contamination by radioactivity from:
   (a) any nuclear fuel, or
   (b) any nuclear waste from the combustion or fission of nuclear fuel.
2. nuclear weapons material.

14. Order of Authorities

This policy does not cover Loss or Damage in connection with confiscation, nationalisation, destruction or requisition of Insured Property by the order of government or local authority unless the order is given for the purpose of controlling Loss or Damage insured by this policy.

15. Pollution Contamination

This policy does not cover Loss or Damage in connection with pollution or contamination.

This exclusion does not apply where the pollution or contamination is from a cause not otherwise excluded by this policy.

This exclusion only applies to the part or parts immediately affected.

16. Production Process

This policy does not cover Loss or Damage to Stock undergoing any production process where the

Loss or Damage is directly caused by the operation of that process. This exclusion only applies to the part immediately affected.

This exclusion does not apply to where Loss or Damage is not otherwise excluded under this policy.

17. Seismic Strengthening

Notwithstanding any provision in this policy to the contrary, the amount payable under this policy excludes any costs incurred solely to seismically strengthen the Insured Property to a level greater than its level before the Loss or Damage occurred.

18. Theft

This policy does not cover Loss or Damage directly resulting from

(a) Theft or attempted theft unless it is Burglary,
(b) Theft, attempted theft or fraud by the Insured or an employee of the Insured, other than the cover provided in clause MD16 Money,
(c) Any fraudulent scheme or device, or false pretence practiced on the Insured.

19. Terrorism

This policy does not cover Loss or Damage in connection an Act of Terrorism, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an Act of Terrorism.

For the purpose of this exclusion an Act of Terrorism means an act including but not limited to the use of force or violence and/or the threat of that, including the intention to influence any government or to put in fear the public or any section of the public which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s).

20. Transit of Property

This policy does not cover Loss or Damage to Insured Property in transit other than at premises owned or occupied by the Insured.

21. Unexplained shortage

This policy does not cover unexplained loss or inventory shortages revealed only at stocktaking or shortages due to accounting or clerical errors.

22. War

This policy does not cover Loss or Damage in connection with war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

Conditions applying to the Material Damage Policy Wording

GC01 Alteration of Risk

Where the Insured becomes aware of any change in the nature of the business operations or change in the occupancy or change in circumstances that increases the risk of Loss or Damage to Insured Property, this will be notified to the Insurer within a reasonable time.

However, no notification is required and the policy continues in force where:

(a) such change is usual and/or incidental to the business of the Insured and does not increase the risk.
(b) alterations and/or repairs are not structural.
(c) the Insured shuts down or ceases operations, and / or where buildings remain vacant or unoccupied for not more than 90 days.

The Insurer may change the terms of the policy and the Insured agrees to pay any reasonable additional premium if required by the Insurer.

GC02 Cancellation

By the Insured

This policy may be cancelled by the Insured at any time, and with immediate effect, by providing written notice to the Insurer.

Following such cancellation the Insurer will be entitled to retain a pro-rata proportion of the premium (subject to any adjustment required under the terms of this policy) for the time during which the policy has been in force.

By the Insurer

This policy may be cancelled by the Insurer at any time by providing written notice to the Insured at the address last known to them or to the Insured's insurance broker or representative.

The cancellation will take effect at 4pm on the 30th day after the written notice has been delivered or posted. Following such cancellation, the Insurer will refund to the Insured a pro-rata proportion of the premium, subject to any adjustment required by the terms of this policy.

GC03 Due Precautions

The Insured shall take all ordinary and reasonable precautions for the safety of the Insured Property.

GC04 Fraud

If the Insured makes any claim with knowledge that it is false or fraudulent, all benefit under this policy in respect only of that claim will be forfeited.

GC05 Inspection

The Insurer is entitled to inspect Insured Property subject to reasonable notice of the intention to do so to, and agreement from, the Insured. The Insured must provide such information as may be reasonably required by the Insurer in relation to the subject of this insurance.

Neither this condition, nor any inspection performed by the Insurer, nor any report arising from such an inspection, are to be regarded as an undertaking by the Insurer to determine or warrant that any operations or premises are safe.

GC06 Knowledge of Insured

If the Insured has an insurance manager or equivalent the knowledge of the Insured is deemed to be restricted to the knowledge of the Insured's insurance manager or equivalent.

GC07 Joint Insureds

"Insured" includes any person or corporation entitled to indemnity under the terms of this policy, whether or not the person or corporation is named in the Policy Schedule. Where this policy is to the benefit of more than one Insured:

(a) the Insured first named in the Policy Schedule will be responsible for payment, on behalf of all Insureds, of any premium due or which may become due.
(b) the Insurer's obligation to make any payment to the Insured in terms of this policy will be discharged on making that payment to the Insured first named in the Policy Schedule.
(c) any notice, for which provision is made in this policy, given by or given to the Insured first named in the Policy Schedule will be deemed sufficient notice by or to all Insured entities.
(d) unless the context requires otherwise, any words such as "unintended", and "unforeseen", that appear in this policy or in any endorsement to this policy in relation to a loss or cause

of loss, are to be interpreted from the standpoint of the Insured seeking indemnity in respect of the loss or cause of loss.

GC08 Misdescription

This policy will not be voidable, prejudiced or invalidated by:

(a) any innocent alteration or inadvertent misdescription of property or occupancy.
(b) any act of the occupier whereby the risk of Loss or Damage to property not in the occupation of the Insured is increased without the authority or knowledge of the Insured.
(c) any innocent misrepresentation or non-disclosure of any material particular.
(d) the breach of any condition or warranty without the knowledge and consent of the Insured.

Provided that notice is given to the Insurer immediately the Insured becomes aware of any of the above circumstances.

GC09 Mutually Acceptable Assessors

Any loss adjuster or assessor appointed by the Insurer in connection with a claim must be one that is mutually acceptable to the Insurer and the Insured.

GC10 Notification of Claims

Following a loss that gives rise to or is likely to give rise to a claim on this policy the Insured must:

(a) take prompt steps to minimise any Loss or Damage,
(b) notify the Insurer as soon as is practicable,
(c) provide the Insurer with as much information as may reasonably be required in connection with the claim,
(d) inform the police if a criminal act is suspected.

GC11 Observance of Terms

The due observance and fulfilment of the terms and conditions of this policy by the Insured in so far as they relate to anything to be done or complied with by the Insured, and the truth of statements made in the proposal for this insurance, and of any other statements made in support of this insurance are conditions precedent to any liability of the Insurer to provide any indemnity under this policy.

GC12 Other Insurance

If at the time of insured Loss or Damage, there is any other contract of insurance that is valid and collectable by the Insured on the same Loss or Damage, no claim will be payable under this policy unless and until the Insured has first made a claim on the other insurance and the amount of the other insurance has been exhausted.

GC13 Progress Payments

Following a claim under this policy, payments on account will be made promptly to the Insured at any time before final settlement on production to the Insurer of reasonable evidence in support of the amount claimed

GC14 Recoveries

If in exercising its right of subrogation, the Insurer recovers all or any part of a loss payable under this policy the amount of the recovery will be shared between the Insurer and the Insured in the following manner:

(a) Excluding the excess applicable the Insured will be fully reimbursed for any uninsured portion of the loss.
(b) The remaining amount after the application of (a) above will be shared between the Insured and the Insurer in the ratio of their respective losses; the loss to the Insured being that portion of the loss which is uninsured by reason of the excess, and the loss to the Insurer being the amount of its actual payment under the policy.

The expenses of all of the recovery effort will be borne in the ratio of the respective recoveries. If no recovery is made then the costs will be for the account of the Insurer.

Notwithstanding anything in the excess clause, no account will be taken of any subrogated recoveries in establishing the amount of the adjusted loss to which the excess applies.

GC15 Release of Liability

Where the Insured is required by legislation or by contractual agreement to release any of the following from liability arising from Loss or Damage insured by this policy, the release is allowed without prejudice to this insurance:

(a) the Crown.
(b) any government-owned corporation.
(c) any municipal or local authority.
(d) the New Zealand Fire Service.
(e) any certified fire protection equipment supplier.
(f) any lift maintenance engineer.
(g) any oil company.
(h) any party to a contract entered into by the Insured for the storage of goods or the leasing of property.
(i) any other party to an agreement where such agreement was in place prior to the occurrence of any loss indemnified by this policy.

GC16 Salvage

Where Insured Property suffers Loss or Damage the Insurer may:

(a) enter any building where the Loss or Damage has occurred and take and keep possession of the damaged property.
(b) deal with the salvage in any reasonable manner.

Provided that:

Where branded stock insured under this policy suffers Loss or Damage, the Insurer may not sell or otherwise dispose of such stock without the consent of the Insured.

Where the Insured declines to give that consent, the Insured will retain possession of the salvaged goods and the reasonable salvage value of the stock will be deducted from the amount of claim otherwise payable.

Where it is practical to remove brands, labels or other marks, which identify the goods as supplied by the Insured, the salvage value of the goods will be determined after such removal at the Insurer's expense.

GC17 Subrogation

Where, upon accepting liability for a claim under this policy, the Insurer is entitled to become subrogated to the Insured's right of recovery or indemnity from any other person or corporation then the Insured must, at the Insurer's expense, do and concur in doing and permit to be done anything reasonably required by the Insurer for the purpose of enforcing that right.

The Insured must comply with this condition when required, whether before or after having been indemnified by the Insurer.

GC17 Territorial Limits

Unless otherwise agreed by the Insurer property insured under this policy is only covered within New Zealand territorial limits.

Definitions

Burglary

Theft or attempted theft:

1. accompanied by threat of violence, or actual violence, to any person, or
2. involving physical evidence of violent and forcible entry to, or exit from, an enclosed building (or part of an enclosed building), or
3. involving physical evidence of violent and forcible entry to, or exit from, a securely locked motor vehicle or Storage Container, or
4. of a permanently attached part of the building by the forcible removal of it.

Computer Virus

A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes but is not limited to 'Trojan Horses', 'Worms' and 'Time or Logic Bombs'.

Electronic Data

Facts, concepts and information converted to a form useable for communications, display, distribution interpretation or processing by electronic or electromechanical data processing or electronically controlled equipment.

Insured

The persons or entities named in the Policy Schedule.

Where any entity is a company, this includes any subsidiary company provided that more than half the nominal value of the subsidiary company's equity share capital is owned by that entity either directly or through other subsidiaries, and includes any other entity over which that subsidiary company exercises management control.

Insurer

The Insurer named in the Policy Schedule.

Insured Property

All tangible property of every description at the Location not expressly excluded by this policy:

(a) owned by the Insured,
(b) in the Insured's care, custody or control (other than Buildings),
(c) held by the Insured jointly or in trust,
(d) held by the Insured on commission,
(e) for which the Insured is legally responsible or had assumed legal responsibility at the time of any Loss or Damage, including property which is sold but not delivered or for which payment has not been received (other than Buildings).
(f) clothing, personal effects and tools of trade of principals, directors and employees, provided that, the property is being worn, carried or used by while they are acting in the course of their duties or employment,
(g) employee social clubs, sports club or similar body whose activities are for the benefit of the Insured's employees,

within the following categories shown in the Policy Schedule

<u>Categories of Insured Property</u>

Buildings: Structures of every description including underground and above-ground services, walls, retaining walls, fences, gates, poles, permanent signs, under and above ground storage tanks as well as site improvements, including but not limited to:

(a) paths,
(b) landscaping, gardens, ornamental trees and shrubs,
(c) roads,
(d) yards,
(e) permanent fixtures and fittings at the building(s), including but not limited to permanently wired alarm systems and permanently wired security cameras.

Plant: Plant, machinery, improvements, chattels, equipment, spare parts, tools, moulds, patterns, dyes, computer records, switchboards, cables, piping, telecommunication equipment and all other contents of every description and any other item not insured within the definition of Buildings above or Stock below (except for Other Property and Money).

Stock: Stock and materials in trade including manufactured or unmanufactured and in the course of manufacture, all materials used in making or packing goods, raw materials, produce, work in progress, property sold but not delivered or uplifted, constructional or building supplies and all other property as defined above considered by the Insured to be stock.

Other Property: As more specifically detailed in the Policy Schedule. Money: As defined in this policy.

Money: As defined in this policy.

Location

(a) All premises owned, leased or used by the Insured as detailed in the Schedule of Insured Property attaching to the policy.
(b) Trade shows or exhibitions where any Insured Property is located to a maximum of $25,000.
(c) Any premises anywhere else in New Zealand where any Insured Property is located, limited to 20% of the sums insured to a maximum of $100,000.

Where premises are separated by a public road they are deemed to be separate Locations for the purpose of this definition.

Loss or Damage

Sudden and unintended and unforeseen physical loss or physical damage.

Money

(a) Current coin, bank notes, currency notes,
(b) Cheques including non-negotiable cheques, postal notes, postal orders, travellers cheques,
(c) Bank drafts and money orders,
(d) Credit card vouchers, redeemable vouchers and tokens,
(e) Phone cards,
(f) Unused postage and revenue stamps,
(g) Petrol vouchers, tickets,
(h) Unused postage, unused franking machine credits and revenue stamps belonging to the Insured,
(i) Other tangible negotiable instruments,
(j) Any of (a) to (i) that is not the property of the Insured but in their custody or under their control for which the Insured is responsible,
(k) Any of (a) to (i) that is owned by the Insured's social club if not otherwise insured.

Natural Disaster

Earthquake, volcanic activity, hydrothermal activity, subterranean fire, tsunami, geothermal activity, or fire caused by any of these.

Period of Insurance

The period that commences and ends at the times and dates specified in the Policy Schedule.

Policy Schedule

The most recent policy schedule attaching to and forming part of this policy.

Pressure Vessel

Is any boiler or economiser or pipe or other vessel which in normal use is subject to generated or applied fluid pressure or vacuum and includes all related parts, controls and systems.

Region

The areas of land in the Regions and Districts as defined in the Local Government New Zealand

(LGNZ) Regional and Districts boundaries map.

Software

Programs, procedures and routines associated with the operation of electronic or electromagnetic data processing or electronically controlled equipment including any operating system.

Storage Container

Any fully enclosed:

(a) shipping container or similar, or
(b) portable shed or similar structure, or
(c) non-portable container, such as a metal or wooden container that has been built into or secured to a vehicle.

Temporary Removal

Means removal from the Location for a particular purpose, with the intention that the property be returned to the place from which it has been removed once that purpose has been served.

Standard Endorsements

The following endorsements attach and apply to this policy:

Communicable Disease Exclusion

Notwithstanding any provision to the contrary in this policy or any endorsement thereto:

This policy does not cover any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:

1. Communicable Disease;
2. notifiable organism or disease under the Biosecurity Act 1993;
3. fear or threat (actual or perceived) or action taken to control or prevent or suppress any of the diseases, conditions or circumstances described in this exclusion.

Subject to the other terms, conditions and exclusions of this policy, this exclusion will not apply to physical damage to property insured or any Time Element Loss directly resulting therefrom where such physical damage is directly caused by or arising from any of the following perils:

fire, lightning , explosion, aircraft or vehicle impact, falling objects, windstorm, rainstorm, hail, tornado, cyclone, typhoon, hurricane, landslip, earthquake, seismic and/or volcanic activity, tsunami, flood, freeze, weight of snow or ice, avalanche, meteor/asteroid impact, riot, riot attending a strike, civil commotion, vandalism, malicious mischief.

Definitions

Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

(a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
(b) 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
(c) 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.

Time Element Loss means business interruption, contingent business interruption or other consequential losses covered by the policy.

Cyber Exclusion

Notwithstanding any provision to the contrary in this policy or any other endorsement thereto:

This policy does not cover any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with any:

1. Cyber Act or Cyber Incident, including any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident; or
2. loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount relating to the value of such Data.

Subject to the other terms, conditions and exclusions of this policy, exclusion (1.) shall not apply to physical loss or physical damage to insured property or any Time Element Loss directly resulting therefrom where such physical loss or damage is directly caused by any of the following:

(a) theft or forcible entry;
(b) storm, windstorm, hail, tornado, cyclone, hurricane;
(c) fire, lightning or explosion;
(d) earthquake, volcano activity or tsunami;
(e) flood, freeze or weight of snow;
(f) aircraft impact or vehicle impact or falling objects;
(g) water damage;
(h) loss of or damage to refrigerated goods due to a change in temperature.

Provided that there is no cover where such loss, damage or Time Element Loss is directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with a Cyber Act.

Definitions

Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

(a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
(b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller and including any similar system or configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

Time Element Loss means business interruption, contingent business interruption of other consequential losses covered by the policy.

Governing Law and Jurisdiction

The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.