



PLANT AND MACHINERY INSURANCE POLICY

Please read this policy carefully and if any error is found or if the cover is not in accordance with your needs, please return it to us immediately for correction.

PEOPLE'S INSURANCE PLC
(Company No. PB 3754 PQ)
07, Havelock Road, Colombo 05
T: +94 11-2206 406
F: +94 11-2206 434



**PEOPLE'S
INSURANCE**
CARING WITH LOVE

Whereas the Insured named in the Schedule hereto has made to the People's Insurance PLC. (hereinafter called "the Insurers") a written proposal by completing a questionnaire which together with any other statements made in writing by the insured for the purpose of this Policy, is deemed to be incorporated herein.

Now this Policy of Insurance witnesses that, subject to the Insured having paid to the Insurers the premium mentioned in the Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon.

The Insurers hereby agree with the Insured that if at any time during the period of insurance stated in the Schedule or during any subsequent period for which the Insured pays and the Insurers may accept the premium for the renewal of this Policy, the items (or any part thereof) entered in the Schedule, whilst at the location or in the geographical area mentioned therein, suffer any unforeseen, external and sudden physical loss or damage from any cause not specifically excluded in a manner necessitating repair or replacement.

The Insurers will indemnify the Insured in respect of such loss or damage, as hereinafter provided, by payment in cash, replacement or repair (at the Insurers' option) upto an amount not exceeding in any one year of insurance in respect of each of the items specified in the Schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the Schedule as insured hereby.

This policy shall apply whether the insured items are at work or at rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or in the course of subsequent re-erection, but in any case only after successful commissioning.

General Exclusions

The Insurers shall not be liable for

- 1) the deductible stated in the Schedule to be borne by the Insured in any one occurrence, if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items;
- 2) loss of or damage due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage shall be indemnifiable.
- 3) loss or damage to replaceable parts and attachments such as bits, drills, knives or other cutting edges, saw blades, dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, connecting wires and cables, flexible pipes, jointing and packing material regularly replaced;
- 4) loss of damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engine;
- 5) loss of or damage to vehicles designed and licensed for general road use unless these vehicles are exclusively used on construction sites;
- 6) loss of or damage to waterborne vessels or craft;
- 7) loss or damage due to total or partial immersion in tidal waters;
- 8) loss of or damage whilst in transit unless otherwise agreed by endorsement;
- 9) loss or damage as a direct consequence of the continual influence of operation (eg. wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions);
- 10) loss or damage occurring whilst any insured item is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- 11) loss of or damage to plant and/or machinery working underground unless otherwise agreed by endorsement;
- 12) The Insurers will not indemnify the insured in respect of loss, damage or liability directly or indirectly caused by, arising out of or aggravated by
 - a. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority, mutiny, civil commotion, tribal rising, military rising, insurrection, strike, riot, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege; or
 - b. any 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 thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and / or to put the public, or any section of the public, in fear
This insurance also excludes loss, damage, cost or expense of whatsoever nature, directly or indirectly caused by resulting from or in connection with any action taken in controlling, prevailing, suppressing or in any way relating to (a) and / or (b) above.
- 13) nuclear reaction, nuclear radiation or radioactive contamination.
- 14) loss or damage due to any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Insurers or not;
- 15) loss or damage directly or indirectly caused by, arising out of, or aggravated by the wilful act or wilful negligence of the Insured or his representatives;
- 16) loss or damage for which the supplier, or manufacturer is responsible either by law or under contract;
- 17) consequential loss or liability of any kind or description;
- 18) loss or damage discovered only at the time of taking an inventory or during routine servicing.
- 19) Theft of body parts.

In any action, suit or other proceeding where the Insurers allege that by reason of the provisions of exclusions 12-16 above any loss, destruction or damage is not covered by this Policy, the onus of proving that such loss, destruction or damage is covered shall be upon the Insured.

Provisions

Sum Insured

It shall be a requirement of this Policy that the sum insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their cost of replacement including eg: freight dues and customs duties, if any, and cost of erection. If the sum insured is less than the amount required to be insured, the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

Basis of Loss Settlement

In the event of any loss or damage the basis of any settlement under this Policy shall be as follows:

- a. In cases where damage to an insured item can be repaired – the Insurers shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the Insured, the Insurers shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account. If the cost of repairs as detailed hereinabove equals or exceeds the actual value of the item insured immediately before the occurrence of the damage, the item shall be regarded as destroyed and settlement shall be made on the basis provided for in (b) below.

- b. In cases where an insured item is destroyed the Insurers shall pay the actual value of the item immediately before the occurrence of the loss, including charges for ordinary freight, cost of erection and customs duties, if any provided such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item. The value of any salvage shall be taken into account.

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

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

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

The amount payable by the Insurers according to the above mentioned provisions shall be reduced by the deductible stated in the Schedule.

The Insurers shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

Conditions

1. The due observance and fulfilment of the terms of this Policy, in so far as they relate to anything to be done or complied with by the Insured, and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurers.
2. The Schedule shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy", wherever used in this contract, shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss or damage and comply with statutory requirements and manufacturers' recommendations.
4. Machinery should be handled by an experienced/skilled operator of the original Insured.
5.
 - a. Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for the assessment of the risk.
 - b. The Insured shall immediately notify the Insurers by telecommunication and in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require to ensure safe operation of the insured items, and the scope of cover and / or premium shall if necessary, be adjusted accordingly. No material alteration shall be made or admitted by the Insured whereby the risk is increased unless the continuance of the insurance is confirmed in writing by the Insurers.
6. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall -
 - a. immediately notify the Insurers by telecommunication as well as in writing giving an indication as to the nature and extent of the loss or damage;
 - b. take all reasonable steps within his power to minimize the extent of the loss or damage;
 - c. preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurers;
 - d. furnish all such information and documentary evidence as the Insurers may require;
 - e. inform the police authorities in the case of loss or damage due to theft or burglary.

The Insurers shall on no account be liable for loss or damage of which no notice has been received by the Insurers within 14 days of its occurrence. Upon notification being given to the Insurers under this condition, the Insured may carry out repairs of any minor damage or replace items which have sustained any minor damage: in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alternations are effected. If a representative of the Insurers does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement. Nothing contained herein shall prevent the Insured from taking such steps as are absolutely necessary for the upkeep of operations at the respective construction site. The liability of the Insurers under this Policy in respect of any insured item shall cease if said item is kept in operation after a damage claim without being repaired to the satisfaction of the Insurers, or if temporary repairs are carried out without the Insurers' consent.

7. The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers to the interest of any right or remedies, or of obtaining relief or indemnity from parties – (other than those Insured under this Policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Insurers.
8. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two arbitrators, one to be appointed in writing by each of the parties, within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.
9.
 - a. If the proposal or declaration of the Insured is untrue in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Insurers shall not be liable to make any payment hereunder.
 - b. In the event of the Insurers disclaiming liability in respect of any claim and if an action or suit is not commenced within three months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three-months after the arbitrators or umpire have made their award, all benefit under this Policy in respect of such claim shall be forfeited.
10. If at the time any claim arises under this Policy there is any other insurance covering the same loss or damage, the Insurers shall not be liable to pay or contribute more than their rateable proportion of any claim for such loss or damage.
11. This Policy may be terminated at the request of the Insured at any time, in which case the Insurers will retain the customary short-period rate for the time this Policy has been in force. This Policy may equally be terminated at the option of the Insurers by seven days notice to that effect being given to the Insured, in which case the Insurers will be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of cancellation less any reasonable inspection charges the Insurers may have incurred.
12. **Premium Payment Warranty**
 - 12.1 Notwithstanding anything herein contained but subject to clause 12.2 and 12.3 hereof, it is hereby agreed and declared that the full premium due and payable in respect of this insurance is required to be settled to the Company on or before the premium due date specified in the Schedule of this Policy, Renewal Certificate, Endorsement or Cover Note (Which shall be a date not exceeding (60) days from the date of Inception of the Policy) and in the absence of any such premium due date, the full settlement of the premium is required to be made or effected on or before the expiry of the Sixtieth (60) day from the date of inception of this Policy, Renewal Certificate, Endorsement or Cover Note (hereinafter referred to as the "due date")

For the purpose of this warranty the "due date" shall be recognized from the date of inception or commencement of the coverage.
 - 12.2 It is also declared and agreed that the settlement of the full premium on or before the due date shall operate as a condition precedent to the Company's liability or an obligation to settle claim under this Policy, Renewal Certificate, Endorsement, or Cover Note.

In the event of any claim arises between date of commencement of this insurance and the "due date" for the settlement of premium, the Company may defer any decision on liability or postpone the settlement of any such claim until full settlement of the premium is effected on or before the "due date".
 - 12.3 It is also declared and agreed that where the full premium payable hereunder remains outstanding as at the closure of business of the Insurer on the "due date" then the cover under this insurance and any obligations assumed or imputed under this insurance shall stand to be cancelled, ceased and revoked immediately.

However, such cancellation will not prejudice the rights of the Company to Invoke any legal defence or to recover the full or any part of the defaulted premium attributable to the expired period of the Insurance.

THE FOLLOWING EXTENSIONS, CLAUSES AND WARRANTIES APPLY TO THIS POLICY, ONLY WHEN SPECIFICALLY MENTIONED IN THE SCHEDULE, AND ARE SUBJECT OTHERWISE TO THE TERMS, EXCEPTIONS AND CONDITIONS OF THE POLICY.

EXTENSIONS

E 01. RIOT AND STRIKE

It is hereby declared and agreed that notwithstanding anything contained in the within written policy to the contrary the insurance under this policy shall extend to cover Riot and Strike damage which for the purpose of this Endorsement shall mean (subject always to the Special Conditions hereinafter contained)

Loss of or damage to the property insured directly caused by

1. The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in Condition 2 of the Special Conditions hereof;

2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance;
3. The willful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lockout;
4. The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

Provided that it is hereby expressly agreed and declared that :-

1. All the terms exclusions provisions and conditions of the policy shall apply in all respects to the insurance granted by this extension save in so far as the same are expressly varied by the following Special conditions and any reference to loss or damage in the wording of the Policy shall be deemed to include the perils hereby insured against
2. The following Special Conditions shall apply only to the insurance granted by this extension and the wording of the Policy shall apply in all respects to the Policy as if this Endorsement had not been made thereon.

Special Conditions

1. This Insurance does not cover:
 - (a) loss or damage resulting from total or partial cessation of work or the retarding, interruption or cessation of any process or operation;
 - (b) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
 - (c) Loss or damage occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building;
 - (d) Consequential loss or liability of any kind or description;
 - (e) Any payments over and above the indemnity for the material damage as provided herein;

Provided nevertheless that the Insurers are not relieved under (b) or (c) above of any liability to the insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

2. This insurance shall not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrence, namely:
 - (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war;
 - (b) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military, or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;
 - (c) Any act of terrorism which means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or Government(s), committed for political religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public in fear;

Further any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, or resulting from any action taken in controlling, preventing, suppressing action during any engagement between Government forces and any group as defined above on land, sea, or air shall be regarded as falling within the definition of Terrorism above.

In any action, suit or other proceedings, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

Provided that it is hereby expressly agreed and declared that:

1. This insurance may at any time be terminated by the Company on notice to that effect being given to the Insured, in which case the Company shall be liable to repay a ratable proportion of the premium for the unexpired term from the date of concealment. If the Insurance be terminated at the request of the Insured the Company shall not be liable to repay the premium or any part thereof.
2. The amount recoverable under this endorsement in respect of loss/damage to any property of the same Insured in all locations under all policies shall not exceed the limit specified in the schedule or the sum insured whichever is less anyone loss/occurrence. For this purpose an "occurrence" shall mean all losses attributable directly or indirectly to one cause or to one of a series of similar causes.
3. The cover granted by this Endorsement is subject to an excess of 10% in respect of each and every loss / occurrence.

4. Upon the occurrence of an event giving rise to a claim hereunder, the limit of cover provided shall stand reduced by the amount of the claim paid or payable and shall be reinstated by the insured by payment of an additional premium calculated at 100% pro-rata only to the amount reinstated.

It is further declared and agreed that this extension is subject to the following exclusions:

A. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIOCHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent herewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific, or other similar peaceful purposes
 - 1.5 Any chemical, biological, bio chemical, or electromagnetic weapon;

B. INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or Indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme of any other electronic system in the launch and / or guidance system and/or firing mechanism of any weapon or missile.

This extension is granted for and on behalf of the National Insurance Trust Fund and any liabilities whatsoever under this specific extension shall devolve solely upon the said fund. If any action, suit or proceeding where it is alleged that any loss or damage is not covered by this Endorsement, the burden of proving that such loss or damage is covered shall be upon the Insured.

Subject otherwise to the terms, conditions, exclusions and exceptions of the policy.

E 02. TERRORISM ENDORSEMENT (EXTENSION OF RIOT & STRIKE ENDORSEMENT)

In consideration of a payment of an additional premium it is hereby declared and agreed that the cover provided by the SRCC Endorsement attached to the Policy:

- a) Is extended to include loss or damage other than Consequential Losses of any kind directly relating to or caused by any act of terrorism which means an act, including but not limited to the use of force or violence and i or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or Government(s), committed for political religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public in fear

Further any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, or resulting from any action taken in controlling, preventing, suppressing action during any engagement between Government forces and any group as defined about on land, sea, or air shall be regarded as falling within the definition of Terrorism above;

- b) The amount recoverable under this extension in respect of loss/damage to any property of the same insured in the same location under all policies (if more than one policy has been obtained on the same risk and interest) shall not exceed the limit specified in the schedule or the sum insured which ever is less anyone loss/occurrence. For this purpose an "occurrence" shall mean all losses attributable directly or indirectly to one cause or to one of a series of similar causes;

- c) Subject to an excess of 10% in respect of each and every loss/occurrence.

Notwithstanding what is stated to the contrary in the Policy if the Terrorism extension to the Policy is being cancelled by the Insurer a pro-rata refund will be allowed to the Insured. However, no return of premium shall be granted if this cover is cancelled at the request of the Insured.

In the event of any loss/losses arising out of the same occurrence affecting more than one policy, the apportionment of the loss amongst the respective policies shall be at the sole discretion of the National Insurance Trust Fund subject however to the limits and deductibles specified in this Endorsement.

Upon the occurrence of an event giving rise to a claim hereunder, the limit of cover provided shall stand reduced by the amount of the claim paid or payable and shall be reinstated by the Insured by payment of an additional premium calculated at 100% pro-rata only to the amount reinstated.

It is further declared and agreed that this Extension is subject to the following exclusions:

A. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIOCHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

this clause shall be paramount and shall override anything contained in this insurance inconsistent herewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific, or other similar peaceful purposes
 - 1.5 any chemical, biological, bio chemical, or electromagnetic weapon;

B. INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1 subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software, programme, malicious code, computer virus or process or any other electronic system.
- 1.2 where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme of any other electronic system in the launch and / or guidance system and/or firing mechanism of any weapon or missile.

This Extension is granted for and on behalf of the National Insurance Trust Fund and any liabilities whatsoever under this specific extension shall devolve solely upon the said fund. If any action, suit or proceeding where it is alleged that any loss or damage is not covered by this Endorsement, the burden of proving that such loss or damage is covered shall be upon the Insured.

Subject otherwise to the terms, conditions, exclusions and exceptions of the policy.

CLAUSES

E 1. MORTGAGE CLAUSE

It is hereby agreed that in the event of loss or damage, the Company will pay the Mortgagees or said Assignees to the extent of their interest and that this insurance in so far as concerns the interest therein of the Mortgagees or said Assignees, only shall not be invalidated by act or negligence of the Mortgagees or Owner of the property insured, nor by anything whereby the risk is increased being done to, upon or in any building hereby insured or containing the property hereby insured without the knowledge of the Mortgagees or said Assignees provided always that the Mortgagees or said Assignees shall notify the company of any change of ownership or alteration or increase of hazard not permitted by this insurance as soon as any such change, alteration or increase shall come to their knowledge and on demand shall pay to the Company the appropriate additional premium from the time when such increase of risk first took place.

And it is further 'agreed that' whenever the Company shall pay the Mortgagees or said Assignees any sum for loss or damage under this Policy, and shall claim that as to the Mortgagor or Owner no liability therefore existed the Company shall at once be legally subrogated to all the rights of the Mortgagees or said Assignees to the extent of such payment, and the Mortgagees or at said Assignees shall do and execute all such further or other acts, deeds, transfers, assignments, instruments, and things as may be necessary or be reasonably required by the Company for the purpose of better effecting such subrogation but such subrogation shall not impair the right of the Mortgagees or said Assignees to recover the full amount of their claim.

Provided that as between the Company and the Mortgagor or Owner of the property insured nothing contained in this Clause shall in any way constitute or be deemed to constitute any waiver of or prejudice or affect any rights which the Company may have against the Mortgagor or Owner of the property insured, or lessen any obligation which may be Imposed on the Mortgagor or Owner of the property insured either by or under this Policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the property insured remain in full force and effect.

The Company reserves the right to cancel this Policy at any time as provided by the terms hereof, but in such case this Policy shall continue in force for the benefit only of the Mortgagees or said Assignees for ten days after notice to the Mortgagees or said Assignees of such cancellation, and shall then cease and the Company shall have the right on like notice to cancel this agreement.

Subject otherwise to the terms, conditions and provisions of this Policy.

E 2. BANK CLAUSE

It is hereby agreed and declared that:-

1. Upon any monies becoming payable under this Policy the same shall be paid by the Company to the Bank and such part of any monies so paid as may relate to the interest of other parties insured hereunder shall be received by the Bank as Agents for such other parties.
2. The receipts of the Bank shall be a complete discharge of the Company therefore and shall be binding on all parties insured, hereunder.
3. If and whenever any notice shall required to be given or other communication shall be required to be made by the Company to the Insured or any of them in any matter arising under or in connection with this Policy, such notice or other communication shall be deemed to have been sufficiently given or made, if given or made to the Bank.
4. Any adjustment, settlement compromise or reference to arbitration in connection with any dispute between the Company and insured or any of them arising under or in connection with this Policy, if made by the Bank shall be valid and binding on all parties insured hereunder, but not so as to impair the right of the Bank to recover full amount of any claim it may have on other parties insured hereunder, and
5. The Bank shall notify the Company of any change of ownership or alteration or increase of hazard not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company the necessary additional premium from the time when such increase of risk first took place. And it is further agreed that whenever the Company shall pay the Bank any sum in respect of loss or damage under this Policy and shall claim that as to the Mortgagor or Owner no liability therefore existed, the Company shall become legally subrogated to all the rights of the Bank to the extent of such payment but not so as to impair the right to of the Bank to recover the full amount of any claim it may have on such mortgagor/owner or any other party or parties insured hereunder or from any securities or funds available.

Subject otherwise to the terms, conditions and exceptions of this Policy.