

# CONSEQUENTIAL LOSS

## I INSURING CLAUSE

Subject to the terms, conditions and exclusions of Section 1 of this Policy and also to the following additional conditions, exclusions and limitations, in the event of any building or other property or any part thereof insured by this Policy used by the Assured at the locations as more particularly described in the Schedule being lost, destroyed or damaged (such accidental loss destruction or damage being hereinafter termed "Damage").

UNDERWRITERS WILL PAY to the Assured the amount of loss resulting from interruption of or interference with the Business carried on by the Assured at the Premises in consequence of the damage (such loss being hereinafter termed "Consequential Loss").

PROVIDED THAT

(1) The liability of the Underwriters under this Section in any one period of insurance shall on no case exceed

(i) the Sum Insured expressed in the Schedule

or such other amount as may be substituted therefore by memorandum hereon signed by or behalf of the Underwriters.

(2) at the time of the happening of the damage there shall be in force under this Policy or otherwise an insurance covering the interest of the Assured in the property at the Premises against such damage and that

(i) payment shall have been made or liability admitted therefor

or

(ii) payment would have been made or liability would have been admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

## II **EXCLUSIONS**

This Section does not cover consequential loss caused by or resulting from:

- (1) damage to transmission and distribution lines
- (2) increase in loss caused by the suspension, lapse or cancellation of any lease, license, contract or order unless such increase in loss results directly from the insured interruption of business and then Underwriters shall be liable for only such loss as affects the Assured's earnings during and limited to the Maximum Indemnity Period.
- (3) Increase in loss resulting from interference at the insured Premises by strikers or other persons with rebuilding repairing or replacing the property or with the resumption or continuation of operation.

## III **SPECIFICATIONS**

The insurance under this Section is limited to (A) LOSS OF NET REVENUE and (B) INCREASE IN COST OF WORKING, and the amount payable as indemnity thereunder shall be:

- (A) IN RESPECT OF LOSS OF NET REVENUE: the amount by which the Net Revenue during the indemnity period shall, in consequence of the damage, fall short of the Standard Net Revenue.
- (B) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Net Revenue which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the amount of the reduction in Net Revenue thereby avoided, less any sum saved during the indemnity period in respect of such of the charges or expenses of the Business payable out of Net Revenue as may cease or be reduced in consequence of the damage.

The term "additional expenditure" as used in this Clause (B) shall include the additional expenditure of moving to and from and the additional rent of temporary premises, additional rates and taxes thereon and expenses incurred in equipping the said premises to make them suitable for the Assured Business, additional cost of lighting, heating and water, additional cost in respect of additional staff and overtime and allowances for meals to existing staff, necessarily and reasonably incurred in order to minimize any interruption of or interference with the Business during the Indemnity Period.

## **DEFINITIONS**

THE BUSINESS and	Extraction and processing of gold from open cast mine ancillary activities in connection therewith.
THE PREMISES	All premises utilised by the Assured in the operation of the Business.
NET REVENUE	The money paid or payable to the Assured in respect of work done or services rendered in the course of the Business less discounts allowed, the amount of such Revenue being subject hereunder to a minimum decrease of 70% and a maximum increase of 130% of the amount specified in the Schedule.
ANNUAL NET REVENUE	The Net Revenue during the twelve months immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide date of the damage for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the damage or which would have affected the Business had that damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
STANDARD NET REVENUE	The Net Revenue during the period in the twelve months immediately before the date of the damage which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide date of the damage for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the damage or which would have affected the Business had that damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.
INDEMNITY PERIOD	The period (but excluding the first seven days thereof) beginning with the occurrence of the damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the damage.
MAXIMUM INDEMNITY PERIOD	12 months

#### IV **EXTENSIONS OF COVERAGE**

##### 1. ALTERNATIVE TRADING

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the Premises for (the subject of the loss) the benefit of the Business either by the Assured or by other on behalf of the Assured the money paid or payable in respect of such services shall be brought into account in arriving at the Net Revenue during the indemnity period.

##### 2. DEPARTMENTAL CLAUSE

If the Business be conducted in departments, the independent trading results of which are ascertainable the provisions of clauses (A) and (B) of the item of Net Revenue shall apply separately to each department affected by the damage.

##### 3. DENIAL OF ACCESS CLAUSE

Subject to the conditions of this Policy it is understood and agreed that the indemnity provided herein is extended to include destruction or damage to property in the vicinity of the premise from a peril insured hereby which shall prevent or hinder the use of the Premises or access thereof, whether the Premises or property of the Assured therein shall be damaged or not subject to a Maximum Indemnity Period of 90 days.

##### 4. EXTRA EXPENSE CONTINGENT EXTRA EXPENSE

A. This Section covers the necessary extra expense, as hereinafter defined, incurred by the Assured in order to continue as nearly as practicable the normal operation of the Assured's Business following damage to or destruction of the property insured by this Policy by the peril(s) insured against during the term of this Policy, including property of the Assured, property of others and property in transit, property during construction and/or assembly, fabrication and/or while in storage, including all interdependencies.

B. RESUMPTION OF OPERATIONS: it is a condition of this insurance that as soon as practicable the Assured shall resume normal operation of the Business and thus dispense with such extra expense.

C. EXTRA EXPENSE: the term "Extra Expense", wherever used in this Policy, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the

operation of the Assured's business, over and above the total cost that would have normally been incurred to conduct the Business during the same period had no change or destruction occurred any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken in consideration in the adjustment of any loss hereunder.

In the event of such damage or destruction, Underwriters shall be liable for such necessary extra expense, including but not limited to the extra expense of using other property or facilities incurred for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such properties as have been damaged or destroyed commencing with date of damage or destruction and not limited by the date of expiration of this Policy.

#### 5. SUPPLIERS AND CUSTOMERS EXTENSION

Subject to the conditions of this Policy, loss as insured by this Section resulting from interruption of or interference with the Business in consequence of damage (as herein defined) at the premises of any of the Assured's suppliers, manufacturers, processors or customers shall be deemed to be loss resulting from damage to the property used by the Assured at the Premises.

#### 6. ACCOUNTS RECEIVABLE EXTENSION

If the Assured's books of account or other business books or records at the Premises be lost, destroyed or damaged in accordance with Section 1 of this Policy (Loss, Destruction or Damage so caused being hereinafter termed "damage") and the Assured in consequence thereof be unable to trace or establish the outstanding debt balances in whole or in part then Underwriters will pay to the Assured the amount of loss resulting from such damage in accordance with the provisions of this Section.

Outstanding debit balances are defined as:

the amount owed and unpaid to the Assured by their customers for goods sold and delivered and for services rendered in the course of the Business at the Premises.

#### EXCLUSIONS

This extension does not insure against.

- (1) loss due to bookkeeping, accounting or billing errors or omissions;
- (2) loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Assured can prove through evidence wholly apart therefrom, is due solely to a risk of lost records of accounts receivable not otherwise excluded hereunder.
- (3) loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of account receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
- (4) loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning.

#### DETERMINATION OF RECEIVABLES; DEDUCTIONS

When there is proof that a loss covered by this extension has occurred but the Assured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Assured's monthly statements and shall be computed as follows;

- (A) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the month in which the loss occurs;
- (B) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part thereof, as compared with such average for the same months of the preceding year;
- (C) the amount determined under (A) above increased or decreased by the percentage calculated under (B) above shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- (D) the amount determined under (C) above shall be increased or decreased in conformity with normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the Business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Assured and an amount to allow for probable bad debts which would normally have been uncollectible by the Assured. All unearned interest and service charges shall be deducted.

7. ELECTRICAL APPARATUS ASSUMPTION CLAUSE

Notwithstanding anything stated herein to the contrary this Policy extends to include consequential loss (as within defined) caused by change of temperature or humidity or interruption of power, heat, air conditioning or refrigeration to equipment used for refrigeration, cooling, humidifying, air conditioning, heating, generating or converting power on the Premises, as a result of said equipment being destroyed or damaged by any loss covered by this Policy.

8. PUBLIC UTILITIES

Subject to the conditions of this Policy, loss as insured by this Section resulting from interruption of or interference with the Business in consequence of damage to property at any generating station or sub-station of the public electricity supply undertaking or land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith or water works or pumping station of the public water supply undertaking from which the Assured obtains electricity water or gas shall be deemed to be loss resulting from damage to the property used by the Assured at the Premises.