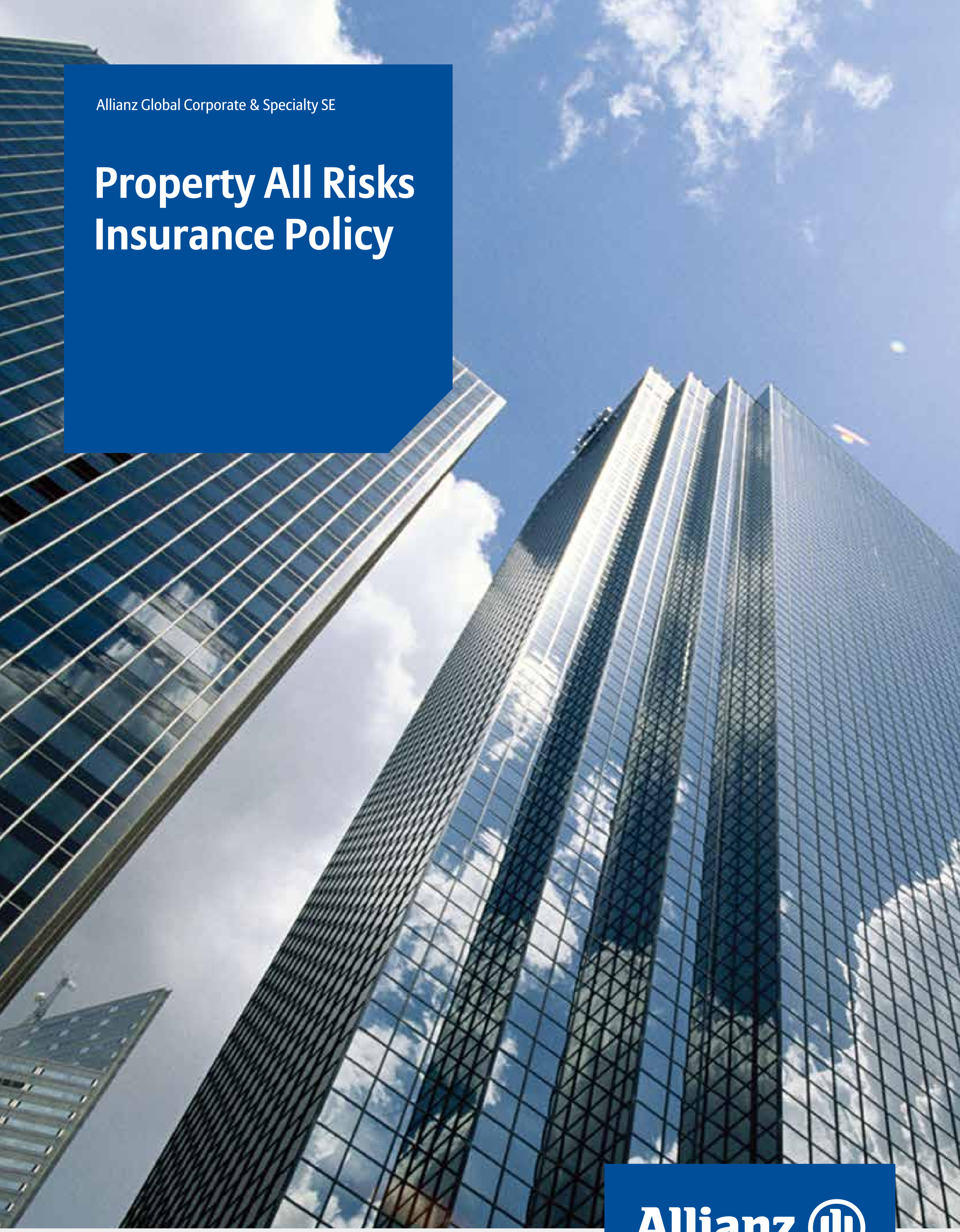
Allianz Global Corporate & Specialty SE

Property All Risks Insurance Policy



Allianz

NAVIGATOR
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Thank you for insuring with Allianz.

Please read this Policy carefully to make sure that You have the cover You need. The Schedule shows the Sections of this Policy You have chosen, the sums insured and any special terms that apply to this Policy.

If You have any queries, please contact Your Insurance Agent / Broker or Our office.

On behalf of
Allianz Global Corporate & Specialty SE

Authorised Signature

Personal Information Collection Statement

All information and data, personal or not, collected or obtained or held by Us can and/or will be held, used, divulged, disclosed or otherwise transferred by Us to any person (which description includes a corporation, a partnership as well as other entities or bodies) as We may in Our discretion see fit for the purpose of:-

(a) underwriting;
(b) claim processing and/or investigation;
(c) marketing;
(d) statistical research for any purpose whatsoever;
(e) data matching and/or verification; and/or
(f) communication with You/ the Insured/ the payor/ claimant/ Your employees (if applicable).

For the aforesaid purpose, the data and information as aforesaid may and can, inter alia, be disclosed, divulged, supplied or otherwise transferred to any related or associated company of Us or any other company carrying on insurance or reinsurance or related or unrelated business or an intermediary or claims investigation or processing company or other service provider providing services relevant to insurance or other unrelated business or professional advisors or any association, federation or similar organization of insurance companies and/or other business participants in the insurance industry (“Federation”) that exists or is formed from time to time for the benefit and interest of the insurance industry or any members thereof or for regulating the insurance companies or other business participants or any other individual/organization/ third party as We may consider necessary and desirable in Our own discretion.

We are also entitled, for such purpose, if it is necessary to do so, to obtain access to and/or verify any of Your [including Your employees (if applicable)] data with the information collected by the Federation from the insurance industry.

The information You give Us is on a voluntary basis (subject always to Your duty of making full and frank disclosure). However, failure to supply information may result in Our being unable to process Your application/claim and We shall not be responsible nor be held liable for any loss and damage that may be caused or occasioned to You in anyway whatsoever howsoever arising as a result of any failure due to such reason. You have the right to obtain access to and to request correction of any personal information concerning Yourself (including You employees where applicable) held by Us but We have the right to charge a reasonable fee for the processing of any data access request. Request for such access shall be made in writing and addressed to Allianz Global Corporate & Specialty SE. In case You may at any time choose, which You are entitled to, not to receive Our promotional materials, You should notify Us in writing.

In the event that any of the clauses as aforesaid shall be or become invalid or in any way unenforceable, the part which is void, invalid or unenforceable shall be severed from the remainder which shall not be prejudices, derogated or otherwise in anyway affected by such invalidity and/or unenforceability.

General Definitions

(a) “The Company” or “We” means Allianz Global Corporate & Specialty SE.

(b) “This Policy” means this Property All Risks Policy, the Schedule and any endorsements contained herein or endorsed hereon which shall be read as one insurance contract and any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.

(c) “The Business” means the trade, profession or occupation of the Insured carried on at the Premises as stated in the Schedule.

(d) “The Insured” or “You” or “Your” means the person(s), company(ies) or firm(s) named as the Insured in the Schedule while carrying on the Business and no other.

(e) “The Schedule” means the page(s) attached to this Policy specifying the terms and details of this insurance contract.

(f) “The Premises” means the location stated in the Schedule and occupied by the Insured for the purposes of the Business and situated in the building which is constructed of concrete, brick, stone and roofed with concrete, asphalt, tiles or slates composed entirely of incombustible mineral ingredients unless specially mentioned in the Schedule.

(g) “The Property” means the property as described whilst in the Premises described in the Schedule.

(h) “The Buildings” means the Buildings at the Premises described in the Schedule including landlords fixtures and fittings, walls, gates and fences.

(i) “The Contents” means property whilst in the Premises including furniture, fixtures and fittings, tenant’s improvements, machinery and all other contents belonging to the Insured or held by them in trust for which they are responsible (other than landlord’s fixtures and fittings and stock and materials in trade and other property more specifically insured by this Policy).

(j) “Period of Insurance” means the period of time commencing on the effective date and ending on the expiry date stated in this Policy.

(k) “Damage” means accidental physical loss, destruction or damage.

(l) “Specified Perils” means Fire, Lightning, Explosion, Aircraft or other aerial devices or articles dropped therefrom, Riot, Strikers, Locked-out Workers, Persons taking part in Labour Disturbances, Malicious Persons other than thieves, Earthquake, Typhoon, Windstorm, Flood, Escape of Water from any tank, apparatus or pipe or Impact by any road vehicle or animal.

(m) “Hong Kong SAR” means Hong Kong Special Administrative Region of the People’s Republic of China.

In this Policy unless the context otherwise requires the singular includes the plural and vice versa and a reference to one gender includes a reference to the other genders.

Schedule Attached Here

1. Insuring Clause

The Insured and the Company agree :

1.1 the Proposal and Declaration or any information supplied by the Insured or on behalf of the Insured shall be incorporated in this insurance contract,

1.2 the Insured shall pay the Premium specified in the Schedule,

1.3 the Company shall provide the insurance described in this Policy subject to the terms and conditions for the period shown in the Schedule and any subsequent period for which the Insured shall pay and the Company shall agree to accept the Premium,

1.4 the following shall be conditions precedent to any liability of the Company :

1.4.1 observance and fulfilment of the terms and conditions of this Policy relating to anything to be done or not to be done or to be complied with by the Insured or any other person claiming to be indemnified,

1.4.2 the truth of the contents and statements in the Proposal and Declaration or the information supplied by the Insured or on his/her behalf.

This Policy shall not be in force unless the Schedule has been signed by an authorized official of the Company.

2. The Cover

2.1 If during the Period of Insurance the Property insured or any part thereof be accidentally, physically lost, destroyed or damaged other than by a cause specified in 4. General Exclusions, the Company will pay to the Insured the value of the Property at the time of the happening of the loss or destruction or the amount of such damage or at its option reinstate or replace such Property of any part thereof.

2.2 The liability of the Company under this Policy shall not exceed:
2.2.1 in the whole the Total Sum Insured or in respect of any Item its Sum Insured or any other limit of liability stated in the Schedule or in this Policy at the time of the Damage;
2.2.2 the Sum Insured (or limit) remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Company has agreed to reinstate any such sum insured (or limit).

3. Deductibles

3.1 The Company shall not be liable for the first:
3.1.1 HK$5,000 or 5% of each and every adjusted loss whichever is the greater in respect of water damage;
3.1.2 HK$3,000 in respect of each and every adjusted loss other than 3.1.1 stated above.

3.2 This Policy does not cover the amount of the Deductible stated above in respect of each and every loss as ascertained after the application of all other terms and conditions of this Policy.

3.3 It is warranted that the Insured shall not effect insurance in respect of the amount of the Deductible.

4. General Exclusions

This Policy does not cover:
4.1 Damage to the Property insured caused by:
4.1.1 faulty or defective design or materials or workmanship, inherent vice latent defect, gradual deterioration, deformation or distortion or wear and tear;
4.1.2 interruption of the water supply, gas, electricity or fuel systems or failure of the effluent disposal systems to and from the Premises;
4.1.3 operation error or omission on the part of the Insured or any of their employees
unless Damage by a cause not excluded in this Policy ensues and the Company shall be liable only for such ensuing Damage.

4.2 Damage to the Property insured caused by:
4.2.1 collapse or cracking of buildings, settling, cracking, shrinkage, bulging or expansion of pavements, foundation walls, floors, roofs or ceilings;
4.2.2 corrosion, rust, extremes or changes in temperature, dampness, dryness, wet or dry, rot, mildew, fungus, mold, shrinkage, evaporation, loss of weight, seepage, pollution, contamination;
4.2.3 changes in colour, flavour, texture or finish;
4.2.4 action of light, animals (including but not limited to moth, termites, vermin, or other insects), micro-organism, marring or scratching;
unless such loss is caused directly by Damage to the Property insured or to Premises containing such Property by a cause not excluded in this Policy.

4.3 Damage to the Property insured caused by:
4.3.1 theft or attempted theft
4.3.1.1 which does not involve entry to or exit from a building by forcible and violent means,
4.3.1.2 to Property in the open or in open fronted buildings or in buildings not on permanent foundations,
4.3.1.3 expedited or in any way brought about by the Insured or any of the Insured's directors or employees;
4.3.2 acts of fraud or dishonesty;
4.3.3 disappearance, unexplained or inventory shortage, misfiling or misplacing of information, shortage in supply or delivery of materials or shortage due to clerical or accounting error;
4.3.4 joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection with them;
4.3.5 mechanical or electrical breakdown or derangement of machinery or equipment;
4.3.6 bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes when the Premises are empty or disused for more than 30 consecutive days;
unless
4.3.7 Damage by a cause not excluded in this Policy ensues and then the Company shall be liable only for such ensuing Damage;
4.3.8 such loss is caused directly by Damage to the Property insured or to Premises containing such Property by a cause not excluded in this Policy.

4.4 Damage to the Property insured caused by:
4.4.1 coastal or river erosion;
4.4.2 subsidence, ground heave or landslip;
4.4.3 normal settlement or bedding down of new structures;
4.4.4 wind, rain, hail, frost, snow, flood, sand or dust to movable property in the open or in open side buildings or to fences and gates;

4.4.5 the freezing solidification or inadvertent escape of molten material;
4.4.6 change in water table level.

4.5 Damage caused by or arising from:
4.5.1 any wilful act or negligence on the part of the Insured or any person acting on his behalf;
4.5.2 cessation of work delay or loss of market or any other consequential or indirect loss of any kind of description whatsoever.

4.6 Damage directly or indirectly caused by or arising from or in consequence of or contributed to by:
4.6.1 nuclear weapons material;
4.6.2 ionizing, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exclusion 4.6.2 combustion shall include any self-sustaining process of nuclear fission;
4.6.3 the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
4.6.4 pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

4.7 War and Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

4.7.1 war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

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

This endorsement 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, preventing, suppressing or in any way relating to 4.7.1 and/or 4.7.2 above.

If the Company alleges that by reason of this endorsement, any loss, damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4.8 Terrorism Exclusion Clause for Contamination and Explosives

It is agreed that regardless of any contributory causes, this Policy does not cover any loss, damage, cost or expense directly or indirectly arising out of:

4.8.1 biological or chemical contamination;
4.8.2 missiles, bombs, grenades, explosives

due to 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 organisation(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.

For the purpose of 4.8.1 "contamination" means the contamination, poisoning or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Policy, the burden of proving the contrary shall be upon the Insured.

4.9 IT Clarification Clause

Property damage covered under this Policy shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently the following are excluded from this Policy:

1. Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.

2. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

5. Excluded Property

5.1 This Policy does not cover:
- 5.1.1 money, cheques, stamps, bonds, credit cards, securities of any description, jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art;
- 5.1.2 fixed glass;
- 5.1.3 glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects;

unless specifically mentioned as insured by this Policy and then only in respect of the Specified Perils.

5.2 This Policy does not cover:
- 5.2.1 vehicles licensed for road use (including accessories thereon), caravans, trailers, railway, locomotives or rolling watercraft, aircraft, spacecraft or the like;
- 5.2.2 Property in transit;
- 5.2.3 Property or structures in course of demolition, construction or erection and materials or supplies in connection with all such Property in course of demolition, construction or erection;
- 5.2.4 land (including top-soil, back-fill, drainage or culverts), driveways, pavements, roads, runways, railway lines, dams, reservoirs, canals, rigs, wells, pipelines, tunnels, bridges, docks, piers, jetties, excavations, wharves, mining property, underground off-shore property;
- 5.2.5 livestock, bloodstock, growing standing and drying crops, trees and timbers;
- 5.2.6 Property damage as a result of its undergoing any process;
- 5.2.7 machinery during installation, removal or resiting (including dismantling and re-erection) if directly attributable to such operations
- 5.2.8 Property undergoing alteration, repair, testing, installation or servicing including materials and supplies therefor if directly attributable to the operations or work being performed thereon unless Damage by a cause not otherwise excluded ensues and then the Company will be liable only for such ensuing loss;
- 5.2.9 Property more specifically insured.

5.3 Damage to Property which at the time of the happening of such Damage is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

5.4 Damage to boilers, economisers, turbines or other vessels, machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture.

6. General Conditions

6.1 Average (Under Insurance)

If the Property hereby insured shall at the commencement of any Damage be collectively of greater value than the Sum Insured thereon, then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of this Policy shall be separately subject to this Condition.

6.2 Policy Voidable

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

6.3 Cancellation
- 6.3.1 This Policy may be cancelled at any time by the Insured by written notice of cancellation to the Company and in such event the Insured may be entitled to a refund of the premium paid less the premium calculated at the Company's short period rates (subject to a minimum premium) for the period this Policy has been in force; or

- 6.3.2 this Policy may be cancelled at any time by the Company by giving thirty (30) days' notice by recorded delivery letter or registered letter to the Insured at his last known address and in such event the Insured shall be entitled to a refund of the Premium paid less the pro rata portion thereof for the period the Policy has been in force.

Provided no claim has been made during the current Period of Insurance.

For cancellation following default in payment of the Premium or any agreed instalment, the period of notice may be reduced to seven (7) days.

6.4 Forfeiture

All benefits under this Policy shall be forfeited:
- 6.4.1 if any claim made under this Policy be in any respect fraudulent or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or anyone acting on behalf of the Insured to obtain any benefit under this Policy; or

- 6.4.2 if any claim be made and rejected and an action or suit be not commenced within three months after such rejection or (in case of an arbitration taking place in pursuance of General Condition 6.7 of this Policy) within three months after the arbitrator or arbitrators or umpire shall have made their award.

6.5 Subrogation

Any claimant under this Policy shall at the expense of the Company do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon its paying for or making good any loss destruction or damage under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Company.

6.6 Contribution

If at the time of any Damage happening to any Property hereby insured, there be any other subsisting insurance or insurances whether effected by the Insured or by any other person or persons covering either such loss or any part of it or the same Property, the Company shall not be liable to pay or contribute more than its rateable proportion of such Damage.

6.7 Arbitration

If any difference shall arise as to the amount to be paid under this Policy, such difference shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires then the choice shall be referred to the Chairman for the time being of the Hongkong International Arbitration Centre. It is hereby expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained.

6.8 Alterations and Removals

Under any of the following circumstances the insurance ceases to attach as regards the Property affected unless the Insured before the occurrence of any Damage obtains the sanction of the Company signified by endorsement upon this Policy by or on behalf of the Company:

6.8.1 if the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building or containing the insured Property be changed in such a way as to increase the risk of Damage;
6.8.2 if the Building insured or containing the insured Property becomes unoccupied and so remains for a period of more than thirty days;
6.8.3 if the Property insured be removed to any building or place other than that in which it is stated herein to be insured;
6.8.4 if the interest in the Property insured passes from the Insured otherwise by will or operation of law.

6.9 Claims

In the event of any occurrence which may give rise to a claim under this Policy the Insured shall:

6.9.1 take steps to minimise the Damage and recover any missing Property;
6.9.2 notify the Company as soon as reasonably possible;
6.9.3 notify the Police as soon as possible if the event be caused by theft, attempted theft, rioters or malicious persons;
6.9.4 report in writing to the Company as soon as reasonably possible giving full details of any incident which may result in a claim under this Policy and particulars of all other insurances, if any;
6.9.5 carry out and permit to be taken any action which may be reasonably practicable to prevent further loss, destruction or damage;
6.9.6 retain unaltered and un-repaired anything in any way connected with the claim for as long as the Company may reasonably require;
6.9.7 allow the Company in the name of and on behalf of the Insured to take over, and during such periods as it thinks proper to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and the settlement thereof, and the Insured shall give the Company all necessary assistance for that purpose.

No claim under this Policy shall be payable unless the terms of this Condition have been complied with and any payment on account of the claim already made shall be repaid to the Company.

6.10 Rights of the Company following a Claim

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without incurring any liability or diminishing any of the Company's rights under this Policy enter, take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property insured and deal with such Property for all reasonable purposes and in any reasonable manner. No claim under this Policy shall be payable unless the terms of this Condition have been complied with. No Property may be abandoned to the Company whether taken possession of by the Company or not.

6.11 Repair and Replacement

The Company may at its option repair or replace the Property damaged or destroyed or any part thereof, instead of paying the amount of the Damage or may join with any other company or companies in so doing, but the Company shall not be bound to repair exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in repair than it would have cost to repair such Property as it was at the time of the occurrence of such Damage nor more than the Sum Insured thereon.

If the Company so elects to repair or replace any property, the Insured shall at his own expense furnish the Company with such plans, specifications, measurements, quantities and such other particulars as the Company may require and no acts done or caused to be done by the Company with a view to repair or replacement shall be deemed an election by the Company to repair or replace.

If in any case the Company shall be unable to repair or replace the Property hereby insured because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings, or otherwise the Company shall in every such case only be liable to pay such sum as would be required to repair or replace such Property if the same could lawfully be repaired or replaced to its former condition.

6.12 Reasonable Precautions

The Insured shall maintain the Property insured in a good state of repair and take all reasonable steps to prevent Damage thereto.

6.13 Assignment

No assignment of interest under this Policy shall bind the Company, unless the written consent of the Company is first obtained and endorsed hereon.

6.14 Warranty

Any warranty shall from the time it is applied continue to be in force during the whole currency of this Policy. Failure to comply with any warranty shall invalidate any claim for Damage or liability which is, wholly or partly, due to or affected by such failure to comply.

6.15 Written Notice

Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company.

6.16 **Designation of Property**
For the purpose of determining where necessary the column, item or heading under which any property is insured, the Company agrees to accept the designation under which such property has been entered in the Insured's books.

6.17 **Governing Law**
This Policy is subject to the exclusive jurisdiction of Hong Kong SAR and is to be construed according to the laws of Hong Kong.

7. Special Conditions and Warranties

The following conditions and warranties apply automatically to the Policy:

7.1 **All Other Contents**
It is agreed that the term "Contents" is understood to include:

7.1.1 money and stamps not otherwise specifically insured for an amount not exceeding HK$5,000;

7.1.2 documents, manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour extended in writing up and not for the value to the Insured of the information contained therein, and for an amount not exceeding HK$5,000 in respect of any one document, manuscript or business book;

7.1.3 computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the insured of the information contained therein, for an amount not exceeding HK$5,000;

7.1.4 patterns, models, moulds, plans and designs for an amount not exceeding HK$5,000 in respect of any one pattern, model, mould, plan or design;
And so far as they are not otherwise insured.

7.1.5 Employees' pedal cycles, clothing, tools and other personal effects for an amount not exceeding HK$5,000 in respect of any one employee.

7.2 **Automatic Reinstatement of Sum Insured**
In the event of loss or damage recoverable under this insurance the Sum Insured by this Policy shall in the absence of written notice by the Company or the Insured to the contrary be immediately reinstated in consideration of which the Insured undertakes to pay the appropriate additional premium.

7.3 **Capital Additions**
This Policy is extended to include any additions and extensions to Buildings and Contents insured under this Policy, but not appreciation in value made after the commencement of each annual Period of Insurance for an amount not exceeding ten percent (10%) of the Sum Insured on similar property under the relative item. It being understood that the Insured shall declare quarterly the value of any such additions and extensions and shall pay the appropriate additional premium required from inception of the additional cover.

Amounts so declared shall be added to the Sum Insured by the relative item by endorsement, whereupon the provisions of this clause shall be fully reinstated.

7.4 **No Control Clause**
The insurance hereby shall not be prejudiced by any act or omission unknown to or beyond the control of the Insured on the part of anyone occupying or using the Premises provided that the Insured immediately on becoming aware thereof, shall give notice to the Company and pay any additional premium if required.

7.5 **Contract Price**
In the event of Property insured having been sold but not delivered for which the Insured is responsible and under the conditions of sale, the contract is cancelled by reason of non-delivery of such Property destroyed or damaged by fire or by any other perils insured hereby, the liability of the Company in respect of such Property shall be based on the contract price, and for the purpose of Average, the value of all goods to which this would in the event of loss or damage be applicable shall be ascertained on the same basis.

7.6 **Architects' Surveyors' and Consulting Engineers' Fees**
The insurance by each item on Buildings and Contents includes an amount in respect of architects', surveyors' and consulting engineers' fees except where an item specifically covering such fees is included in the Schedule.

The insurance on such fees applies only to those necessarily and reasonably incurred in the reinstatement or repair of the Property Insured consequent upon its Damage, but not for preparing any claim, it being understood that the amount payable for such fees under the item shall not exceed in total 10% of the Sum Insured under each item.

7.7 **Workmen Clause**
Workmen are allowed in and about any of the Premises for the purposes of carrying out minor alterations, decorations, repair and general maintenance and the like without prejudice to this insurance.

7.8 **Public Authorities**
The insurance by each Item of this Policy applying to Buildings or Contents extends to include such additional costs of reinstatement of the lost, destroyed or damaged Property hereby insured as may be incurred solely by the reason of the necessity to comply with the Building or other Regulations under or framed in pursuance of any Ordinance, Law, Statute or Bye-Laws of any Government Municipal Local Authority provided that:

7.8.1 the amount recoverable under this Clause shall not include:

7.8.1.1 the cost incurred in complying with any of the above Regulations, Ordinance, Law, Statute or Bye-Laws:

7.8.1.1.1 in respect of Damage occurring prior to the granting of this extension;
7.8.1.1.2 in respect of Damage not insured by this Policy;
7.8.1.1.3 under which notice has been served upon the Insured prior to the happening of the Damage;
7.8.1.1.4 in respect of undamaged Property or undamaged portions of Property other than foundations (unless specifically excluded) of that portion of the Property destroyed or damaged;

7.8.1.2 the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with any of the above Regulations, Ordinance, Law, Statute or Bye-Laws not arisen;

7.8.1.3 the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by the owner of it by reason of compliance with any of the above Regulations, Ordinance, Law, Statute or Bye-Laws.

Special Conditions
The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the Damage or within such further time as the Company may (during the said 12 months) allow and may be carried out upon another site (if the above Regulations Ordinance Law Statute or Bye-Laws so necessitate) subject to there being no resulting increase in the liability of the Company.

7.8.2 If the liability of the Company under this Policy or any Item of this Policy shall be reduced by the application of any of the terms and conditions of this Policy (other than as a result of this extension) then liability under this extension in respect of that Item shall be reduced in proportion;

7.8.3 The total amount recoverable under any Item of this Policy shall not exceed its Sum Insured;

7.8.4 All the terms and conditions of this Policy except those varied by this extension shall apply.

7.9 Removal of Debris
The insurance by all Items of this Policy except that applying wholly or in part to stock or materials in trade if insured extends to include costs and expenses necessarily incurred by the Insured with the consent of the Company in:

7.9.1 removing debris
7.9.2 dismantling and/or demolishing
7.9.3 shoring up or propping
7.9.4 cleaning up

of that portion or portions of the Property insured by the said Items by fire or by any other peril hereby insured against subject to a limit of five per cent (5%) of Sum Insured affected by the Damage.

The Company shall not pay for any costs or expenses incurred in removing debris from the site of such Property and the area immediately adjacent to it or arising from pollution or contamination of property not insured by this Policy.

7.10 Fire Extinguishers and Sprinklers
The Company shall pay the reasonable costs incurred by the Insured in refilling fire extinguishing appliances and replacing sprinkle heads solely in consequence of Damage, up to HK$30,000.

7.11 Temporary Removal
Subject to the following provisions, Property insured by this Policy (other than stock in trade or merchandise if insured hereby) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere on the same or to any other Premises and in transit thereto and therefrom by road, rail or public ferry all in Hong Kong SAR.

The amount recoverable under this extension in respect of each item of this Policy shall not exceed the amount which would have been recoverable had the loss occurred in that part of the Premises from which the Property is temporarily removed nor in respect of any loss occurring elsewhere than at the said Premises ten per cent (10%) of the Sum Insured by the item after deducting therefrom the value of any building (exclusive of fixtures and fittings), stock in trade or merchandise insured thereby.

This extension does not apply to Property if and so far as it is otherwise insured nor as regards losses occurring elsewhere than at the Premises from which the Property is temporarily removed to:

7.11.1 motor vehicles and motor chassis licensed for normal road use;
7.11.2 Property held by the Insured in trust other than machinery and plant.

7.12 Legal Requirements
Warranted that the Insured shall duly comply with and observe all provisions, requirements and regulations of:

7.12.1 Fire Services Department; and/or
7.12.2 Labour Department; and/or
7.12.3 Dangerous Goods Ordinance; and/or
7.12.4 Factories and Industrial Undertaking Ordinance; and/or
7.12.5 any other statutory obligation;

including any notice given and requirements made pursuant to same the breach and disregard of which may affect or increase the risk hereby insured, except only that this Warranty shall not apply in respect of any Ordinance, Regulation, Notice or Requirement expressly waived by the Company by endorsement on this Policy.

7.13 Storage Warranty
Warranted no waste materials or goods of any description whatsoever whether belonging to the Insured or not shall be stored temporarily or otherwise on any staircase or landing or in any passageway within or in common use with the Premises described in this Policy.

Provided that the Company shall be deemed to have waived any breach of this Warranty not occasioned by or contributed to by the Insured of which the Company shall have received written notice from the Insured prior to the occurrence of loss, destruction or damage.

Warranted also that all waste materials will be kept in receptacles and removed from the building daily.

7.14 **Non Invalidation**

This Insurance shall not be invalidated by any act or omission or by any alterations in respect of any portion of any Premises not occupied by the Insured whether constituting an increase in risk or not unknown to or beyond the control of the Insured provided that the Insured immediately on becoming aware thereof, shall give notice to the Company and pay an additional premium if required.

7.15 **Reinstatement Value Insurance Clause**

The event of the Property insured under each item of this Policy other than Stock and Materials in Trade or Stock being destroyed or damaged, the basis upon which the amount payable under (each of the said items of) this Policy is to be calculated shall be the reinstatement of the Property destroyed or damaged subject to the following special provisions and subject also to the terms and conditions of this Policy except in so far as the same may be varied hereby.

For the purposes of the insurance under this Clause "reinstatement" shall mean:

The carrying out of the aftermentioned work namely:

7.15.1 where Property is destroyed, the re-building of the Property if a Building or in the case of other Property its replacement by similar Property in either case in a condition equal to but not better or more extensive than its condition when new;

7.15.2 where Property is damaged, the repair of the damage and 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.

Special Provisions:

7.15.3 The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured, subject to the liability of the Company not being thereby increased), must be commenced and carried out with reasonable dispatch, otherwise no payment beyond the amount which would have been payable under this Policy if this memorandum had not been incorporated therein shall be made;

7.15.4 When any Property insured under this Policy is damaged or destroyed in part only, the liability of the Company shall not exceed the sum representing the cost which the Company could have been called upon to pay for reinstatement if such Property had been wholly destroyed;

7.15.5 No payment beyond the amount which would have been payable under this Policy if this Clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred;

7.15.6 Each item insured under this Policy is declared to be separately subject to the following condition of average namely:

7.15.6.1 if at the time of reinstatement the sum representing the cost, which would have been incurred in reinstatement if the whole of the Property covered by such item had been destroyed, exceeds the Sum Insured thereon at the breaking out of any fire or at the commencement of any destruction of or damage to such Property by any other peril hereby insured against, then the Insured shall be considered as being his own Insurer for the excess and shall bear a rateable proportion of the loss accordingly;

7.15.7 No payment beyond the amount, which would have been payable under this Policy if this Clause had not been incorporated therein, shall be made if at the time of any destruction or damage to any Property insured hereunder such Property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth herein;

7.15.8 Where by reason of any of the above special provisions, no payment is to be made beyond the amount which would have been payable under this Policy if this Clause had not been incorporated therein, the rights and liabilities of the Company and the Insured in respect of the destruction of damage shall be subject to the terms and conditions of this Policy including any condition of average therein as if this Clause had not been incorporated therein.

7.16 **Reinstatement Clause**

If the Company elects or becomes bound to reinstate or replace any property, the Insured shall at the expense of the Insured produce and give to the Company all such plans, documents, books and information as the Company may reasonably require. The Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the limit of liability thereon.

7.17 **Discharge of Liability**

The Company may absolve themselves from any further liability in connection with any occurrence or all occurrences of a series consequent on or attributable to one source or original cause by the payment of the specified limit of liability in respect thereof (after deducting therefrom any sums already paid) or by the payment of any balance of any maximum limit of liability for any one Period of Insurance whichever is the less together with the amount of any costs and expenses to the date of such payment.

7.18 **Mortgagee Clause**

If any other interested party is specified in the Schedule, any loss under this Policy shall be payable to such party to the extent of their interest.

It is hereby agreed that in the event of any Damage, the Company shall 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 any act or neglect of the mortgagor or owner of the Property insured nor by anything whereby the risk is increased being done to upon or in any building 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 so 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 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 rights of the mortgagees or said assignees to the extent of such payment and the mortgagees or 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 obligations 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 thereof but in such case this Policy shall continue in force for the benefit only of the mortgagees or said assignees for 10 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.

7.19 Extra Charges Clause

In the event of any part of the insured Property sustaining Damage for which the Company is liable, the indemnity provided by this Policy is extended to include:

7.19.1 costs necessarily incurred for delivery of any part or parts by express or special delivery or airfreight;

7.19.2 costs of overtime (including Sunday & Holiday working and Nightwork) for labour to expedite authorised repair.

The liability of the Company for such costs shall not exceed HK$100,000 or 15% of the amount of the adjusted loss whichever is the less.

7.20 Locks and Keys

In the event of theft of keys by force and violence this Policy shall cover the cost of replacing locks or lock mechanisms and keys necessary to maintain the security of the Premises for an amount not exceeding HK$5,000 any one occurrence of theft provided that the keys of any safe or strongroom are removed from the Premises when they are closed for business.

7.21 Time Adjustment Clause

In the event of Damage to the Property caused by typhoon, storm, tempest, flood or earthquake, the amount of the Deductible in respect of such Damage caused by these perils shall apply afresh and be deducted again in respect of any Damage occurring seventy two (72) hours freedom from typhoon, storm, tempest, flood or earthquake.

7.22 Fireproof Doors Warranty

Warranted that all fire proof doors and fire proof shutters are kept closed except when in actual use and together with any self closing mechanism maintained in efficient working order.

7.23 Other Fire Extinguishing Appliances Warranty

Warranted that all other Fire Extinguishing Appliances shall be kept in working order during the currency of this Policy.

7.24 Electrical Installations

The Company shall not be liable for loss of or damage to any electrical plant, apparatus or installation caused by its own over-running, excessive pressure, short circuiting or self heating.

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