

BUMACO INSURANCE COMPANY LIMITED

Insurance Services with Certainty

HEAD OFFICE

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BRANCHES: DAR ES SALAAM - ARUSHA - MOSHI - MWANZA – MOROGORO- MBEYA – MTWARA- TANGA

FIRE INSURANCE POLICY AND BUSSINESS INTERUPTION

(An insurance policy shall become invalid retroactive to the date of inception if the full premium payment is not made within seven days of the policy inception, except in the case of motor insurance the premium shall be paid at policy inception.)

POLICY NO:

INSURED:

Whereas the Insured designated in the Schedule hereto (hereinafter called the **Insured** having paid to or agreed to pay to the BUMACO INSURANCE COMPANY LIMITED (hereinafter called the **Company**) the first premium stated in the Schedule hereto (hereinafter called the Schedule) for such insurances as hereinafter mentioned of the property described in the Schedule for the sum or several sums specified therein.

Now be it known that from the date named as the commencing date of this insurance until four o'clock in the afternoon of the date named as the expiry date in the Schedule and for so long afterwards as the Insured or the Insured's Heirs, Executors or Administrators shall from time to time pay or cause to be paid the sums required for the renewal of this Policy and the Director of the Company shall agree thereto by accepting the same, the funds and property of the Company shall be subject and liable to pay, reinstate or make good to the insured or insured's Executors or Administrators such loss or damage as shall be occasioned by Fire or Lightning to the property described in the Schedule and hereby insured, but not exceeding in each case respectively the sum or sums severally specified and stated in the Schedule against each property.

Provided that this insurance shall at all times and under all circumstances be subject to the particulars in the proposal for this insurance (which shall in all cases be deemed to be inserted or furnished by the Insured) and to the conditions and stipulations constitute the basis of this insurance and are to be considered as relevant to and incorporated in and forming part of this Policy.

Every Warranty to which the property insured or any item hereof is or may be made subject shall from the time the Warranty attaches apply and continue to be in force during the whole currency of this policy and non-compliance with any such warranty, whether it increases the risk or not, shall be a bar to any claim in respect of such property or item; provided that whenever this policy is renewed a claim in respect of

destruction or damage occurring during the renewal period shall not be barred by reason of a Warranty not having been complied with at any time before commencement of such period.

CONDITIONS

1. If there be any material misdescription of any of the property hereby insured, or of any building or place in which such property is contained, or any misrepresentation as to any fact material to be known for estimating the risk, or any omission to state such fact, the Company shall not be liable upon this Policy so far as it relates to property affected by any such misdescription, misrepresentation or omission.
2. No payment in respect of any premium shall be deemed to be payment to the Company unless a printed form or receipt for the same signed by an official or duly appointed Agent of the Company shall have been given to the insured.
3. The insured shall give notice to the Company of any insurance or insurances already effected, or which may subsequently be effected covering any of the property thereby insured, and unless such notice be given and the particulars of such insurance or insurances be stated in or endorsed on this policy by or on behalf of the Company before the occurrence of any loss or damage, all benefit under this Policy shall be forfeited.
4. All insurance under this policy:
 - 1) On any building or part of any building
 - 2) On any property contained in any building
 - 3) On rent or other subject matter of insurance in respect of or in connection with any building or any property contained in any building, shall cease immediately upon any fall or displacement
 - a) of such building or of any part, thereof
 - b) of the whole or any part of any range of buildings or of any structure of which such building forms part.

PROVIDED that such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of fire or is otherwise material.

AND PROVIDED that such fall or displacement is not caused by fire, loss or damage by which is covered by this policy or would be covered if such building, range of buildings or structure were insured under this policy.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the insured.

5. (i) This insurance does not cover:-
 - (a) Loss by theft during or after the occurrence of a fire
 - (b) Loss or damage to property occasioned by its own fermentation natural heating or spontaneous combustion except as may be provided in accordance with Condition 7(f), or by its undergoing any heating or drying process.

- (c) Loss or damage occasioned by or through or in consequence of:
 - 1. The burning of property by order of any public authority;
 - 2. Subterranean Fire
 - (d) Loss or damage directly or indirectly caused by or arising from or in consequence, of or contributed to by nuclear weapons material.
 - (ii) This insurance does not cover loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionizing radiations or contamination by radio activity from any nuclear fuel or from any nuclear waste from the combustion of, nuclear fuel. For the purpose of this Condition 5 (ii) only combustion shall include any self-sustaining process of nuclear fission.
6. This insurance does not cover any loss or damage occasioned by or through or in consequence, directly or indirectly, of any of the following occurrences, namely:-
- (a) Earthquake, volcanic eruption or other convulsion of nature,
 - (b) Typhoon, hurricane, tornado, cyclone or other atmospheric disturbance.
 - (c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war.
 - (d) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power, martial law or stage of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.

Any loss or damage happening during the existence abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the insured shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding 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.

7. Unless otherwise expressly stated in the Policy this insurance does not cover:
- a) Goods held in trust or on commission
 - b) Billion or unset precious stones
 - c) Any curiosity or work of art for an amount exceeding shs. 50,000/=
 - d) Manuscripts, plans, drawings, or designs, patterns, models or moulds.
 - e) Securities, obligations, or documents of any kind, stamps, coined or paper money, cheques, books of account or other business books.
 - f) Coal, against loss or damage occasioned by its own spontaneous combustion.
 - g) Explosives

- h) Any loss or damage occasioned by or through or by consequence of explosion; but loss or damage by explosion of gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of this policy.
 - i) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise of forests, bush prairie, pampas, or jungle, and the clearing of lands by fire.
8. Under any of the following circumstances the insurance ceases to attach as regards the property affected unless the insured, before the occurrence of any loss or damage, obtains the sanction of the Company signified by endorsement upon the policy, by or on behalf of the Company.
- a) If the trade or manufacture carried on be altered, or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way as to increase the risk of loss or damage by fire.
 - b) If the building insured or containing the insured property becomes unoccupied and so remain for a period of more than 30 days.
 - c) If property insured be removed to any building or place other than that in which it is herein stated to be insured
 - d) If the interest in the property insured pass from the insured otherwise than by will or operation of law.
9. This insurance does not cover any loss or damage to property which at the time of the happening of such loss or damage is insured by or would, but for the existence of this policy be insured by any Marine Policy or Policies except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this insurance not been effected.
10. The insurance may be terminated at any time at the request of the insured, in which case the Company will retain the customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company, on notice to that effect being given to the insured, in which case the Company shall be liable to repay on demand a ratable proportion of the premium for the unexpired term from date of the cancelation.
11. On the happening of any loss or damage the insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage or such further time as the Company may in writing allow in that behalf, deliver to the Company:
- a) a claim in writing for the loss and damage containing as particular an account as may be reasonably practicable of all the several articles or items of property damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind.
 - b) particulars of all other insurances, if any.

The insured shall also at all times at his own expense produce, procure and give to the Company all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of the fire and the circumstances under which the loss or damage occurred and any matter touching the

liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claim under this policy shall be payable unless the terms of this condition have been complied with.

12. On the happening of any loss or damage to any of the property insured by this policy, the Company may:
- a) enter and take and keep possession of the building or premises where the loss or damage has happened.
 - b) take possession of or require to be delivered to it any property of the insured in the building or the premises at the time of the loss or damage.
 - c) Keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same.
 - d) Sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Company shall be exercisable by the Company at any time until notice in writing is given by the insured that he makes no claim under the policy or, if any claim is made, until such claim is finally determined or withdrawn, and the Company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the insured or diminish its right to rely upon any of the condition of this policy in answer to any claim.

If the Insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company in the exercise of its powers hereunder, all benefit under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

13. If the claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain any benefit under this policy; or, if the loss or damage is occasioned by the willful act, or with the connivance of the insured; or, if the claim is made and rejected and an action or suit is not commenced within three months after such rejection, or in case of an arbitration taking place in pursuance of the 18th Condition of this Policy within three months after the arbitrator or arbitrators or umpire shall have made their award all benefit under this Policy be forfeited.
14. The Company may at its option reinstate or replace the property damaged or destroyed, or any part thereof, instead of paying the amount of the loss or damage or may join with any other Company or Insurers in so doing, but the Company shall not be bound to reinstate 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 reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, not more than the sum insured by the Company thereon.

If the Company so elect to reinstate or replace any property the insured shall, at his own expense, furnish the Company with such plans, specification, 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 reinstatement or replacement shall be deemed an election by the Company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets, or the construction of building or

otherwise, the Company shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

15. The insured 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 purposes 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 or damage under this Policy, whether such acts and things shall be or become necessary, or required before or after his indemnification by the Company.
16. If at the time of any loss or 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 the same property this Company shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
17. If the property hereby insured shall, at the breaking out any fire, 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 ratable proportion of the loss accordingly. Every item if more than one, of the policy shall be separately subject to this Condition.
18. If any difference arises as to the amount of any loss or damage such difference shall independently of all other questions 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 disinterested persons as arbitrators, of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party. In case either party shall refuse or fail to appoint an arbitrator within two calendar months after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator, and in case of disagreement between the arbitrators the difference shall be referred to the decision of an umpire who shall have been appointed by them in writing before entering on the reference and who shall sit with the arbitrators and preside at their meetings. The death of any party shall not revoke or affect the authority or powers of the arbitrator, arbitrators or umpire respectively; and in event of the death of an arbitrator or umpire, another shall in each case be appointed in his stead by the party or arbitrators (as the case may be) by whom the arbitrator or umpire so dying was appointed. The costs of the reference and of the award shall be in the discretion of the arbitrator, arbitrators or umpire making the award. And it is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrator, arbitrators or umpire of the amount of the loss or damage of disputed shall be first obtained.

In no case whatsoever shall the Company be liable for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

BUSSINESS INTERRUPTION MEMORANDA

1. **Adjustment of Premium Clause**

In the event of the Gross Profit earned or the Wages paid during the financial year most nearly concurrent with any period of Insurance (as certified by the Insured's Auditors) being less than the respective Sum Insured thereon a pro rata return of premium not exceeding 50 percent of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any Damage shall have occurred giving rise to a claim under this Policy such return shall be made in respect of so much of the difference as is not due to such Damage.
2. **Payment on Account clause**

It is understood and agreed that in the event of the occurrence of a loss under this insurance the Company will make payment on account in respect of such loss as required by the Insured.

3. Professional Accountants Clause

Any particulars or details contained in the Insured's books of accounts or other business books or documents which may be required by the Insurers under the conditions of this policy for the purpose of investigating or verifying any claim under this Section may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and detail to which such report relates.

The Company will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by the Insurers under the terms or the conditions of this policy and reporting that such particulars or details are in accordance with the Insured's books of accounts or other business books or documents.

4. Payment on Account Clause

It is understood and agreed that in the event of liability being admitted in respect of the claim under this policy the insured will without prejudice to their rights under this insurance make payment or payment on account as may be required by the insured in respect of such loss/claim.

5. Accumulated Stocks Clause

In adjusting any loss, account shall be taken, and equitable allowance made if any reduction in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

6. Alternative Trading Clause

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

7. Uninsured Standing Charges Clause

If any standing charges of the business be not insured by this Policy (having been deducted in arriving at the gross profit as defined herein) then in computing the amount receivable hereunder as increase in cost of working, that proportion only of any additional expenditure shall be brought into account which the gross profit bears to the sum of the gross profit and the uninsured standing charges.

8. Return Premium Clause

In the event of the gross profit earned (or a proportionately increased multiple thereof where the maximum indemnity period exceeds) during the financial year most nearly concurrent with any period of insurance as certified by the Insured's auditors being less than the sum insured thereon a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred, giving rise to a claim under this policy, such return shall be made in respect only of so much of the said difference as is not due to such damage.

9. Upward Adjustment Clause

It is hereby understood and agreed that the liability of the Insurers under this Policy in respect of Gross Profit and Wages is of the sums insured stated in the schedule and the premium which has been calculated on the said sums insured is provisional and on the expiry of each period of insurance be adjusted as hereinafter provided.

In the event of the Gross Profit Earned and Wages paid during the accounting period of twelve months most nearly concurrent with any period of insurance certified by the Insured's Auditors being greater than the sum insured stated in the Schedule a pro rata additional premium not exceeding of the

premium paid on such sum insured or such period of insurance shall be paid by the Insured in respect of such difference.

If any damage shall have occurred giving rise to a claim under this Policy the amount paid in respect of such claim shall be taken into account in calculating the Gross Profit earned and Wages paid.

10. Salvage Sales Clause

If, following damage giving rise to a claim under this Policy, the Insured shall hold a salvage sale during the indemnity period, the amount payable as indemnity in respect of reduction in turnover shall be the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) shall in consequence of the damage fall short of the standard turnover, from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale.

11. 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 Item 1 shall apply separately to each Department affected by the damage except that if the Sum Insured by the said Item be less than the aggregate of the Sums produced by applying the Rate of Gross Profit for each Department of the business (whether affected by the damage or not) to the relative Annual Gross Profit in proportion to the indemnity period thereof, the amount payable shall be proportionately reduced.

12. Failure of Supply from Public Utilities:

In consideration of the payment of an additional premium which is included in the premium herein, it is hereby declared and agreed that subject to the conditions of the Policy, loss as insured by this policy resulting from interference with the business in consequence of damage by any insured peril to property at any Electricity Station or Sub-station, or Water Works of Public Supply under-taking, from which the insured obtains electric current or water shall be deemed to be loss resulting from damage to property used by the Insured at the premises, but liability of the Insurers is for the period during which the results of the business shall be affected in consequence of the damage beginning 24 hours in respect of electricity and 10 days in respect of water after the occurrence of the damage.

13. Deterioration of Undamaged Stock:

The insurance is extended to include loss sustained by the Insured during the indemnity period resulting from deterioration of stocks due solely to the Insured's inability to process in the normal way in consequence of damage to the premises. The amount payable shall not exceed the cost of the stocks less any saving that can be achieved.

14. Alternative Basis Clause

It is agreed that in the event of a claim under this Policy, adjustment may be based on Turnover or Output, whichever affords the more equitable result and except in the definition of Turnover, the word Turnover wherever used in this Policy shall be read as "Turnover or Output".

15. New/Additional Premises Clause

It is hereby declared and agreed that loss as insured by this Policy resulting from interruption of or interference with the business in consequence of damage (as within defined) to property at the premises anywhere in Tanzania in respect of which the Insured have entered into a contract to have constructed, purchased, leased or tenanted shall be deemed to be loss resulting from damage to property used by the Insured at the premises.

16. Storage

Loss resulting from interruption of or interference with the business in consequence of damage (as within defined) to property:-

- a) at premises where the Insured have stored or temporarily deposited property (either for processing or storage purposes) or fulfilling a contract.
- b) at the premises of the Insured's subsidiary or Associated Companies.

shall be deemed to be loss resulting from damage to property used by the Insured at the premises.

17. Long Term Agreement Endorsement

A discount of 5 per cent off the net premium for this Policy is allowed in consideration of the Insured having undertaken to continue the insurance for a period of Five years from
And to pay the premium annually in advance, it being understood that the sum insured may be reduced to correspond with any reduction in value.

Condition 9 of the Policy is replaced by the following: -

This Insurance may at any time be terminated at the option of the Company on notice to that effect being given to the Insured in which case the Company shall be liable to repay on demand a ratable proportion of the premium for the unexpired period of the Insurance year concerned.

WARRANTIES

The company is precisely declared to be free from liability for loss of, or damage to any electrical machine apparatus, or any portion of the electrical installation, arising from or occasioned overturning, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatsoever cause (Lightning Included) arising.

Provided that this exemption shall only apply to the particular electrical machine, apparatus or portion of electrical installation so affected and not to other machines, apparatus of electrical installation destroyed or damaged by fire, act up by such particular machines, apparatus or other electrical installation.

WARRANTED that during the currency of this Policy no Mineral Oil, Mineral Spirits, or Liquid Fuel, vegetable or mineral and by whatever name known giving off inflammable vapour below 100 degrees Fahrenheit (such as Petrol, Naptha, Benzenes, Gasoline, or the like) be stored deposited or kept in any building referred to in this policy or in any building or building communicating therewith, and that not more than 60 gallons in all or such maximum quantity as is permitted by the Rules of the Local Authority, whichever is the less, of Mineral Oil, and/or Liquid Fuel giving off inflammable vapour not below 100 degrees Fahrenheit but below 150 degrees Fahrenheit (such as Paraffin or the like)

TERRORISM EXCLUSION CLAUSE

Notwithstanding any provision of this Agreement including any exclusion, exception or extension or other provisions not included herein, this Agreement does not cover loss or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this clause an act of terrorism includes, without limitation, the use of violence or force including the use of chemical or biological substances or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or Government or any other person or body of persons committed for political, ethnic, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any Government or for purposes of inspiring fear in the public or section thereof.

If the Company alleges that, by reason of this clause, loss, damage, costs or expense is not covered by this Agreement, the burden of proving the contrary shall rest on the Insured.