



Construction Risks Material Damage

PROJECT REMEDIATE - HANSEN YUNCKEN PTY LTD & OFFICE OF PROJECT REMEDIATE

~~Quotation Slip~~ Policy Wording

Prepared for:
Hansen Yuncken Pty Ltd and Office of Project Remediate

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Introduction

In consideration of the Named Insured having paid or agreed to pay the Premium, the Insurers agree to indemnify the Insured to the extent provided herein subject always to the Limits of Liability and Sub-limits of Liability of this Policy.

This Policy incorporates the Introduction, Insuring Clauses, Schedule, Sections, Definitions and Interpretation, Claim and General Conditions, Extensions, Optional Extensions, Exclusions, Endorsements and any other terms herein contained, which are to be read together. The Insurers agree that this Policy and any subsequent attaching Endorsements are accepted as their own.

The liability of all of the Insurers collectively will in no case exceed the Limits of Liability and Sub-limits stated in the Schedule or elsewhere in this Policy. Furthermore, the liability of each of the Insurers individually will in no case exceed the proportion set against each Insurer's name below.

Signed for and on behalf of the Insurers:

Insurers	Policy. No	Proportion %	Signature	Date
QBE Insurance (Australia) Limited	TBA	100%		30th May 2022

Schedule

Named Insured:

- (a) The Crown in right of the State of New South Wales, represented by the Office of Project Remediate, NSW Department of Customer Services ("Office of Project Remediate")
- (b) Hansen Yuncken Pty Ltd (as Managing Contractor)
- (b) Owner Corporations formally signed up to the Project Remediate program (**Program**) funding agreement

Additional Insureds:

- (d) Contractors undertaking work on any Insured Project commencing during the Period of Insurance;
- (e) Any contractor or consultant (of any tier) to the Named Insured or the Additional Insureds in (a), (b), (c) and/or (d) above who at the time the work is awarded to them are qualified to do that type of work by the Named Insured (including, but not limited to, the Independent Project Manager, Fire Safety Engineer and Building Surveyor);
- (f) Any other party named in a Contract;
- (g) Any subcontractor or sub consultant (of any tier) to the Named Insured or Additional Insureds not mentioned above;
- (h) Other parties as declared and agreed for each specific Project

each entity listed under Insured and Additional Insured as Co-Insureds for their respective rights and interests

Other Insureds:

This Policy also insures other parties as specified in the definition of the Insured herein.

Insured Projects:

All projects undertaken by or on behalf of the Named Insured specifically relating to works performed under the Project Remediate Program and including any incidental remediation work completed concurrently which are required to enable works performed under the Project Remediate Program, commenced during the Policy Period; however, unless otherwise agreed and accepted by the Insurer and listed in the Schedule as an Endorsed Project, this Policy does not cover Excluded Projects.

Insured Operations:

Contracts commenced during the Period of Insurance Basis

All works of any kind or description undertaken by or on behalf of the Named Insured, the Additional Insureds and/or the Other Insureds in respect of works performed under the Project Remediate Program, and commenced during the Period of Insurance, but shall not include Referral Contracts, except in accordance with the provisions of Condition 20 unless endorsed onto this Policy.



Referral Contracts Are those Contract Types listed below where the Insurers will not grant any cover under this Policy, unless agreed by specific Endorsement.

Contract Type	Where the original estimated Contract Value for the Contract Type exceeds
a) Where the original estimated Contract Value exceeds	\$10,000,000
b) Where the original estimated Construction period exceeds 24 months	All Values

Period of Insurance From: 27 May 2022
To: 30 June 2023

Both dates at 4.00pm Local Time at Melbourne

Plus the Maintenance / Defects Liability Period as more particularly defined herein.

Defects Liability Period 12 months in respect of the initial Defects Liability Period.

Geographical Scope Anywhere in the Commonwealth of Australia.

Limits of Liability Limit of Liability any one Event, any one situation

Contract Works	\$10,000,000
Existing Property	Not Insured
Construction Plant and Equipment (any one item)	Not Insured
Escalation Percentage (Condition 1)	15%

Sub-Limits of Liability The liability of Insurers will be further limited in respect of any one Event, any one Contract/Situation as set out in the Sub-limits below. These Sub-limits will apply in addition to the above Limits of Liability.

2.1(a) Removal of Debris and Other Costs	\$1,000,000
2.1(b) Expediting Expenses	\$500,000
2.1(c) Search and Locate Costs	\$250,000
2.1(d) Professionals' Fees	\$1,000,000
2.1(e) Mitigation Expenses	\$500,000
2.1(f) Plant Hire Charges	Not Insured
2.1(g) Claims Preparation Costs	\$50,000
2.1(h) Government Costs and other Fees	\$500,000
2.1(i) Inflation Protection	\$500,000
2.1 (j) Sue & Labour	\$500,000
2.1(k) Idle and Standby Costs	\$150,000

The following Sub-limits are included within the Limit of Liability; Insured Property whilst in transit	\$250,000
Offsite Storage	\$500,000



Basis of Settlement	1. Contract Works 2. Existing Property 3. Construction Plant & Equipment	Reinstatement Value Not Applicable Not Applicable
Nominee for Insurers' Notices	TBA	
Nominee for Legal Service	TBA	
Agreed Loss Adjuster(s)	The Insurer authorise the following companies to adjust any claim under this Policy, or as otherwise agreed by the Insurer and the Insured: TBA	
Loss Payee	Named Insured	
Currency	Australian Dollars	
Policy Wording	Lockton Companies Australia Construction Risks Material Damage Wording as agreed.	
Excess	The Insured shall bear the following deductibles for each and every Event or series of claims arising out of any one Event	
	LEG3/06	\$100,000 each and every Event
	Major Perils	\$50,000 or 2.5% of the loss, whichever is greater, each and every Event subject to a maximum of \$200,000
	All other claims	\$25,000 each and every Event
	Should more than one deductible appear under the Policy for any Event or loss or series of claims or losses arising from the one Event, such deductibles shall not be aggregated. The highest single level of deductible only shall apply.	
Endorsements	1. Alternative Defects Exclusion Option (LEG3/06) 2. Long term agreement as provided 3. Schedule of Endorsed Projects	

Referral Projects (>\$10m)

Contract Reference	Address	Start Date	Value
48	79 QUAY STREET	21/10/2022	\$13,623,674.00
68	SUITES WORLD TOWER, 91 LIVERPOOLST	TBC	\$14,799,912.00
90	1-7 Australia Avenue	TBC	\$22,861,993.00



94	438 Victoria Avenue (Grand Building)	21/10/2022	\$10,596,727.00
152	18 Footbridge Boulevard (previously 3-7 Half Street (26 Footbridge Boulevard)	21/10/2022	\$20,412,337.00
162	Netstrata Footbridge Boulevard 4 Foreshore Place (previously aka 3 half street)	TBC	\$13,903,137.00
164	Talga 46 Savona Drive	21/10/2022	\$15,070,819.00
169	1-25 DELHI ROAD know to Ryde Council as 9-11 Delhiroad building A&B	21/10/2022	\$9,957,571.00
177	Top Ryde City- Residential -Know to city of Ryde as 5 Pope street Ryde Buildings	TBC	\$24,853,819.00



Policy Wording

Definitions and Interpretation

The following Definitions will apply to this Policy.

Aircraft means any craft or machine made or intended to fly or become airborne or move in or through the atmosphere or space.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature.

Construction Period means the period commencing with the entering into of each Contract or the commencement of works whichever is the earlier, provided such Contract is entered into or work commenced during the Period of Insurance (except in relation to uncompleted Contracts intentionally transferred and accepted by Insurers under this Policy), until in accordance with the obligations of the Insured:

- i. the Contract Works have been formally accepted in their entirety by the principal or owner as having achieved practical completion and completed any relevant Performance Testing Period, notwithstanding the fact that portions of the Contract(s) may have been handed over, put into use or accepted by the principal or owner prior to that time, including any relevant Performance Testing Period; or
- ii. with respect to each separable portion of the Contract Works, the time it is taken over and put into use by the principal or owner, including any relevant Performance Testing Period.

Contract means contracts or agreements in connection with the Insured Operations.

Contract Value means the total value of work and construction costs incurred by or on behalf of the Insured in respect of the Contract Works. It includes the value of principal supplied and other free supplied materials if required to be insured under this Policy. The Named Insured may reduce the Contract Value by the value of non-recurring construction costs (in whole or in part).

Damage means physical loss, destruction or damage neither expected nor intended by the Insured with the word Damaged having a corresponding meaning.

Defined Peril means , for the purposes of Exclusion 6, fire; lightning; explosion; storm, windstorm, hail, tornado, cyclone, hurricane; earthquake; volcano; tsunamis; flood; freezing; weight of snow; impact by Aircraft and other aerial devices or articles dropped therefrom; impact by any road vehicle or animal; bursting, overflowing, discharging, leaking or escape of water from any tank, apparatus or pipes; theft (other than theft by employees) including theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data; riot, civil commotion, strikes, locked-out workers, persons taking part in labour disturbances, malicious persons; accidental damage; subsidence, ground heave or landslip.

Defects Liability Period means the period described in any Contract during which an Insured is obliged or legally liable to rectify defects, shrinkages, errors, omissions or other faults and/or to complete the maintenance



or other obligations under such Contract (the original Defects Liability Period). This period shall not exceed the Defects Liability Period stated in the Schedule in respect of any one Contract.

Where the Contract provides for the Defects Liability Period to be extended upon rectification of a defect, the Defects Liability Period in respect of the rectification can be extended up to a period not exceeding the original Defects Liability Period following completion of the rectification works.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

Event means an occurrence or series of occurrences consequent upon or attributable to one source or original cause.

Indemnity Value means

- i. where the Damage to property can be repaired, the cost necessarily incurred to restore the property to its former state of serviceability, including the cost of dismantling and re-erection incurred for the purpose of effecting the repairs. Deductions will not be made for depreciation in respect of parts replaced, but the salvage value of such parts shall be taken into account;
- ii. where the property is totally destroyed, lost or stolen, abandoned or cannot be satisfactorily repaired at a cost not exceeding the market value immediately before the Damage, the market value of the item at the time of the Event. If due to the nature of the property, it is not possible to readily ascertain a market value, the basis of settlement shall be the replacement cost of the damaged property less due allowance for depreciation taking into consideration the anticipated useful life of the property and the nature of its usage;
- iii. in respect of Construction Plant and Equipment in the following circumstances, shall be:
 - a. in the event of the total loss or constructive total loss of an item which is financed, the amount settled will be greater of the cost of discharging the finance or the amount calculated in i. or ii. above.
 - b. in the event of Damage in respect of items subject to a lease, hire, rental or similar agreement, the basis of settlement will be in accordance with the rectification provisions of such agreement, but not exceeding the Reinstatement Value.

Insured means

- i. the Named Insured stated in the Schedule;
- ii. any parent or subsidiary company (including subsidiaries thereof) of the Named Insured and any other organisation under the control of the Named Insured and over which it is exercising active management, whether now or hereafter incorporated;
- iii. if not a Named Insured, any of the following persons or entities for whom or for which the insured parties under clause i or ii above are obliged to arrange insurance by virtue of a Contract or assumption of responsibility, but only to the extent required by such Contract or assumed responsibility and in any event only for such coverage and Limits of Liability as provided in this Policy; any:
 - a. Additional Insureds stated in the schedule;
 - b. principal or owner or agent of the principal or owner or joint venture partner;



- c. construction manager or project manager or superintendent;
- d. contractor or sub-contractor of any tier subject to the limitations in e and f;
- e. architect, engineer or other consultant, but only in respect of their on-site, manual activities;
- f. vendor or manufacturer, but only in respect of their on-site, manual activities;
- g. lessor, financier, mortgagee or trustee;
- h. government body;
- i. other party with an insurable interest in the Insured Operations;

any director, executive officer, employee, contract staff or partner of any of the Insured under clauses (i), (ii) or (iii) whilst acting as such; and any office bearer or member of any social, sporting, safety, security, medical or welfare facility of any of the insured under clauses (i), (ii), (iii)(a), (iii)(b) or (iii)(c) whilst acting as such; all for their respective rights and interests.

Insured Property

- i. **Contract Works** means property of every description under or to be used in part of or incidental to or having any connection whatsoever with the Insured Operations. It shall include but not limited to:
 - a. the whole of the works, whether permanent or temporary works, structures, materials and supplies including free supplied materials;
 - b. temporary buildings, camp buildings and all other project buildings and their contents;
 - c. formwork, false work, scaffolding, access platforms, hoardings, mouldings, and the like, whether the foregoing be consumable or reusable;
 - d. consumables, drawings and other documents and Electronic Data; but excluding Construction Plant and Equipment and Existing Property not specified in the Schedule.
- ii. **Existing Property** means existing buildings, structures, plant, contents and real property of every description which suffers loss or damage emanating from the Contract Works.
- iii. **Construction Plant and Equipment** means:
 - a. All construction plant, tools and equipment of every description including spare parts;
 - b. Employees' tools, equipment and personal property;
 - c. Property described in clauses i.b. and i.c. is deemed to be Construction Plant and Equipment when situated at the Named Insured's premises or storage locations and provided the Named Insured has elected to cover Construction Plant and Equipment under this Policy against which an appropriate Limit of Liability is stated in the Schedule. Construction Plant and Equipment is specifically excluded under this Policy unless an amount is specified against this Item in the Schedule.

Property defined in clauses i. to iii. shall refer to property owned by the Insured or for which they are responsible or have assumed responsibility prior to any Event for which a Claim may be made hereunder, or for which the Insured has agreed to insure, or in which the Insured otherwise has an insurable interest.

Local Time which appears in the Schedule means the time at the Named Insured's principal location.

Major Perils means earthquake, landslip, fire, subterranean fire or volcanic eruption, subsidence, collapse, storm and/or tempest and/or rainwater and/or flood and/or tsunami and/or named cyclone.

Offsite Storage means locations where the Insured stores Insured Property away from where the works are being undertaken.

Part for the purposes of Exclusion 3.2 and 3.7 means each and every separate component or portion or piece or fragment or section or constituent or process or admixture of the Insured Property;



- a. used in or incorporated in or added to the Insured Property; or
- b. into which the Insured Property can be dismantled; or
- c. which can be separately identified as forming part of the Insured Property.

Performance Testing Period means the period of testing and/or commissioning of the Contract Works or any of its component parts and begins when 'live load' is introduced, including the use of feedstock or other materials for processing or other media to stimulate working conditions and in the case of electrical motors, electrical generating, transforming, converting, or rectifying plant or machinery, connection to a grid or other load circuit, or as more particularly described in a Contract, and ends at the completion of testing and commissioning under the Contract, but in no case exceeding the Performance Testing Period shown in the Schedule (if any).

Where Performance Testing is performed in stages any periods between the applications of 'live load' are not considered to be part of the Performance Testing Period. Simple functionality tests without the application of 'live load' are not considered to be part of the Performance Testing Period.

Project Remediate Program means the Program where Hansen Yuncken acts as managing contractor to external cladding rectification works on buildings that are found to have high-risk combustible cladding in order to ensure their safety.

Project Site means any place where any work is performed for and/or in connection with the Insured Operations together with all surrounding areas, including whilst in storage.

Reinstatement Value means:

- i. where the Property is lost or destroyed, the cost of replacement thereof by similar Property in a condition equal to, but not better nor more extensive than, its condition when new;
- ii. where the Property is Damaged and can be repaired, the cost necessarily incurred to restore the Property to a condition substantially the same as, but not better or more extensive than its condition when new, plus cost of dismantling and re-erection incurred for the purpose of effecting the repairs.

Underlying Insurance means a policy of insurance arranged by or on behalf of an Insured either voluntarily or pursuant to a Contract (which may include a policy(ies) arranged by joint venture partners, principals, contractors, etc) that provides cover to the Insured for a risk, which save for the Underlying Insurance, would be covered by this Policy. Underlying Insurance includes but is not limited to those policies identified in the Schedule.

The following Interpretations will apply to this Policy.

Singular/Plural

In this Policy, where the context admits, words denoting the singular shall include the plural and vice versa.

Headings

Headings have been included for ease of reference. The terms and conditions of this Policy are not to be construed or interpreted by reference to such headings.



Material Loss or Damage

The following insuring clauses apply to this Policy.

INSURING CLAUSE

1. CONSTRUCTION PERIOD

The Insurers will indemnify the Insured, against Damage not specifically excluded to the Insured Property in accordance with the Basis of Settlement, happening within the Geographical Scope stated in the Schedule including whilst in storage or in transit or transshipment including loading and unloading or elsewhere and occurring, in respect of:

- a) Construction Plant and Equipment, during the Period of Insurance;
- b) All other Insured Property, during the Construction Period.

2. DEFECTS LIABILITY PERIOD

The Insurers will indemnify the Insured in accordance with the Basis of Settlement, against Damage to the Insured Property from a cause not specifically excluded, provided such Damage:

- a) manifests itself during the Defects Liability Period provisions of the Contract; and
- b) originates from:
 - i. a cause arising during the Construction Period and at the Project Site of the Insured Operations; or
 - ii. an act or omission of any of the Insured parties in the course of their complying with the provisions of a Contract during the Defects Liability Period.

3. BASIS OF SETTLEMENT

In the event of Damage to Insured Property the amount payable shall be in accordance with the Basis of Settlement stated in the Schedule in respect of the property designated therein.

- a) Reinstatement Value

Where the Basis of Settlement is Reinstatement Value the following provisions shall apply;

- i. the work and full cost of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to the requirements of the Named Insured, but subject to the liability of the Insurers not being thereby increased);
- ii. where the Insured Property has been Damaged and where the Named Insured elects not to reinstate such Insured Property, the Insurers will pay to the Named Insured an amount equal to the cost necessary to replace, repair or rebuild the Insured Property to a condition substantially the same as but not netter nor more extensive than its condition at the time the Damage occurred.

At their sole discretion the Named Insured may elect to accept settlement of any claim made under this policy on the basis of a cash sum, provided that the Insure(s) liability under this policy shall remain unaltered as if replacement has occurred and that by the exercising of this



discretion, the Named Insured shall not be prejudiced or obliged to accept a lesser sum than would have otherwise been the case.

- iii. if the Insured Property is reasonably abandoned because the cost of recovery would exceed the amount payable under this Policy in respect of such property, it shall be deemed to be a constructive total loss and settlement shall be made in accordance with the above provisions (as applicable).

b) Indemnity Value

Where the Basis of Settlement is Indemnity Value the following exceptions will apply to the settlement of Damage to Construction Plant and Equipment:

- i. where the item is financed and in the event of its loss or constructive total loss, the amount settled shall be in the greater of the cost discharging the lease or the stated Basis of Settlement;
 - ii. in respect of items leased, hired or rented, the basis of settlement shall be in accordance with the rectification provisions of the lease, hire or rental agreement but not exceeding the Reinstatement Value;
 - iii. for Plant less than 3 years Basis of Settlement is Reinstatement Value.
- c) The total amount payable by Insurers will also include any additional amounts as provided in Insuring Clauses 4 to 6 (as applicable).
- d) In all cases, (except as is excluded by e) below), the cost of reinstatement (including the provisions of paragraph a)iii. herein), shall refer to the final cost to the Insured after completion of the repair, reinstatement or replacement work, if required by the Insured, the cost of transporting the item to the place where the Damage occurred and including a reasonable margin for profit, administration costs and overheads where such work is carried out in whole or in part by the Insured.
- e) In the event that the financier elects to have a cash payment rather than reinstatement, the cash settlement shall be for the amount equivalent to the Reinstatement value.

4. LOCAL AUTHORITIES CLAUSE

The indemnity provided by this Insuring Clause 4 and 6 shall, subject to the Sub-Limit of Liability stated in the Schedule (if any), extend to include the extra costs (including demolition or dismantling) necessarily incurred to comply with the requirements of any Act of Parliament or regulation made thereunder or any by-law or regulation of any municipal or other statutory authority, other than such extra costs as aforesaid with which the Insured had been required to comply prior to the Damage occurring.

5. UNDAMAGED FOUNDATIONS

Where the Insured Property is destroyed but the foundations are not destroyed, then any abandoned foundations will be considered as being destroyed. The term "foundations" is deemed to include services such as, but not limited to, conduits, pipes, cables and wiring built into the footings and foundations (including concrete floor slabs).



6. OUTPUT REPLACEMENT

If any item(s) of the Insured Property having a measurable output is Damaged (in whole or in part) and which is capable of replacement with a new item(s) which performs a similar function, then the amount payable by the Insurer in respect of such property shall be on the following basis:

- a) If any lost or destroyed Insured Property is to be replaced by an item(s) which has the same or a lesser total output, then the amount payable thereof is the new installed cost of such replacement item(s) as would give the same total output as the Damaged item(s);
- b) If any Damaged Insured Property is to be replaced by an item(s) which has a greater total output and the replacement value is no greater than the value of the Damaged item(s) then the amount payable shall be the cost of the replacement item(s) and no deduction shall be made due to improved output;
- c) If any Damaged Insured Property is to be replaced by an item(s) which has a greater total output and the replacement value is greater than the value of the Damaged item(s) then the insurable value thereof is that proportion of the new installed cost of the replacement item(s) as the output of the Damaged item(s) bears to the output of the replacement item(s). The difference between the insurable value as defined and the new installed cost of the replacement item(s) shall be borne by the Insured.

This Insuring Clause 6 does not apply if the Basis of Settlement against the relevant property is designated in the Schedule as Indemnity Value.



EXTENSIONS APPLYING TO THIS POLICY

The following extensions apply to this Policy

1. ADDITIONAL COSTS AND EXPENSES

The Insurers shall, in addition to the Limits of Liability, pay the additional costs and expenses incurred by or on behalf of the Insured (over and above those already included in the Contract Value), subject to the Sub-limits of Liability stated in the Schedule (if any).

Such additional expenses shall include, but not limited to:

a) Removal of Debris and Other Costs

i. Debris

Costs or expenses reasonably and necessarily incurred in removing, clearing, dismantling or demolishing debris, materials, Insured Property or other property, ponded water or other substances (including the removal, clearance or demolition of any of the Insured Property, which is no longer fit for the purpose for which it was intended) affecting the Insured Operations arising out of Damage which is indemnified under this Policy.

ii. Temporary Protection

Costs and expenses incurred by or on behalf of the Insured:

- a) for the removal of ad/or the temporary protection and safety of Insured Property;
- b) in the purchasing and/or hiring and in the erection and dismantling of hoardings, barriers, fences and any other forms of protection which the Insured must provide in order to comply with the requirements of any government, municipal or other statutory authority;

Provided that the indemnity afforded shall only apply where the costs and expenses are incurred as a result of Damage

iii. Shoring, Propping and Other Costs

Costs and expenses necessarily incurred in respect of shoring up, propping, underpinning and temporary repairs as a consequence of actual or imminent Damage which is or would be indemnified under this Policy.

b) Expediting Expenses

Costs and expenses incurred in connection with or incidental to expediting the commencement, carrying out or completion of the repair, reinstatement or replacement of the Insured Property consequent upon Damage which is indemnified under this Policy. Such costs and expenses shall include but not limited to:

- i. express or chartered carriage or delivery (including by sea or air);
- ii. travel (including by sea or air) of the Insured's employees, agents, sub-contractors, consultants or representatives;
- iii. overtime or penalty rates of wages and other related allowances and payments;
- iv. hire of additional labour, plant, equipment, materials, expertise or services;
- v. reasonable and necessary changes in the method of construction, the cost of earlier than usual delivery or manufacture and/or costs of purchasing resources;



- vi. accommodation and boarding costs (including meals and other costs associated therewith);
- vii. additional administrative and/or overhead expenses.

c) Search and Locate Costs

Leak search and other costs incurred following irregularities discovered in the results of a hydrostatic or other testing procedures. Such costs will include but not be limited to:

- i. the cost of hiring, operating and transporting apparatus;
- ii. the cost of all associated earthworks;

and are only payable as a consequence of Damage indemnified under this Policy.

d) Professionals' Fees

Salaries, expenses, fees and other costs of clerks of works, project managers, architects, surveyors, quantity surveyors, project coordinators, engineers, legal and other consultants for estimates, plans, designs, specifications, quantities, tenders and supervisions necessarily incurred in reinstatement consequent upon Damage indemnified under this Policy to the Insured Property, but excluding fees for the preparation of any claim under this Policy.

e) Mitigation Expenses

Reasonable costs and expenses incurred by or on behalf of the Insured in connection with or incidental to mitigating, containing, eliminating, avoiding or suppressing actual or imminent threat to life or actual or imminent Damage which is or would be indemnified under this Policy occurring at or adjacent to or immediately threatening the Insured Property.

Such costs and expenses shall include but not be limited to:

- i. the payment for additional labour (including the Insured's employees), services or resources
- ii. the cost of replenishing firefighting appliances or systems and costs and charges incurred for the purpose of shutting off the supply of water or any other substances following the accidental discharge or escape from intended confines of any such substance, whether from fire protection equipment or otherwise.

f) Plant Hire Charges **Not Insured**

Costs and expenses incurred by the Insured for the hire of a replacement item of Damaged construction Plant and Equipment and/or the continuing charges incurred for the Damaged item.

g) Claims Preparation Costs

Reasonable costs and expenses necessarily incurred by the Insured and not otherwise recoverable in connection with or incidental to preparing, collating, auditing or qualifying actual or imminent Damage being claimed under this Policy. Excluding legal fees.

h) Government Costs and other Fees

- i. Any fee, contribution or other impost (excluding fines and/or penalties) payable to any government, municipal or other statutory authority, where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate Insured Property.
- ii. Any fee contribution or other impost (excluding fines and/or penalties) payable to any government department, local government or other statutory authority for services rendered



or equipment supplied for the purpose of helping to prevent, mitigate or confine further actual Damage at or in the vicinity of a Project Site.

i) Inflation Protection

In the event of delay in completion of any insured Contract (or part thereof) being incurred by reason of Damage to Insured Property which is indemnified hereunder, cover by this Policy shall extend to indemnify the Insured in respect of the amount by which the ultimate cost of construction of those parts on the Contract Works not suffering such loss or damage and being unbuilt or incomplete at the date of the Damage should exceed the cost of construction had no such Damage or consequent delay occurred.

Provided always that:

- i. The indemnity provided by this Extension shall apply to the net increase in costs caused by the inflationary effect of escalation in the costs of labour, materials and services which the Insured shall prove to be a direct result of the delay consequent upon indemnifiable Damage.
- ii. No indemnity is given under this Extension in respect of increased construction costs incurred:
 - a) in consequence of any other delay not referred to above;
 - b) by reason of any improvement or change in methods of working or construction;
 - c) in redesigning the Contract Works, or incurred as a result of such redesign;
 - d) for acceleration of the progress of the Contract Works or to expedite repairs or to progress the Contract Works at a faster rate than previously achieved;
- iii. No indemnity is provided in respect of the payment of fines, penalties or liquidated damages under the Contract, nor in respect of costs incurred to avoid such payment;
- iv. Furthermore, the Insurer's obligation to indemnify the Insured in accordance with this Extension will be reduced to the extent that the net increase in construction cost is recovered by the Insured from another party.

j) Sue and Labour

Sue and labour and other costs incurred for general average contributions, the salvage, rescue, recovery or retrieval of Insured Property, together with the cost of dismantling and transportation of property to an appropriate place for assessment of any Damage including any transportation costs returning the Insured Property to the Worksite or storage yard once it has been repaired or replaced. Such costs are only payable as a consequence of Damage to Insured Property indemnified under this Policy.

For the purpose of claims for general average contributions and salvage charges recoverable hereunder, the Insured Property shall be deemed to be insured for its full contributory value.

k) Idle/Standby Costs

The Insurer will indemnify the Insured against any costs and expenses necessarily and reasonably incurred by the Insured and not recoverable under contract/agreement which arise out of the inability to utilise labour and/or materials (whether in whole or part) following an indemnifiable claim provided that Insurers will not indemnify the Insured under this clause in respect of any costs and expenses arising out of the failure to undertake the repair or reinstatement of the subject matter insured within a reasonable period of time.



2. PLOT RATIO INDEMNITY

In the event of Damage to Insured Property and as a result of the exercise of statutory powers and/or authority by any government or statutory authority the replacement of Insured Property as before is prohibited or is only permissible subject to a reduced floor space ratio index and/or to the payment of certain fees and contributions as a prerequisite to replacement or reinstatement, then the Insurers agree to pay to the Insured in addition to any amount otherwise payable:

- a) the difference between the actual cost of replacement or reinstatement incurred in accordance with a reduced floor space ratio index and the cost of replacement which would have been incurred had a reduced floor space ratio index not been applicable;
- b) the amount of any fees, contributions or other impost payable to any government department, local government or other statutory authority where such fee, contribution or impost is a condition precedent being given to the replacement of such property.
- c) the amount of any additional costs and expenses incurred by or on behalf of the Insured as a result of alterations to the specifications of such property brought about by the reduced floor space ratio index as aforesaid.

In arriving at the amount payable under clause a) above, any amount paid by the Insurers shall include any extra costs of reinstatement or replacement as insured under Insuring Clause 4.

3. CIVIL AUTHORITY

This Policy is extended to include loss resulting from Damage by civil authority during a conflagration or other catastrophe incurred for the purpose of retarding the same.

4. MARINE/NON-MARINE LOSS SHARING

In the event of Damage to the Insured Property being discovered after the risk has terminated under any marine cargo/transit insurance or any subsequent period of discovery attaching thereto (whichever shall be the later), and after proper investigation it is not possible to ascertain whether the cause of such Damage happened prior to termination of the marine venture or subsequently, the Insurers shall contribute 50% of loss. Any such settlement will be without prejudice to the subsequent final apportionment of the loss agreed between the Insurers and the marine cargo/transit insurers.

Should the Insurers settle a claim as described by the provisions of this clause, the applicable Excess shall be reduced proportionally to the contribution made by the Insurers to the total loss.

5. PERMISSION TO OCCUPY AND OPERATE

Permission is granted by Insurer(s) to the Principal and/or owner or any other party to occupy and operate any portion of the construction site or works and such opportunity or operation shall not constitute final acceptance of the Insured Property.



EXCLUSIONS APPLYING TO THIS POLICY

1. CONSEQUENTIAL LOSS

Liquidated damages or penalties for non-completion of or delay in completion of the Contract Works or non-compliance with contract conditions or consequential loss, other than as specifically provided under this Policy.

2. CORROSION, WEAR AND TEAR

Damage directly caused by:

- a) normal wear and tear;
- b) rust, oxidation, corrosion or gradual deterioration, including when due to normal atmosphere conditions or other gradual causes;

but this Exclusion 2, shall be limited to that Part if the Insured Property which is immediately affected and shall not apply to any Parts lost or Damaged in consequence thereof.

3. DEFECTS (LEG 2/96)

All costs necessary by defects of material, workmanship, design, plan or specification, however should Damage occur to any portion of the Insured Property containing the said defects the costs of replacement or rectification which hereby excluded is that cost which would have been incurred if replacement or rectification of the said portion of the Insured Property had been put in hand immediately prior to the said Damage.

For the purpose of this Policy, and not merely this Exclusion .3, it is understood and agreed that any portion of the Insured Property shall not be regarded as Damaged solely by virtue of the existence of any defect of material, workmanship, design, plan or specification.

4. AIRCRAFT OR WATERBORNE CRAFT

Waterborne craft exceeding 15 meters in length, or any Aircraft;

5. MONEY

Damage to cash, bank notes, treasury notes, cheques, postal orders and money orders, stamps or securities.

6. ELECTRONIC DATA EXCLUSION

Loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, Exclusion 6 will not apply to physical damage occurring to Insured Property during the Construction Period or Defects Liability Period directly caused by a Defined Peril.

7. BREAKDOWN OF CONSTRUCTION PLANT AND EQUIPMENT

Where a limit is included in the Schedule for Construction Plant and Equipment, damage to Construction Plant and Equipment caused by its own mechanical or electrical breakdown, however this Exclusion 7 shall be limited to the smallest component Part immediately affected and shall not extend to include other components or parts Damaged in consequence thereof.



8. NUCLEAR RISKS

Loss, damage or liability directly or indirectly caused by or contributed to by or arising from:

- a) ionising, radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel;
- b) for the purpose of this Exclusion 8 a) only, combustion shall include any self-sustaining process of nuclear fission;
- c) nuclear weapons materials

This Exclusion 8 shall not apply to Damage resulting from the use of commercial radioactive isotopes.

9. WAR AND TERRORISM

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:

- a) 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. Notwithstanding this Exclusion 9 a), this Policy shall cover loss, damage or liability caused by missiles and/or mines and/or bombs and/or other explosives not discovered at the moment of commencement of this Policy as long as no state of war exists in the country where the loss occurs; or
- b) any act terrorism, except to the extent provided under the Terrorism Insurance Act 2003 (cth).

For the purpose of this clause 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 clause 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 Exclusion 9 a) and/or Exclusions 9 b) above.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder of the clause shall remain.

10. DISAPPEARANCE OR SHORTAGE

Loss due to disappearance or revealed by inventory shortage alone, unless the shortage can be reasonably attributed to burglary, theft, pilferage or like dishonesty of persons.

11. TRANSITS OUTSIDE AUSTRALIA

Damage to Insured Property in the course of ocean marine shipment between countries or transit by air between countries but in no case shall this Exclusion 11 exclude Australian coastal transits.

12. SANCTIONS

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such indemnity, payment of claim or provision of any benefit would expose insurers to any sanction, prohibition or restriction under United Nations



resolutions or the trade or economic sanctions, laws or regulations of the European Union, Japan, United Kingdom or United States of America and/or other applicable national economic or trade sanction law or regulations.



CONDITIONS APPLYING TO THIS POLICY

The following conditions apply to this policy

1. ESCALATION

If during the Construction Period, the anticipated final Contract Value of a Contract or series of Contracts in connection with one project exceeds the Limit of Liability, then the Limit of liability and Sub-Limits of Liability shall be increased by the proportion that the amount the anticipated final Contract Value for such Contract(s) exceeds the estimated Contract Value at commencement of the Construction Period of the Contract(s). The total amount of all such increases shall not exceed the amount of the Escalation Percentage stated in the Schedule multiplied by the estimated Contract Value at inception of the Construction Period.

2. CLAIMS PROCEDURE

The Insured shall upon becoming aware of an event or loss giving rise or likely to give rise to a claim under this policy:

- a) give notice thereof as soon as reasonably practicable to the Insurers via Lockton;
- b) take all such steps as are reasonable to mitigate the actual or potential amount of the claim;
- c) as soon as reasonably practicable thereafter submit a claim in writing to the Insurers via Lockton;
- d) produce to the Insurers or any person officially designated by it all such details, proof and particulars as may be reasonably required by it and permit extracts and copies of such documentation to be made and retained.

Any Insured may immediately proceed with repairs to or replacement of Damaged property without prejudice to the liability of the Insurers, subject to a maximum of \$150,000 provided notice and full particulars of the repairs or replacement are given to the Insurers as soon as reasonably practicable and any Damaged parts are kept or photographic evidence obtained for inspection on behalf of the Insurers. For estimated Damage exceeding \$150,000 the Insured is to defer proceeding with repairs or replacement until the Insurers or their representatives have made a preliminary survey or have agreed to the Insured proceeding with repairs or replacement.

Notwithstanding the foregoing, it is understood and agreed that any Insured shall be entitled to take immediate action to avoid danger to persons or property and that such action shall in no way prejudice or invalidate the relevant Insured's position or entitlement with respect to any claim hereunder.

3. LIMITS OF LIABILITY

- a) The liability of the Insurers for any one Event at any one situation shall not exceed the Limits of Liability and the cumulative amounts of the Sub-limits of Liability stated in the Schedule.
- b) The Limits of Liability and Sub-limits of Liability shall apply in excess of the amount of any relevant Excess.



4. APPLICATION OF EXCESS

- a) The Insured shall be liable to pay the amount of the Excess in respect of each Event. If a series of claims are made arising out of the one Event then only one Excess shall apply.
- b) Non-aggregation of Excess
Should more than one Excess apply for any claim or series of claims arising from the one Event, such Excesses shall not be aggregated and only the highest single Excess shall apply.
- c) 72 Hour Clause

For the purpose of the application of any Excess, all Damage resulting from earthquake, cyclone, flood, storm and/or tempest, occurring during each period of 72 consecutive hours shall be considered as one Event where such Peril is sporadic in its sweep scope. The Insurer shall select the time from which any such period shall commence but no two selected periods shall overlap.

- d) Inland Transit
If a transit Excess is specified in the Schedule, such Excess shall apply to Insured Property in the course of loading of the Insured Property, whilst in transit, including any incidental storage until completion of unloading at the point of discharge at the final destination.

5. INSURERS' RIGHTS AND SUBROGATION

- a) Upon the payment of any claim under this Policy, subject to any restrictions imposed by the Commonwealth Insurance Contracts Act 1984, the Insurers shall be subrogated to all the rights and remedies of the Insured arising out of such claims against any person or corporation whatsoever
- b) The Insured shall, at the request and the expense of the Insurers, do and agree to doing all acts and things as the Insurers may reasonably require to preserve and enforce any rights the Insured may have against anyone in respect of Damage to Insured Property.
- c) Any claim amount recovered shall be applied in the following order of priority:
 - i. firstly to reimburse the Insured for the uninsured proportion of the loss, which includes any Excess paid by the Insured;
 - ii. secondly, to reimburse the Insurers if any excess insurance over the indemnity by this Policy as their interest appear;
 - iii. thirdly, to reimburse the Insurers to the extent of their actual payment under this Policy;
 - iv. fourthly, if any balance then remains unpaid, to reimburse the insurers of any primary or Underlying Insurance as their interest may appear.

The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no such recovery in proceedings conducted solely by the Insurer(s), they shall bear the expenses thereof.

Notwithstanding anything else contained in this Condition 5 to the contrary, the Insurer(s) hereby waive all rights which they may have acquired by payment of a claim under this Policy to recover the amount so paid from any person or corporation with whom the Insured, prior to the Event of the loss or damage shall have agreed in writing to waive their rights to recovery in respect of any loss or damage which may be caused by such person or corporation to the Insured Property in this Policy.

Notwithstanding the above, the Insurer(s) hereby waive all rights of subrogation or action which they may have or acquire against any of the Insured's covered herein.



6. MULTIPLE INSURED'S CLAUSE

- a) If the Insured comprises more than one insured party each operating as a separate and distinct entity then (save as provided in this Condition 6), cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each such insured party provided that the total liability of the Insurers to all of the insured parties collectively shall not exceed the Limits of Liability or Sub-limits in this Policy.
- b) The insured parties' will, to the extent allowed under contract, at all times preserve the various contractual rights and agreements entered into by the insured parties and contractual remedies of such parties in the event of loss or damage.
- c) The Insurer(s) shall be entitled to avoid liability to or (as may be appropriate) claim damages from an insured party in circumstances of such insured party committing fraud, misrepresentation, material non-disclosure or breach of any warranty or Condition of this Policy (referred to in this Condition 6 as a "Vitiating Act").
- d) However a Vitiating Act or any other act or neglect committed by one insured party, either at the time of entering this contract or during the Period of Insurance, shall not prejudice the right to indemnity of any other insured party who has an insurable interest and who has not committed a Vitiating Act.
- e) The Insurer(s) agree to waive all rights of subrogation that they may have or acquire against:
 - i. any Insured or any individual or organisation affiliated or associated with, parent of or a subsidiary of any Insured, including any New South Wales Government Agency, New South Wales Government Department or New South Wales Government Owned Corporation;
 - ii. at the option of the Insured, any other parties or persons, subject to the Insured, waiving rights of subrogation prior to the loss, but only when required to do so under contract;except where the rights of subrogation or recourse are acquired in consequence or otherwise following a Vitiating Act, in which circumstances the Insurers may enforce such rights against the party committing the Vitiating Act.

7. NOTICES

- a) Any notice(s) required by the Conditions of this Policy to be given to the Insurer(s) shall be given by the Insured through any office of their insurance broker, Lockton Companies Australia Pty Ltd (Lockton) or direct to the Insurers. Any notice(s) given to any office of the appointed broker constitutes notice upon Insurers.
- b) Any notice(s) given by the Insurer(s) to any party insured under this Policy shall also be given to all other parties included within the Named Insured or whose interest has been noted in the Schedule of this Policy.
- c) Any notice of claim given to the Insurer(s) by any party insured under this Policy shall be accepted by the Insurer(s) as a notice of claim given on behalf of all other parties insured under this Policy.
- d) Subject to the Named Insured providing details to the Insurers of the name of the Nominee for Insurers' Notices and the relevant Contract provisions, the Insurers agree to provide 60 business days prior notice to that Nominee in the event of:
 - i. the cancellation or expiry of this Policy before completion of the Construction Period and/or Defects Liability Period of the relevant Contract due to non payment of premium or any other cause;
 - ii. the Insurers giving any notice under this Policy.



8. DECLARATIONS AND PREMIUM PAYMENT

The declaration and Premium payment requirements shall be in accordance with the Insured Operations Option stated in the Schedule. If the Premium for an item is stated in the Schedule as being adjustable, then the Premium for such item is provisional and will be adjusted as follows.

As soon as is practicable following the expiry of each Period of Insurance, the Named Insured will declare to the Insurers:

- a) the total final Contract Value commenced and completed during the Period of Insurance, and the projected total Contract Value for those Contracts commenced during but not completed at the end of the Period of Insurance; and
- b) if applicable, the actual value of Construction Plant and Equipment (in accordance with the agreed Basis of Settlement) at expiry since the preceding period.
- c) subject to any minimum premium applicable, the provisional Premium will be adjusted by payment to the Insurers of an additional premium or by allowance to the Named Insured of a return premium, as the case may be, calculated as follows:
 - i. in respect of the Insured Operations, by applying the agreed rate of the difference between the estimated and final and projected (as applicable) total Contract Value for the Insured Operations;
 - ii. in respect of Construction Plant and Equipment, fifty percent (50%) of the difference between, the estimated and actual values by the agreed rate

9. RESOLUTION OF A DISPUTE VALUES

In the event of any dispute or difference between the Insurer(s) and the Named Insured as to the quantum of declared values, then for the purposes of Condition 1 and 8, both parties agree that such values shall be determined by the President for the time being of the Australian Institute of Quantity Surveyors, or his nominee, acting as an expert and not as an arbitrator. The cost of any such determination shall be borne equally by the Insurer(s) and the Named Insured.

10. INSOLVENCY OR BANKRUPTCY

The insolvency or bankruptcy of any party comprising the Insured shall not release the Insurers from any of their obligations assumed hereunder.

11. HOLD HARMLESS AGREEMENTS

Where, in connection with or in relation to a Contract, the Insured enters into an agreement with another party and where such agreement provides, inter alia, that the Insured shall indemnify and/or hold harmless and/or release from liability such other party in respect of any damage, defect or liability hereby insured against, it is understood and agreed that this Policy shall not be prejudiced or invalidated by the Insured agreeing to such provisions and that the indemnity and/or hold harmless and/or release from liability given by the Insured shall be equal binding upon the Insurers.



12. JURISDICTION AND SERVICE OF PROCEEDINGS

The Insurers agree that:

- a) this Policy is governed by the laws of Australia;
- b) in the event of a dispute arising under this Policy, Insurers at the request of the Insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court;
- c) any summons notice or process to be served upon the Insurers may be served upon the Nominee For Legal Service stated in the Schedule. Such nominee has authority to accept service and to enter an appearance on the Insurers' behalf. If directed by the Insured the nominee shall give a written undertaking that the nominee will enter an appearance on the Insurers' behalf.
- d) if proceedings are instituted against any one of the Insurers, all Insurers hereon will abide by the decision of such Court or any competent Appellate Court.

13. CANCELLATION/NON-RENEWAL

- a) by the ~~Insured~~ Insurers

Subject to Condition 6 and 7 d) the Insurers may cancel this Policy for any of the reasons set forth in Section 60 of the Commonwealth Insurance Contracts Act 1984 by serving on the Named Insured sixty (60) days notice in accordance with Section 59 of the Act, in which case the Named Insured will be entitled to a pro-rata refund of the Premium.

- b) by the Named Insured

The Named Insured (on behalf of itself and all other Insureds unless otherwise specified) may cancel:

- i. this Policy; or
- ii. cover in respect of any Contract or Insured Property; or
- iii. an Insurer's participation in this Policy for their respective proportion, in the event of that Insurer's financial performance rating as published by Standard and Poor's and A.M. Best rating below 'A-' or its equivalent;

at any time by giving notice in writing to the Insurers.

- c) Run-off cover

In the event of this Policy being cancelled or not renewed, cover by this Policy shall continue uninterrupted, in respect of all Contracts commenced prior to the date of such cancellation or non-renewal and shall remain in force for each Contract until:

- i. Expiry of each Contract's Defects Liability Period; or
- ii. The cover for each Contract has been insured elsewhere;

Whichever occurs first.

- d) Premium Adjustment

After cancellation by the Named Insured or the Insurers, the Premium will be adjusted in accordance with Condition 8 or pro-rata for the period on risk if the outcome does not represent an equitable refund for the cancelled period. The Named Insured will be obliged to supply to the Insurers such information as is necessary to adjust the Premium.



14. ALTERATIONS IN MATERIAL FACT/ERROR OR OMISSION

- a) The Insured will not be prejudiced under this Policy in the event of any alteration in material fact or otherwise regarding construction methods or procedures, an unintentional or inadvertent error, omission or misdescription or any other information contained or omitted from any underwriting information supplied to the Insurers.
- b) The Named Insured undertakes to immediately notify the Insurers as soon as the alteration or omission becomes known to them, whereupon the Insurers shall be entitled to make reasonable variations to this Policy's terms and Conditions as may be mutually agreed between the Insurers and the Insured.

15. PROGRESS PAYMENTS

Provided that quantum has reasonably been established and indemnity has been admitted by the Insurer under this Policy, the Insurers agree to make an immediate progress payment on account of any claim of not less than 20% of the quantum established. Further progress payments shall be made to the Insured, at such intervals and for such amounts as may be agreed upon production of an acceptable report by the Agreed Loss Adjuster (if appointed), provided all such progress payments shall be deducted from the amount finally determined upon adjustment if the claim.

16. ENGAGEMENT OF LOSS ADJUSTERS

- a) Lockton is authorised to appoint a loss adjuster from the panel of Agreed Loss Adjusters to investigate and quantify losses that are potentially indemnifiable under this Policy. Loss adjuster fees and expenses shall be payable by the Insurers.
- b) The Insurers agree that the Agreed Loss Adjuster's documents, transcripts and reports shall be made available to the Insurer and the Named Insured.
However, the Insurer shall be entitled to direct the Agreed Loss Adjuster to:
 - i. remove any information from such documents that pertains to whether or not the Insurer should admit liability to indemnify the Named Insured; or to the quantum of the Insurer's liability to the Named Insured; and
 - ii. provide a separate confidential report to the Insurer in respect to the matters outlined in Condition 16 b) i.; unless such matters are discoverable at law.
- c) If at any time there shall be any dispute or difference between the Insurers and the Insured in respect of the adjustment of a loss, then the Insurers of the Named Insured shall be entitled to appoint an independent loss adjuster at their own cost.

17. LOSS PAYEE

Any Claim arising under this Policy shall be settled with and paid to the Loss Payee stated in the Schedule or as they may direct.

18. CURRENCY

- a. All monetary amounts expressed in this Policy are in the domination stated in the Schedule. The Premium and losses shall be paid in such currencies or as otherwise agreed between the Insurer and the Insured.
- b. For the purpose of this Policy, the Insurers agree to the Named Insured's normal practice of converting currency to Australia dollars in accordance with the Insured's accounting practices.



19. PRIMARY CLAUSE

The Insurers agree that this Policy shall be primary to, and not call into contribution, any other insurance policy held by any parties comprising the Insured.

20. REFERRAL CONTRACTS

Referral Contracts appearing in the Schedule as Included Referral Contracts are automatically covered by this Policy and are subject to any special terms and conditions that have agreed and endorsed to this Policy.

Referral Contracts not specified in the Schedule are automatically held covered in accordance with the indemnity provided by this Policy for a period not exceeding 30 days from the commencement of the Referral Contract's Construction Period (such period referred to as the "Interim Cover Period"), and thereafter will only be covered subject to agreement by the Insurers.

The Named Insured shall provide to the Insurers, as soon as practicable, full particulars of such Referral Contracts, including the nature and methods of construction, contract drawings and other contract documents.

In the event that the Insurers amended terms and conditions to include such Referral Contracts as Included Referral Contracts are not acceptable to the Named Insured, the Named Insured shall be obliged to declare all progress claims and other amounts paid or due relating to the Interim Cover Period for such Contract in its declaration to the Insurers under Condition 8 and not be required to declare any amounts relating to the period after the Interim Cover Period.

21. MASTER AND AGREED RATE CONTRACTS

For the purpose of applying the maximum Construction Period, Project Value and other Policy provisions, each Contract or project undertaken under a separate Contract or work order or purchase order or similar arrangement will be considered as a separate Contract irrespective of the existence of a service agreement or agreed rate or similar contract or master agreement which applies over more than one Contract.

22. ERRORS AND OMISSIONS

A Named Insured's rights of recovery under this Policy shall not be prejudiced by any unintentional or Inadvertent error or omission in name or description, or amount or reporting or notification, provided the Named Insured corrects such error or omission and notifies the Insurers as soon as reasonably practicable after discovery by the Insured.

23. ASSIGNMENT

If required, the Insurer will consider the assignment of this Policy to another party upon application by the Insured. Such agreement shall not be unreasonably withheld.

24. EXTENSION TO CONSTRUCTION PERIOD

Notwithstanding any Construction Period limitation stated in the Schedule in respect of Referral Contracts, the Insurers agree to automatically grant an extension to a Contract's Construction Period up to a maximum of 90 days, provided at the commencement of the Contract, the Named Insured's anticipated Construction Period did not exceed such Construction Period limitation.

After first becoming aware that the completion date will exceed the Construction Period limitations stated in the Schedule, the Named Insured agrees to notify the Insurers as soon as possible (but no later



than the Construction Period limitation stated in the Schedule or any revised period agreed by Endorsement), the revised estimated completion date.

Extensions to the estimated Period of Insurance of up to 30 days shall be at no additional cost. For extensions beyond 30 days, the Insurer(s) shall be entitled to charge the Named Insured an additional premium, but in no case shall the additional premium charged be greater than pro-rata of the premium for the particular Contract.



ENDORSEMENT APPLYING TO THIS POLICY

The following Endorsement forms part of Construction Risks Material Damage Policy Number

1. ALTERNATIVE DEFECTS EXCLUSION OPTION (LEG3/06)

It is hereby noted and agreed that it is at the option of and for the benefit of the Insured to delete Exclusion 3 and substitute with the following Exclusion

All costs rendered necessary by defects of material, workmanship, design, plan or specification and should Damage (which for the purposes of this exclusion shall include any patent detrimental change in the physical condition of the Insured Property) occur to any portion of the Insured Property containing any of the said defects the cost of replacement or rectification which is hereby excluded is that cost incurred to improve the original material, workmanship, design, plan or specification.

For the purpose of the Policy and not merely this exclusion 3 it is understood and agreed that any portion of the Insured Property shall not be regarded as damaged solely by virtue of the existence of any defect of material, workmanship, design, plan or specification.

2. LONG TERM AGREEMENT

Period of Agreement: 27th May 2022 – 30 June 2025

Commencement Date: 27th May 2022

Renewal Date: 30 June 2023

The Insurer and the Insured agree to annually renew the Policy (Policy Number xxx) for the Period of Agreement shown above with such renewals being on the same terms and conditions as those which existed at the commencement of the first year of this agreement.

In consideration of the above, the Insured agrees to accept renewal terms for the above mentioned policy for the Period of Agreement shown above, based on the current terms and conditions and limits of the Policy (Policy Number xxx) and to pay annual premium required within the agreed credit terms.

It is agreed that the Insurer and the Insured will undertake to renew the Policy annually for the Period of Agreement shown above, or in the event that any of the following factors apply at the Annual Review Date as specified, the Insurer is entitled to review the Policy and amend its terms and conditions, including the Premium and Deductible or decline to renew the Policy.

1. The Insured Projects or project delivery model has expanded beyond that which was declared at the commencement of the first year of this agreement.
2. The loss ratio of Incurred Claims at the Annual Review Date exceeds 30% of the Net Premium for the expiring policy period or for the Insurer's cumulative period of cover.
3. There have been changes in the Insurer's reinsurance arrangements and the reinsurance protection available at the commencement of the first year of this agreement is no longer available to the Insurer.
4. There has been changes of law or legislation which directly impacts the Insurer's ability to honour its commitments under this Policy.
5. The Insured has committed fraud, misrepresentation, material non-disclosure or breach of any warranty or Condition of the Policy (hereby referred to as a "Vitiating Act"). However a Vitiating Act or any other act or neglect committed by one insured party, either at the time of entering this contract or during the Period of Agreement, shall not prejudice any other insured party who has an insurable interest and who has not committed a Vitiating Act.
6. The Insurer's participation on the Policy has been reduced below 100% of whole.



7. The Policy's terms and conditions have been amended from those which existed at commencement of the first year of this agreement.

Annual Review Date: 30th June 2023

Definitions applicable to this Endorsement:

'Incurred Claims' means the total cost of claims including actual payments (including all costs and expenses incurred by the Insurer) and the provision of reserves as set by the Insurer on outstanding claims (also including all costs and expenses incurred by the Insurer) which is advised to the Insurer by any party appointed by the Insurer. Reasonable allowance shall also be made for costs which are yet to be reported or finalised.

'Net Premium' means the premium received by the Insurer net of any tax and any commission.

'Annual Review Date' means the date specified in this agreement unless an amendment to the date has been agreed to by the Insurer in writing.

This agreement does not alleviate the Insured of any obligation in respect to the Duty of Disclosure or any rights or remedy that the Insurer is entitled to under the Insurance Contracts Act 1984 (and as amended).

In the event that any of the above provisions are not met then the Insurer will notify the Insured not less than 30 days prior to the renewal date or the Annual Review Date, whichever occurs first, as to whether renewal as provided for in this agreement is withdrawn. In the event that the Insurer withdraws such renewal, the Insurer shall have the right to amend or alter the premium, terms, conditions, limitations and/or deductible of this Policy with effect from the applicable renewal date. Any such change in the premium, terms, conditions, limitations and/or deductible referred to in this agreement does not constitute a refusal to renew by the Insurer.

The Insured may at any time elect not to renew this agreement subject to the general Cancellation conditions of this Policy.

Other than as amended above, Policy terms, conditions, definitions, exclusions of this Policy shall remain unchanged.

3. COMMUNICABLE DISEASE EXCLUSION – LMA5397

1. Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 2.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 2.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 2.3. the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.



4. CYBER AND DATA EXCLUSION – LMA5401

1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

1.1 Cyber Loss;

1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

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

3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

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

6 Cyber Incident means:

6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

7

Computer System means:

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

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



Our mission

To be the worldwide value and service leader in insurance brokerage,
risk management, employee benefits and retirement services.

Our goal

To be the best place to do business and to work.



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