

ZANZIBAR INSURANCE CORPORATION

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FIRE INSURANCE POLICY

Whereas the Insured designated in the Schedule hereto (hereinafter called the Insured having paid to or agreed to pay to the **ZANZIBAR INSURANCE CORPORATION** (hereinafter called the Corporation) 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 Directors of the Corporation shall agree thereto by accepting the same, the funds and property of the Corporation shall be subject and liable to pay, reinstate or make good to the Insured or Insured's Heirs, 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 subjected to the particulars in the proposal for this insurance (which shall in all cases be deemed to be inserted for 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 currently 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.

In witness whereof the undersigned being duly authorised by the Directors of the said Corporation has hereunto set his hand.

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FOR: MANAGING DIRECTOR

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 Corporation 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 Corporation unless a printed form of receipt for the same signed by an official or duly appointed Agent of the Corporation shall have been given to the insured.
3. The Insured shall give notice to the Corporation 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 Corporation 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 caused by or arising from or in consequence of or contributed to by ionising 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 Corporation alleges that by reason of the provision 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) Bullion or unset precious stones
 - c) Any curiosity or work of art for an amount exceeding Shs. 400,000/=
 - d) Manuscripts, plans, drawings, or designs, patterns, models or moulds
 - e) Securities, obligations, or documents of any kind, stamps, coins 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 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 Corporation signified by endorsement upon the Policy, by or on behalf of the Corporation.

- 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 become 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. This insurance may be terminated at any time at the request of the Insured, in which case the Corporation 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 Corporation, on notice to that effect being given to the Insured, in which case the Corporation shall be liable to repay on demand a ratable proportion of the premium for the unexpected term from date of the concealments.
11. On the happening of any loss or damage the Insured shall forthwith give notice thereof to the Corporation and shall within 15 days after the loss or damage or such further time as the Corporation may in writing allow in that behalf deliver to the Corporation.
- a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or 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 insurance if any

The Insured shall also at all times at his own expense produce, procure and give to the Corporation 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 Corporation as may be reasonably required by or on behalf of the Corporation 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 Corporation 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 condition shall be exercisable by the Corporation 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 Corporation 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 Corporation or shall hinder or obstruct the Corporation in the exercise of its power hereunder, all benefit under this Policy shall be forfeited.

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

13. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy; or, if the loss or damage be occasioned by the wilful act, or with the connivance of the Insured; or, if the claim be made and rejected and an action or suit be not commenced within three months after such rejection, or in case of an arbitration taking place in pursuance of 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 shall be forfeited.

14. The Corporation 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 damaged or may join with any other Company or Insurers in so doing, but the Corporation 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 Corporation 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 sum insured by the Corporation thereon.

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

If in any case the Corporation 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 buildings or otherwise, the Corporation 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 expenses of the Corporation do, and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Corporation for the purposes of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Corporation 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 Corporation.
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 affected by the Insured or by any other person or persons, covering the same property, this Corporation 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 of amount of the loss or damage or disputed shall be first obtained.
19. In no case whatsoever shall the Corporation be liable for any loss or damage after expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.
20. Every notice and other communication to the Corporation required by these conditions must be written or printed.

WARRANTY

The Corporation is expressly 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 overrunning, excessive pressure, short circuiting, arcing, self-heating or leakage of electricity from whatsoever cause (Lighting 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, set up by such particular machines, apparatus or other electrical installation

Warranted that during the currency of this Policy no Mineral oil, mineral sprits or liquid fuel, vegetable or mineral and by whatever name known giving off inflammable vapour below 100 degrees Fahrenheit (Such as Petrol, Naptha, Benzine, Gasoline, or the like) be stored deposited or dept in any building referred to in this policy or in any building or buildings 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), be stored deposited or kept or in any building referred to in this policy and in any building or buildings communicating therewith.

Warranted that no spirit vaporising lamps, the vaporiser being attached to lamp or fitting, and/or mineral oil vaporising lamps, the oil container being attached to the lamp or fitting, be used in the premises.

Permission must be obtained from the Corporation before using Acetylene Gas.

Warranted that not insured with nor declined by any other office.

WARRANTIES/CLAUSES/CONDITION:

Nuclear weapon exclusion clause

It is hereby declared and agreed that the Corporation shall not stand.

Any liability of whatsoever nature directly or indirect caused by or contributed to by arising from ionizing radiations or contamination by radioactivity from any Nuclear for the purpose of this exception combustion shall include any self –sustaining process of Nuclear fission.

Any accident loss or liability directly caused by contributed to by arising from Nuclear Weapon material.

Safe and Book Clause

Warranted that the insured keeps and during the whole of the current of this policy shall keep complete set Books. Accounts and Stock sheet or stock Books showing a true and accurate record of all business transactions and stock in hand and that such Books to Accounts and Stock sheets or stock Books shall be locked in a fire proof safe or removed to another building at night and all times when the premises are not actually open for business. This Warranty applies separately to each and every business or branch business.

Transfer of goods from one premise to another shall be business transactions within the meaning of this Warranty. It is further warranty that said safe shall not contain explosive or other hazardous commodities.

15% Excess clause

In the event of Claim becoming payable under this policy the insured hereby undertake to bear the first 15% of each and every claim subject to a minimum Tzs. 1,000,000/=

Transmission & Distribution Lines Exclusion Clause

Political Risks Exclusion Clause

POLICY NO. 020/040/1/000736/2013

THE SCHEDULE			
First Premium	US\$ 3,000,000.00	Annual Premium	US\$
		6,000.00	
Total	US\$ 3,000,000.00	Total	US\$
		6,000.00	
PERIOD OF INSURANCE: From the 17.06.2013 To four O'clock in the afternoon of the 17.06.2014			
THE INSURED: M/S SUNDA INVESTMENT COMPANY LTD P.O. BOX 9012 DAR ES SALAAM			
THE PROPERTY UNSURED STOCK IN TRADE ❖ UBUNGO BUSINESS PARK WAREHOUSE G1 – G2 & D2 ❖ URAFIKI SITE WEREHOUSE NO. 4 TOTAL WARRANTIES: 1. REINSTATEMENT VALUE CLAUSE 2. MALICIOUS DAMAGE ENDORSEMENT 3. EXPLOSION CLAUSE. 4. EARTHQUAKE FIRE AND SHOCK 5. NUCLEAR WEAPONS EXCLUSION EXCESS: 15% OF LOSS OR CLAIM AMOUNT MINIMUM US \$ 1,000.00		SUM INSURED US\$ 2,500,000.00 <u>US\$ 500,000.00</u> US\$ 3,000,000.00	

Signed at **ZANZIBAR** this 04th day of JULY 2013



1) REINSTATEMENT VALUE CLAUSE

It is hereby declared and agreed that in the event of the property insured under this policy being destroyed or damaged, the basis upon which the amount payable under this policy is to be calculated, shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, subject to the following special provision also to the terms and conditions of the policy of the same kind, or type but not superior to or more extensive than the insured property when new, subject to the following special provisions and subject also to the terms and conditions of the policy except in so far as the same may be varied hereby.

2) MALICIOUS DAMAGE ENDORSEMENT

It is hereby declared and agreed that the **Insurance under the said Riot and Strike Endorsement shall extend to include MALICIOUS DAMAGE** which for the purpose of this extension shall mean.

Loss of or damage to the property insured directly caused by malicious act of any person (whether or not such act is committed in the course of a disturbance of the public peace) not being an act amounting to or committed in connection with an accuracy mentioned in special Condition 6 of the said Riot and Strike Endorsement, but the Corporation shall not be liable under this extension for any loss or damage by fire or explosion not for any loss or damage arising out of or in the course of Burglary, Housebreaking, theft of larceny or any attempt thereof by any person taking part therein.

3) EXPLOSION CLAUSE

It is hereby declared and agreed that the insurance under this policy shall, subject to the Special Conditions hereinafter contained, extend to include;-

Loss of or damage to the property insured by fire otherwise directly caused by explosion, but excluding loss of or damage to boilers, economizers or other vessels, machinery or apparatus in which pressure is used or their contents resulting from explosion.

PROVIDED always that the all the conditions of this Policy (except insofar as Condition No. 7 (b) is hereby expressly varied) shall apply as if they had been incorporated herein and for the purpose hereof any loss or damage by explosion as aforesaid shall be deemed to be loss or damage by fire within the meaning of this Policy.

4) EARTHQUAKE(FIRE AND SHOCK)

It is hereby and declared that, notwithstanding anything in the written policy to the contrary, the word DAMAGE is Extended to include destruction or damage by (fire or Otherwise) caused by Earth quake.