

POLICY SCHEDULE

Company: **COMPASS INSURANCE COMPANY LIMITED**
Reg No: 1994/003010/06
VAT No: 4150143289
P.O. Box 37226
Birnam Park
2015

Administrators: **FIRE DART ENGINEERING UNDERWRITING MANAGERS (PTY) LTD**

Policy No: CT09120121 **Reference No:** FIRE0000-09844

Office: 2 CAPE TOWN

Broker: 00389 CJB Brokers cc
FSP Licence No: 26784

Product: Contractors All Risk

The Insured: **Schmidhauser Electrical**

Postal Address: CAPE TOWN
WESTERN CAPE
8001

Territorial Limits: All premises as stated in each section owned or occupied or used by the insured for the purposes of the Business, all situated in the Republic of South Africa and (if agreed to and included by endorsement) to the extent permitted by the relevant insurance acts, Namibia, Lesotho, Swaziland, Botswana, Zimbabwe and Malawi.

The Business: Residential and Commercial Electrical Contractor

Policy Inception Date: 27/11/2009

Period of Insurance: (a) From 1/11/2010 to 31/10/2011 (both dates inclusive) and any subsequent period for which the Company accepts a premium and followed in respect of each and every insured contract by the maintenance period specified.
(b) Any subsequent period for which the Company agrees to renew this policy or any section thereof.

Payment method: MONTHLY Debit Order

Anniversary Date: 1/11/2011

SIGNED at Cape Town on 5 NOVEMBER 2010.



On behalf of the Company

Firedart Engineering Underwriting Managers (Pty) Ltd
Unit 12, Canal Edge 2B,, Tyger Waterfront, Carl Cronje Drive,, 7550
Tel No: (021) 914-7225 Fax No: (021) 914-7229
Reg No: 2008/009480/07 VAT No: 4500251782 FSP No: 40536

IMPORTANT INFORMATION - PLEASE READ CAREFULLY DISCLOSURE AND OTHER LEGAL REQUIREMENTS

Whilst we make every effort to ensure you fully understand the insurance product we have supplied there are certain facts we are obliged in terms of legislation to ensure that you not only know about but understand. The most notable being the Financial Advisory and Intermediaries Services Act (FAIS) and in the case of clients purchasing policies in their personal capacity the Policy Holder Protection Rules.

The most important objective of these obligations is to ensure you, our client, has full knowledge about the organisations involved in delivering the service to you as well as full understanding of the product you have purchased. Whilst every effort has been made to ensure we have achieved this objective if at any time you feel we have not provided you with information required or you do not understand the information we have given you, please ask us - do not assume! Whilst this information is important it does not form part of your actual policy wording.

THE INTERMEDIARY (BROKER)

Broker: CJB Brokers cc
Physical address: 205 Soho-On-Strand 128 Strand Street Cape Town 8000
Postal address: P.O. Box 27102 Rhine Road 8050
Telephone: 021 443 7140
Fax: 021 443 7141
e-mail:
FSP No: 26784
Broker fees: 0.00
Broker Commission: 521.30
Broker SASRIA Commission: 0.00

DETAILS ABOUT OURSELVES

Company: FIREDART ENGINEERING UNDERWRITING MANAGERS (PTY) LTD
Postal address: P O Box 62660 Marshalltown 2107
Physical address: 35 Rissik street, Surrey House, 6th Floor
Telephone: (011) 833-1400
Fax: (011) 836-1020
FSP No: 40536
Categories of Licence: Short Term Commercial Lines

We are in possession of PI and FG cover, however we are not required to hold IGF guarantee as we do not handle client funds.

Compliance Officer: Pretium Services - Craig Ormrod
Telephone: 0861 22 66 759
Fax: 086 550 3035
e-mail: craig@pretium.co.za

How do we get paid for what we do: As Underwriting Managers of Compass Insurance Company Limited we are paid a fee by them for managing your insurances on their behalf. In addition we do have a vested interest in this transaction by virtue of a profit share arrangement between ourselves and Compass.

Should you have a complaint about our service, staff or products sold to you please contact the following person in writing with the full details of the problem you have encountered:

Name: Mike Tandy
Address: P.O. Box 62660, Marshalltown, 2107
e-mail: mike@firedart.co.za

DETAILS ABOUT YOUR INSURER AND OUR RELATIONSHIP WITH THEM

Company: COMPASS INSURANCE COMPANY LIMITED
Physical address: Complex E, Peter Place Office Park 54 Peter Place Bryanston 2021
Postal address: P.O. Box 37226 Birnam Park 2015
Telephone: (011) 745-8333
Fax: (011) 745-8444
FSP No: 12148
Categories of Licence: Short Term Commercial/Personal Lines

Compliance Company: ISS Compliance
Compliance Officer: Dawn Julyan-Larkins
Telephone: 012 998 7938
Fax: 086 636 5217
Address: 481 Barry Hertzog Street, Waterkloof Glen, Pretoria, 0181
e-mail: dawn.iss@fais.co.za

Do we own more than 10% of this Insurer: No

Do we receive more than 30% of our income from this Insurer: Yes

How do we get paid for what we do: The actual premium shown on your quote, renewal or policy schedule is paid into our bank (Compass Insurance Company). If there are any additional fees due to them these will be shown separately.

Should you have a complaint about our service, staff or products sold to you please contact the following person in writing with the full details of the problem you have encountered:

Name: Dawn Julyan-Larkins
Telephone: 012 998-7938
Fax: 086 636 5217
e-mail: dawn.iss@fais.co.za

If SASRIA (Riot) insurance has been taken out by you or is included in the policy you need to know the following information about SASRIA:

Company: SASRIA Limited
Physical address: 47 Wierda Road West, Wierda Valley, Sandton, 2196
Postal address: P.O. Box 7380, Johannesburg, 2000
Telephone: (011) 881 1300 / 086 172 7742
Fax: (011) 783 0781 / 086 172 7329
e-mail: info@sasria.co.za
web site: www.sasria.co.za

Compliance Officer: The Manager: Technical and Claims

Complaints handling: All complaints are to be forwarded to SASRIA's Compliance Officer at the postal address provided

Claims: In the event of a claim, all relevant documentation relating to your claim must be submitted to the Nominated Insurer referred to under point 3.1 above on page 3.

OTHER MATTERS OF IMPORTANCE

We undertake:

To keep all information you tell us about yourself confidential,

Not to alter any documents you provide us with when submitting to any Insurer. Where we feel an error has been made we will advise you prior to submission,

To never ask you to sign blank documents - wherever possible all documents, be they proposals or claim forms should be completed by you to ensure full detail,

Never to take away any rights you have in terms of any legislation that governs the way we transact business,

To supply a copy of any documents used in the preparation of your insurances, when required, free of charge.

Your Insurer undertakes:

To be the one who provides the reason for any claim that is repudiated,

To ensure that they write to you should they wish to cancel your policy and to give you at least 30 days notice of their intention to do so.

If you are paying your premiums by debit order:

The debit order may only be in favour of one person/entity,

It may not be transferred without your approval.

You are entitled to 30 days notice of cancellation of the debit order,

If you are paying for personal insurances:

You are entitled to a period of 15 days grace in which to pay the premium (other than in the first month of insurance).

If you are paying your premiums in any way other than monthly:

You are only entitled to a 15 day grace period if the insurances are in respect of your personal insurances, otherwise;

all premiums must be paid at inception or renewal date for the policy to be in force.

If you have claim or are involved in an incident that could lead to a claim:

You must advise us immediately, preferably in writing. Your policy will contain conditions that relate to the early reporting of potential claims and it is important that you do not breach this responsibility.

If any of the information you gave us changes:

You must advise us immediately - policy cover, premiums and terms are based on what you told the Insurer, we need to advise them of any changes that could affect their view of you and your policy.

OTHER CONTACT DETAILS

Short term Ombudsman

P.O. Box 32334, BRAAMFONTEIN, 2017

Tel: (011) 726-8900

Fax: (011) 726-5501

Web page: www.osti.co.za

email: info@insuranceombudsman.co.za

Registrar of Insurance

Financial Services Board

P.O. Box 35655, MENLO PARK, 0102

Tel: (012) 428-8000

Fax: (012) 347-0221

FAIS Ombudsman

P.O. Box 74571, LYNWOODRIDGE, 0040

Tel: (012) 470-9080

Fax: (012) 348-3447

email: reception@faisombud.co.za

Policy No: CT09120121
Reference No: FIRE0000-09844
Insured: Schmidhauser Electrical

| Policy Sections In Force | | Additional Premium | Monthly/Renewal Premium | Refund Premium |
|------------------------------|--------------------------|--------------------|-------------------------|----------------|
| 8 | Contract Works | 849.23 | 2,606.50 | 0.00 |
| | Total Premium | 849.23 | 2,606.50 | 0.00 |
| | - VAT included | 104.29 | 320.10 | 0.00 |
| | Collection Fee | 84.92 | 260.65 | 0.00 |
| | Firedart Policy Fee | 0.00 | 21.00 | 0.00 |
| | Broker Fee | 0.00 | 0.00 | 0.00 |
| | - VAT included in fees | 10.43 | 34.59 | 0.00 |
| TOTAL MONTHLY PREMIUM | | 1,294.15 | 2,888.15 | 0.00 |
| | Annual SASRIA | 360.00 | 0.00 | 0.00 |
| | - VAT included in SASRIA | 44.21 | 0.00 | 0.00 |
| TOTAL NEXT DEBIT | | 1,294.15 | 2,888.15 | 0.00 |

- (1) This schedule becomes a tax invoice after inception of cover and when the total amount requested has been paid to
COMPASS INSURANCE COMPANY LIMITED, Reg No: 1994/003010/06, VAT No: 4150143289.
- (2) All sums insured and premiums are inclusive of VAT at 14%.
- (3) Policy wordings are attached only in respect of those sections shown as insured in this index.
 - At first issue of this policy (or any section thereof) please check to ensure that all pages of all included sections are contained in this document.
 - At renewal or revision, policy wordings will not be re-issued. This schedule will be updated and re-issued as necessary together with any section schedule, which may have changes.
 - Wherever endorsements appear on any schedule page these shall be subject otherwise to the Terms, Exceptions and Conditions of the Policy.

THIS TAX INVOICE IS A SUMMARY OF ALL TRANSACTIONS FOR THE MONTH OF NOVEMBER 2010

Contract Works

End Details

Section 1 - Contract Works

1 Type : Annual / Monthly

1 Description

1 Domestic/residential and Commercial Electrical Contractor
Excluding High Voltage installations - Including Alterations and Additions
As per the International Electro technical Commission:
High Voltage circuits as those with more than 1000 V for alternating current and more than
1500 V for direct current

4 Annual Turnover R6,000,000
2 Contract limit R1,000,000

Extensions and Clauses

Included

2 Surrounding Property Damage (In respect of each and every occurrence) Yes R50,000
1 Claim Preparation Costs No R NIL
1 Maintenance Period : 3 Months

Section 2 - Public Liability

4 Public Liability (Any one occurrence or series of occurrences arising out of one event. Unlimited during the period of insurance.) Yes R10,000,000

Extensions and Clauses

1 Legal Defence Costs No R NIL
1 Arrest / Assault / Defamation No R NIL

First Amounts Payable

2 Storm / Tempest / Flood 10% of claim, minimum R1,500.00 Yes
2 Subsidence and Landslip 10% of claim, minimum R1,500.00 Yes
2 Snow / Hail / Frost 10% of claim, minimum R1,500.00 Yes
2 Fire 10% of claim, minimum R1,500.00 Yes
2 Transit 10% of claim, minimum R1,500.00 Yes
2 Theft 10% of claim, minimum R1,500.00 Yes
2 Malicious Damage 10% of claim, minimum R1,500.00 Yes
1 Surrounding Property 10% of claim, minimum R1,500.00 Yes
1 Testing 10% of claim, minimum R1,500.00 Yes
1 Any other cause 10% of claim, minimum R1,500.00 Yes

2 Liability Standard R5,000.00 Yes
2 Liability Damage to Services R10,000.00 Yes
2 Liability Other : Water Damage R10,000.00 Yes

Excluded contracts

- 1 Unless agreed by endorsement
 - 1) Contracts involving offshore technology
 - 2) Where at commencement the Contract Value exceeds the Contract Limit of R1,000,000
 - 3) Where at commencement the anticipated construction period exceeds 24 months
 - 4) Involving work in or on waterborne vessels or aircraft
 - 5) On an existing airport runway or airstrip or in or on any aircraft
 - 6) Involving harbours, jetties, piers, wharfs, dams, canals, water channels, tunnelling, shaft-sinking, underground work and bridges over major watercourses.
- 1 7) Involving the installation of plant intended for the processing of hydrocarbons which term shall include but not be limited to plant intended for the processing petrochemicals, ammonia, fertilizers and the like and shall be deemed to include any plant which for its commercial operation requires exothermic reaction by the introduction of catalysts.
- 8) On any Contract Site where the slope exceeds 30 degrees. (Construction Works Only).
- 9) Involving Piling or Lateral Support or Intentional Removal of Support.
- 10) Involving Major Earthworks or Roadworks.
- 11) Involving Thatch Roofs.(Construction Works Only).
- 12) Involving the Construction of Buildings of more than two storeys.
- 13) Involving alterations and additions to existing property (not new works) if not stated in the Schedule.
- 14) Involving the Installation, Commissioning and Testing of Machinery.
- 15) Any contract commencing prior to the Inception of the Policy unless specifically agreed to and included by Endorsement.
- 16) Any Contract involving Stevedoring.

2 MEMORANDUM

Warranty Concerning Underground Cables and Pipes

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured in respect of loss of or damage to existing underground cables and/or pipes or other underground facilities if, prior to the commencement of works, the Insured has inquired with the relevant authorities about the exact position of such cables, pipes or other underground facilities.

The indemnity shall in any case be restricted to the repair costs of such cables, pipes or other underground facilities, any consequential damage being excluded from the cover.

Practical Completion Clause - Works

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the following shall apply: Should any contract or part thereof reach a stage of completion apart from the final commissioning and testing then such works will be considered Completed and to all intents and purposes have reached a stage of practical completion. The Insurance of the works that has reached Practical Completion shall cease save for the provisions of any maintenance period. The Insurance cover will be reinstated upon commencement of final commissioning and testing and will terminate upon completion of Installation Commissioning and Testing if so extended, save for the provisions of any maintenance period. The Insurance cover shall not be unduly extended by the contractor's or principal's inability or deliberate action in delaying the period allowed for the completion or installation and the period shall be of no longer duration than the period normally considered acceptable by the various trades.

Removal of debris from landslides

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured in respect of expenses incurred for the removal of debris from landslides in excess of the costs of excavating the original material from the area affected by such landslides, expenses incurred for the repair of eroded slopes or other graded areas if the Insured has failed to take the measures required or to take them in time. - In any case the indemnity will not exceed any damage in excess of 1.5 meters from the original point of or line of excavation or works.

Open Trench Limit:

Notwithstanding anything contained herein to the contrary it is declared and agreed that the Insurers maximum indemnity in respect of or damage to open trenches arising from any one loss shall be limited to a maximum of 500 meters in the aggregate. It is understood that this restriction applies to the total length of open trench including all uncompleted backfill per contract site.

Road Layer Limit:

Notwithstanding anything contained herein to the contrary it is declared and agreed that the Insurers maximum indemnity in respect of or damage to Road Layers arising from any one loss shall be limited to a maximum of 500 meters in the aggregate. It is understood that this restriction applies to the total length of open or uncompleted works per contract site.

Exclusion Concerning Used Machinery

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall not indemnify the Insured for loss of or damage to the insured used items

- attributable to previous operation,
- attributable to dismantling

- in respect of any non-metallic parts.

Please note the following regarding Contract Works Declarations and Estimated Turnovers

Subject to the policy wording, a contract works policy is intended to remain in force until the end of the contract and in many cases will extend beyond the end of the insurance period. (e.g. a 18 month contract where the policy has expired)

Therefore:

a) The insured must declare the actual or revised completion value of all contracts commenced during the insurance period, and the final contract value in the case of one off policies at the end of the insurance period or contract as the case may be.

b) Where an insured is awarded new contracts during the insurance period and the anticipated turnover is increased, the full premium and not a pro-rata premium becomes due based on the additional turnover amount, as the insurance or cover for the additional contracts remains in force for the full contract period (Subject to the policy wording), terminating at the end of the contract period and not at the end of the insurance period.

Therefore declarations must include the final completion value of all contracts initiated during the insurance period as per a) above, and the insured must pay the additional premium if applicable based on the full value irrespective of whether the contract runs into the following period of insurance.

Furthermore: It is important that the correct estimated Turnover or estimated Final Contract Value be accurately maintained, and a final declaration be given as well as premium on the declaration be paid, as the client will be prejudiced in the event of a claim should the value of contracts undertaken during the period of insurance be greater than 30% of the declared and / or estimated contractual value in the case of one off policies.

N.B. - This is not a Financial Turnover, but a Value of contracts commenced

--- even if the financial turnover has not been achieved as yet.

Premium Adjustment:

The Paid Premium shall be regarded as a Deposit Premium adjustable at the expiry of each Period of Insurance. Within 30 days of the expiry of The Period of the Insurance, the Insured shall submit to the Insurers a Declaration of Contract Turnover including Free Issue Materials for the Period of Insurance under consideration. The Deposit Premium will be adjusted in accordance with this Declaration and as appropriate an Additional Premium charged or Refund Premium allowed, subject always to the Insurer retaining, during any Period of Insurance, a minimum Premium representing eighty percent (80%) of the Full Premium (100%).

Should the Total Cost of Claims under this Insurance exceed fifty percent (50%) of the Deposit Premium paid to the Insurer there will be no Refund Premium due to the Insured.

Major Earthworks:

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon that the following will be regarded as Major Earthworks or Roadworks:

1. Construction of any Roads in excess of 1km or
2. Earthworks or Roadworks where the total area exceeds 10,000 m² or 10,000 m³ or
3. Earthworks or Roadworks where the total value of these works exceed R2,000,000

Security area or 24 Hour Guard:

It is agreed and understood it is a condition precedent to liability that:

- a) All Central Store areas are to be completely fenced with 24 hour security
- b) All Sites are to have 24 hour security

Subject further to the terms exclusions provisions and conditions contained in the Policy or endorsed thereon.

Theft Cover:

It is hereby agreed and understood that:

Any loss by theft or by disappearance of the property insured unless accompanied by forcible and violent means is excluded from this policy.

Subject to the terms exclusions provisions and conditions contained in the Policy or endorsed thereon.

Open Works Limit

It is a condition of this Policy that the Insurers maximum indemnity shall be limited to 200m or 1,000m²(Smaller of). For the purpose of this endorsement the word "open" shall mean wholly or partly excavated and/or partly backfilled and/or wholly backfilled but not wholly compacted.

Limit of Indemnity:

It is agreed and understood that the following shall apply:

The maximum indemnity level prior to the application of deductibles in respect of:

1. Theft is R150,000.00.
2. Malicious Damage is R150,000.00.
3. Transit and Temporary Storage is R150,000.00.
4. Fire Perils
5. Removal of Debris is R150,000.00.
6. Professional Fees is R150,000.00

Subject further to the terms exclusions provisions and conditions contained in the Policy or endorsed thereon.