



TRANSNET

TRANSNET LIMITED

Primary Liability Insurance

01 April 2010 to 31 March 2011

SCHEDULE

INSURER : Santam Limited
VAT No. 4440102095

POLICY NUMBER : 19395132

THE INSURED : Transnet Limited and its affiliated, subsidiary and associated companies and/or corporations as now exist or may hereafter be constituted or acquired including its interests as may appear in partnerships or joint ventures and including companies for whom Transnet act as consultants and medical, pension or employee funds, sports, social and recreational clubs and societies for whom Transnet have authority to insure for their respective rights and interests, but excluding South African Airways, Autopax, Shosholozza Meyl and South African Express
Vat No. 4720103177

PERIOD OF INSURANCE : 01 April 2010 to 31 March 2011

LIMITS OF INDEMNITY

Section	Class	Any One Occurrence/Claim	Annual Aggregate
A	Employers' Liability	R500 000 000	Not Applicable
B	General Liability including	R500 000 000	Not Applicable
	Motor Liability (Ground Up)	R500 000 000	Not Applicable
	Advertising Liability	R500 000 000	Not Applicable
	Wrongful Dismissal	R 10 000 000	R 10 000 000
C	Products Liability	R500 000 000	R500 000 000
D	Professional Indemnity excluding: Transnet Capital Projects Transnet Pension Fund Administrators Transnet Treasury.	R 50 000 000	R 50 000 000
E	Medical Malpractice/Medical Treatment	R500 000 000	R500 000 000
F	Statutory Defence Costs	R 10 000 000	Not Applicable
G	Excess of Loss - Property Owners Liability	R 5 000 000	Not Applicable

SCHEDULE OF UNDERLYING INSURANCES

Underwriter	Policy No	Class	Underlying Policy Indemnity Limit	
			Each and every Occurrence	Annual Aggregate
Santam Limited	242/99010042417/7	Property Owners Liability	R5 000 000	Not Applicable

TERRITORIAL LIMITS

Worldwide but excluding North America.

BUSINESS

All the Insured's activities including that of national transport operator, port operator, pipeline operator and activities related thereto as disclosed to Insurers.

RETROACTIVE DATE

Open other than

Professional Indemnity Section

1 April 1995

Medical Malpractice Section

1 April 1995

PREMIUM

R4 298 245-61

VAT

R 601 754-39

TOTAL

R4 900 000-00


.....
UNDERWRITERS

Authorised by **STALKER HUTCHISON ADMIRAL (PTY) LTD**
(Reg. No. 1985/000368/07)
(Vat No. 4310103082)
(FSP No. 2167)

for and on behalf of Santam Limited at Johannesburg on this 13th day of April 2010
(Reg. No. 1918/001680/06)
(Vat No. 4440102095)
(FSP No. 3416)

Broker: Aon Risk Services South Africa
(VAT Number 4320101498)

THIS POLICY REPLACES POLICY NO 19395132 DATED 24 APRIL 2009

Deductible Schedule

1. Inner Deductible

1	Transnet Freight Rail, Transnet Port Terminals	R50 000 each and every claim
2	Transnet Pipelines, Transnet National Ports Authority and Transnet Foundation	R10 000 each and every claim
3	Transnet Capital Projects, Group & Transnet Property	R 5 000 each and every claim
4	All Other Divisions/Companies	R 2 500 each and every claim

2. Aggregate Deductible any one year of insurance

R26 000 000 but with a maximum contribution by the Insured any one claim over and above the Inner Deductible limited to the following amounts

Transnet Subsidiary (Aggregate Deductible)	Maximum Contribution
1 Transnet Port Terminals	R5 000 000
2 Transnet Freight Rail	R4 000 000
3 Transnet Pipelines and Transnet Foundation	R1 000 000
4 Transnet National Ports Authority	R 750 000
5 Transnet Capital Projects, Group & Transnet Property	R 250 000
6 All Other Divisions/Companies	R 50 000

GENERAL OPERATIVE CLAUSE

The Insurers will indemnify the Insured against their liability to pay compensation (including claimants' costs, fees and expenses) in accordance with the law of any country, but not in respect of any judgement, award or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) except to the extent and subject to the conditions specified herein.

This indemnity applies only to such liability as defined by each Section of this Policy arising out of the Business outlined in the Schedule, subject always to the terms, Conditions and Exclusions of such Section and of the Policy as a whole.

For the purpose of determining the indemnity granted: -

1. "Injury" means bodily injury (including death at any time resulting therefrom), mental injury, mental anguish, shock, sickness, disease, disability, wrongful dismissal, wrongful arrest, wrongful imprisonment, wrongful eviction, detention, malicious prosecution, discrimination, humiliation, loss of amenities, post-traumatic stress; also libel, slander or defamation of character or invasion of rights of privacy, except that which arises out of any of the Insured's advertising activities.
2. "Damage" means loss of or damage to property, including loss of use of property.
3. "Inner Deductible" means the amount stated in the Schedule as the first amount payable by the Insured and applies to each and every claim or series of claims arising out of an Occurrence. The Inner Deductible shall not be cumulative and where an Occurrence could give rise to the application of more than one Inner Deductible, only the higher Inner Deductible shall apply. The Inner Deductible shall be accumulative to the Aggregate Deductible and upon exhaustion of the Aggregate Deductible, the Inner Deductible shall apply.
4. "Product" means any property including containers and labels after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered, repaired or handled by or on behalf of the Insured, including wrongful delivery and delivery of incorrect goods.
5. "Advertising Liability" means
 - 5.1 libel, slander and defamation
 - 5.2 any infringement or copyright or of title or of slogan, design, design, patent, trade mark, service mark or trade name
 - 5.3 piracy or unfair competition or idea misappropriation under an implied contract
 - 5.4 any invasion of right of privacy or interference with servitude

Committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast and arising out of the Insured's advertising activities.

6. "North America" means

For the purposes of this Agreement North America shall mean, the United States of America (being the 50 States of the Union plus the district of Columbia), Canada and any territory operating under the laws of or subject to the jurisdiction of courts of the aforementioned territories.

INDEMNITY TO OTHERS

The indemnity granted extends to

the personal representatives of any person or party indemnified by reason of this Clause, in respect of liability incurred by such person or party.

any party who enters into an agreement with the Insured for any purpose of the Business, but only to the extent required by such agreement to grant such indemnity and subject always to Section B Exclusion 5.3 and General Exclusions.3.

officials and directors of the Insured in their business capacity arising out of the performance of the Business and/or in their private capacity arising out of their temporary engagement of the Insured's employees.

any Director, Partner, Agent, consultant or Employee of the Insured (if the Insured so requests) against any claim for which the Insured would have been entitled to claim had the claim been made against the Insured.

any person or firm for their liability arising out of the performance of a contract or agreement with the Insured constituting the provision of labour only.

the officers, committee and members of the Insured's canteen, social, sports, medical, fire fighting and welfare organisations visiting sports teams, child care, crèches/day care centres and security organisations in their respective capacity as such.

Botswana Railway, Zambia Railway, Swaziland Railway, National Railways of Zimbabwe, Transnamib Transport, SNCC in the Democratic Republic of the Congo, Trans Africa Railway Corporation Tanzania (TARC), Tanzania-Zambia Railways Authority in Tanzania (Tazara) and CFM (South) in Mozambique in respect of their operations in the Republic of South Africa.

provided always that all such persons or parties shall observe, fulfil and be subject to the terms, conditions and exclusions of this Policy as though they were the Insured.

CROSS LIABILITIES

Each person or party indemnified is separately indemnified in respect of claims made against any of them by any other, subject to Insurers' total liability not exceeding the stated Indemnity Limits.

INDEMNITY LIMITS

Insurers' total liability to pay compensation and/or claimants' costs, fees, expenses and Defence Costs shall not exceed the sum stated in the Schedule against each Section in respect of any one occurrence or claim or series of occurrences or claims arising from one originating cause, but under Sections C, D and E separately the limit applies to the total amount payable in respect of the Period of Insurance.

Notwithstanding the non-aggregation of the Indemnity Limit of Section B, the Insurer's limit of liability shall not exceed R10 000 000 in respect of Wrongful Dismissal in the Period of Insurance.

DEFENCE COSTS

The Insurer will also pay all costs, fees and expenses incurred (with their prior consent) by the Insured in the defence and/or settlement of any claim under this Policy (hereinafter called "Defence Costs").

Defence Costs include legal expenses: -

1. arising out of representation at any Coroner's Inquest or Fatal Accident inquiry in respect of Injury which may form the subject of indemnity under this Policy,
2. arising out of the representation at and/or defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Policy.

The Insurer will also pay all external legal, professionals' costs, fees and expenses incurred by the Insured in the investigation of any claim under this Policy.

SECTION A - EMPLOYERS LIABILITY

SECTION A - INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause, but only for Injury to any person: -

1. under a contract of employment or apprenticeship with the Insured
2. engaged by the Insured under a contract constituting the provision of labour only

where such Injury arises out of the execution of such contract and occurs during the Period of Insurance.

SECTION A - EMPLOYEE TO EMPLOYEE/ LIABILITY

The indemnity granted shall extend at the Insured's option subject to the agreement of Insurers (which agreement shall not be unreasonably withheld) to any Employee of the Insured in respect of his liability to any other Employee whilst acting within the scope of his employment by the Insured.

Provided always that:

1. such Employee shall as if he were the Insured, observe, fulfil and be subject to the terms. Exclusions and Conditions of the Policy insofar as they can apply;
2. if at the time of any occurrence or claim there is, or but for the existence of this Extension there would be, any other insurance or indemnity in favour of or effected by or on behalf of such Employee applicable to such occurrence or claim, the Insurers shall not be liable to indemnify the Employee in terms of this Extension.

SECTION A - EXCLUSION

This Section does not cover liability for claims

1. for which the Insured is liable under any workmen's compensation/compensation of occupational injuries and diseases enactment or unemployment compensation scheme.
2. for illness or disease caused or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any employment or occupation

SECTION B - PUBLIC LIABILITY

SECTION B - INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of Injury and/or Damage and/or Advertising Liability occurring during the Period of Insurance but not against claims for which indemnity is afforded by any other Section of this Policy.

SECTION B - EXCLUSIONS

This Section does not cover

1. liability for and/or arising out of pilot age or the ownership, possession or use by or on behalf of the Insured or any watercraft or hovercraft (other than watercraft not exceeding fifty feet in length and then only whilst on inland waterways or within port limits).
2. marine liability in connection with port and/or harbour control operations, provided that this Section B Exclusion 2. shall not apply to the use of dry-docks, single buoy moorings or the loading or unloading of vessels and use of cranes on the quayside.
3. liability for and/or arising out of the failure or faulty operation of lighthouses or other marine navigational services.
4. liability for and/or arising out of Damage to property owned leased or hired by or under hire purchase or on loan to the Insured or freight or goods belonging to third parties being stored and/or transported by the Insured or otherwise in the care, custody or control of the Insured, other than
 - 4.1 premises (or the contents thereof) temporarily occupied by the Insured for work therein or other property temporarily in the Insured's possession for work thereon (but no indemnity is granted for damage to that part of the property on which the Insured is working and which arises out of such work but this exclusion shall not apply to consequential losses arising from such damage),
 - 4.2 employees' and visitors' clothing and personal effects and passengers' baggage in trains and coaches.
 - 4.3 premises tenanted by the Insured to the extent that the Insured would be held liable in the absence of any specific agreement.
 - 4.4 sudden unintended and/or unexpected contamination of third party property by Transnet Pipelines but subject always to General Exclusion 2.1.
 - 4.5 damage to vehicles using the Insured's parking facilities or being moved at the Insured's request but only to the extent that such movement is necessary to prevent interference with the operation of the Insured's business.
 - 4.6 damage to third party property arising from the use of dry-docks.
5. liability for and/or arising out of Injury and/or Damage :-
 - 5.1 involving the ownership, possession or use by or on behalf of the Insured of any aircraft or parts or equipment relating thereto.

- 5.2 occurring at airport locations.
- 5.3 occurring at any other location in connection with the Insured's business of transporting passengers or goods by air.
- 6. liability for and/or arising out of Damage to goods on hook.
- 7. with respect to Advertising Liability, liability for and/or arising out of
 - 8.1 failure of performance of contract, but this shall not relate to claims for unauthorised appropriation of ideas based upon alleged breach of an implied contract.
 - 8.2 the wilful infringement of registered trademarks, service mark or trade name title or slogan.
 - 8.3 incorrect description of any article or commodity.
 - 8.4 mistake in advertised price.
- 9. liability for damage to locomotives and rolling stock belonging to Botswana Railway, Zambia Railway, Swaziland Railway, National Railways of Zimbabwe, Transnamib Transport, SNCC in the Democratic Republic of the Congo, Trans Africa Railway Corporation Tanzania (TARC), Tanzania-Zambia Railways Authority in Tanzania (Tazara) and CFM (South) in Mozambique.
- 10. liability arising out of the nature or condition of any Product.
- 11. liability for Injury to any Employee where such Injury arises from and in the course of employment.

SECTION C - PRODUCTS LIABILITY

SECTION C - INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of Injury and/or Damage occurring during the Period of Insurance, but only against claims arising out of or in connection with the nature and condition of any Product.

SECTION C - EXCLUSIONS

This Section does not cover liability for claims :-

1. for costs incurred in the repair, reconditioning or replacement of any Product or any part thereof which is or is alleged to be defective.
2. arising out of the recall of any Product or part thereof.
3. arising out of any Product which with the Insured's knowledge is intended for incorporation into the structure machinery or controls of any aircraft.

SECTION D - PROFESSIONAL INDEMNITY

SECTION D - INDEMNITY

Applicable only to Autopax, B2B, Equity Aviation, Esselcn Park, HAS Management Systems, Heritage Foundation, Marine Data Services, National Ports Authority, Petronet, Propnet, SA Port Operations, Spornet, Transtel, Transwerk, Viamax, Virtual Care and Social Workers.

Notwithstanding General Exclusions 10, the Insurer, hereby agree to indemnify the Insured up to but not exceeding in the aggregate the sum stated in the Schedule for any claim or claims first made against the Insured during the Period of Insurance as a direct result of any negligent act, error or omission in the professional conduct of their business, as stated in the Schedule by the Insured or any partner or any person employed by the Insured.

SECTION D EXCLUSIONS

This Section does not cover any liability whatsoever arising out of :

1. the manufacture, construction, alteration, repair, servicing, treating of any goods or products sold, supplied or distributed by the Insured or from any business or occupation other than as stated in the schedule.
2. bodily injury, sickness, disease or death sustained by any person arising out of and in the course of his employment by the Insured under a contract of service or apprenticeship with the Insured.
3. any claim made against the Insured as a result of any dishonest, malicious or illegal acts of the Insured or their employees.
4. financial estimates, other than the costs advice and planning services as provided by Quality Surveyors and Quantity Surveyors.
5. the infringement of any copyright, trademark, design or patent.
6. libel and slander.
7. performance warranties and/or guarantees, liquidated damages or penalty clauses except to the extent that liability would have attached in the absence of such warranties, guarantees or clauses.
8. professional services undertaken from an office domiciled or registered in North America.

SECTION E - MEDICAL TREATMENT

SECTION E INDEMNITY

Notwithstanding General exclusion 10, Insurers will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay in connection with any claim or claims first made against the Insured during the Period of Insurance for Injury caused by medical treatment or by any negligent act or omission, or allegation of the foregoing, in professional medical services rendered within the Territorial Limits in connection with the Business.

SECTION E EXCLUSIONS

This Section does not cover liability arising out of

1. any criminal act wilfully committed.
2. services rendered by any person who to the Insured's knowledge is under the influence of intoxicants or narcotics.
3. the activities of medical practitioners other than :-
 - 3.1 the Insured's vicarious liability as an employer.
 - 3.2 students working for and on behalf of the Insured on the Insured's medical clinics including a mobile medical train.
 - 3.3 the Insured's chemists and dispensaries.
4. pharmacological and prosthesis tests.

provided, however, that no liability shall attach to the Insurers in respect of liability arising from any condition directly or indirectly caused by or associated with Human T-Cell Lymphotropic Virus type III (HTLV III) or Lymphadenopathy Associated Virus (LAV) or the mutants, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome or any syndrome or condition of a similar kind, howsoever it may be named.

SECTION F – STATUTORY LEGAL DEFENCE COSTS

SECTION F INDEMNITY

The Insured or any Director or Employee of the Insured is indemnified by this Section in accordance with the General Operative Clause for costs and expenses incurred with the consent of the Insurers in the defence of any prosecution of the Insured for breach of any statute other than any statute governing the ownership, use or licensing of motor vehicles, aircraft and watercraft provided that the Insurers shall not be liable for any fines or penalties imposed as a consequence of prosecution.

SECTION G – EXCESS OF LOSS LIABILITY

SECTION G INDEMNITY

The Insurer will indemnify the Insured in accordance with the General Operative Clause in respect of legal liability to pay all sums including claimant's costs and expenses for, and/or arising out of, Injury to persons and/or Damage caused by or through or in connection with any event for which indemnity is provided in terms of the scheduled Underlying Insurances.

SECTION G EXCLUSIONS

This Section does not grant Indemnity in respect of claims:

1. which form the subject of indemnity by the Underlying Insurances but are uninsured by the Underlying Insurance by virtue of any excess, first amount payable and/or deductible clause thereunder.
2. which form the subject of any extension to the Underlying Insurances where the liability of Insurers under such extension is less than the Indemnity Limit of the Underlying Insurance specified in the Schedule of Underlying Insurances.

SPECIFIC CONDITIONS

1. The following are conditions precedent to the granting of indemnity by the Insurers of this Section:
 - 1.1 the Underlying Insurances are warranted to be in force throughout the currency of this Policy for not less than the Indemnity Limits shown.
 - 1.2 any alteration to the terms, exclusions or conditions of any of the Underlying Insurances must be disclosed immediately in writing to the Insurers of this Policy and their written confirmation obtained of continuation of cover under this Section.
2. In the event of reduction or exhaustion of any aggregate limit of indemnity under the Underlying Insurances by reason of claims paid thereunder, this Section shall:
 - 2.1 in the event of reduction, pay the excess of the reduced underlying limit.
 - 2.2 in the event of exhaustion, continue in force as underlying insurance.

provided always that the liability of the Insurers shall not be increased beyond the Limit of Indemnity.
3. Liability to pay under this Section shall not attach unless and until the insurer of the Underlying Insurances shall have paid or have admitted liability or have been held liable to pay the full amount of their indemnity.
4. Insurers agree to follow the insuring clause of any appropriate underlying insurance to determine the basis of indemnity, being either:
 - 4.1 a claim or claims as a result of an Occurrence happening during the Period of Insurance "Occurrence Basis", or

4.2 a claim or claims first made against the Insured during the Period of Insurance "Claims Made Basis".

For the purpose of this clause, the interpretation of the underlying insuring clause will be the decision of Insurers hereon, not of the underlying insurers. If the underlying insurance is on a "claims made basis", Insurers hereon will deal with any Claim arising out of an event or circumstance first notified during the Period of Insurance as if the Claim had been made during such period.

5. In the event of a claim arising to which the Insurers hereon may be liable to contribute, no costs shall be incurred on their behalf without their consent being first obtained (such consent not to be unreasonably withheld). No settlement of a claim shall be effected by the Insured for such a sum as will involve this Section without the consent of Insurers hereon.
6. Any claim made against the Insured or the discovery by the Insured of any occurrence of any circumstances which are likely to give rise to a claim of which the Insured becomes aware during the Period of Insurance should they appear indemnifiable under the Underlying Insurances shall be notified as soon as practicable by the Insured in writing to the Insurers hereon.
7. All recoveries or payments recovered or received subsequent to a loss settlement under this Section shall be applied as if recovered prior to such settlement and all necessary adjustments shall then be made between the Insured and the Insurer provided always that nothing in this Section shall be construed to mean that loss settlements under this Section are not payable until the Insured's ultimate net loss has been finally ascertained.
8. Except as otherwise provided herein this Section is subject to the same terms, exclusions, conditions and definitions as the Underlying Insurances.

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

This Policy does not cover liability :-

1. arising out of the deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all reasonable steps to prevent loss, Injury or Damage;
 2. for
 - 2.1 Injury or Damage or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph 2.1 shall not apply to liability for Injury or Damage or loss of or physical damage to or destruction of tangible property or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
 - 2.2 The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden unintended and unexpected happening during the period of this insurance, and including such costs incurred in order to avoid or minimise Injury or Damage.
- This General Exclusion 2 shall not extend this insurance to cover any liability which would not have been covered under this insurance had this clause not been attached.
3. arising out of penalty clauses or performance warranties unless it is proven that liability would have attached in the absence of such clauses or warranties.
 4. for 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; or
 - (b) any act of terrorism.

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If the Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Company. In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

5. for and/or arising out of Injury and/or Damage arising out of Products or services: -
 - 5.1 in connection with the use and/or operation of aircraft.
 - 5.2 for the air transport industry.
6. directly or indirectly caused by or contributed to by or arising from :-
 - 6.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - 6.2 The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Provided that in respect of claims arising out of Injury which form the subject of Indemnity under Section A this Exclusion shall only apply to liability: -

- a) of any party to whom Indemnity is granted under Clause 2.1 (or their personal representatives)
 - b) assumed by the Insured by agreement which would not have attached in the absence of such agreement.
7. for the Deductible, being the first amount of each claim (or series of claims arising out of one originating cause). If any Product from one prepared or acquired batch causes death, bodily injury, illness or disease of or to more than one person or loss of or damage to property or more than one person, the death, bodily injury, illness or disease of or to all persons or loss of or damage to property of all persons resulting from that common cause shall be considered as arising out of one originating cause.
 8. which forms the subject of insurance by any other policy other than as stated and this policy shall not be drawn into contribution with such other insurance.
 9. arising out of the activities of North American domiciled companies.
 10. for professional advice, remedial or other treatment (other than first aid treatment) fault, error or omission in any advice, design, plan or specification.
 11. arising out of any unfair dismissal (including any automatically unfair dismissal) as contemplated by of the Labour Relations Act No 66 of 1995 (or any Act passed in substitution thereof).
 12. for claims in connection with the fulfilment or payment of contractual, civil or criminal fines or penalties, demurrage, dead-freight, liquidated damages, non-compensatory damages including punitive or exemplary damages or the multiplied portion of multiplied damages or matters deemed uninsurable under the law applicable to the indemnity by this Policy.
 13. for work being undertaken in tidal waters.
 14. whether actual or alleged for any claim or claims in respect of loss or losses directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to, by the hazardous nature of asbestos in whatever form or quantity. This exception does not apply to any Personal or Motor Liability Sections, if included in the Policy.

15. arising out of any Claim or Claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act No. 89 of 1998 as amended or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.
16. in respect of any compensation payable by the Scheduled Underlying Motor Liability insurance in respect of liability for death of or bodily injury to persons being carried in or upon or getting into or alighting from a vehicle, no indemnity is granted by this policy against liability for injury which—
 1. is the subject of legislation enacted for the purpose of providing compensation for loss or damage wrongfully caused by the driving of a motor vehicle, or
 2. is the subject of legislation controlling the use of motor vehicles or trailers and in respect of which liability –
 - 2.1 the insured is compelled to effect insurance or otherwise furnish security, or
 - 2.2 the State or other governmental authority has accepted responsibility, or
 3. is suffered as a result of an emotional shock by a person other than an injured party on witnessing, observing or being informed of the injury of another person as a result of the driving of a motor vehicle.

This exclusion shall apply notwithstanding that no insurance under such legislation is in force or has been effected, or that compensation is not paid for any reason whatsoever.

SPECIAL CONDITIONS APPLICABLE TO SECTIONS D, E AND G WHERE THE UNDERLYING INSURANCE IS ON A CLAIMS MADE BASIS

1. This insurance will apply only to claims first made against the Insured during the Period of Insurance and reported to the Insurers during the Period of Insurance or within 60 days of expiry unless further insurance in substitution hereof has been effected by or on behalf of the Insured).

This insurance will not apply to any claims made against the Insured

- 1.1 arising from circumstances known to the Insured at the inception date of this Policy which could reasonably have been foreseen to give rise to a claim against the Insured
- 1.2. nor arising from any circumstances advised to the Insurers of any other policy prior to the inception date hereof
- 1.3. nor arising from any circumstance occurring or alleged to have occurred prior to the applicable Retroactive Date stated in the Schedule or on any underlying insurance on a claims made basis.

If, however, subject always to the above provisions, the Insured notifies Insurers during the period of this Policy in accordance with General Condition 1 hereof of any circumstance occurring during the period from the applicable retroactive date to the expiry date of this Policy, then any claim or claims which may subsequently arise in connection with such circumstances shall be treated as having been made during the period of this Policy.

2. Insurers agree to indemnify the Insured under Section D – Professional Indemnity and E – Medical Malpractice/Medical Treatment without requiring the Insured to dispute any claim unless Legal Counsel (appointment of Legal Counsel to be agreed by the Insured and Insurer) shall advise that the matter could be contested by the Insured with a reasonable prospect of success.
3. Any and all rights hereunder shall not be assignable without the prior written consent of the Insurer.
4. It is hereby agreed that if any payment is made under this insurance in respect of a claim and the Insurers are thereupon subrogated to all the Insured's rights of recovery in relation thereto the Insurers shall not exercise any such rights against any employee of the Insured unless the claim has been brought about or contributed to by the dishonest fraudulent criminal or malicious act or omission of the employee.
5. The Insured shall give immediate notice to the Insurer in writing of any alterations which materially affect the risk covered by these Sections. Such alterations include but are not limited to alterations of statements in the schedule of this policy, the proposal and all attachments thereto. No coverage shall apply under this policy in connection with any claim or claims resulting therefrom unless and until Insurers have given written notice of their acceptance of such alteration.
6. It is hereby noted and agreed that Insurers reserve their rights in the event of a change in the law occurring, being the adoption, promulgation or modification after the inception date this insurance of any federal, state or municipal legislation which establishes any requirement affecting the contract more burdensome than the most stringent requirements contained in Existing Law.

A change of law is defined as the adoption, promulgation or modification, after the inception date of this insurance, or any statute, ordinance, rule, regulation or order.

Existing Law is defined herein to mean all those statutes, ordinances, rules, regulation or orders in force at the inception date of this insurance.

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

(Conditions 1. to 5. Are precedent to the Insurers' liability to provide indemnity under this Policy)

1. This Policy will be governed by the laws of the Republic of South Africa, whose courts shall have jurisdiction in any dispute arising hereunder.
2. The Insured shall give written notice to the Insurer as soon as reasonably practicable of any occurrence that may give rise to a claim under this Policy and shall give all such additional information as the Insurers may require. Every claim, writ, summons or process and all documents relating thereto shall be forwarded to the Insurers immediately they are received.
3. No admission, offer, promise or payment shall be made or given by or on behalf of the Insured without the written consent of the Insurer who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may reasonably require.
4. The Insured shall give notice as soon as reasonably practicable of any fact or event which materially affects the risks Insured by this Policy.
5. The Insurers may at any time pay to the Insured in connection with any claim or series of claims under this Policy to which an Indemnity Limit applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the Insurer shall relinquish the conduct and control of and be under no further liability in connection with such claims except for the payment of Defence Costs incurred prior to the date of such payment (unless the Indemnity Limit is stated to be inclusive of Defence Costs).

Provided that if Insurers exercise the above option and the amount required to dispose of any claim or series of claims exceeds the Indemnity Limit and such excess amount is Insured either in whole or in part, with Defence Costs payable in addition to the Indemnity limit under this Policy then the Insurers will also contribute their proportion of subsequent Defence Costs incurred with their consent.

6. Where the premium is provisionally based on the Insured's estimates, the Insured shall keep accurate records and after expiry of the Period of Insurance declare as soon as possible such details as Insurers require. The premium shall then be adjusted and any difference paid by or allowed to the Insured as the case may be subject to any minimum premium that may apply. Where such estimates include remuneration to employees, the required declaration shall also include remuneration to persons engaged by the Insured to perform a contract constituting the provision of labour only.
7. The Insurers may cancel this Policy by giving ninety days' notice in writing of such cancellation to the Insured's last known address, or by the Insured giving immediate notice. From date of cancellation the Insured shall be entitled to a refund premium pro rata to the unexpired period of insurance.
8. If any claim under this Policy is in any respect fraudulent all benefit under the Policy in respect of such claim shall be forfeited.

SPECIAL CONDITION

1. This Policy is not and the parties hereto expressly agree that this policy shall not be construed as a policy of marine insurance.

GENERAL MEMORANDA

1. ADDITIONAL ACTIVITIES

Subject to the terms, Exclusions and Conditions of the Policy, it is agreed that any similar activity commenced by the Insured during the Period of Insurance and any acquisition during the Period of Insurance of any company by the Insured is automatically insured by this Policy until the following renewal date when details will be submitted to the Insurers, other than: -

- 1.1 North American domiciled operations; or,
- 1.2 acquisitions where the turnover is greater than 5% of that declared at inception of this Policy.

2. EMERGENCY MEDICAL TREATMENT

It is agreed that the provision of medical treatment as may be considered necessary at the time of an accident causing injury to any person who may be the subject of a claim for indemnity by the Insured shall not prejudice such claim. The Insurers shall also indemnify the Insured for all such costs necessarily and reasonably incurred.

3. VAT EXCLUSIVE

Indemnity limits referred to in this Policy are expressed on a VAT exclusive basis. Insurers agree that they will indemnify the Insured over and above such policy limits in respect of any VAT obligation the Insured may incur arising out of claims settlements made hereunder.

4. NORTH AMERICAN JURISDICTION EXTENSION

(This Extension shall apply to Sections A, B and C.)

Notwithstanding anything to the contrary in the Operative Clause, the Insured having requested that indemnity be granted against liability arising out of:

1. Products exported to
2. Non-Manual Visits by or on behalf of the Insured to

North America.

The Insurers agree to indemnify the Insured in respect of any judgement, award or settlement made within the countries which operate under the laws of North America (or any order made elsewhere in the world to enforce such judgement, award or settlement either in whole or in part), and it is understood and agreed that the Insured agrees, in consideration of the granting of such indemnity, to accept the following terms, exclusions and conditions in respect thereof.

The Insurers shall not be liable under this extension for:

1. Injury, Damage to or loss of use of property directly or indirectly caused by Pollution as defined.
2. the cost of removing, nullifying or cleaning-up such Pollution as defined.

3. awards or damages of a punitive or exemplary nature whether in the form of fines, penalties, multiplication of compensatory awards or any other form whatsoever.
4. the amount shown as Deductible in the Schedule, being the first amount of each and every claim for the purpose of this sub-clause (4) "claim" shall be deemed to include compensatory awards, claimants costs, claimants fees and claimants expenses and Insured's costs & expenses.
5. Injury and/or Damage directly or indirectly caused by asbestos or asbestos related products.

For the purpose of this extension only the following are restated to read as follows:

OPERATIVE CLAUSE

The Insurers will indemnify the Insured against their legal liability to pay damages and claimants' costs in connection therewith in respect of claims first made against the Insured during the Period of Insurance arising out of the performance of the Business within the Territorial Limits and in accordance with the law and procedure applicable anywhere in the world but not in respect of:

any circumstance, matter or thing which occurred prior to the Retroactive Date stated in the Schedule.

any circumstance, matter or thing which occurred prior to the Retroactive Date stated in the Schedule.

General Condition 1. is restated to read:

1. The Insured shall give notice to the Insurer as soon as reasonably practicable of any claim made against the Insured.

The Insured shall give notice to the Insurer as soon as reasonably practicable (but not later than 60 days after the Period of Insurance) of any circumstance matter or thing which occurred subsequent to the Retroactive Date and prior to expiry of the Period of Insurance which the Insured may reasonably be expected to suppose may give rise to a claim against the Insured. Such notice having been given, any claim arising out of any such circumstance matter or thing shall be deemed to have been made during the Period of Insurance.

In the event of cancellation of this Policy any claim made against the Insured during the period of 48 months immediately following such cancellation arising from any circumstance matter or thing of which notice had been given in terms of Condition 1.2 shall be deemed to have been made on the same day that the Insured reported the circumstance matter or thing. If the claimant is a minor the period of 48 months shall be extended until the expiry of 12 months after attainment of majority by the claimant.

"Territorial Limits"

Worldwide excluding North American domiciled or registered Operations.

For the purpose of this extension only the following definitions shall apply:

POLLUTION

- (i) The emission, discharge, dispersal, disposal, seepage, release or escape of any liquid, solid, gaseous or thermal irritant, contaminant or pollutant into or upon land, the atmosphere or any water-course or body of water.
- (ii) The generation of smell, noises, vibrations, light, electricity, radiation, changes in temperature or any other sensory phenomena, but not fire or explosion.

OPERATIONS

A legal or physical presence in North America (whether incorporated or not) of the Insured. The physical presence of a product in North America manufactured and/or supplied by the Insured outside of North America shall not alone constitute an operation.

NON MANUAL VISITS

The original Insured's employees and/or directors resident outside North America, who are temporarily visiting North America in the course of their employment.

Subject in all other respects to the terms, Exclusions and Conditions of the Policy which shall not be deemed in any way whatsoever to over-ride, modify or alter any of the specific terms and exclusions applicable to this extension Clause.

MEMORANDUM 1

It is hereby noted and agreed with effect from 1st April 1996 that the following are included as additional Insureds in respect of the leasing described in Alexander Forbes Johannesburg's facsimile dated 6th February 1996.

1. US Bank (as the "lessor")
2. US Bank (as the "Trust" Company)
3. General Electric Credit Corporation of Tennessee as the Owner Participant
4. Cooperative Centrale Raiffeissen-Boerenleenbank B.A. as the Agent
5. De Lage Landen Equipmentlease B.V., De Landen Factors B.V. and De Lage Landen Vendorlease B.V. each a Lender and collectively the Lenders.

Provided always that there shall be no liability hereunder for damage to property leased under the above mentioned agreement.

All other terms and conditions remain unchanged.

TRANSNET LIMITED

Liability Claims Handling Procedure

Claims

All claims are to be handled by the Transnet Liability Claims Office excepting :-

All claims and incidents exceeding stop loss and aggregate deductible levels. Such matters must be immediately forwarded to Aon South Africa (Pty) Limited for referral to Insurers.

Transnet Ltd. may where applicable appoint Attorneys of choice in the following categories: -

Autopax & Transnet Port Terminals		Below R5,000,000 each and every claim
Transnet Freight Rail		Below R4,000,000 each and every claim
Transnet Pipelines & Heritage		Below R1,000,000 each and every claim
Transnet National Ports Authority		Below R 750,000 each and every claim
All Other		Below R 250,000 each and every claim

All matters requiring legal input in excess the above levels are to be immediately referred to Aon South Africa (Pty) Limited.

Such legal costs are borne in total by Insurers.

All claims and incidents involving potential professional indemnity claims must be forwarded to Aon South Africa (Pty) Limited for referral to Insurers.

Although Insurers have agreed that Transnet Ltd. may undertake the management of these claims "in house" Insurers retain the right to conduct audits and/or individually monitor specific claims. This includes but is not limited to the setting of reserves and other matters which may materially affect the structural insurance/self insurance arrangements.

Insurers retain the right to withdraw the claims handling arrangements should these be found to be unsatisfactory or in the event that these arrangements are not sanctioned by its own auditors in terms of Governance requirements.

Adjustment Levels

It is hereby agreed that the following procedure shall apply to the appointment of adjusters:-

Transnet Freight Rail and Autopax

- Adjusters shall be appointed by Aon South Africa (Pty) Limited in respect of all claims and incidents exceeding R500,000. The following exceptions apply :-
- Adjusters are to be appointed in respect of all incidents exceeding R200,000 where death or serious injury has occurred and specifically but not limited bus and train accidents involving fatalities and serious injury.
- Adjusters are to be appointed in respect of all incidents in excess R200,000 relating to professional indemnity incidents.

- All claims and incidents over R200,000 should however be specifically reported (see statistical information).

Transnet Port Terminals, Transnet National Ports Authority, Heritage Foundation and Transnet Projects

- Adjusters shall be appointed by Aon South Africa (Pty) Limited in respect of all claims and incidents exceeding R250,000.
- All claims and incidents over R200,000 should however be specifically reported.

Tranetel, Transnet Group Head Office and Propnet

- Adjusters shall be appointed by Aon South Africa (Pty) Limited in respect of all claims exceeding R100,000.
- All claims and incidents irrespective of value shall however be reported.

Balance of Divisions

- Adjusters shall be appointed by Aon South Africa (Pty) Limited on an “ad hoc” basis.
- All claims and incidents to be reported irrespective of values.

Loss Adjusters

The appointed Loss Adjusters are MA Cotton and Associates CC and/or Crawford-THG (SA) (Pty) Ltd.

They will be required to respond to instructions received either from Aon South Africa (Pty) Limited or from Insurers.

However, in the case of out of hour’s emergencies, the adjusters will be permitted to accept instructions from Transnet Ltd. or its Operating Divisions subject to the proviso that they seek ratification in this regard during the course of the next working day.

Loss Adjuster reports will be submitted to Insurers who have agreed that copies of the reports may be made available to the Group Insurance Manager of Transnet Ltd. This indulgence is subject to Insurers reserving the right to call for reports to be withheld in specific cases where a potential conflict might arise.

Instructions arising from the reports or in order to facilitate investigation and completion of claims matters should be provided to the Loss Adjuster via Insurers.

Specific client requirements should be addressed via the office of Aon South Africa (Pty) Limited

Adjusters costs are borne in total by Insurers.

Statistical

It is hereby agreed that the following claims statistical information shall be supplied by Transnet to Aon South Africa (Pty) Limited on a monthly basis:-

- A consolidated monthly bordereaux reflecting for each separate insurance year on a monthly running total basis
 - Date of loss
 - Date reported
 - Gross loss
 - A reserve column
 - A paid column
 - Applicable inner deductible
 - Applicable stop loss
 - Applicable net loss
 - The overall aggregate position
- A divisional monthly bordereaux reflecting for each separate insurance year on a monthly running total basis
 - Date of loss
 - Date reported
 - Gross loss
 - A reserve column
 - A paid column
 - Applicable inner deductible
 - Applicable stop loss
 - Applicable net loss

- A monthly bordereaux reflecting in running sequence all claims and incidents in excess of R200,000 / R100,000 or as indicated in the claims handling procedure.
- A monthly payment bordereaux reflecting outstanding payments.

Insurers reserve the right to cancel, alter or modify any of the above procedures as circumstances may dictate.

The above is always subject to the terms and conditions of the policy.

Aon South Africa (Pty) Limited and the adjusters are from time to time required to advise Insurers on the adequacy of the claims handling procedure and quality.