

WORDS AND PHRASES IN QUOTATION MARKS HAVE SPECIAL MEANING AS DEFINED IN CLAUSE 6 INDEMNITY AGREEMENT

1. INDEMNITY PERIOD

This Form insures, up to the amount stated on the "Declarations Page", the loss of "earnings" sustained, less operating expenses which do not necessarily continue, during necessary interruption of business caused directly by the perils insured against damaging or destroying real or personal property during the term of this policy on the premises.

2. MEASURE OF RECOVERY

The Insurer shall be liable for:

- (a) such loss during that period of time only, commencing with the date of the damage or destruction but not limited by the expiration of this policy, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the damaged or destroyed property; and
- (b) such loss during that period of time, not exceeding two weeks, while access to the described premises is prohibited by order of civil authority but only when such order is given as a direct result of damage to neighboring premises by a peril insured against; and
- (c) such expenses as are necessarily incurred for the purpose of reducing any loss under this item (except expense incurred to extinguish a fire), not exceeding however, the amount by which the loss under this item is thereby reduced.

In determining loss hereunder due consideration shall be given (1) to the earnings of the business before the date of damage or destruction, and to the probable earnings thereafter, had no loss occurred; (2) to the continuation of operating expenses, including payroll expense to the extent necessary to resume operations with the same quality of service which existed immediately preceding the loss; (3) to the reduction of loss which could be made possible by the Insured resuming complete or partial operation of the described property, or by making use of other property.

3. MEDIA LIMITATION

With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to electronic data processing or electronically controlled equipment, including data thereon, by the peril(s) insured against, the length of time for which the Insurer shall be liable hereunder shall not exceed;

- (a) 30 consecutive calendar days, or
- (b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, whichever is the greater length of time.

4. ADDITIONAL EXCLUSIONS

The Insurer shall not be liable for:

- (a) more than the percent of the amount specified for this item in any 30 consecutive days, indicated on the "Declarations Page" as Percent of limit applicable for each 30 days;
- (b) any increase of loss directly or indirectly, proximately or remotely, resulting from, or contributed to by, the operation of any by-law, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, unless the liability is otherwise specifically assumed by endorsement hereon;
- (c) any increase of loss due to interference at the described premises by strikers or other persons, with rebuilding, repairing or replacing the property, or with the resumption of continuation of business;
- (d) loss due to fines or damages for breach of contract, for late or non-completion of orders, or for any penalties of whatever nature;
- (e) loss due to the suspension, lapse or cancellation of any lease or license, contract or order, which may affect the Insured's "earnings" after the period following any loss during which indemnity is payable;
- (f) any other consequential loss or remote loss.

5. PERMISSION

Permission is granted:

- (a) for further concurrent insurance either prior, co-incident or subsequent, and to increase or decrease insurance without notice until required.
- (b) to do such work and to keep and use such articles, materials and supplies in such quantities as are usual or necessary to the Insured's business.
- (c) at unsprinklered locations only,
 - (i) to make additions, alterations or repairs without limit of time.
 - (ii) to cease operations or to remain vacant or unoccupied for a period not exceeding thirty (30) days at any one time.

- (iii) to keep and use fuel oil in the building for heating purposes.
- (iv) to keep automobiles, tractors or other motor vehicles.
- (d) at sprinklered locations only,
 - (i) for plant changes, alterations and repairs, and for ordinary additions without limit of time; but extraordinary additions and extensions are only permitted provided notice thereof is given the Insurer, at or about the time when work is commenced. Subject to the foregoing, the insurance on the property covered under this Policy is hereby extended to said additions and extensions, subject to all the terms and conditions of the Policy and to any adjustment of premium deemed necessary.
 - (ii) To cease operations in, and for any individual buildings to remain vacant or unoccupied without limit of time, but the entire plant not to cease operations, or to be vacant or unoccupied for a period exceeding thirty (30) days at any one time.

6. SPECIAL CONDITIONS

- A LOSS CLAUSE - Any loss hereunder shall not reduce the amount of this Policy.
- B SUBROGATION - The Insurer, upon making any payment or assuming liability therefor under this policy, shall be subrogated to all rights of recovery of the Insured against any person, and may bring action in the name of the Insured to enforce such rights.

Where the net amount recovered after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.
- C OTHER INSURANCE - If, on the happening of any loss, there is in force more than one policy covering the same interest, irrespective of whether by any term in such contract the insurance granted thereby shall not cover, come into force, attach, or become insurance until after full or partial payment of any loss under any other policy, it is a condition of this policy that the claim hereunder shall be adjusted with the Insured, on the basis that such policy or policies will contribute a rateable proportion of the loss unless it is otherwise expressly agreed in writing.
- D WAIVER OF TERM OR CONDITION - No term or condition of this policy shall be deemed to be waived by the Insurer, in whole or in part unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer. Neither the Insurer nor the Insured shall be deemed to have waived any term or condition of this Policy by any act relating to the appraisal of the amount of loss or to the delivery and completion of proofs, or the investigation or adjustment of any claim under this Policy.
- E BREACH OF CONDITIONS - Where a loss occurs and there has been a breach of a condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured to recover under the policy, the breach shall not disentitle the Insured to recover if the Insured establishes that the loss was not caused or contributed to by the breach of condition.
- F AUTOMATIC FIRE PROTECTION MAINTENANCE CLAUSE - The rate of premium being fixed having regard to the fact that the risk is mainly under sprinkler protection, it is understood and agreed that the Insured shall forthwith notify the Insurer, of any interruption to or flaw or defect in the sprinkler equipment coming to the knowledge of the Insured.

7. DEFINITIONS

Wherever used in this Form:

- (a) "Declarations Page" means the Declarations Page applicable to this Form.
- (b) "Earnings" means net profit plus payroll expense, taxes, interest, rents and all other operating expenses earned by the business.
- (c) "Premises" means the entire area within the property lines at the location herein described, including areas under adjoining sidewalks and driveways.

All other terms and conditions of this Policy remain unchanged.