

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

ZEBRA TECHNOLOGIES	)	
CORPORATION,	)	
	)	No.
Plaintiff,	)	
v.	)	<b>JURY TRIAL DEMANDED</b>
	)	
FACTORY MUTUAL	)	
INSURANCE COMPANY	)	
	)	
Defendant.	)	

**COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES**

Plaintiff Zebra Technologies Corporation (“Zebra”), through its attorneys, for its Complaint against Defendant Factory Mutual Insurance Company (“Factory Mutual”), with knowledge as to its own acts and on information and belief as to the acts of all others, alleges as follows:

**NATURE OF ACTION**

1. This is an insurance coverage action that arises from Factory Mutual’s improper refusal to pay Zebra’s claim for insurance coverage under an “all risks” policy it sold to Zebra that covers Zebra for lost sales, extra expenses, and property damage caused by, among other things, communicable disease. The “all risks” policy that Factory Mutual sold to Zebra also includes coverage for, among other things, increased shipping costs, loss of business and extra expenses due to orders by civil authorities, and loss of business and extra expenses incurred by Zebra due to supply chain disruptions affecting Zebra’s customers and suppliers.

2. As a result of the COVID-19 pandemic, orders of civil authority relating thereto, and resultant disruption of the businesses of Zebra, its customers, and suppliers, Zebra has suffered extensive losses and expenses, including but not limited to cleaning expenses, costs of protecting

employees, lost sales, and increased shipping costs. Despite agreeing to cover Zebra for these risks and being timely notified by Zebra of its claim for coverage, Factory Mutual has refused to provide coverage to Zebra under its policy. Zebra brings this action to address Factory Mutual's breaches of its policy.

### **PARTIES**

3. Plaintiff Zebra is a leading provider of mobile enterprise computing products and services, including mobile computers and printers, barcode scanners, RFID readers and infrastructure, locationing hardware and software solutions, and interactive kiosks, among other things. Zebra is a corporation organized under the laws of the State of Delaware with its principal place of business in Lincolnshire, Illinois.

4. Defendant Factory Mutual is a corporation organized under the laws of the State of Rhode Island with its principal place of business in Johnston, Rhode Island.

### **JURISDICTION AND VENUE**

5. This Court has subject matter jurisdiction under 28 U.S.C. § 1332 because there is complete diversity between the parties and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omission giving rise to Plaintiffs' claims occurred within this District.

### **FACTUAL BACKGROUND**

7. Plaintiff incorporates by reference, as if fully set forth herein, the allegations in paragraphs 1 through \_\_\_ above.

8. Like other companies operating in the modern global economy, Zebra manufactures technology devices and sources component parts and sells its products on a global

scale, relying on customers and suppliers throughout the world, as well as a smoothly functioning international freight transportation system, for its operations.

9. Recognizing that many companies depend on a smoothly functioning global supply chain and transportation system in order to generate sales and avoid additional expenses, Factory Mutual has developed standard form insurance policies that are intended to cover the worldwide operations of large multinational companies against a wide variety of risks. Among the coverages available from Factory Mutual under its standard form policies are those for loss due to communicable disease, loss due to orders of civil authorities that impede access to the insured's facilities or to the facilities of customers or suppliers of the insured, extra expenses due to increased transportation costs, and extra expenses that are incurred by the insured to protect its property from the occurrence of insured losses.

10. In exchange for substantial premiums, Factory Mutual issued Zebra an all risks property policy bearing policy No. 1059959, for the period between January 1, 2020 and January 1, 2021 (the "Policy"). A true and correct copy of the Policy is attached hereto as Exhibit A. The Policy uses standard-form policy language that was developed and drafted by Factory Mutual without input from Zebra.

11. In addition to affording coverage for "all risks of physical loss or damage," the Policy contains numerous "additional coverages." Among these additional coverages are the following:

- a. Communicable disease response coverage, which appears in the "Property Damage" section of the Policy, defines communicable diseases to include any disease transmissible from human to human, including those caused by virus,

and explicitly recognizes that diseases cause physical damage that can be “cleaned up.”;

- b. Protection and preservation of property coverage, which covers costs of temporary actions taken by the insured due to actual or impending loss or damage to insured property, including measures to avoid contamination of insured locations by communicable disease;
- c. Gross earnings/gross profits coverage, which covers the insured’s loss of earnings or profits due to interruption of its business due to damage of the type insured against by the Policy;
- d. Extra expense coverage, which covers extra costs incurred by the insured to avoid or minimize the interruption of its business due to damage of the type insured against by the Policy;
- e. Civil and military authority coverage, which covers lost earnings or profits and extra expenses incurred by the insured due to an order of civil or military authority that limits, restricts or prohibits partial or total access to an insured location due to damage of the type insured against by the Policy within five statute miles of an insured location; and
- f. Contingent time element coverage, which covers lost earnings or profits and extra expenses incurred by the insured due to damage of the type insured against by the Policy causing an interruption of business at any location of a direct or indirect customer, supplier, contract manufacturer or contract service provider of Zebra, and which includes any extra expenses, lost earnings and/or lost profits due to an order of civil or military authority that limits, restricts or

prohibits partial or total access to such a third-party's location due to damage of the type insured against by the Policy.

**B. COVID-19 is a Communicable Disease.**

12. COVID-19, and the virus which causes it, SARS-CoV-2, is a communicable disease. As of August 31, 2020, in the United States, almost 6 million people were infected and more than 182,000 had died.<sup>1</sup> The Centers for Disease Control and Prevention ("CDC") estimates actual infection rates are likely at least ten times known infections.<sup>2</sup> Worldwide, more than 25 million people have confirmed coronavirus cases. The World Health Organization ("WHO") has declared the COVID-19 outbreak a pandemic.

13. COVID-19 has an incubation period as long as 14 days.<sup>3</sup> During the incubation period, also called the "presymptomatic" period, infected persons can be contagious and transmit the disease before they have reason to know they have been infected.<sup>4</sup>

14. Not only does COVID-19 spread by human-to-human transfer, including airborne transmission,<sup>5</sup> it can remain on contaminated objects or surfaces for varying periods of time. It is ubiquitous and remains in the air for hours and on surfaces for days.<sup>6</sup> A study published in the

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<sup>1</sup> <https://covid.cdc.gov/covid-data-tracker/#cases>.

<sup>2</sup> <https://www.nbcnews.com/health/health-news/cdc-says-covid-19-cases-u-s-may-be-10-n1232134>.

<sup>3</sup> [https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7\\_2](https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7_2).

<sup>4</sup> [https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7\\_2](https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200402-sitrep-73-covid-19.pdf?sfvrsn=5ae25bc7_2).

<sup>5</sup> <https://academic.oup.com/cid/article-pdf/doi/10.1093/cid/ciaa939/33478095/ciaa939.pdf>;  
<https://academic.oup.com/cid/articlepdf/doi/10.1093/cid/ciaa939/33478095/ciaa939.pdf>;  
[https://wwwnc.cdc.gov/eid/article/26/7/20-0764\\_article](https://wwwnc.cdc.gov/eid/article/26/7/20-0764_article).

<sup>6</sup> One study found that COVID-19 was detectable in aerosols for up to three hours, up to four hours on copper, up to 24 hours on cardboard, and up to three days on plastic and stainless steel. <https://www.nih.gov/news-events/news-releases/new-coronavirus-stable-hours-surfaces>; see also <https://www.who.int/news-room/commentaries/detail/modes-of-transmission-of-virus-causing-covid-19-implications-for-ipc-precaution-recommendations>.

April 16, 2020 edition of the New England Journal of Medicine reports that the novel coronavirus persisted on plastic and stainless steel for as long as 72 hours.<sup>7</sup> Numerous other scientific studies and articles have identified the persistence of coronavirus on doorknobs, toilets, faucets and other high touch points.

15. Epidemiological studies support the widespread presence of COVID-19 at virtually any location where people congregate. According to WHO: COVID-19 “droplets land on objects and surfaces” around the infected person. “Other people then catch COVID-19 by touching these objects or surfaces, then touching their eyes, nose or mouth.”<sup>8</sup> WHO has also confirmed that COVID-19 can exist on objects or surfaces and that the transmission of COVID-19 can occur by indirect contact with surfaces in the immediate environment or with objects that were touched by an infected person hours before.

16. While infected droplets and particles carrying SARS CoV-2 may not be visible to the naked eye, they are physical objects that travel to and remain on other objects and cause harm.

17. The COVID-19 outbreak reportedly began in Wuhan, China in December 2019. By mid-January 2020, COVID-19 had spread to multiple provinces in China. Shortly thereafter Chinese authorities began locking down entire cities, restricting travel between cities, and requiring citizens in certain areas to remain in their homes, imposing widespread curfews and quarantines across the country. These measures directly affected many production sites, including those in Zebra’s supply chain, as the sites closed in order to reduce possible contact between individuals.

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<sup>7</sup> This scientific study comparing the Aerosol and Surface Stability of SARS-CoV-2 to an earlier coronavirus, SARS-CoV, was authored by researchers from UCLA, Princeton University, the National Institute of Allergy and Infectious Diseases and the Centers for Disease Control and Prevention.

<sup>8</sup> <https://www.who.int.news-room/q-a-detail/q-acoronaviruses>.

18. In March 2020, the CDC and the White House's Coronavirus Task Force issued public guidance titled "30 Days to Slow the Spread" of COVID-19. It called for extreme social distancing measures including working from home, avoiding gatherings of more than ten people, and avoiding discretionary travel.

19. In addition, state and local governments have issued shutdown or stay-at-home orders. Generally, these orders required businesses deemed "non-essential" to close and forbade in-person work.

20. Foreign governments throughout the world have issued shutdown orders similar to those issued by state and local governments throughout the United States.

21. Some of these government orders and the social distancing and sanitation measures they require remain in effect, and even in localities which have partially reopened, many non-essential businesses have been prevented from returning to pre-loss levels. In some jurisdictions, new government orders restricting or closing businesses have been issued.

22. Zebra employees at certain of Zebra's facilities have tested positive for COVID-19, and Zebra has incurred expenses to respond to positive tests. In addition, the above-referenced government orders have restricted access to Zebra locations and required Zebra to re-configure and otherwise modify its facilities to permit greater social distancing and increased sanitation measures, resulting in both lost sales and extra expenses. Zebra also has suffered lost sales due to the interruption of the businesses of its direct and indirect customers and suppliers, many of whom were adversely affected by the presence of communicable disease in and around their locations and by the issuance of orders of civil authorities. In an effort to mitigate its losses, Zebra has been required to seek supplies from suppliers that are more expensive than those it would otherwise

have used and to incur increased transportation costs. Zebra's total losses are in the tens of millions of dollars and continue to mount.

23. Zebra has notified Factory Mutual of its losses, but Factory Mutual has failed and refused to acknowledge that Zebra has any coverage whatsoever for any of the losses and extra expenses it has incurred.

24. Zebra has satisfied all conditions to coverage under the Policy except insofar as such conditions are waived, or are subject to an estoppel or other avoidance as against Factory Mutual.

### **COUNT I - BREACH OF CONTRACT**

25. Zebra incorporates by reference and realleges Paragraphs 1 through 24, as though fully stated herein.

26. Zebra has incurred lost sales, earnings and/or profits as a result of communicable disease and orders of civil authority that have interrupted both its own operations and the operations of its direct and indirect customers and suppliers.

27. Damage as a result of communicable disease is damage of a type insured against by the Policy.

28. The requirements imposed by orders of civil authorities have required Zebra and its direct and indirect customers and suppliers to alter the physical layouts of their properties in a way that renders them less useful than they would have been in the absence of such orders and have damaged each location that has been subject to such orders. In addition, in order to mitigate the business interruption loss it has suffered and in an effort to try to continue operations as normally as possible, Zebra has leased several additional locations, the costs of which Zebra would not have incurred absent such orders.



29. Although Factory Mutual promised to cover Zebra against losses and extra expenses due to physical damage, including by communicable disease, at its own facilities and at the facilities of its suppliers and customers, Factory Mutual has taken the position that there is no coverage for Zebra's losses.

30. Factory Mutual has failed and refused to perform its contractual obligations to provide coverage to Zebra with respect to the losses caused by property damage resulting from communicable disease and orders of civil authorities.

31. By virtue of this failure and refusal, Factory Mutual is in breach of its obligations under the Policy.

32. Any conditions precedent to coverage under the Policy have been satisfied, waived, or are otherwise inapplicable.

33. As a result of Factory Mutual's breach of the Policy, Zebra has been denied the benefits of insurance coverage under the Policy and has incurred damages.

WHEREFORE, Zebra respectfully prays that the Court:

- A. Award Zebra its actual damages sustained as a result of Factory Mutual's breach of the Policy, in an amount to be established through proof at trial;
- B. Award Zebra its costs and expenses, including but not limited to attorneys' fees, in bringing and pursuing this action;
- C. Award Zebra pre-judgment and post-judgment interest; and
- D. Award Zebra any other and further relief to which it is entitled.

**COUNT II – DECLARATORY RELIEF**

34. Zebra incorporates by reference and realleges Paragraphs 1 through 33, as though fully stated herein.

35. Pursuant to the terms and conditions of the Policy, Factory Mutual is obligated to pay the losses and extra expenses incurred by Zebra as a result of communicable disease and orders of civil authority.

36. Factory Mutual has failed and refused to pay for such losses.

37. An actual controversy of a justiciable nature presently exists between Zebra and Factory Mutual concerning the parties' rights and obligations under the Policy.

WHEREFORE, Zebra respectfully prays that the Court:

A. Declare that:

1. Zebra is entitled to coverage under the Policy;
2. Zebra has complied with all conditions precedent to coverage, except insofar as such conditions have been waived or are subject to an estoppel or other avoidance against Factory Mutual; and
3. Zebra is entitled to coverage for its mounting losses as they are incurred, subject only to any limits of liability explicitly and unambiguously set forth in the Policy.

B. Award Zebra its costs and expenses, including but not limited to attorneys' fees, in bringing and pursuing this action;

C. Award Zebra pre-judgment and post-judgment interest; and

D. Award Zebra any other and further relief to which it is entitled.

**JURY DEMAND**

Zebra hereby demands trial by jury on all issues so triable.

Dated: September 1, 2020

Respectfully submitted,

ZEBRA TECHNOLOGIES CORPORATION

By: /s/ Thomas A. Marrinson

One of its Attorneys

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**ATTORNEYS FOR PLAINTIFF ZEBRA  
TECHNOLOGIES CORPORATION**

# Exhibit A



Factory Mutual Insurance Company  
P.O. Box 7500  
Johnston, Rhode Island 02919  
1-800-343-7722

## MUTUAL CORPORATION NON-ASSESSABLE POLICY

**A SURCHARGE WILL BE ADDED TO  
THE PREMIUM  
OF THIS POLICY AS REQUIRED BY  
KENTUCKY REVISED  
STATUTES SECTION 136.392.**

### DECLARATIONS

<b>Policy No.</b> 1059959	<b>Previous Policy No.</b> 1045906	<b>DATE OF ISSUE</b> 31 December 2019
<b>Account No.</b> 1-55427	<b>Replaces Binder No.</b>	

In consideration of this Policy's Provisions, Conditions, Stipulations, Exclusions and Limits of Liability, and of premium charged, Factory Mutual Insurance Company, hereafter referred to as the Company, does insure:

#### INSURED:

Zebra Technologies Corporation

(For Complete Title See Policy)

The term of this Policy is from the 1st day of January 2020 to the 1st day of January 2021 at 12:01 a.m., Standard Time, at the Locations of property involved as provided in this Policy.

This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as described in this Policy.

By virtue of this Policy and any other policies purchased from the Company being in force, the Insured becomes a member of the Company, subject to the provisions of its charter and by-laws, and is entitled to one vote either in person or by proxy at any and all meetings of said Company.

Assignment of this Policy will not be valid except with the written consent of the Company.

This Policy is made and accepted subject to the above provisions and those hereinafter stated, which are made a part of this Policy, together with such other provisions and agreements as may be added to this Policy.

In Witness, this Company has issued this Policy at its office in the city of Johnston, R. I.  
this 31st day of December 2019.

Authorized Signature

Secretary

President

Countersigned (if required) this \_\_\_\_\_ day of \_\_\_\_\_

Agent

**Florida information: "THIS POLICY CONTAINS A SEPARATE  
DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY  
RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."**





Factory Mutual Insurance Company  
Johnston, Rhode Island  
A Mutual Corporation

This policy is Non-Assessable.

It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once.

In case of loss notify the company or its local agent at once in writing.

This policy is issued by a mutual company having special regulations lawfully applicable to its organization, membership, policies, or contracts of insurance of which the following shall apply to and form a part of this policy.

**EXTRACTS FROM CHARTER OF THIS COMPANY**  
Granted by the General Assembly of the State of Rhode Island

SECTION 5: Except as hereinafter specifically provided, each natural person, partnership, association, corporation or legal entity insured on the mutual plan by the Corporation shall be a member of the Corporation during the term of its policy but no longer, and at all meetings of the members shall be entitled to one vote either in person or by proxy, provided, however, that where there is more than one insured under any policy, such insureds shall nevertheless be deemed to be a single member of the Corporation for all purposes. The Corporation may issue policies which do not entitle the insured to membership in the Corporation nor to participate in its surplus.

SECTION 10: Upon the termination of the membership of any member, all his or its right and interest in the surplus, reserves and other assets of the Corporation shall forthwith cease.

**EXTRACTS FROM THE BY-LAWS OF THIS COMPANY**  
Adopted July 13, 2000

**ARTICLE 1 – MEETINGS OF THE MEMBERS**

**SECTION 1. Annual Meeting**

The annual meeting of the members shall be held at the principal offices of the Company, or at such other place as may be stated in the notice of the meeting, at 9:00 a.m. on the second Thursday of April in each year, for the election of directors and the transaction of such other business as may be brought before the meeting. If the annual meeting is omitted on the day herein provided therefor, a special meeting may be held in place thereof; and any business transacted or elections held at such special meeting shall be as effective as if transacted or held at the annual meeting.





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Policy No. 1059959

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CYBER OPTIMAL RECOVERY ENDORSEMENT, Form FMG7558



**Account No. 1-55427**  
**Policy No. 1059959**

## **DECLARATIONS**

This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as described in this Policy.

### **1. NAMED INSURED AND MAILING ADDRESS**

Zebra Technologies Corporation and any subsidiary, and Zebra Technologies Corporation interest in any partnership or joint venture in which Zebra Technologies Corporation has management control or ownership as now constituted or hereafter is acquired, as the respective interest of each may appear; all hereafter referred to as the "Insured," including legal representatives.

3 Overlook Point  
Lincolnshire, Illinois, 60069  
United States of America

### **2. POLICY DATES**

The term of this Policy is:

FROM: 1 January 2020 at 12:01 a.m., Standard Time;  
TO: 1 January 2021 at 12:01 a.m., Standard Time,

at the **location** of property involved as provided in this Policy.

### **3. INSURANCE PROVIDED**

The coverage under this Policy applies to property described on the Schedule of Locations or covered under the terms and conditions of the AUTOMATIC COVERAGE, ERRORS AND OMISSIONS or MISCELLANEOUS PROPERTY provisions, unless otherwise provided.

Schedule of Locations are as listed on the Schedule of Locations attached to this Policy.

### **4. PREMIUM**

This Policy is issued in consideration of an initial premium.

### **5. PREMIUM PAYABLE**

Arthur J. Gallagher & Co. (Itasca) pays the premium under this Policy, and any return of the paid premium accruing under this Policy will be paid to the account of Arthur J. Gallagher & Co. (Itasca).

### **6. LOSS ADJUSTMENT/PAYABLE**

Loss, if any, will be adjusted with and payable to Zebra Technologies Corporation, or as may be directed by Zebra Technologies Corporation.



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Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee either on a Certificate of Insurance or other evidence of insurance on file with the Company or named below.

When named on a Certificate of Insurance or other evidence of insurance, such additional interests are automatically added to this Policy as their interests may appear as of the effective date shown on the Certificate of Insurance or other evidence of insurance. The Certificate of Insurance or other evidence of insurance will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

## **7. TERRITORY**

Coverage as provided under this Policy applies worldwide except does not apply in:

Afghanistan; Albania; Algeria; Angola; Armenia; Azerbaijan; Bangladesh; Belarus; Belize; Benin; Bhutan; Bolivia; Bosnia and Herzegovina; Botswana; Burkina Faso; Burundi; Cambodia; Cameroon; Central African Republic; Chad; Cote D'Ivoire; Cuba; Democratic Republic of the Congo; Djibouti; Egypt; Equatorial Guinea; Eritrea; Ethiopia; Fiji; Gabon; Gambia; Georgia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Jammu and Kashmir in India; Iran; Iraq; Gaza Strip, West Bank and territories north of Latitude 32.80 N in Israel; Kenya; Laos; Lebanon; Lesotho; Liberia; Libya; Madagascar; Malawi; Mali; Mauritania; Mauritius; Moldova; Mongolia; Montenegro; Montserrat; Mozambique; Myanmar; Namibia; Nepal; Niger; Nigeria; North Korea; Pakistan; Papua New Guinea; Aksai Chin and Trans-Karakoram Tract in People's Republic of China; Republic of the Congo; Chechen Republic of the Russian Federation; Rwanda; Senegal; Seychelles; Sierra Leone; Somalia; South Sudan; Sudan; Swaziland; Syria; Tajikistan; Tanzania; Timor-Leste; Togo; Tunisia; Agri, Batman, Bingol, Bitlis, Diyarbakir, Elazig, Hakkari, Igrid, Mardin, Mus, Sanliurfa, Siirt, Sirnak and Van in Turkey; Turkmenistan; Uganda; Ukraine; Crimea Region of Ukraine; Uzbekistan; Venezuela; Yemen; Zambia; and Zimbabwe.

As respects TRANSPORTATION, coverage as provided under this Policy is extended to apply in Belarus.

## **8. MASTER GLOBAL INSURING POLICY**

This Policy is designated the Master Global Insuring Policy. Coverage under this Policy shall apply only after the coverage provided under the local policy issued by the Company, its **representative company(ies)** or any other insurance company has been exhausted. Such local policy will be the first policy to respond in the event of loss or damage. Only upon exhaustion of coverage under the local policy, this Policy covers:

- A. the difference in definitions, perils, conditions or coverages between the local policy and this Policy; and
  - B. the difference between the limit(s) of liability stated in the local policy and this Policy,
- provided that:



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- 1) the coverage is provided under this Policy;
- 2) the limit(s) of liability has been exhausted under the local policy, and
- 3) the deductible(s) applicable to such claim for loss or damage under the local policy has been applied. If the deductible applied in the local policy is different from the deductible that would have been applied for such loss under this Policy, then this Policy will provide for such difference in deductible.

Any coverage provided under the local policy that is not provided under this Policy does not extend to this Policy. As respects **representative company(ies)** only, any insolvency or bankruptcy of the local insurance company shall be considered exhaustion of coverage under the local policy.

As respects local policies issued by companies other than this Company or its **representative company(ies)**, the following also applies:

- A. This Policy will not cover:
  - 1) any financial loss due to insolvency or bankruptcy of the insurance company issuing the local policy.
- B. It is agreed that during the term of this Policy the Insured will not cancel or restrict any insurance in force at the time coverage hereunder attaches, which covers the same risk(s) as covered hereunder, without the knowledge and consent of the Company.
- C. If the local policy is cancelled, restricted or allowed to expire and not renewed without the knowledge and consent of the Company, this coverage will continue to apply as though such local policy had been maintained in full force and effect.

## 9. JURISDICTION

This Policy will be governed by the laws of the United States of America.

Any disputes arising hereunder will be exclusively subject to the jurisdiction of the United States of America.

## 10. CURRENCY

All amounts, including deductibles, premiums and limits of liability, indicated in this Policy shall be in the currency represented by the three letter currency designation shown. This three letter currency designator is defined in Table A.1-Currency and funds code list, International Organization for Standardization (ISO) 4217, edition in effect at the inception of this Policy.

## 11. LIMITS OF LIABILITY

The Company's maximum limit of liability in an **occurrence**, including any insured TIME ELEMENT loss, will not exceed the Policy limit of liability of USD 750,000,000 subject to the following provisions:



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- A. Limits of liability and time limits stated below or elsewhere in this Policy are part of, and not in addition to, the Policy limit of liability.
- B. Limits of liability apply per **occurrence**, unless otherwise stated.
- C. Limits of liability in an **occurrence** apply to the total loss or damage at all **locations** and for all coverages involved, including any insured TIME ELEMENT loss, subject to the following provisions:
- 1) when a limit of liability applies as an **annual aggregate**, the Company's maximum amount payable will not exceed such limit of liability during any policy year.
  - 2) when a limit of liability applies to a **location** or other specified property, such limit of liability will be the maximum amount payable for all loss or damage at all **locations** arising from physical loss or damage at such **location** or to such other specified property.
- D. Should an **occurrence** result in liability payable under more than one policy issued to the Named Insured by the Company, or its **representative company(ies)**, the maximum amount payable in the aggregate under all such policies will be the applicable limit(s) of liability indicated in this Policy.

Applicable Limits of Liability/Time Limits:

property located in Israel and Sri Lanka	USD 5,000,000
property located in New Zealand	USD 1,000,000
ATTRACTION PROPERTY	30 days
AUTOMATIC COVERAGE	90 days, not to exceed USD 100,000,000 per <b>location</b>
CIVIL OR MILITARY AUTHORITY	30 days
CLAIMS PREPARATION COSTS	USD 1,000,000
COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION	USD 100,000,000
COMMUNICABLE DISEASE RESPONSE	<p>USD 1,000,000 <b>annual aggregate</b></p> <p>The Company's maximum limit of liability for INTERRUPTION BY COMMUNICABLE DISEASE and this coverage combined shall not exceed USD 1,000,000 <b>annual aggregate</b>.</p>



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CONTINGENT TIME ELEMENT EXTENDED	USD 50,000,000, except USD 250,000,000 for locations described on Contingent Time Element Locations, Appendix B
CRISIS MANAGEMENT	30 days
<b>cyber event</b>	<ol style="list-style-type: none"> <li>1. USD 1,000,000 <b>annual aggregate</b> for DATA RESTORATION and OWNED NETWORK INTERRUPTION combined</li> <li>2. USD 1,000,000 <b>annual aggregate</b> for DATA SERVICE PROVIDER PROPERTY DAMAGE and DATA SERVICE PROVIDER TIME ELEMENT combined</li> <li>3. USD 25,000,000 <b>annual aggregate</b> for physical loss or damage to stock in process or finished goods manufactured by or for the Insured caused by or resulting from a <b>cyber event</b> that impacts the processing, manufacturing, or testing of such property or while it is otherwise being worked on</li> </ol>
DATA RESTORATION	USD 10,000,000 <b>annual aggregate</b>
DATA SERVICE PROVIDER PROPERTY DAMAGE and DATA SERVICE PROVIDER TIME ELEMENT combined	USD 5,000,000 <b>annual aggregate</b>
<b>earth movement</b>	<p>USD 250,000,000 <b>annual aggregate</b>, not to exceed the following:</p> <ol style="list-style-type: none"> <li>1. USD 10,000,000 <b>annual aggregate</b> for property located in <b>high hazard zones for earth movement</b> excluding property located in New Zealand and California, USA and excluding locations described on Appendix E</li> <li>2. USD 10,000,000 <b>annual aggregate</b> for property located in California, USA, not to exceed USD 2,500,000 <b>annual aggregate</b> for CONTINGENT TIME ELEMENT EXTENDED, DATA SERVICE PROVIDER PROPERTY DAMAGE, DATA SERVICE PROVIDER TIME ELEMENT, LOGISTICS EXTRA COST, MISCELLANEOUS</li> </ol>





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	<p>PROPERTY, SERVICE INTERRUPTION  PROPERTY DAMAGE and SERVICE  INTERRUPTION TIME ELEMENT combined</p> <p>3. USD 1,000,000 <b>annual aggregate</b> for property  located in <b>New Madrid Seismic Zone</b></p> <p>4. USD 1,000,000 <b>annual aggregate</b> for property  located in <b>Pacific Northwest Seismic Zone</b></p> <p>5. USD 1,000,000 <b>annual aggregate</b> for property  located in New Zealand</p>
ERRORS AND OMISSIONS	USD 100,000,000
EXPEDITING COSTS and EXTRA EXPENSE combined	USD 100,000,000
EXTENDED PERIOD OF LIABILITY	120 days
<b>fine arts</b>	USD 100,000,000, not to exceed USD 10,000 per item for <b>irreplaceable fine arts</b> not on a schedule on file with the Company
finances or penalties for breach of contract or for late or noncompletion of orders combined	USD 100,000
<b>flood</b>	USD 250,000,000, not to exceed USD 10,000,000 for property located in Netherlands
GROSS PROFIT	12 months, not to exceed 90 days for Ordinary Payroll
INGRESS/EGRESS	30 days
INTERRUPTION BY COMMUNICABLE DISEASE	<p>365 days, not to exceed USD 1,000,000 <b>annual aggregate</b></p> <p>The Company's maximum limit of liability for  COMMUNICABLE DISEASE RESPONSE and this  coverage combined shall not exceed USD 1,000,000  <b>annual aggregate.</b></p>
LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL	USD 500,000 <b>annual aggregate</b>



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LOGISTICS EXTRA COST	180 days, not to exceed 200% of the <b>normal cost</b>
MISCELLANEOUS PROPERTY	<ol style="list-style-type: none"> <li>1. USD 25,000,000 per <b>location</b> for property at a <b>location</b></li> <li>2. USD 10,000,000 for property not at a <b>location</b></li> </ol>
NEIGHBOUR'S RECOURSE AND TENANT'S LIABILITY	USD 10,000,000
Ordinary Payroll	90 days
SERVICE INTERRUPTION PROPERTY DAMAGE and SERVICE INTERRUPTION TIME ELEMENT combined	USD 40,000,000
SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT(S) attached to this Policy	<p>USD 5,000,000</p> <p>This limit shall not include the <b>actual cash value</b> portion of fire damage caused by <b>terrorism</b>.</p>
TERRORISM	<p>USD 5,000,000 <b>annual aggregate</b>, not to exceed the following:</p> <ol style="list-style-type: none"> <li>1. USD 5,000,000 <b>annual aggregate</b> for AUTOMATIC COVERAGE, ERRORS AND OMISSIONS, MISCELLANEOUS PROPERTY and TEMPORARY REMOVAL OF PROPERTY combined</li> <li>2. USD 5,000,000 <b>annual aggregate</b> for <b>flood</b> when caused by or resulting from <b>terrorism</b></li> </ol> <p>The limits for TERRORISM shall not include the <b>actual cash value</b> portion of fire damage caused by <b>terrorism</b>.</p> <p>The limits for TERRORISM do not apply to the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT(S).</p>
TRANSPORTATION	USD 5,000,000 for property located in Belarus
<b>valuable papers and records</b>	USD 100,000,000, not to exceed USD 10,000 per item for <b>irreplaceable valuable papers and records</b> not on a schedule on file with the Company



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## 12. DEDUCTIBLES

Subject to the deductible general provisions stated below, in each case of loss covered by this Policy the following deductibles apply per **occurrence**, for all coverages involved, unless otherwise stated:

<b>cyber event</b>	USD 1,000,000 for DATA RESTORATION and OWNED NETWORK INTERRUPTION
DATA SERVICE PROVIDER PROPERTY DAMAGE and DATA SERVICE PROVIDER TIME ELEMENT	USD 1,000,000
earthquake	<ol style="list-style-type: none"> <li>For property located in <b>high hazard zones for earth movement</b> excluding locations described on Appendix E:  Property Damage: 5% per <b>location</b>  Time Element: 5% per <b>location</b>  The above are subject to a minimum of USD 1,000,000 for Property Damage and Time Element combined per <b>location</b>.</li> <li>For property located in <b>New Madrid Seismic Zone</b>, Group B Listing and <b>Pacific Northwest Seismic Zone</b>:  Property Damage: 3% per <b>location</b>  Time Element: 3% per <b>location</b>  The above are subject to a minimum of USD 1,000,000 for Property Damage and Time Element combined per <b>location</b>.</li> </ol>
<b>flood</b>	<p>For locations described on Flood Locations, Appendix C:</p> <p>USD 1,000,000 per <b>location</b></p>
LOGISTICS EXTRA COST	USD 1,000,000



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<p>Loss of damage directly or indirectly caused by or resulting from hail</p>	<p>For Location No. CX43, as described on the Schedule of Locations:</p> <p>Property Damage: 5% per <b>location</b></p> <p>Time Element: 1% per <b>location</b></p> <p>The above are subject to a minimum of USD 1,000,000 for Property Damage and Time Element combined per <b>location</b>.</p>
<p><b>wind</b></p>	<p>For <b>wind</b> loss associated with or occurring in conjunction with a storm or weather disturbance identified by name by any meteorological authority, whether or not named prior to the loss:</p> <ol style="list-style-type: none"> <li>1. For Location No. CC52 as described on the Schedule of Locations: <p>Property Damage: 5% per <b>location</b></p> <p>Time Element: 5% per <b>location</b></p> <p>The above are subject to a minimum of USD 1,000,000 for Property Damage and Time Element combined per <b>location</b>.</p> </li> <li>2. For Wind Areas Tier 1 locations as described on Wind Areas, Appendix D: <p>Property Damage: 3% per <b>location</b></p> <p>Time Element: 3% per <b>location</b></p> <p>The above are subject to a minimum of USD 1,000,000 for Property Damage and Time Element combined per <b>location</b>.</p> </li> <li>3. For Wind Areas Tier 2 locations as described on Wind Areas, Appendix D: <p>Property Damage: 2% per <b>location</b></p> <p>Time Element: 2% per <b>location</b></p> <p>The above are subject to a minimum of USD 1,000,000 for Property Damage and Time Element combined per <b>location</b>.</p> </li> </ol>



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	<p>4. For Wind Areas United States Northeast locations as described on Wind Areas, Appendix D:</p> <p>USD 1,000,000 per <b>location</b></p>
All Other Loss	USD 1,000,000

Deductible General Provisions:

In each case of loss covered by this Policy, the Company will be liable only if the Insured sustains a loss, including any insured TIME ELEMENT loss, in a single **occurrence** greater than the applicable deductible specified above, and only for its share of that greater amount.

- A. For SERVICE INTERRUPTION loss, when a deductible is not specifically stated as applying to SERVICE INTERRUPTION, the deductible applied to the SERVICE INTERRUPTION loss will be the deductible that would apply if the cause of the interruption happened at the insured **location** that sustains the interruption of the specified services.
- B. For CONTINGENT TIME ELEMENT EXTENDED loss, when a deductible is not specifically stated as applying to CONTINGENT TIME ELEMENT EXTENDED, the deductible for CONTINGENT TIME ELEMENT EXTENDED loss will be determined as though the **contingent time element location** was an insured **location** under this Policy.
- C. The stated earthquake deductible will be applied to earthquake loss. The stated **flood** deductible will be applied to **flood** loss. The stated **wind** deductible will be applied to **wind** loss. The provisions of item E below will also be applied to each.

For Location No. CC41, CX06, CX09, as described on the Schedule of Locations, and notwithstanding item E below, in the event of loss resulting from both **flood** and **wind**, such **flood** and **wind** loss shall be adjusted separately from each other with each being subject to its respective deductible.

- D. When this Policy insures more than one **location**, the deductible will apply against the total loss covered by this Policy in an **occurrence** except that a deductible that applies on a per **location** basis, if specified, will apply separately to each **location** where the physical damage happened regardless of the number of **locations** involved in the **occurrence**.
- E. Unless stated otherwise, if two or more deductibles apply to an **occurrence**, the total to be deducted will not exceed the largest deductible applicable. For the purposes of this provision, when a separate Property Damage and a separate Time Element deductible apply, the sum of the two deductibles will be considered a single deductible. If two or more deductibles apply on a per **location** basis in an **occurrence**, the largest deductible applying to each **location** will be applied separately to each such **location**.
- F. When a % deductible is stated above, whether separately or combined, the deductible is calculated as follows:



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Property Damage – % of the value, per the Valuation clause(s) of the PROPERTY DAMAGE section, of the property insured at the **location** where the physical damage happened.

Time Element – % of the full Time Element values that would have been earned in the 12 month period following the occurrence by use of the facilities at the **location** where the physical damage happened, plus that proportion of the full Time Element values at all other **locations** where TIME ELEMENT loss ensues that was directly affected by use of such facilities and that would have been earned in the 12 month period following the **occurrence**.

G. For insured physical loss or damage:

- 1) to insured fire protection equipment; or
- 2) from water or other substance discharged from fire protection equipment of the type insured,

the applicable deductible applying to items 1 or 2 above only will be reduced by fifty percent (50%), per **occurrence**. However, this provision will not apply to loss or damage resulting from fire or **earth movement** regardless of whether claim is made for such fire or **earth movement**.



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## PROPERTY DAMAGE

### 1. INSURED PROPERTY

This Policy insures the following property, unless otherwise excluded elsewhere in this Policy, as described in the INSURANCE PROVIDED provision or within 1,000 feet/300 metres thereof, to the extent of the interest of the Insured in such property:

- A. Real Property, including new buildings and additions under construction, in which the Insured has an insurable interest.
- B. Personal Property:
  - 1) owned by the Insured.
  - 2) consisting of the Insured's interest as a tenant in improvements and betterments. In the event of physical loss or damage, the Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.
  - 3) of officers and employees of the Insured.
  - 4) of others in the Insured's custody to the extent the Insured is under obligation to keep insured for physical loss or damage insured by this Policy.
  - 5) of others in the Insured's custody to the extent of the Insured's legal liability for insured physical loss or damage to Personal Property. The Company will defend that portion of any suit against the Insured that alleges such liability and seeks damages for such insured physical loss or damage. The Company may, without prejudice, investigate, negotiate and settle any claim or suit as the Company deems expedient.

This Policy also insures the interest of contractors and subcontractors in insured property during construction at an insured **location** or within 1,000 feet/300 metres thereof, to the extent of the Insured's legal liability for insured physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this Policy.

### 2. EXCLUDED PROPERTY

The following exclusions apply unless otherwise stated in this Policy:

This Policy excludes:

- A. currency, money, notes or securities.
- B. precious metal in bullion form.



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- C. land and any substance in or on land. However, this exclusion does not apply to:
  - 1) landscape gardening.
  - 2) car parks, parking lots, pavement, roadways, railways, transformer enclosures or walkways.
  - 3) fill beneath car parks, parking lots, pavement, roadways, railways, transformer enclosures, walkways, or buildings and structures.
- D. water. However, this exclusion does not apply to:
  - 1) water that is contained within any enclosed tank, piping system or any other processing equipment.
- E. animals, standing timber or growing crops.
- F. watercraft or aircraft, except when unfueled and manufactured by the Insured.
- G. vehicles of officers or employees of the Insured or vehicles otherwise insured for physical loss or damage.
- H. underground mines or mine shafts or any property within such mine or shaft.
- I. dams or dikes.
- J. property in transit, except as otherwise provided by this Policy.
- K. property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers, except as provided by the INSTALLMENT OR DEFERRED PAYMENTS coverage of this Policy.
- L. electronic data, programs or software, except when incorporated into physical goods intended to be sold as:
  - 1) finished goods manufactured by the Insured; or
  - 2) other merchandise not manufactured by the Insured,or as otherwise provided by the DATA RESTORATION coverage of this Policy.

### **3. EXCLUSIONS**

In addition to the exclusions elsewhere in this Policy, the following exclusions apply unless otherwise stated:

- A. This Policy excludes:
  - 1) indirect or remote loss or damage.





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- 2) interruption of business, except to the extent provided by this Policy.
- 3) loss of market or loss of use.
- 4) loss or damage or deterioration arising from any delay.
- 5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.
- 6) loss from enforcement of any law or ordinance:
  - a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
  - b) requiring the demolition of any property, including the cost in removing its debris;
 except as provided by the DECONTAMINATION COSTS and LAW AND ORDINANCE coverages of this Policy.
- 7) loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.

B. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- 1) nuclear reaction or nuclear radiation or radioactive contamination. However:
  - a) if physical damage by fire or sprinkler leakage results, then only that resulting damage is insured; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
  - b) this Policy does insure physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the insured **location**, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the insured **location**. This coverage does not apply to any act, loss or damage excluded in item B2f of this EXCLUSIONS clause.

This exclusion B1 and the exceptions in B1a and B1b do not apply to any act, loss or damage which also comes within the terms of exclusion B2b of this EXCLUSIONS clause.

- 2) a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
  - (i) government or sovereign power (de jure or de facto);



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- (ii) military, naval or air force; or
- (iii) agent or authority of any party specified in i or ii above.
- b) discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.
- d) seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
- e) risks of contraband, or illegal transportation or trade.
- f) **terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, except to the extent provided in the **TERRORISM** coverage of the Policy. However, if direct loss or damage by fire results from any of these acts (unless committed by or on behalf of the Insured), then this Policy covers only to the extent of the **actual cash value** of the resulting direct loss or damage by fire to property insured. This coverage exception for such resulting fire loss or damage does not apply to:
  - (i) direct loss or damage by fire which results from any other applicable exclusion in the Policy, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (ii) any coverage provided in the **TIME ELEMENT** section of this Policy or to any other coverages provided in this Policy.

Any act which satisfies the definition of **terrorism** shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage covered elsewhere in this Policy.

If any act which satisfies the definition of **terrorism** also comes within the terms of item B2a of this **EXCLUSIONS** clause then item B2a applies in place of this item B2f exclusion.

If any act which satisfies the definition of **terrorism** also comes within the terms of item B2b of this **EXCLUSIONS** clause then item B2b applies in place of this item B2f exclusion.

If any act which satisfies the definition of **terrorism** also comes within the terms of item B2c of this **EXCLUSIONS** clause then item B2c applies in place of this item B2f exclusion.



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If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, this item B2f exclusion applies in place of item B1 of this EXCLUSIONS clause.

- 3) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
  - a) by an Insured or any proprietor, partner, director, trustee, officer, or employee of an Insured; or
  - b) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by an Insured to do anything in connection with property insured under this Policy.

This Policy does insure acts of direct insured physical damage intentionally caused by an employee of an Insured or any individual specified in b above, and done without the knowledge of the Insured. This coverage does not apply to any act excluded in B2f of this EXCLUSIONS clause. In no event does this Policy cover loss by theft by any individual specified in a or b above.

- 4) lack of the following services:
  - a) incoming electricity, fuel, water, gas, steam or refrigerant;
  - b) outgoing sewerage;
  - c) incoming or outgoing voice, data or video,

all when caused by an event off the insured **location**, except as provided in the DATA SERVICE PROVIDER and SERVICE INTERRUPTION coverages of this Policy. But, if the lack of such a service directly causes insured physical damage on the insured **location**, then only that resulting damage is insured.

- 5) **earth movement** for property located in Indonesia and Turkey.

C. This Policy excludes the following, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured:

- 1) faulty workmanship, material, construction or design from any cause.
- 2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
- 3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
- 4) settling, cracking, shrinking, bulging, or expansion of:



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- a) foundations (including any pedestal, pad, platform or other property supporting machinery).
  - b) floors.
  - c) pavements.
  - d) walls.
  - e) ceilings.
  - f) roofs.
- 5) a) changes of temperature damage (except to machinery or equipment); or
- b) changes in relative humidity damage,
- all whether atmospheric or not.
- 6) insect, animal or vermin damage.
- 7) loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls or windows of such buildings has not been completed.

**D.** This Policy excludes the following unless directly resulting from other physical damage not excluded by this Policy:

- 1) **contamination**, and any cost due to **contamination** including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy. If **contamination** due only to the actual not suspected presence of **contaminant(s)** directly results from other physical damage not excluded by this Policy, then only physical damage caused by such **contamination** may be insured. This exclusion D1 does not apply to radioactive contamination which is excluded elsewhere in this Policy.
- 2) shrinkage.
- 3) changes in color, flavor, texture or finish.

#### 4. APPLICATION OF POLICY TO DATE OR TIME RECOGNITION

With respect to situations caused by any **date or time recognition** problem by **electronic data processing equipment or media** (such as the so-called Year 2000 problem), this Policy applies as follows.

- A. This Policy does not pay for remediation, change, correction, repair or assessment of any **date or time recognition** problem, including the Year 2000 problem, in any **electronic data processing equipment or media**, whether preventative or remedial, and whether before or after a loss, including temporary protection and preservation of property. This Policy does



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not pay for any TIME ELEMENT loss resulting from the foregoing remediation, change, correction, repair or assessment.

- B. Failure of **electronic data processing equipment or media** to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times, including the Year 2000, is not insured physical loss or damage. This Policy does not pay for any such incident or for any TIME ELEMENT loss resulting from any such incident.

Subject to all of its terms and conditions, this Policy does pay for physical loss or damage not excluded by this Policy that results from a failure of **electronic data processing equipment or media** to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times, including the Year 2000. Such covered resulting physical loss or damage does not include any loss, cost or expense described in A or B above. If such covered resulting physical loss or damage happens, and if this Policy provides TIME ELEMENT coverage, then, subject to all of its terms and conditions, this Policy also covers any insured Time Element loss directly resulting therefrom.

## 5. VALUATION

Adjustment of the physical loss amount under this Policy will be computed as of the date of loss at the place of the loss, and for no more than the interest of the Insured.

Unless stated otherwise in an Additional Coverage, adjustment of physical loss to property will be subject to the following:

- A. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- B. On finished goods manufactured by or for the Insured, the regular cash selling price, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- C. On raw materials or supplies:
  - 1) if repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
  - 2) if not repaired or replaced, the **actual cash value**.
- D. On exposed films, records, manuscripts and drawings that are not **valuable papers and records**, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
- E. On property that is damaged by fire and such fire is the result of **terrorism**, the **actual cash value** of the fire damage loss. Any remaining fire damage loss shall be adjusted according to the terms and conditions of the Valuation clause(s) in this section of the Policy and shall be subject to the limit(s) of liability for TERRORISM, and if stated the limit of liability for



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SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT(S), as shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.

F. On all other property, the lesser of the following:

- 1) The cost to repair.
- 2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
- 3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
- 4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.
- 5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
- 6) The increased cost of demolition, if any, directly resulting from insured loss, if such property is scheduled for demolition.
- 7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the Insured's expense.
- 8) The **actual cash value** if such property is:
  - a) useless to the Insured; or
  - b) not repaired, replaced or rebuilt on the same or another site within two years from the date of loss, unless such time is extended by the Company.

The Insured may elect not to repair or replace the insured real or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the Insured's operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an insured **location** under this Policy. This item does not extend to LAW AND ORDINANCE.

## 6. ADDITIONAL COVERAGES

This Policy includes the following Additional Coverages for insured physical loss or damage.

These Additional Coverages:



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- 1) are subject to the applicable limit of liability;
  - 2) will not increase the Policy limit of liability; and
  - 3) are subject to the Policy provisions, including applicable exclusions and deductibles,
- all as shown in this section and elsewhere in this Policy.

## **CYBER ADDITIONAL COVERAGES**

### **A. DATA RESTORATION**

This Policy covers insured **physical loss or damage to electronic data, programs or software**.

With respect to **physical loss or damage to electronic data, programs or software** caused by or resulting from a **cyber event**, this Additional Coverage will apply when the time to recreate or restore such data, programs or software with due diligence and dispatch is in excess of 48 hours.

For the purposes of this Additional Coverage, insured data, programs or software can be anywhere worldwide, including while in transit, except in Cuba, Iran, North Korea, Sudan, Syria or Crimea Region of Ukraine.

This Additional Coverage also covers:

- 1) the cost of the following reasonable and necessary actions taken by the Insured provided such actions are taken due to actual insured **physical loss or damage to electronic data, programs or software**:
  - a) actions to temporarily protect and preserve insured electronic data, programs or software.
  - b) actions taken for the temporary repair of insured **physical loss or damage to electronic data, programs or software**.
  - c) actions taken to expedite the permanent repair or replacement of such damaged property.
- 2) the reasonable and necessary costs incurred by the Insured to temporarily protect or preserve insured electronic data, programs or software against immediately impending insured **physical loss or damage to electronic data, programs or software**. In the event that there is no physical loss or damage, the costs covered under this item will be subject to the deductible that would have applied had there been such physical loss or damage.

Costs recoverable under this Additional Coverage are excluded from coverage elsewhere in this Policy.



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This Additional Coverage excludes loss or damage to data, programs or software when incorporated into physical goods intended to be sold as:

- 1) finished goods manufactured by the Insured; or
- 2) other merchandise not manufactured by the Insured.

DATA RESTORATION Exclusions: As respects DATA RESTORATION, the following applies:

- 1) the exclusions in the EXCLUSIONS clause of this section do not apply except for A1, A2, A6, B1, B2, B3a, B4 and B5.
- 2) the following additional exclusions apply:

This Policy excludes the following, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured:

- a) errors or omissions in processing or copying.
- b) loss or damage to data, programs or software from errors or omissions in programming or machine instructions.
- c) deterioration, inherent vice, vermin or wear and tear.

DATA RESTORATION Valuation: On property covered under this Additional Coverage the loss amount will not exceed:

- 1) the cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;
- 2) if not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

## B. DATA SERVICE PROVIDER PROPERTY DAMAGE

This Policy covers insured physical loss or damage to insured property at an insured **location** when such physical loss or damage results from the interruption of **off-premises data processing or data transmission services** by reason of any accidental event at the facilities of the provider of such services that immediately prevents in whole or in part the delivery of such provided services.

For the purposes of this Additional Coverage:

- 1) facilities of the provider of **off-premises data processing or data transmission services** can be located worldwide except in Cuba, Iran, North Korea, Sudan, Syria or Crimea Region of Ukraine, and





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- 2) an accidental event to satellites will be considered an accidental event at the facilities of the provider.

This Additional Coverage will apply when the period of interruption of **off-premises data processing or data transmission services** as described below is in excess of 24 hours.

The period of interruption of **off-premises data processing or data transmission services** is the period starting with the time when an interruption of provided services happens; and ending when with due diligence and dispatch the service could be wholly restored.

Additional General Provisions:

- 1) The Insured will immediately notify the company providing **off-premises data processing or data transmission services** of any interruption of such services.
- 2) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has entered into for such specified services.

DATA SERVICE PROVIDER PROPERTY DAMAGE Exclusions: As respects DATA SERVICE PROVIDER PROPERTY DAMAGE, the following applies:

- 1) Items B4 and C5 of the EXCLUSIONS clause in this section do not apply except for B4 with respect to:
  - a) incoming electricity, fuel, water, gas, steam or refrigerant; and
  - b) outgoing sewerage.
- 2) The following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) **terrorism**.

## **OTHER ADDITIONAL COVERAGES**

### **A. ACCIDENTAL INTERRUPTION OF SERVICES**

This Policy covers physical damage resulting from changes in temperature or relative humidity to insured property at an insured **location** when such changes in temperature or relative humidity result from the interruption of services consisting of electricity, gas, fuel, steam, water or refrigeration by reason of any accidental event, other than insured physical loss or damage, at the insured **location**.

This Additional Coverage will apply when the period of service interruption as described below is in excess of 24 hours.



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The period of service interruption is the period starting with the time when an interruption of specified services happens; and ending when with due diligence and dispatch the service could be wholly restored.

## **B. ACCOUNTS RECEIVABLE**

This Policy covers the following directly resulting from insured physical loss or damage to accounts receivable records while anywhere within this Policy's TERRITORY, including while in transit:

- 1) any shortage in the collection of accounts receivable.
- 2) the interest charges on any loan to offset such impaired collection pending repayment of such uncollectible sum. Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the amount recoverable.
- 3) the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct accounts receivable records excluding any costs covered by any other insurance.
- 4) any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.

Accounts receivable records will include accounts receivable records stored as electronic data.

In the event of loss, the Insured will:

- 1) use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
- 2) reduce loss by use of any suitable property or service:
  - a) owned or controlled by the Insured; or
  - b) obtainable from other sources.
- 3) reconstruct, if possible, accounts receivable records so that no shortage is sustained.

The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the Insured on outstanding accounts receivable on the date of loss will belong and be paid to the Company up to the amount of loss paid by the Company. All recoveries exceeding the amount paid will belong to the Insured.

**ACCOUNTS RECEIVABLE Exclusions:** As respects **ACCOUNTS RECEIVABLE**, the following additional exclusions apply:



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This Policy does not insure against shortage resulting from:

- 1) bookkeeping, accounting or billing errors or omissions; or
- 2) a) alteration, falsification, manipulation; or  
b) concealment, destruction or disposal,

of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

### C. AUTOMATIC COVERAGE

This Policy covers insured physical loss or damage to insured property at any **location** purchased, leased or rented by the Insured after the inception date of this Policy.

This Additional Coverage applies:

- 1) from the date of purchase, lease or rental,
- 2) until the first of the following:
  - a) the **location** is bound by the Company.
  - b) agreement is reached that the **location** will not be insured under this Policy.
  - c) the time limit shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section has been reached. The time limit begins on the date of purchase, lease or rental.

### D. BRANDS AND LABELS

If branded or labeled insured property is physically damaged and the Company elects to take all or any part of that property, the Insured may at the Company's expense:

- 1) stamp "salvage" on the property or its containers; or
- 2) remove or obliterate the brands or labels,

if doing so will not damage the property.

The Insured must relabel such property or its containers to be in compliance with any applicable law.

### E. CLAIMS PREPARATION COSTS

This Policy covers the actual costs incurred by the Insured:



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- 1) of reasonable fees payable to the Insured's: accountants, architects, auditors, engineers, or other professionals; and
- 2) the cost of using the Insured's employees,

for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Company resulting from insured loss payable under this Policy for which the Company has accepted liability.

This Additional Coverage will not cover the fees and costs of:

- 1) attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them,
- 2) loss consultants who provide consultation on coverage or negotiate claims.

This Additional Coverage is subject to the deductible that applies to the loss.

#### **F. COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION**

This Policy covers the deficiency in the amount of loss payable under the Insured's locally written policy(ies), if any, and its renewals, issued by the Company or its **representative company(ies)**, solely as the result of:

- 1) the application of a coinsurance (or average) clause; or
- 2) official government devaluation of the currency in which the local policy is written,

for physical loss or damage of the type insured under such local policy(ies) to property of the type insured under this Policy.

The Insured agrees to adjust the Policy values as a result of such devaluation within 30 days after the date of the currency's devaluation.

There is no liability under this Additional Coverage if the Insured is unable to recover any loss under such local policy(ies) due to intentional underinsurance by the Insured.

#### **G. COMMUNICABLE DISEASE RESPONSE**

If a **location** owned, leased or rented by the Insured has the actual not suspected presence of **communicable disease** and access to such **location** is limited, restricted or prohibited by:

- 1) an order of an authorized governmental agency regulating the actual not suspected presence of **communicable disease**; or
- 2) a decision of an Officer of the Insured as a result of the actual not suspected presence of **communicable disease**,



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this Policy covers the reasonable and necessary costs incurred by the Insured at such **location** with the actual not suspected presence of **communicable disease** for the:

- 1) cleanup, removal and disposal of the actual not suspected presence of **communicable diseases** from insured property; and
- 2) actual costs of fees payable to public relations services or actual costs of using the Insured's employees for reputation management resulting from the actual not suspected presence of **communicable diseases** on insured property.

This Additional Coverage will apply when access to such **location** is limited, restricted or prohibited in excess of 48 hours.

This Additional Coverage does not cover any costs incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the actual not suspected presence of **communicable disease**.

COMMUNICABLE DISEASE RESPONSE Exclusions: As respects COMMUNICABLE DISEASE RESPONSE, the following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- 1) **terrorism**.

## **H. CONSEQUENTIAL REDUCTION IN VALUE**

This Policy covers the reduction in value of insured merchandise that is a part of pairs, sets, or components, directly resulting from insured physical loss or damage to other insured parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such merchandise to the Company.

## **I. CONTROL OF DAMAGED PROPERTY**

This Policy gives control of physically damaged property consisting of finished goods manufactured by or for the Insured as follows:

- 1) the Insured will have full rights to the possession and control of damaged property in the event of insured physical damage to such property provided proper testing is done to show which property is physically damaged.
- 2) the Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
- 3) property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.



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- 4) any salvage proceeds received will go to the:
  - a) Company at the time of loss settlement; or
  - b) Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

#### J. DEBRIS REMOVAL

This Policy covers the reasonable and necessary costs incurred to remove debris from an insured **location** that remains as a direct result of insured physical loss or damage.

This Additional Coverage does not cover the costs of removal of:

- 1) contaminated uninsured property; or
- 2) the **contaminant** in or on uninsured property,

whether or not the **contamination** results from insured physical loss or damage. This Additional Coverage covers the costs of removal of contaminated insured property or the **contaminant** in or on insured property only if the **contamination**, due to the actual not suspected presence of **contaminant(s)**, of the debris resulted directly from other physical damage not excluded by the Policy.

#### K. DECONTAMINATION COSTS

If insured property is contaminated as a direct result of insured physical damage and there is in force at the time of the loss any law or ordinance regulating **contamination** due to the actual not suspected presence of **contaminant(s)**, then this Policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of insured property so contaminated due to the actual not suspected presence of **contaminant(s)** as a direct result of insured physical damage.

The Company is not liable for the costs required for removing contaminated uninsured property or the **contaminant** therein or thereon, whether or not the **contamination** results from an insured event.

#### L. ERRORS AND OMISSIONS

If physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

- 1) in the description of where insured property is physically located;
- 2) to include any **location**:
  - a) owned, leased or rented by the Insured on the effective date of this Policy; or



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- b) purchased, leased or rented by the Insured during the term of this Policy; or
- 3) that results in cancellation of the property insured under this Policy;

this Policy covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this Additional Coverage that any error or unintentional omission be reported by the Insured to the Company when discovered and corrected.

#### **M. EXPEDITING COSTS**

This Policy covers the reasonable and necessary costs incurred:

- 1) for the temporary repair of insured physical damage to insured property;
- 2) for the temporary replacement of insured equipment suffering insured physical damage; and
- 3) to expedite the permanent repair or replacement of such damaged property.

This Additional Coverage does not cover costs recoverable elsewhere in this Policy, including the cost of permanent repair or replacement of damaged property.

#### **N. FINE ARTS AND VALUABLE PAPERS AND RECORDS**

This Policy covers insured physical loss or damage to **fine arts** and **valuable papers and records** while anywhere within this Policy's TERRITORY, including while in transit.

FINE ARTS AND VALUABLE PAPERS AND RECORDS Exclusions: As respects FINE ARTS AND VALUABLE PAPERS AND RECORDS, the following applies:

- 1) the exclusions in the EXCLUSIONS clause of this section do not apply except for A1, A2, A6, A7, B1, B2, B3a, B4 and B5.
- 2) the following additional exclusions apply:

This Policy excludes:

- a) currency, money, securities.
- b) errors or omissions in processing or copying of **valuable papers and records**, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured.
- c) deterioration, inherent vice, or wear and tear, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured.



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- d) fungus, mold or mildew unless directly resulting from other physical damage not excluded by this Policy.
- e) loss or damage to **fine arts** from any repairing, restoration or retouching process.

**FINE ARTS AND VALUABLE PAPERS AND RECORDS** Valuation: On property covered under this Additional Coverage the loss amount will not exceed the lesser of the following:

- 1) the cost to repair or restore such property to the physical condition that existed on the date of loss.
- 2) the cost to replace.
- 3) the value, if any, designated for the item on the schedule on file with the Company.

If a **fine arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the Company will be liable for the lesser of the full value of such pair or set or the amount designated on the schedule. The Insured agrees to surrender the pair or set to the Company.

## **O. INSTALLMENT OR DEFERRED PAYMENTS**

This Policy covers insured physical loss or damage to personal property of the type insured sold by the Insured under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under deferred payment plans, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this Policy for loss:

- 1) pertaining to products recalled including, but not limited to, the costs to recall, test or to advertise such recall by the Insured.
- 2) from theft or conversion by the buyer of the property after the buyer has taken possession of such property.
- 3) to the extent the buyer continues payments.
- 4) not within the TERRITORY of this Policy.

**INSTALLMENT OR DEFERRED PAYMENTS** Valuation: On property covered under this Additional Coverage the loss amount will not exceed the lesser of the following:

- 1) total amount of unpaid installments less finance charges.
- 2) **actual cash value** of the property at the time of loss.





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- 3) cost to repair or replace with material of like size, kind and quality.

**P. LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL**

This Policy covers the reasonable and necessary cost for the cleanup, removal and disposal of the actual not suspected presence of **contaminant(s)** from uninsured property consisting of land, water or any other substance in or on land at the insured **location** if the release, discharge or dispersal of such **contaminant(s)** is a direct result of insured physical loss or damage to insured property.

This Policy does not cover the cost to cleanup, remove and dispose of **contamination** from such property:

- 1) at any **location** insured for Personal Property only.
- 2) at any property insured under AUTOMATIC COVERAGE, ERRORS AND OMISSIONS or MISCELLANEOUS PROPERTY coverage provided by this Policy.
- 3) when the Insured fails to give written notice of loss to the Company within 180 days after inception of the loss.

**Q. LAW AND ORDINANCE**

This Policy covers the costs as described herein resulting from the Insured's obligation to comply with a law or ordinance, provided that:

- 1) such law or ordinance is enforced as a direct result of insured physical loss or damage at an insured **location**;
- 2) such law or ordinance is in force at the time of such loss or damage; and
- 3) such **location** was not required to be in compliance with such law or ordinance prior to the happening of the insured physical loss or damage.

Coverage A:

The reasonable and necessary costs incurred by the Insured to comply with the enforcement of the minimum requirements of any law or ordinance that regulates the demolition, construction, repair, replacement or use of buildings, structures, machinery or equipment.

As respects insured property, this Coverage A covers the reasonable and necessary costs to:

- 1) demolish any physically damaged and undamaged portions of the insured buildings, structures, machinery or equipment.
- 2) repair or rebuild the physically damaged and undamaged portions, whether or not demolition is required, of such insured buildings, structures, machinery or equipment.



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The Company's maximum liability for this Coverage A at each insured **location** in any **occurrence** will not exceed the actual costs incurred in demolishing the physically damaged and undamaged portions of the insured property plus the lesser of:

- 1) the reasonable and necessary cost, excluding the cost of land, to rebuild on another site; or
- 2) the cost to rebuild on the same site.

#### Coverage B:

The reasonable estimated cost to repair, replace or rebuild insured property consisting of buildings, structures, machinery or equipment that the Insured is legally prohibited from repairing, replacing or rebuilding to the same height, floor area, number of units, configuration, occupancy or operating capacity, because of the enforcement of any law or ordinance that regulates the construction, repair, replacement or use of buildings, structures, machinery or equipment.

LAW AND ORDINANCE Coverage B Valuation: On property covered under this Coverage B that cannot legally be repaired or replaced, the loss amount will be the difference between:

- 1) the **actual cash value**; and
- 2) the cost that would have been incurred to repair, replace or rebuild such lost or damaged property had such law or ordinance not been enforced at the time of loss.

LAW AND ORDINANCE Exclusions: As respects LAW AND ORDINANCE, the following additional exclusions apply:

This Policy does not cover:

- 1) any cost incurred as a direct or indirect result of enforcement of any law or ordinance regulating any form of **contamination**.
- 2) any machinery or equipment manufactured by or for the Insured, unless used by the Insured in its operation at the **location** suffering the physical loss or damage.

## R. LOSS PAYMENT INCREASED TAX LIABILITY

This Policy covers the increase in tax liability as described herein incurred by the Insured.

#### Coverage A:

The increase in tax liability from an insured loss at an insured **location** if the tax treatment of:

- 1) the profit portion of a loss payment under this Policy involving finished stock manufactured by the Insured; and/or



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2) the profit portion of a TIME ELEMENT loss payment under this Policy;

is greater than the tax treatment of profits that would have been incurred had no loss happened.

**Coverage B:**

If loss payment under this Policy cannot be made in the country where the loss happened, such loss is to be paid in the currency of this Policy in a country designated by the Insured where such payment is legally permissible. The Insured will cooperate with the Company in making every reasonable effort to pay the loss or portion of it in the country in which the loss happened.

The Company will pay the net amount required to offset local taxes on income with due consideration to any tax relief/credit that accrues because of such payment using the Formula described below. Such Formula will not apply if the calculation of additional payment results in an amount less than zero.

The actual payment under this Additional Coverage will be adjusted and reduced by all appropriate tax credits and/or tax relief entitled and/or received by the Insured and/or the local entity where the loss happened provided that an income tax liability is incurred.

Any payment under this Additional Coverage will be made only after completion and acceptance by the Company of audited tax returns for the period in question for both the country where a payment under this Additional Coverage is made and the country where the loss happened.

**Formula:**

$$\text{Additional Payment} = [a (1 - c) / (1 - b)] - a$$

**Where:**

a = loss otherwise payable under this Policy except for operation of this coverage, after due consideration for any applicable deductible(s).

b = the net effective rate of the sum of: any taxation (a positive number) plus any tax relief/credit (a negative number) that accrues in the country where loss payments are received.

c = the net effective rate of the sum of: any taxation (a positive number) plus any tax relief/credit (a negative number) that accrues in the country where the loss happened.

The rates referred to will be the respective corporate income tax rates in effect on the date of the loss.

**S. MACHINERY OR EQUIPMENT STARTUP OPTION**

After insured machinery or equipment that has sustained insured physical loss or damage is repaired or replaced and such machinery or equipment is undergoing startup, the following applies:



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If physical loss or damage of the type insured directly results to such machinery or equipment from such startup, the Insured shall have the option of claiming such resulting insured damage as part of the original event of physical loss or damage or as a separate **occurrence**.

This Additional Coverage applies only:

- 1) to the first startup event after the original repair or replacement; and
- 2) when the first startup event happens during the term of this Policy or its renewal issued by the Company.

For the purposes of this Additional Coverage, startup means:

- 1) the introduction into machinery or equipment of feedstock or other materials for processing or handling;
- 2) the commencement of fuel or energy supply to machinery or equipment.

#### **T. MISCELLANEOUS PROPERTY**

This Policy covers insured physical loss or damage to:

- 1) insured property;
- 2) property of the type insured that is under contract to be used in a construction project at an insured **location**:
  - a) from the time such property is delivered to the Insured or their contractor (with respect to the property under construction) by the manufacturer or supplier;
  - b) while such property is located at a storage site; and
  - c) while such property is in transit from a storage site to another storage site or to a construction project at an insured **location**,

that does not include any such property owned or rented by the contractor;

while anywhere within this Policy's TERRITORY, including while in transit.

This Additional Coverage excludes property covered elsewhere in this Policy.

**MISCELLANEOUS PROPERTY Exclusions:** As respects MISCELLANEOUS PROPERTY, the following additional exclusions apply:

- 1) This Policy excludes:
  - a) **transmission and distribution systems** not at a **location**.



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- b) property insured under import or export ocean marine insurance.
- c) property shipped between continents.
- d) airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.
- e) property of others, including the Insured's legal liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier.

#### **U. NEIGHBOUR'S RECOURSE AND TENANT'S LIABILITY**

As respects insured **locations** in France, the French Territories, Spain, Italy, Belgium, Greece, Portugal or Luxembourg:

This Policy covers the Insured's liability:

- 1) as a tenant or occupant under the articles of any civil or commercial code toward the owner for direct physical damage of the type insured to real or personal property of the type insured of the owner of the premises.
- 2) under articles of any civil or commercial code toward neighbours, co-tenants and other third parties for direct physical damage of the type insured to real or personal property of the type insured of neighbours, co-tenants and other third parties.
- 3) as landlord under articles of any civil or commercial code for direct physical damage of the type insured to personal property of the type insured of tenants as a result of construction defects or lack of maintenance.
- 4) as tenant or occupant under the articles of any civil or commercial code for total or partial loss of use by the owner of the premises resulting from direct physical damage of the type insured.

#### **V. OPERATIONAL TESTING**

This Policy covers insured physical loss or damage to insured property during the **period of operational testing**.

This Additional Coverage excludes property, including stock or material, manufactured or processed by the Insured.

#### **W. PROTECTION AND PRESERVATION OF PROPERTY**

This Policy covers:



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- 1) reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property; provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such insured property.
- 2) reasonable and necessary:
  - a) fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the insured property.
  - b) costs incurred of restoring and recharging fire protection systems following an insured loss.
  - c) costs incurred for the water used for fighting a fire in, on or exposing the insured property.

This Additional Coverage does not cover costs incurred for actions to temporarily protect or preserve insured property from actual, or to prevent immediately impending, physical loss or damage covered by TERRORISM coverage as provided in this section of the Policy.

This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage happened.

## **X. SERVICE INTERRUPTION PROPERTY DAMAGE**

This Policy covers insured physical loss or damage to insured property at an insured **location** when such physical loss or damage results from the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of any accidental event at the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable service.

This Additional Coverage will apply when the period of service interruption as described below is in excess of 24 hours.

The period of service interruption is the period starting with the time when an interruption of specified services happens; and ending when with due diligence and dispatch the service could be wholly restored.

Additional General Provisions:

- 1) The Insured will immediately notify the suppliers of services of any interruption of such services.
- 2) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

**SERVICE INTERRUPTION PROPERTY DAMAGE Exclusions:** As respects SERVICE INTERRUPTION PROPERTY DAMAGE, the following applies:



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- 1) The exclusions in the EXCLUSIONS clause in this section do not apply except for:
  - a) A1, A2, A3, A6, B1, B2, B5, and
  - b) B4 with respect to incoming or outgoing voice, data or video, and
  - c) D1 except with respect to fungus, mold or mildew.
- 2) The following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) **terrorism.**

#### **Y. TEMPORARY REMOVAL OF PROPERTY**

When insured property is removed from an insured **location** for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type insured by this Policy, this Policy covers such property:

- 1) while at the premises to which such property has been moved; and
- 2) for physical loss or damage as provided at the insured **location** from which such property was removed.

This Additional Coverage does not apply to property:

- 1) insured, in whole or in part, elsewhere in this Policy.
- 2) insured, in whole or in part, by any other insurance policy.
- 3) removed for normal storage, processing or preparation for sale or delivery.

#### **Z. TERRORISM**

This Policy covers physical loss or damage to property as described in the INSURANCE PROVIDED provision caused by or resulting from **terrorism**.

Any act which satisfies the definition of **terrorism** shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage covered elsewhere in this Policy.

Amounts recoverable under this Additional Coverage are excluded from coverage elsewhere in this Policy.



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This Additional Coverage does not cover loss or damage which also comes within the terms of either item B2a or B2c of the EXCLUSIONS clause in this section of the Policy.

This Additional Coverage does not in any event cover loss or damage directly or indirectly caused by or resulting from any of the following, regardless of any other cause or event, whether or not insured under this Policy contributing concurrently or in any other sequence to the loss:

- 1) that involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination or that involves the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war and regardless of who commits the act; or
- 2) that is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 3) in which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or
- 4) that involves action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.

#### **AA. TRANSPORTATION**

This Policy covers the following personal property, except as excluded by this Policy, while in transit within the TERRITORY of this Policy:

- 1) owned by the Insured.
- 2) shipped to customers under F.O.B., C & F or similar terms. The Insured's contingent interest in such shipments is admitted.
- 3) of others in the actual or constructive custody of the Insured to the extent of the Insured's interest or legal liability.
- 4) of others sold by the Insured, that the Insured has agreed prior to the loss to insure during course of delivery including:
  - a) when shipped by the Insured's direct contract service provider or by the Insured's direct contract manufacturer to the Insured or to the Insured's customer.
  - b) when shipped by the Insured's customer to the Insured or to the Insured's contract service provider or to the Insured's contract manufacturer.

Coverage Attachment and Duration:

- 1) This Additional Coverage covers from the time the property leaves the original point of shipment for transit. It then covers continuously in the due course of transit:





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- a) within the continent in which the shipment commences until the property arrives at the destination within such continent; or
  - b) between Europe and Asia, for land or air shipments only, from when the shipment commences until the property arrives at the destination.
- 2) However, coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.

**This Additional Coverage:**

- 1) covers general average and salvage charges on shipments covered while waterborne.
- 2) insures physical loss or damage caused by or resulting from:
  - a) unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.
  - b) improper parties having gained possession of property through fraud or deceit.

**Additional General Provisions:**

- 1) This Additional Coverage will not inure directly or indirectly to the benefit of any carrier or bailee.
- 2) The Insured has permission, without prejudicing this insurance, to accept:
  - a) ordinary bills of lading used by carriers;
  - b) released bills of lading;
  - c) undervalued bills of lading; and
  - d) shipping or messenger receipts.
- 3) The Insured may waive subrogation against railroads under side track agreements.

Except as otherwise stated, the Insured will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

**TRANSPORTATION Exclusions:** As respects TRANSPORTATION, the following applies:

- 1) the exclusions in the EXCLUSIONS clause of this section do not apply except for A1 through A4, B1 through B5, C1, C3, C5, C6, D1 through D3.
- 2) the following additional exclusions apply:



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This Policy excludes:

- a) samples in the custody of salespeople or selling agents.
- b) property insured under import or export ocean marine insurance.
- c) waterborne shipments, unless:
  - (i) by inland water; or
  - (ii) by roll-on/roll-off ferries operating between European ports; or
  - (iii) by coastal shipments.
- d) airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.
- e) property of others, including the Insured's legal liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier.
- f) any transporting vehicle.
- g) property shipped between continents, except by land or air between Europe and Asia.

**TRANSPORTATION Valuation:** On property covered under this Additional Coverage the loss amount will not exceed:

- 1) Property shipped to or for the account of the Insured will be valued at actual invoice to the Insured. Included in the value are accrued costs and charges legally due. Charges may include the Insured's commission as selling agent.
- 2) Property sold by the Insured and shipped to or for the purchaser's account will be valued at the Insured's selling invoice amount. Prepaid or advanced freight costs are included.
- 3) Property not under invoice will be valued:
  - a) for property of the Insured, at the valuation provisions of this Policy applying at the place from which the property is being transported; or
  - b) for other property, at the actual cash market value at the destination point on the date of loss,

less any charges saved which would have become due and payable upon arrival at destination.



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## TIME ELEMENT

TIME ELEMENT loss as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGE EXTENSIONS of this section of the Policy:

- A. is subject to the applicable limit of liability that applies to the insured physical loss or damage but in no event for more than any limit of liability that is stated as applying to the specific TIME ELEMENT COVERAGE and/or TIME ELEMENT COVERAGE EXTENSION; and
  - B. will not increase the Policy limit of liability; and
  - C. is subject to the Policy provisions, including applicable exclusions and deductibles,
- all as shown in this section and elsewhere in this Policy.

### 1. LOSS INSURED

- A. This Policy insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from physical loss or damage of the type insured:
  - 1) to property described elsewhere in this Policy and not otherwise excluded by this Policy or otherwise limited in the TIME ELEMENT COVERAGES below;
  - 2) used by the Insured, or for which the Insured has contracted use;
  - 3) while located as described in the INSURANCE PROVIDED provision or within 1,000 feet/300 metres thereof, or as described in the TEMPORARY REMOVAL OF PROPERTY provision; or
  - 4) while in transit as provided by this Policy, and
  - 5) during the Periods of Liability described in this section,provided such loss or damage is not at a **contingent time element location**.
- B. This Policy insures TIME ELEMENT loss only to the extent it cannot be reduced through:
  - 1) the use of any property or service owned or controlled by the Insured;
  - 2) the use of any property or service obtainable from other sources;
  - 3) working extra time or overtime; or
  - 4) the use of inventory,

all whether at an insured **location** or at any other premises. The Company reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary companies of the Insured in determining the TIME ELEMENT loss.



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- C. This Policy covers expenses reasonably and necessarily incurred by the Insured to reduce the loss otherwise payable under this section of this Policy. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
- D. In determining the amount of loss payable, the Company will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY. The probable experience will consider any increase or decrease in demand for the Insured's goods or services during the PERIOD OF LIABILITY, even if such increase or decrease is from the same event that caused physical loss or damage starting the PERIOD OF LIABILITY.

## **2. TIME ELEMENT COVERAGES**

### **A. INSURED OPTION**

The Insured has the option to make claim based on either

- a) GROSS EARNINGS and EXTENDED PERIOD OF LIABILITY; or
- b) GROSS PROFIT,

as described in the TIME ELEMENT section of this Policy and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the conditions set forth in the SETTLEMENT OF CLAIMS clause in the LOSS ADJUSTMENT AND SETTLEMENT section of this Policy.

If such claim involves more than one insured **location**, including interdependency at one or more insured **locations**, such claim will be adjusted by using the single coverage option chosen above.

### **B. GROSS EARNINGS**

Measurement of Loss:

- 1) The recoverable GROSS EARNINGS loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:
  - a) Gross Earnings;
  - b) less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;
  - c) less ordinary payroll; and
  - d) plus all other earnings derived from the operation of the business.



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- e) Ordinary Payroll, including taxes and charges dependent on the payment of wages:
  - (i) for a period of time of not more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section immediately following the interruption of production or suspension of business operations or services, and
  - (ii) only to the extent such payroll continues following the loss and would have been earned had no such interruption happened.

However, if an Insured reduces the daily loss payable under Ordinary Payroll, either by:

- (i) providing gainful employment for, or
- (ii) paying less than the normal salary rate to,

all or part of its employees, then the number of consecutive days of Ordinary Payroll may be extended. However, this provision will not increase the total liability of this Company beyond the amount it would have been liable for Ordinary Payroll costs without this provision. Ordinary Payroll does not cover any portion of salaries or wages included in Gross Earnings.

- 2) For the purposes of the Measurement of Loss, Gross Earnings is:

for manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or

for mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the Insured.

Any amount recovered under property damage coverage at selling price will be considered to have been sold to the Insured's regular customers and will be credited against net sales.

- 3) In determining the indemnity payable as the Actual Loss Sustained, the Company will consider the continuation of only those normal charges and expenses that would have been earned had there been no interruption of production or suspension of business operations or services.
- 4) If the Insured would have operated at a deficit had no interruption of production or suspension of business operations or services happened, the following applies:
  - a) for Gross Earnings, the extent to which charges and expenses would have been earned will be determined by subtracting the operating deficits from the charges and expenses that necessarily continue.



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- b) for Ordinary Payroll, the extent payroll would have been earned will be determined by subtracting the excess, if any, of the operating deficit over the fixed charges that need to continue from such payroll.
- 5) There is recovery hereunder to the extent that the Insured is:
- a) wholly or partially prevented from producing goods or continuing business operations or services;
  - b) unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
  - c) unable to continue such operations or services during the PERIOD OF LIABILITY; and
  - d) able to demonstrate a loss of sales for the operations, services or production prevented.

### **C. GROSS PROFIT**

Measurement of Loss:

- 1) The recoverable GROSS PROFIT loss is the Actual Loss Sustained by the Insured of the following due to the necessary interruption of business during the PERIOD OF LIABILITY: a) Reduction in Sales, b) Ordinary Payroll and c) Increase in Cost of Doing Business. The amount payable as indemnity hereunder will be:
- a) with respect to Reduction in Sales: The sum produced by applying the Rate of Gross Profit to the amount by which the sales during the PERIOD OF LIABILITY will fall short of the Standard Sales. In determining the Reduction in Sales, any amount recovered under property damage coverage at selling price will be credited against lost sales.
  - b) Ordinary Payroll, including taxes and charges dependent on the payment of wages, during the PERIOD OF LIABILITY only to the extent such payroll would have been earned had such loss not happened.

However, if an Insured reduces the daily loss payable under Ordinary Payroll, either by:

- (i) providing gainful employment for, or
- (ii) paying less than the normal salary rate to,

all or part of its employees, the number of consecutive days of Ordinary Payroll may be extended. This provision will not increase the total liability of this Company beyond the amount it would have been liable for Ordinary Payroll costs without this provision. Ordinary Payroll does not cover any portion of salaries or wages included in Net Profit or fixed charges.



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c) with respect to Increase in Cost of Doing Business:

- (i) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in sales and a loss of Ordinary Payroll which, but for that expenditure, would have taken place during the PERIOD OF LIABILITY; but
- (ii) not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

all less any sum saved during the PERIOD OF LIABILITY with respect to such of the Insured Fixed Charges as may cease or be reduced because of such interruption of business.

2) For the purposes of the Measurement of Loss:

Gross Profit is:

The amount produced by adding to the Net Profit the amount of the Insured Fixed Charges, or if there be no Net Profit the amount of the Insured Fixed Charges less that proportion of any loss from business operations as the amount of the Insured Fixed Charges bears to all fixed charges.

Net Profit is:

The net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from the business of the Insured at the insured **locations** after due provision has been made for all fixed charges and other expenses including depreciation but before the deduction of any taxes on profits.

Insured Fixed Charges is:

All fixed charges unless specifically excluded herein. Ordinary Payroll is not an Insured Fixed Charge.

Sales is:

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the conduct of the business at an insured **location**.

Rate of Gross Profit is:

The rate of Gross Profit earned on the sales during the twelve full calendar months immediately before the date of the physical loss or damage to the described property.

Standard Sales is:



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The sales during that period in the twelve months immediately before the date of the physical loss or damage to the described property which corresponds with the PERIOD OF LIABILITY.

- 3) In determining the indemnity payable as the Actual Loss Sustained:
  - a) if any fixed charges of the business are not insured hereunder, then, in computing the amount recoverable hereunder as Increase in Cost of Doing Business, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the Net Profit and the Insured Fixed Charges bears to the sum of the Net Profit and all the fixed charges excluding Ordinary Payroll.
  - b) if during the PERIOD OF LIABILITY goods will be sold or services will be rendered elsewhere than at the insured **locations** for the benefit of the business, either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such sales or services will be included in arriving at the amount of sales during the PERIOD OF LIABILITY.
- 4) The Insured will act with due diligence and dispatch in repairing or replacing physically damaged buildings and equipment to the same or equivalent physical and operating conditions that existed prior to the damage; and take whatever actions are necessary and reasonable to minimize the loss payable hereunder.

GROSS PROFIT Exclusions: As respects GROSS PROFIT, the TIME ELEMENT EXCLUSIONS B and C of this section do not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or noncompletion of orders, or fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.

Coverage under GROSS PROFIT for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the PERIOD OF LIABILITY.

#### **D. EXTRA EXPENSE**

Measurement of Loss:

The recoverable EXTRA EXPENSE loss will be the reasonable and necessary extra costs incurred by the Insured of the following during the PERIOD OF LIABILITY:

- 1) extra expenses to temporarily continue as nearly **normal** as practicable the conduct of the Insured's business;
- 2) extra costs of temporarily using property or facilities of the Insured or others; and
- 3) costs to purchase finished goods from third parties to fulfill orders when such orders cannot be met due to physical loss or damage to the Insured's finished goods, less payment received for the sale of such finished goods.





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less any value remaining at the end of the PERIOD OF LIABILITY for property obtained in connection with the above.

If the Insured makes claim in accordance with the terms and conditions of the INSURED OPTION clause, the PERIOD OF LIABILITY for EXTRA EXPENSE coverage will be the PERIOD OF LIABILITY applicable to the Time Element coverage option selected.

EXTRA EXPENSE Exclusions: As respects EXTRA EXPENSE, the following applies:

- 1) TIME ELEMENT EXCLUSIONS C does not apply to item 3 above.
- 2) The following additional exclusions apply:

This Policy does not insure:

- a) any loss of income.
- b) costs that usually would have been incurred in conducting the business during the same period had no physical loss or damage happened.
- c) costs of permanent repair or replacement of property that has been damaged or destroyed. However, this exclusion does not apply to item 3 above.
- d) any expense recoverable elsewhere in this Policy.

#### **E. LEASEHOLD INTEREST**

Measurement of Loss:

The recoverable LEASEHOLD INTEREST incurred by the Insured of the following:

- 1) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
- 2) If the lease is cancelled by the lessor pursuant to the lease agreement or by the operation of law; the Lease Interest for the first three months following the loss; and the Net Lease Interest for the remaining unexpired term of the lease.
- 3) As used above, the following terms mean:

Net Lease Interest:

That sum which placed at 6% interest rate compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

Lease Interest:



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The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the Insured's lease.

LEASEHOLD INTEREST Exclusions: As respects LEASEHOLD INTEREST, the following applies:

- 1) This Policy does not insure loss directly resulting from physical loss or damage to Personal Property.
- 2) TIME ELEMENT EXCLUSIONS A, B and C do not apply and the following applies instead:

This Policy does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured that constitutes a default under the lease.

## **F. RENTAL INSURANCE**

Measurement of Loss:

The recoverable RENTAL INSURANCE loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:

- 1) the fair rental value of any portion of the property occupied by the Insured;
- 2) the income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- 3) the rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss,

all not to include noncontinuing charges and expenses.

RENTAL INSURANCE Exclusions: As respects RENTAL INSURANCE, TIME ELEMENT EXCLUSIONS A does not apply and the following applies instead:

This Policy does not insure any loss of rental income during any period in which the insured property would not have been tenantable for any reason other than an insured loss.

## **3. PERIOD OF LIABILITY**

- A. The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except GROSS PROFIT and LEASEHOLD INTEREST and as shown below or if otherwise provided under any TIME ELEMENT COVERAGE EXTENSION, and subject to any Time Limit provided in the LIMITS OF LIABILITY clause in the DECLARATIONS section, is as follows:

- 1) For building and equipment, the period:



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- a) starting from the time of physical loss or damage of the type insured; and
  - b) ending when with due diligence and dispatch the building and equipment could be:
    - (i) repaired or replaced; and
    - (ii) made ready for operations,under the same or equivalent physical and operating conditions that existed prior to the damage.
  - c) not to be limited by the expiration of this Policy.
- 2) For building and equipment under construction:
- a) the equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
  - b) due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.
- 3) For stock-in-process and mercantile stock, including finished goods not manufactured by the Insured, the time required with the exercise of due diligence and dispatch:
- a) to restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
  - b) to replace physically damaged mercantile stock.
- This item does not apply to RENTAL INSURANCE.
- 4) For raw materials and supplies, the period of time:
- a) of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
  - b) limited to that period for which the damaged raw materials and supplies would have supplied operating needs.
- 5) If water:
- a) used for any manufacturing purpose, including but not limited to as a raw material or for power;
  - b) stored behind dams or in reservoirs; and



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c) on any insured **location**,

is released as the result of physical damage of the type insured to such dam, reservoir or connected equipment, the Company's liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to RENTAL INSURANCE.

6) For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL INSURANCE.

7) For physically damaged or destroyed property covered under DATA RESTORATION, the period:

- a) starting from the time of **physical loss or damage to electronic data, programs or software**; and
- b) ending when with due diligence and dispatch the electronic data, programs or software could have been recreated or restored under the same or equivalent physical and operating conditions that existed prior to the physical loss or damage.

This item does not apply to RENTAL INSURANCE.

B. The PERIOD OF LIABILITY applying to GROSS PROFIT is as follows:

1) The period:

- a) starting from the time of physical loss or damage of the type insured; and
- b) ending not later than the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section,

during which period the results of the business shall be directly affected by such damage.

c) not to be limited by the expiration of this Policy.

2) For property under construction, the period:

- a) starting on the date that production, business operation or service would have commenced if physical damage of the type insured had not happened; and



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- b) ending not later than the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section,

during which period the results of the business shall be directly affected by such damage.

- c) not to be limited by the expiration of this Policy.

The Rate of Gross Profit and Standard Sales will be based on the experience of the business after construction is completed and the probable experience during the PERIOD OF LIABILITY.

- C. The PERIOD OF LIABILITY does not include any additional time due to the Insured's inability to resume operations for any reason, including but not limited to:
  - 1) making changes to the buildings, structures, machinery or equipment except as provided in the LAW AND ORDINANCE clause in the PROPERTY DAMAGE section.
  - 2) restaffing or retraining employees. However, this item does not apply to additional time needed to train staff to use new machinery or equipment that replaces machinery or equipment that suffered insured physical loss or damage, provided such training is completed within 90 consecutive days after the new machinery or equipment has been installed.

If two or more Periods of Liability apply such periods will not be cumulative.

#### 4. TIME ELEMENT EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure:

- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
  - 1) physical loss or damage not insured by this Policy on or off of the insured **location**.
  - 2) planned or rescheduled shutdown.
  - 3) strikes or other work stoppage.
  - 4) any other reason other than physical loss or damage insured under this Policy.
- B. Any increase in loss due to:
  - 1) suspension, cancellation or lapse of any lease, contract, license or orders.



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- 2) damages for breach of contract or for late or noncompletion of orders.
- 3) fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.
- 4) any other consequential or remote loss.
- C. Any loss resulting from physical loss or damage to finished goods manufactured by or for the Insured, or the time required for their reproduction.
- D. Any loss resulting from the **actual cash value** portion of direct physical loss or damage by fire caused by or resulting from **terrorism**.

## 5. TIME ELEMENT COVERAGE EXTENSIONS

This Policy also insures TIME ELEMENT loss, as provided by the TIME ELEMENT COVERAGES of this Policy, for the TIME ELEMENT COVERAGE EXTENSIONS described below.

### CYBER TIME ELEMENT COVERAGE EXTENSIONS

#### A. DATA SERVICE PROVIDER TIME ELEMENT

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the period of interruption at an insured **location** of **off-premises data processing or data transmission services**, when the interruption is caused by any accidental event at the facilities of the provider of such services that immediately prevents in whole or in part the delivery of such provided services.

For the purposes of this Extension:

- 1) facilities of the provider of **off-premises data processing or data transmission services** can be located worldwide except in Cuba, Iran, North Korea, Sudan, Syria or Crimea Region of Ukraine, and
- 2) an accidental event to satellites will be considered an accidental event at the facilities of the provider.

This Extension will apply when the period of interruption of **off-premises data processing or data transmission services** is in excess of 24 hours.

Additional General Provisions:

- 1) The Insured will immediately notify the company providing **off-premises data processing or data transmission services** of any interruption of such services.
- 2) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has entered into for such specified services.



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Coverage provided in this Extension is excluded from coverage elsewhere in this Policy.

This Extension does not cover Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured covered by OWNED NETWORK INTERRUPTION coverage as provided in this section of the Policy.

DATA SERVICE PROVIDER TIME ELEMENT Exclusions: As respects DATA SERVICE PROVIDER TIME ELEMENT, the following applies:

- 1) Item B4 of the EXCLUSIONS clause in the PROPERTY DAMAGE section does not apply except for B4 with respect to:
  - a) incoming electricity, fuel, water, gas, steam or refrigerant; and
  - b) outgoing sewerage.
- 2) The following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) **terrorism.**

As used above, the period of interruption of **off-premises data processing or data transmission services**:

- 1) is the period starting with the time when an interruption of provided services happens; and ending when with due diligence and dispatch the service could be wholly restored and the **location** receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the PERIOD OF LIABILITY clause in this section.
- 2) is limited to only those hours during which the Insured would or could have used service(s) if it had been available.
- 3) does not extend to include the interruption of operations caused by any reason other than interruption of the provided service(s).

## **B. OWNED NETWORK INTERRUPTION**

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the period of interruption directly resulting from:

- 1) the failure of the Insured's **electronic data processing equipment or media** to operate, provided that such failure is the direct result of a **cyber event** directed at the NAMED INSURED; or



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- 2) the Insured's reasonable action to temporarily protect the Insured's **electronic data processing equipment or media** against an actual or immediately impending **cyber event** directed at the NAMED INSURED, provided such action is necessary to prevent failure of the Insured's **electronic data processing equipment or media** to operate.

For the purposes of this Extension, the Insured's **electronic data processing equipment or media** can be located worldwide except in Cuba, Iran, North Korea, Sudan, Syria or Crimea Region of Ukraine.

As respects item 1 above, this Extension will apply when the period of interruption is in excess of 48 hours.

As used above, the period of interruption:

- 1) is the period starting when the Insured's **electronic data processing equipment or media** fails to operate and ending when with due diligence and dispatch, the Insured's **electronic data processing equipment or media** could be restored to the same or equivalent operating condition that existed prior to the failure.
- 2) does not include the additional time to make changes to the Insured's **electronic data processing equipment or media**.

## SUPPLY CHAIN TIME ELEMENT COVERAGE EXTENSIONS

### A. CIVIL OR MILITARY AUTHORITY

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY if an order of civil or military authority limits, restricts or prohibits partial or total access to an insured **location** provided such order is the direct result of physical damage of the type insured at the insured **location** or within five statute miles/eight kilometres of it.

This Extension does not apply to LEASEHOLD INTEREST.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting at the time of such physical damage; and
- 2) ending not later than the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section,

this period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.





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## B. CONTINGENT TIME ELEMENT EXTENDED

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to property of the type insured at **contingent time element locations** located within the TERRITORY of this Policy.

As respects CONTINGENT TIME ELEMENT EXTENDED:

- 1) Time Element loss recoverable under this Extension is extended to include the following TIME ELEMENT COVERAGE EXTENSIONS:

CIVIL OR MILITARY AUTHORITY  
CONTINGENT TIME ELEMENT EXTENDED  
DATA SERVICE PROVIDER TIME ELEMENT  
DELAY IN STARTUP  
EXTENDED PERIOD OF LIABILITY  
INGRESS/EGRESS  
ON PREMISES SERVICES  
SERVICE INTERRUPTION TIME ELEMENT

- 2) The Insured will influence and cooperate with the **contingent time element location** in every way and take any reasonable and necessary action to mitigate the loss payable hereunder.
- 3) TIME ELEMENT EXCLUSIONS C does not apply.

CONTINGENT TIME ELEMENT EXTENDED Exclusions: As respects CONTINGENT TIME ELEMENT EXTENDED, the following additional exclusions apply:

This Policy does not insure loss resulting from:

- 1) lack of incoming or outgoing transmission of voice, data or video.
- 2) physical loss or damage caused by or resulting from **terrorism**, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence of loss.

## C. INGRESS/EGRESS

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY due to the necessary interruption of the Insured's business due to partial or total physical prevention of ingress to or egress from an insured **location**, whether or not the premises or property of the Insured is damaged, provided that such prevention is a direct result of physical damage of the type insured to property of the type insured.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following additional exclusions apply:



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This Policy does not insure loss resulting from:

- 1) lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and voice, data or video.
- 2) picketing or other action by strikers except for physical damage not excluded by this Policy.
- 3) physical loss or damage caused by or resulting from **terrorism**, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting at the time of such physical damage; and
- 2) ending not later than the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section,

this period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

#### **D. LOGISTICS EXTRA COST**

This Policy covers the extra cost incurred by the Insured during the PERIOD OF LIABILITY due to the disruption of the **normal** movement of goods or materials:

- 1) directly between insured **locations**; or
- 2) directly between an insured **location** and a **location** of a direct customer, supplier, contract manufacturer or contract service provider to the Insured,

provided that such disruption is a direct result of physical loss or damage of the type insured to property of the type insured located within the TERRITORY of this Policy.

Measurement of Loss:

The recoverable extra cost loss will be the reasonable and necessary extra costs incurred by the Insured of the following:

- 1) extra costs to temporarily continue as nearly **normal** as practicable the movement of goods or materials.

This Extension will apply when the PERIOD OF LIABILITY is in excess of 48 hours except 168 hours applies for **earth movement** and/or **flood** and/or **wind**.



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LOGISTICS EXTRA COST Exclusions: As respects LOGISTICS EXTRA COST, the following additional exclusions apply:

This Policy does not insure:

- 1) any loss resulting from disruption in the movement of goods or materials between **contingent time element locations**.
- 2) any loss resulting from disruption of incoming or outgoing services consisting of electricity, gas, fuel, steam, water, refrigeration, sewerage and voice, data or video.
- 3) any loss of income.
- 4) costs that usually would have been incurred in conducting the business during the same period had there been no disruption of **normal** movement of goods or materials.
- 5) costs of permanent repair or replacement of property that has been damaged or destroyed.
- 6) any expense recoverable elsewhere in this Policy.
- 7) any loss resulting from disruption caused by or resulting from **terrorism**, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.
- 8) any loss resulting from disruption caused by physical loss or damage to personal property of the Insured while in transit.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting at the time of physical loss or damage causing the disruption of the **normal** movement of goods or materials directly between insured **locations**; or directly between the insured **location** and the **location** of the direct customer, supplier, contract manufacturer or contract service provider to the Insured, and
- 2) ending not later than:
  - a) when with due diligence and dispatch the **normal** movement of goods or materials directly between insured **locations**; or directly between the insured **location** and the **location** of the direct customer, supplier, contract manufacturer or contract service provider to the Insured could be resumed; or
  - b) the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.



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## E. SERVICE INTERRUPTION TIME ELEMENT

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the period of service interruption at an insured **location** when the loss is caused by the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of any accidental event at the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.

This Extension will apply when the period of service interruption is in excess of 24 hours.

Additional General Provisions:

- 1) The Insured will immediately notify the suppliers of services of any interruption of such services.
- 2) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.

SERVICE INTERRUPTION TIME ELEMENT Exclusions: As respects SERVICE INTERRUPTION TIME ELEMENT, the following applies:

- 1) The exclusions in the EXCLUSIONS clause in the PROPERTY DAMAGE section do not apply except for:
  - a) A1, A2, A3, A6, B1, B2, B5, and
  - b) B4 with respect to incoming or outgoing voice, data or video, and
  - c) D1 except with respect to fungus, mold or mildew.
- 2) The following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) **terrorism.**

As used above, the period of service interruption:

- 1) is the period starting with the time when an interruption of specified services happens; and ending when with due diligence and dispatch the service could be wholly restored and the **location** receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the PERIOD OF LIABILITY clause in this section.



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- 2) is limited to only those hours during which the Insured would or could have used service(s) if it had been available.
- 3) does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

## **ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS**

### **A. ATTRACTION PROPERTY**

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to property of the type insured that attracts business to an insured **location** and is within 1 statute mile/1.6 kilometres of the insured **location**.

ATTRACTION PROPERTY Exclusions: As respects ATTRACTION PROPERTY, the following additional exclusion applies:

This Policy does not insure loss resulting from:

- 1) physical loss or damage caused by or resulting from **terrorism**, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting at the time of such physical damage; and
- 2) ending not later than the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.

### **B. CRISIS MANAGEMENT**

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY if an order of civil or military authority limits, restricts or prohibits partial or total access to an insured **location**, provided such order is a direct result of:

- 1) a violent crime, suicide, attempted suicide, or armed robbery; or
- 2) a death or bodily injury caused by a workplace accident;

at such insured **location**.



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For the purposes of this Extension only, a workplace accident shall be considered a sudden, fortuitous event that happens during working hours and arises out of work performed in the course and the scope of employment.

This Extension of coverage will apply when the PERIOD OF LIABILITY is in excess of 4 hours.

**CRISIS MANAGEMENT Exclusions:** As respects CRISIS MANAGEMENT, the following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- 1) **terrorism.**

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting with the time the civil or military authority prohibits access; and
- 2) ending not later than the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.

#### **C. DELAY IN STARTUP**

GROSS EARNINGS or GROSS PROFIT and EXTRA EXPENSE are extended to cover the Actual Loss Sustained incurred by the Insured during the PERIOD OF LIABILITY due to the reasonable and necessary delay in startup of business operations directly resulting from physical loss or damage of the type insured to insured property under construction at an insured **location**.

#### **D. EXTENDED PERIOD OF LIABILITY**

The GROSS EARNINGS coverage is extended to cover the reduction in sales resulting from:

- 1) the interruption of business as covered by GROSS EARNINGS;
- 2) for such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss happened; and
- 3) commencing with the date on which the liability of the Company for loss resulting from interruption of business would terminate if this Extension had not been included in this Policy.



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However, this Extension does not apply to GROSS EARNINGS loss resulting from physical loss or damage caused by or resulting from **terrorism**.

EXTENDED PERIOD OF LIABILITY Exclusions: As respects EXTENDED PERIOD OF LIABILITY, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to damages for breach of contract or for late or noncompletion of orders, or fines or penalties of any nature except fines or penalties for breach of contract or for late or noncompletion of orders.

Coverage under this Extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the extended period of liability.

Coverage under this Extension does not apply for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

#### **E. INTERRUPTION BY COMMUNICABLE DISEASE**

If a **location** owned, leased or rented by the Insured has the actual not suspected presence of **communicable disease** and access to such **location** is limited, restricted or prohibited by:

- 1) an order of an authorized governmental agency regulating the actual not suspected presence of **communicable disease**; or
- 2) a decision of an Officer of the Insured as a result of the actual not suspected presence of **communicable disease**,

this Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY at such **location** with the actual not suspected presence of **communicable disease**.

This Extension will apply when access to such **location** is limited, restricted, or prohibited in excess of 48 hours.

INTERRUPTION BY COMMUNICABLE DISEASE Exclusions: As respects INTERRUPTION BY COMMUNICABLE DISEASE, the following additional exclusions apply:

This Policy does not insure loss resulting from:

- 1) the enforcement of any law or ordinance with which the Insured was legally obligated to comply prior to the time of the actual spread of **communicable disease**.
- 2) loss or damage caused by or resulting from **terrorism**, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any sequence of loss.



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The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting at the time of the order of the authorized governmental agency or the Officer of the Insured; and
- 2) ending not later than the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section,

this period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

#### **F. ON PREMISES SERVICES**

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to the following property located within 1,000 feet/300 metres of the insured **location**:

- 1) Electrical equipment and equipment used for the transmission of voice, data or video.
- 2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission lines.

#### **G. PROTECTION AND PRESERVATION OF PROPERTY TIME ELEMENT**

This Policy covers the Actual Loss Sustained by the Insured for a period of time not to exceed 48 hours prior to and 48 hours after the Insured first taking reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending insured physical loss or damage to such insured property.

This Extension does not cover the Actual Loss Sustained by the Insured to temporarily protect or preserve insured property from actual, or to prevent immediately impending, physical loss or damage covered by TERRORISM coverage as provided in the PROPERTY DAMAGE section.

This Extension is subject to the deductible provisions that would have applied had the physical loss or damage happened.

#### **H. RELATED REPORTED VALUES**

If reported TIME ELEMENT values include:

- 1) **locations** used by the Insured (such as branch stores, sales outlets and other plants) but not listed on a schedule under this Policy; and





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- 2) a TIME ELEMENT loss would result at such **locations**,
- 3) from insured physical loss or damage at an insured **location**,

then this Policy provides coverage for such resulting TIME ELEMENT loss in accordance with the coverage applicable at such insured **location**.

#### **I. RESEARCH AND DEVELOPMENT**

The GROSS EARNINGS and GROSS PROFIT coverages are extended to insure the Actual Loss Sustained by the Insured of continuing fixed charges and Ordinary Payroll directly attributable to the interruption of research and development activities that in themselves would not have produced income during the PERIOD OF LIABILITY.

The PERIOD OF LIABILITY for this Extension will be the period from the time of direct physical loss or damage of the type insured to the time when the property could be repaired or replaced and made ready for operations, but as respects GROSS PROFIT and Ordinary Payroll such period of time shall not exceed the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section. Such period of time shall not be limited by the date of expiration of this Policy.

#### **J. SOFT COSTS**

This Policy covers the Actual Loss Sustained incurred by the Insured of **soft costs** during the PERIOD OF LIABILITY arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage of the type insured to insured property under construction at an insured **location**.



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## LOSS ADJUSTMENT AND SETTLEMENT

### 1. REQUIREMENTS IN CASE OF LOSS

The Insured will:

- 1) give immediate written notice to the Company of any loss.
- 2) protect the property from further loss or damage.
- 3) promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **actual cash value**, replacement value and amount of loss claimed.
- 4) give a signed and sworn proof of loss to the Company within 90 days after the loss, unless that time is extended in writing by the Company. The proof of loss must state the knowledge and belief of the Insured as to:
  - a) the time and origin of the loss.
  - b) the Insured's interest and that of all others in the property.
  - c) the **actual cash value** and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property.
  - d) any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy.
  - e) by whom and for what purpose any **location** insured by this Policy was occupied on the date of loss, and whether or not it then stood on leased ground.
- 5) include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.
- 6) further, the Insured, will as often as may be reasonably required:
  - a) exhibit to any person designated by the Company all that remains of any property;
  - b) submit to examination under oath by any person designated by the Company and sign the written records of examinations; and
  - c) produce for examination at the request of the Company:
    - (i) all books of accounts, business records, bills, invoices and other vouchers; or
    - (ii) certified copies if originals are lost,



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at such reasonable times and places that may be designated by the Company or its representative and permit extracts and machine copies to be made.

## **2. CURRENCY FOR LOSS PAYMENT**

Losses will be adjusted and paid in the currency of the United States of America, except in Canada where losses will be paid in Canadian currency, unless directed otherwise by the Insured.

In the event of a loss adjustment involving currency conversion, the exchange selling rate will be calculated as follows:

- A. As respects the calculation of deductibles and limits of liability, the rate of exchange published in The Wall Street Journal on the date of loss.
- B. As respects loss or damage to insured real and personal property:
  - 1) the cost to repair or replace such property will be converted at the time the cost of repair or replacement is incurred based on the rate of exchange published in The Wall Street Journal.
  - 2) if such property is not replaced or repaired, the conversion will be based on the rate of exchange published in The Wall Street Journal as of the date of loss.
- C. As respects TIME ELEMENT loss the conversion will be based on the average of the rate of exchange published in The Wall Street Journal on the date of loss and the rate of exchange published in The Wall Street Journal on the last day of the Period of Liability.

If The Wall Street Journal was not published on the stipulated date, the rate of exchange will be as published on the next business day.

## **3. PARTIAL PAYMENT OF LOSS SETTLEMENT**

In the event of insured physical loss or damage determined by the Company's representatives to be in excess of the applicable Policy deductible, the Company will advance mutually agreed upon partial payment(s), subject to the Policy's provisions. To obtain such partial payments, the Insured will submit a signed and sworn Proof of Loss as described in this Policy, with adequate supporting documentation.

## **4. COLLECTION FROM OTHERS**

The Company will not be liable for any loss to the extent that the Insured has collected for such loss from others.

## **5. SUBROGATION**

The Insured is required to cooperate in any subrogation proceedings. The Company may require from the Insured an assignment or other transfer of all rights of recovery against any party for loss to the extent of the Company's payment.



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The Company will not acquire any rights of recovery that the Insured has expressly waived prior to a loss, nor will such waiver affect the Insured's rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the Company in such proceedings, will be payable to the Insured in the proportion that the amount of:

- 1) any applicable deductible; and/or
- 2) any provable uninsured loss,

bears to the entire provable loss amount.

## **6. COMPANY OPTION**

The Company has the option to take all or any part of damaged property at the agreed or appraised value. The Company must give notice to the Insured of its intention to do so within 30 days after receipt of Proof of Loss.

## **7. ABANDONMENT**

There may be no abandonment of any property to the Company.

## **8. APPRAISAL**

If the Insured and the Company fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser after:

- 1) the Insured has fully complied with all provisions of this Policy, including REQUIREMENTS IN CASE OF LOSS; and
- 2) the Company has received a signed and sworn Proof of Loss from the Insured.

Each will notify the other of the appraiser selected within 20 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days then, on the request of the Insured or the Company, the umpire will be selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then appraise the amount of loss, stating separately the **actual cash value** and replacement cost value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this Policy.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss.

The Insured and the Company will each:

- 1) pay its chosen appraiser; and



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- 2) bear equally the other expenses of the appraisal and umpire.

A demand for APPRAISAL shall not relieve the Insured of its continuing obligation to comply with the terms and conditions of this Policy, including as provided under REQUIREMENTS IN CASE OF LOSS.

The Company will not be held to have waived any of its rights by any act relating to appraisal.

## **9. SUIT AGAINST THE COMPANY**

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless:

- 1) the Insured has fully complied with all the provisions of this Policy; and
- 2) legal action is started within twelve months after inception of the loss.

If under the insurance laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be started within the shortest limit of time permitted by such laws.

## **10. SETTLEMENT OF CLAIMS**

The amount of loss for which the Company may be liable will be paid within 30 days after:

- A. proof of loss as described in this Policy is received by the Company; and
- B. when a resolution of the amount of loss is made either by:
  - 1) written agreement between the Insured and the Company; or
  - 2) the filing with the Company of an award as provided in the APPRAISAL clause of this section.



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## **GENERAL PROVISIONS**

### **1. CANCELLATION/NON-RENEWAL**

This Policy may be:

- A. cancelled at any time at the request of the Insured by surrendering this Policy to the Company or by giving written notice to the Company stating when such cancellation will take effect; or
- B. cancelled by the Company by giving the Insured not less than:
  - 1) 60 days' written notice of cancellation; or
  - 2) 10 days' written notice of cancellation if the Insured fails to remit, when due, payment of premium for this Policy; or
- C. non-renewed by the Company by giving the Insured not less than 60 days' written notice of non-renewal.

Return of any unearned premium will be calculated on a pro-rata basis if the Insured cancels and on a pro-rata basis if the Company cancels this Policy. Return of any unearned premium will be made by the Company as soon as practicable.

### **2. INSPECTIONS**

The Company, at all reasonable times, will be permitted, but will not have the duty, to inspect insured property. The Company does not address life, safety or health issues.

The Company's:

- A. right to make inspections;
- B. making of inspections; or
- C. providing recommendations or other information in connection with any inspections,

will not constitute an undertaking, on behalf of or for the benefit of the Insured or others. The Company will have no liability to the Insured or any other person because of any inspection or failure to inspect.

When the Company is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

### **3. PROVISIONS APPLICABLE TO SPECIFIC JURISDICTIONS**

- A. If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy



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will be read so as to eliminate such conflict or deemed to include such provisions for insured **locations** within such jurisdictions.

- B. The Company will provide to the Insured copies of endorsements mandated for use by the laws of provinces in Canada. The endorsements modify this Policy with respect to any insured property located in the province in which the endorsement applies.
- C. The Company will provide to the Insured copies of endorsements mandated for use by the laws of states in the United States of America. The endorsements modify this Policy with respect to any insured property located in the state in which the endorsement applies.
- D. In respect of any insured property located in Belgium, the definition of **terrorism** is declared null and void and it is agreed that any event defined as terrorism in accordance with the Law of 1 April 2007 shall be considered an act of **terrorism** within the terms of this Policy. Coverage provided, in accordance with the terms and conditions of the Terrorism Reinsurance and Insurance Pool Statute, under the European policy issued by FM Insurance Europe S.A. is excluded from coverage under this Policy. Any difference in limit between loss recoverable from Terrorism Reinsurance and Insurance Pool and this Policy is not recoverable under this Policy.
- E. In respect of any insured property located in France or in French territories, the definition of **terrorism** is declared null and void and it is agreed that any event certified to be an act of terrorism in accordance with articles L126-2, R126-1 and R126-2 of the Insurance Code and decree 2001-1337 dated 28 December 2001 shall be considered an act of **terrorism** within the terms of this Policy. Terrorism coverage is mandatory and is provided to the Insured under the European/local policy issued by FM Insurance Europe S.A. Coverage provided under this Policy shall not extend the coverage for terrorism provided under such European/local policy. Any difference in limit between loss recoverable for terrorism under the European/local policy and this Policy is not recoverable under this Policy.
- F. Notwithstanding anything contained in this Policy to the contrary, there is no coverage for loss or damage and any resulting TIME ELEMENT loss, as provided in the TIME ELEMENT section of this Policy, caused by or resulting from the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- 1) **terrorism** for property located in **Great Britain**.

In respect of any property in **Great Britain**, the definition of **terrorism** is declared null and void and it is agreed that an act of **terrorism** shall mean an event certified by Her Majesty's Treasury to be an act of terrorism or determined to be such by an appropriately designated tribunal.

- G. In respect of any insured property located in the Netherlands, the definition of **terrorism** is declared null and void and it is agreed that any event defined as terrorism in accordance with Dutch Terrorism Risk Reinsurance Company's terms and conditions shall be considered an act of **terrorism** within the terms of this Policy. Coverage provided in accordance with the Dutch Terrorism Risk Reinsurance Company's terms and conditions under the European policy issued by FM Insurance Europe S.A. is excluded from coverage under this Policy.



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Any difference in limit between loss recoverable from Dutch Terrorism Risk Reinsurance Company (NHT) and this Policy is not recoverable under this Policy.

- H. Coverage is provided for physical loss or damage and any resulting TIME ELEMENT loss as provided in the TIME ELEMENT section of this Policy to insured property in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:
- 1) riot, civil commotion and (except in respect of loss or damage and resulting TIME ELEMENT loss by fire or explosion) strikers, locked-out workers or persons taking part in labor disturbances or malicious persons; and
  - 2) **terrorism**,
- subject to liability of the Company only to be for the extent of the loss not recoverable by the Insured under the "Criminal Damage (Compensation) (Northern Ireland) Order 1977" or subsequent legislation; and to all other terms, conditions and limits of this Policy.
- I. For any insured property located in Norway, this Policy insures against loss or damage to insured property resulting from Natural Catastrophe perils as designated in the Act of Natural Perils of June 16th, 1989.
- J. With respect to any insured property in South Africa, the following conditions additionally apply:
- Notwithstanding anything contained herein to the contrary:
- 1) This Policy does not cover loss of or damage directly or indirectly to property related to or caused by:
    - a) civil commotion, labor disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above;
    - b) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
    - c) (i) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or siege;
    - (ii) insurrection, rebellion or revolution.
    - d) any act (whether on behalf of any organization, body or person, or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial, local or tribal authority with force, or by means of fear, terrorism or violence;
    - e) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change, or in protest against any state or government, or any provincial, local or





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tribal authority, or for the purpose of inspiring fear in the public, or any section thereof;

- f) any attempt to perform any act referred to in clause d or e above;
- g) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any event referred to in clause a, b, c, d, e or f above.

If the Insurers allege that by reason of clauses a, b, c, d, e, f, or g of this exclusion, loss or damage is not covered by this Policy, the burden of proving the contrary will rest on the Insured.

- 2) This Policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any event for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this Policy applies.

K. In respect of any insured property located in Spain and as applies to Physical Damage coverage and any resulting TIME ELEMENT loss as provided by the TIME ELEMENT section of this Policy, this Policy does not insure against physical loss or damage caused by:

- 1) events separately insured by the Consorcio de Compensacion de Seguros, or events classified by the Public Authorities in Spain as an “extraordinary circumstance.”
- 2) all losses where, despite being of an extraordinary and catastrophic nature, the Consorcio de Compensacion de Seguros does not acknowledge the rights of the Insured on account of the Insured’s failure to comply with any of the conditions and stipulations contained in the Reglamento y Disposiciones Complementarias in force at the time of the loss as well as those occurring within the payment free period specified by the aforementioned authority. The Consorcio de Compensacion de Seguros will indemnify claims of an extraordinary nature, within the terms of the various laws and/or Royal Decrees and/or Regulations of Spain which govern Consorcio de Seguros.

In respect of any insured property in Spain, the definition of **terrorism** is declared null and void and it is agreed that any event defined as terrorism by Consorcio de Compensacion de Seguros shall be considered an act of **terrorism** within the terms of this Policy.

L. As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of **terrorism** is declared null and void and it is agreed that an event defined as a Certified Act of Terrorism under the terms of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT(S) attached to this Policy shall be considered an act of **terrorism** within the terms of this Policy. Coverage recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT(S) is excluded from any other coverage under this Policy. Any difference in limit between loss recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT(S) and this Policy is not recoverable under this Policy.



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#### **4. LIBERALIZATION**

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to the benefit of the Insured within such jurisdiction, effective the date of the change specified in such statute.

#### **5. MISREPRESENTATION AND FRAUD**

This entire Policy will be void if, whether before or after a loss, an Insured has:

- A. willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of an Insured.
- B. made any attempt to defraud the Company.
- C. made any false swearing.

#### **6. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS**

- A. The Company will pay for loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
  - 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
  - 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
  - 3) change in the title or ownership of the property.
  - 4) change to a more hazardous occupancy.

The Lender or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Lender or Mortgagee will terminate 10 days after the Company sends to the Lender or Mortgagee written notice of cancellation, unless:
  - 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Lender or Mortgagee, or its agent.



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- 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice 60 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- E. The Company has the right to invoke this Policy's SUSPENSION clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.
- F. If the Company pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.
- G. If the Insured fails to render proof of loss, the Lender or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this Policy by agreement in writing.

## **7. OTHER INSURANCE**

- A. If there is any other insurance that would apply in the absence of this Policy, this Policy will apply only after such insurance whether collectible or not.
- B. In no event will this Policy apply as contributing insurance.
- C. The Insured is permitted to have other insurance over any limits or sublimits of liability specified elsewhere in this Policy without prejudice to this Policy. The existence of any such insurance will not reduce any limit or sublimit of liability in this Policy. Any other insurance that would have provided primary coverage in the absence of this Policy will not be considered excess.



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- D. The Insured is permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only after such other insurance has been exhausted.
- E. If this Policy is deemed to contribute with other insurance, the limit of liability applicable at each **location**, for the purposes of such contribution with other insurers, will be the latest amount described in this Policy or the latest **location** value on file with the Company.

## 8. POLICY MODIFICATION

This Policy contains all of the agreements between the Insured and the Company concerning this insurance. The Insured and the Company may request changes to this Policy. This Policy can be changed only by endorsements issued by the Company and made a part of this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not:

- A. create a waiver, or change any part of this Policy; or
- B. prevent the Company from asserting any rights under the provisions of this Policy.

## 9. REDUCTION BY LOSS

Claims paid under this Policy will not reduce its limit of liability, except claims paid will reduce any **annual aggregate** limit.

## 10. SUSPENSION

On discovery of a dangerous condition, the Company may immediately suspend this insurance on any machine, vessel or part thereof by giving written notice to the Insured. The suspended insurance may be reinstated by the Company. Any unearned premium resulting from such suspension will be returned by the Company.

## 11. TITLES

The titles in this Policy are only for reference. The titles do not in any way affect the provisions of this Policy.

## 12. ASSIGNMENT

Assignment of this Policy will not be valid except with the written consent of the Company.

## 13. DEFINITIONS

The following terms when appearing in **boldface** in this Policy mean:



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**actual cash value:**

the amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

**annual aggregate:**

the Company's maximum amount payable during any policy year.

**communicable disease:**

disease which is:

- A. transmissible from human to human by direct or indirect contact with an affected individual or the individual's discharges, or
- B. Legionellosis.

**contaminant:**

anything that causes **contamination**.

**contamination:**

any condition of property due to the actual or suspected presence of any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, fungus, mold or mildew.

**contingent time element location:**

- A. any **location**:
  - 1) of a direct customer, supplier, contract manufacturer or contract service provider to the Insured;
  - 2) of any company under a royalty, licensing fee or commission agreement with the Insured;
- B. any **location** of a company that is a direct or indirect customer, supplier, contract manufacturer or contract service provider to a **location** described in A1 above,

not including **locations** of any company directly or indirectly supplying to, or receiving from, the Insured, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

**cyber event:**

any act involving the malicious or unauthorized access to, operation of, or use of electronic data processing equipment or media, regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical loss or damage by fire, explosion or sprinkler leakage resulting from **cyber event** will not be considered to be loss by **cyber event** within the terms and conditions of this Policy.

**date or time recognition:**

the recognition, interpretation, calculation, comparison, differentiation, sequencing, accessing or processing of data involving one or more dates or times, including the Year 2000.



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**earth movement:**

any natural or man-made earth movement including, but not limited to earthquake or landslide, regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical loss or damage by fire, explosion, sprinkler leakage, or **flood** resulting from **earth movement** will not be considered to be loss by **earth movement** within the terms and conditions of this Policy.

**electronic data processing equipment or media:**

any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether the property of the Insured or not.

**fine arts:**

paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.

**flood:**

flood; surface waters; rising waters; storm surge, sea surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not; or sewer back-up resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made, contributing concurrently or in any other sequence of loss. Physical loss or damage from **flood** associated with a storm or weather disturbance whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of this Policy. However, physical loss or damage by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be loss by **flood** within the terms and conditions of this Policy.

**Great Britain:**

England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands.

**high hazard zones for earth movement:**

the provinces of Catamarca, Chaco, Cordoba, Formosa, Jujuy, La Rioja, Mendoza, Neuquen, Salta, San Juan, San Luis, Santiago del Estero and Tucuman in Argentina;

Bulgaria;

Caribbean Islands of Aruba, Cayman Islands, Dominican Republic, Jamaica, The Commonwealth of Puerto Rico and Trinidad and Tobago;

Chile;

Colombia;

Costa Rica;

Croatia;

Curacao;

Cyprus;

Ecuador;

El Salvador;



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Greece;  
 Guam;  
 Iceland;  
 the states of Arunachal Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Tripura, Uttar Pradesh, Uttarakhand and West Bengal in India;  
 Italy;  
 Japan;  
 Jordan;  
 New Zealand, North Island:  
 Bay of Plenty Regional Council (except Tauranga City Council and Western Bay of Plenty District Council), South Taranaki District Council, Gisborne District Council, Hawke's Bay Regional Council, Wellington Regional Council, Manawatu-Wanganui Regional Council (except Stratford District Council and Waitomo District Council), Taupo District Council and Rotorua District Council;  
 New Zealand, South Island:  
 Tasman District Council, Marlborough District Council, West Coast Regional Council, Canterbury Regional Council (except for the District Councils of Mackenzie, Timaru, Waimate and Waitaki), Queenstown Lakes District Council, Southland Regional Council (except Gore District Council and Invercargill City Council);  
 Nicaragua;  
 Northern Pacific Islands of Federated States of Micronesia, Palau, Northern Marianas, Marshall Islands and Kiribati;  
 Panama;  
 People's Republic of China;  
 Peru;  
 Philippines;  
 the states of Baja California, Baja California Sur, Chiapas, Colima, Guerrero, Jalisco, Mexico (including Mexico City), Michoacan, Morelos, Nayarit, Oaxaca, Puebla, Sinaloa, Sonora, Tabasco, Tlaxcala and Veracruz in the Republic of Mexico;  
 Romania;  
 the Republic of Dagestan and the oblasts of Kamchatka and Sakhalin in the Russian Federation;  
 Serbia;  
 the provinces of Granada and Murcia in Spain;  
 Southern Pacific Islands of American Samoa, Loyalty Islands, French Polynesia, New Caledonia, Solomon Islands, Samoa, Tonga, Tuvalu and Vanuatu;  
 Taiwan; and  
 Alaska, California, Hawaii and Nevada in the United States of America.

**irreplaceable:**

an item which cannot be replaced with other of like kind and quality.

**location:**

A. as specified in the Schedule of Locations, or

B. if not so specified in the Schedule of Locations:

1) a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing),





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- a) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet/15 metres wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this definition.

**New Madrid Seismic Zone:**

Group A listing:

Arkansas, United States of America, counties of:

Arkansas, Fulton, Independence, Izard, Lonoke, Phillips, Prairie, Sharp, White

Illinois, United States of America, counties of:

Bond, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Gallatin, Hardin, Jasper, Lawrence, Madison, Marion, Monroe, Richland, St. Clair, Wabash, Wayne, White

Indiana, United States of America, counties of:

Gibson, Knox, Pike, Posey, Spencer, Vanderburgh, Warrick

Kentucky, United States of America, counties of:

Caldwell, Christian, Crittenden, Daviess, Henderson, Hopkins, Lyon, McLean, Muhlenberg, Todd, Trigg, Union, Webster

Mississippi, United States of America, counties of:

Alcorn, Benton, Coahoma, Lafayette, Marshall, Panola, Quitman, Tippah

Missouri, United States of America, counties of:

Iron, Jefferson, Oregon, Reynolds, Shannon, St. Francois, St. Louis, St. Louis City, Ste. Genevieve, Washington

Tennessee, United States of America, counties of:

Decatur, Hardin, Houston, Humphreys, McNairy, Montgomery, Perry, Stewart

Group B listing:

Arkansas, United States of America, counties of:

Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Lee, Mississippi, Monroe, Poinsett, Randolph, St. Francis, Woodruff

Illinois, United States of America, counties of:

Alexander, Franklin, Hamilton, Jackson, Jefferson, Johnson, Massac, Perry, Pope, Pulaski, Randolph, Saline, Union, Washington, Williamson

Kentucky, United States of America, counties of:

Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall, McCracken

Mississippi, United States of America, counties of:

De Soto, Tate, Tunica

Missouri, United States of America, counties of:

Bollinger, Butler, Cape Girardeau, Carter, Dunklin, Madison, Mississippi, New Madrid, Pemiscot, Perry, Ripley, Scott, Stoddard, Wayne





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Tennessee, United States of America, counties of:

Benton, Carroll, Chester, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, Obion, Shelby, Tipton, Weakley

**normal:**

the condition that would have existed had no physical loss or damage happened.

**normal cost:**

the cost associated with the movement of goods or materials suffering the disruption that the Insured would have incurred had no physical loss or damage causing disruption happened.

**occurrence:**

the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by one discrete event of physical loss or damage, except as respects the following:

- A. **terrorism: occurrence** shall mean the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by all acts of **terrorism** during a continuous period of seventy-two (72) hours.
- B. **earth movement: occurrence** shall mean the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by all **earth movement(s)** during a continuous period of seventy-two (72) hours.

**off-premises data processing or data transmission services:**

the storage or processing of data performed off-premises of the Insured's property, including the transmission of voice, data or video over a single, or combination of, computer or communication networks.

**Pacific Northwest Seismic Zone:**

Oregon, United States of America, counties of:

Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Hood River, Jackson, Josephine, Klamath, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill

Washington, United States of America, counties of:

Chelan, Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Whatcom

British Columbia (includes Vancouver Island), Canada:

South of 50° N latitude and west of 120° W longitude

**period of operational testing:**

the period of time beginning 24 hours prior to the earlier of the following:

- A. introduction, into a system, of feedstock or other materials for processing or handling;
- B. commencement of fuel or energy supply to a system,

and ending with the earlier of the following:



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- A. the expiration date or cancellation date of this Policy.
- B. if specified, the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.

**physical loss or damage to electronic data, programs or software:**

the destruction, distortion or corruption of electronic data, programs or software.

**representative company(ies):**

Factory Mutual Insurance Company, FM Insurance Company Limited or FM Insurance Europe S.A.; Affiliated FM Insurance Company; Appalachian Insurance Company or any other company issuing a local policy at the direction of the Company.

**soft costs:**

costs over and above those that are **normal** at an insured **location** undergoing renovation or in the course of construction, limited to the following:

- A. construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including; the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.
- B. commitment fees, leasing and marketing expenses - the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
- C. additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction.
- D. property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

**terrorism:**

any act, involving the use or threat of: force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution, or any similar act,

when the effect or apparent purpose is:

- A. to influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
- B. to further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.

**transmission and distribution systems:**

transmission and distribution systems including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, data, and video. Such systems shall include poles, towers and



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fixtures, overhead conductors and devices, underground and underwater conduit, underground and underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

**valuable papers and records:**

written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, all of which must be of value to the Insured.

**wind:**

direct action of wind including substance driven by wind. **Wind** does not mean or include anything defined as **flood** in this Policy.

**SCHEDULE OF LOCATIONS, APPENDIX A**

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
AR02		Buenos Aires, Argentina	Vicente Lopez Building, 1860 Solis Street, 3/F	Buenos Aires		C1134ADN	Argentina
AU01			Level 8 123 Epping Road, Ste 802	Macquarie Park	New South Wales	2113	Australia
AU02			530-540 Springvale Road	Glen Waverley	Victoria	3150	Australia
CX01	AUE100.00-03	Sanmina Australia	11-13 Summit Road	Noble Park North	Victoria	3174	Australia
AA02		Vienna, Austria - Business Center	Albertgasse 35	Vienna		1030	Austria
BE01		Regus Berchem	Uitbreidingstraat 84, 3/F	Berchem	Antwerpen	2600	Belgium
BR01	BR6226.00-03	Cidade Jardim Corporate Center	Avenida Magalhaes de Castro No. 4800, Tower 3, Office 72	Sao Paulo	São Paulo	05676-120	Brazil
BR02	BR6086.00-01	Sanmina Brazil	Avenida Tambore, 1080 - Alphaville Barueri	Sao Paulo	São Paulo	06460-000	Brazil
CA03			84 Hines Road	Kanata	Ontario	K2K 3G3	Canada
CA01	002951.41-01		2100 Meadowvale Boulevard	Mississauga	Ontario	L5N 7J9	Canada
CC01		Beijing Global Trade Center - Tower 2	No. 36 North Third Ring Road East, Dongcheng District, Rooms D305-09	Beijing	Beijing	100013	China
CX20		UMC 12X, China (Faraday Technology Corp.)	No. 899, Wan Jia Chun Road, Xiang An	Xiamen	Fujian	200030	China
CX06	CC5947.00-01	Fuyu Moulding & Tooling	Jing Fu Road, Xin Cheng Industrial Area, Heng Li	Dongguan	Guangdong	523477	China
CX14		Sirtec (Dong Guan) Plastics & Electronics Co., Ltd.	Shigu District, Tangxia Town	Dongguan	Guangdong	523729	China
CX18		Watson E.P. Industries Co., Ltd.	Jine He High Tech Industries Park 2, House B15, Zhangmutou	Dongguan	Guangdong	523628	China
CC05		Guangzhou, China	No. 9 Linhexi Road, China Shine Plaza, Rooms B3412-15. Tianhe District	Guangzhou	Guangdong	510610	China
CC41	CCA122.00-01	Guangzhou, China	No. 181 Kexue Avenue, Science City, 4/F, Building A4, Units 601-603	Guangzhou	Guangdong	510663	China
CX02	CC1103.00-04	Jabil - PCBA	No. 128 Jun Cheng Road, Huangpu Economic & Technological Development District	Guangzhou	Guangdong	510350	China
CX03	CC3376.00-02	Jabil - Box Build	No. 388 Lian Yun Lu, Guangzhou Economic & Technological Development District - Box Build	Guangzhou	Guangdong	510350	China
CX09	CC6477.00-02	Jabil Circuit Gz Ltd.	No. 33 Dongzhong Road, East Section Guangzhou Economic and Technological Development District	Guangzhou	Guangdong	510350	China

## SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX19		TWS	39 Nan Yun San Road, Science Park	Guangzhou	Guangdong	510663	China
CC49		Shenzhen, China	Kerry Plaza Tower 1, Room 1704, 17/F, 1 Zhong Xin Si Road, Futian District	Shenzhen	Guangdong	518048	China
CX04	CC5949.00-01	Ace Plastics Co Limited	Section H, 3rd Industrial Zone, Gonghe Village, Shajing Town	Shenzhen	Guangdong	518104	China
CX05	CC5950.00-01	Creative & Bright Precision Mould Co., Ltd.	No. 289 Huafan Road, Dalang Street, Bao'an District	Shenzhen	Guangdong	518109	China
CX07	CCA123.00-01	Hongrita Plastics Limited	No. 1 Ganli 2nd Road, Gankeng, Buji	Shenzhen	Guangdong	518112	China
CX08		Takahata Seiko (Shenzhen) Co., Ltd.	Building No. 158, Tianliao Industrial Zone, Dahe District, Dahe Road, Guanlan Street	Shenzhen	Guangdong	518110	China
CX10	CC9406.00-01	Shenzhen Changhong Technology	Westside of Jinlong Road, Pingshan New District	Shenzhen	Guangdong	518118	China
CX17	CCA124.00-01	Silverspark Development Ltd.	The 3rd Industrial Zone, Fenghuang Village, Fuyong Town, Bao'an District	Shenzhen	Guangdong	518100	China
CC18		Wuhan, China	No. 7 Zhongnan Road, Wuhan Zhongshang Plaza, A1817, 18/F	Wuhan	Hubei	430070	China
CX21		Jiangyin Sinbon Electronics Co., Ltd.	288 Middle Cheng Jiang Road	Jiangyin	Jiangsu	214400	China
CC55	CC8121.00-01	Universal Scientific Industrial (Consignment)	No. 497 Huangpujiang Road, Qiadeng	Kunshan	Jiangsu	215341	China
CC60	CC9930.00-01	Wistron InfoComm (Kunshan) Co., Ltd.	77, Third Ave, KunShan Integrated Free Trade Zone	Kunshan	Jiangsu	215300	China
CX13	CC7415.00-02	Sanmina System (Kunshan) Co., Ltd.	No. 18 Zijin Road, Zhangpu Town	Kunshan	Jiangsu	215321	China
CC11		Nanjing, China	No. 2 Han Zhong Road, World Trade Centre, West Wing, Rooms 1262-1264, 12/F	Nanjing	Jiangsu	210005	China
CX12	CC3386.00-02	Askey Technology (Jiangsu) Ltd.	No. 1388 Jiao Tong Road, Wu Jiang Economic -Technological Development Area	Suzhou	Jiangsu	215200	China
CC12		China Overseas (Block B)	No. 177 Jiaozi Avenue, High-Tech District, Unit 1511, 15/F	Chengdu	Jiangxi	610041	China
CC52	CC5933.00-03	Shanghai Danzas Freight Agency (U10)	No. 530 Zheng Ding Road, Shanghai Pudong Airport Free Trade Zone	Shanghai	Shanghai	201202	China
CC57			Units 2801 & 2807-2812 Floor 28, HKRI Centre Two, 288 Shi Men Yi Road, Jing'an District, Shanghai	Shanghai	Shanghai	200041	China

## SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX15		Tianma Micro-Electronics Co., Ltd.	889th Huiqing Road, Pudong District	Shanghai	Shanghai	201201	China
CX16	CC9540.00-02	Universal - SH	No. 1558 Zhang Dong Road, Zhang Jiang High-Tech Park, Pudong New Area	Shanghai	Shanghai	201203	China
CO01			Calle 93 No. 13-45	Bogota			Colombia
CZ01	CZ0543.00-04	Sanmina  Brno, Czech Republic  Brno, Czech Republic New Site	Kolejni 1  Kolejni 1, Buildings B3 & B4  Kolejní 2971/1	Brno	Jihomoravský kraj	612 00	Czech Republic
CZ03			Purkyňova 646/107	Brno Medlanky	Jihomoravský kraj	612 00	Czech Republic
CZ02			River Business Center, Strakonicka 1199/2d, Praha 5	Prague	Praha, hlavní město	152 00	Czech Republic
DK01			Hummeltoftevej 49	Virum		2830	Denmark
FI02			Laajalahdentie 23, Room 674, 6/F	Helsinki		00330	Finland
CX22	FI0692.00-02	AAVA Mobile OY	Nahkatehtaankatu 2	Oulu		90130	Finland
FR03			Espace Copernic 405 avenue Galilee Les Milles	Aix en Provence	Bouches-du-Rhône	13290	France
FR09		Paris, France	40 rue d Arcueil	Rungis	Val-de-Marne	94150	France
GE02		Berlin, Germany - Business Center	Unter den Linden 10	Berlin	Berlin	10117	Germany
GE01		Idstein, Germany	Telco Kreisel 1	Idstein	Hessen	65510	Germany
GE03		Ratingen, Germany	Kaiserswerther Str. 115	Ratingen	Nordrhein-Westfalen	40880	Germany
HK01			Suite 712, Ocean Center, 5 Canton Road	Tsim Sha Tsui	Kowloon		Hong Kong
HG01		Budapest, Hungary - Business Center	Arpad Fejedelem utja 26-28, Suite 535	Budapest		1023	Hungary
IN05		Bangalore, India	RMZ-Ecospace, Campus 3B, Sarjapur Outer Ring Road	Bangalore	Karnataka	560103	India
IN03			201/202 Sentinel Building, Powai	Mumbai	Maharashtra	400076	India
IN04		Delhi, India	IHDP Plot No 7, Sector 127, Taj Expressway, New Okhla Industrial Development Area, District Gautam Budh Negar	Lucknow	Uttar Pradesh	201301	India
IS01			Negev Street 2	Tel Aviv		70150	Israel

## SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
IT02			Via Giovanni Lorenzini 4	Milano	Milano	20139	Italy
IT03		Pick Center Roma Srl.	Piazza Marconi, 15	Rome	Roma	00144	Italy
CX26		Toyotec Co., Ltd.	2-50 Shinyutaka-Machi	Toyokawa City	Aichi	442-0012	Japan
CX27	JP8049.00-01	Nissha	50 Kamiyobe, Yobe-ku	Himeji	Hyogo	671-1262	Japan
CX24		Shinko Electric America Inc.	921-3 Himegawara	Myoko-shi	Niigata	944-8588	Japan
JP08		Uchisaiwaicho Heiwa Building	1-5-2 Uchisaiwaicho, 14/F	Chiyoda-ku	Tokyo	106-0032	Japan
CX25		Ortus Technology Co., Ltd.	2-8 Asahigaoka chome 7	Hino	Tokyo	191-0065	Japan
CX23	JP6039.00-02	Tokyo Fuji Denki - Factory No. 2	1035 Oshitate	Inagi	Tokyo	206-0811	Japan
MY01			Level 7-2, The Horizons Tower 3, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi	Kuala Lumpur	Kuala Lumpur	59200	Malaysia
MY05	MA0270.00-04	Zebra Technologies Malaysia Sdn. Bhd.	Plot 2, Bayan Lepas Techno Industrial Park - Mukin 12, S.W.D.	Bayan Lepas	Pulau Pinang	11900	Malaysia
CX29	MA0243.00-05		202 Lorong Perusahaan Maju 9, Bukit Tengah Industrial Park	Perai	Pulau Pinang	13600	Malaysia
MX09	000924.93-04	Sanmina Mexico - Juarez	Parque Industrial Intermex	Juarez	Chihuahua	32575	Mexico
MX06			Calle Anil 571, Floor 4-405, Colonia Granjas Mexico	Mexico City	Ciudad de México	08400	Mexico
MX07			Condesa Building, Calle Jose Vasconcelos 105, 2nd floor	Mexico City	Ciudad de México	06170	Mexico
MX10		Reynosa, Mexico	Av. Industrial del Norte esq. Av. Industrial Rio Bravo, Suite 003, Parque Industrial del Norte	Reynosa	Tamaulipas	88730	Mexico
MX5	000048.89-05	Sanmina - Reynosa	Av. Industrial Rio San Juan, Mz-9 L-4 Parque Del Norte	Reynosa	Tamaulipas	88730	Mexico
NL01	NE4362.00-01		Mercurius 12	Heerenveen	Friesland	8448 GX	Netherlands
NL03		Lorentz Ondernemerscentrum B.V.	IJsselburcht 3	Arnhem	Gelderland	6825 BS	Netherlands
NL02		Offices for You	Orteliuslaan 850	Utrecht	Utrecht	3528 BB	Netherlands
NZ01			23 Edwin Street, Ste 115	Auckland	Auckland	1024	New Zealand
NO01			Rosenholmveien 25	Trollåsen	Akershus	1414	Norway

**SCHEDULE OF LOCATIONS, APPENDIX A**

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX33		Excelitas Technologies Philippines Inc.	#3 Ampere Street, Light Industry & Science Park 1, Barangay Diezmo Cabuyao	Cabuyao		4025	Philippines
PL01			Zeran Park II, Building A, 4 Annopol Street	Warsaw		03-236	Poland
PT01		Lisbon, Portugal - Business Center	LISBON, Quinta da Fonte, Quinta da Fonte, Edificio D. Pedro I., Paco D'Arcos	Lisbon		2770-071	Portugal
RO01		Green Gate	Tudor Vladimirescu Boulevard, No. 22, Green Gate Building, Sector 5	Bucharest	Bucuresti	050883	Romania
RU01			7th Floor, City Del Business Centre, Zemlyanoy Val Street, Building 9	Moscow		105064	Russian Federation
SR01			13/F, North Tower, Abraj Atta'Awuneya Building, King Fahad Road	Riyadh	Ar Riyad	11584	Saudi Arabia
SG02	SI1508.00-01	Zebra DC office	5 Changi North Way Level 3, Agility Building	Singapore		498771	Singapore
SG04	SI1607.00-02	Zebra Technologies Asia Pacific Pte. Ltd.	71/72 Robinson Road	Singapore		068895	Singapore
SA02		Cape Town, South Africa - Business Center	1st Floor, Willowbridge Centre 39, Carl Cronje Dr	Cape Town		7530	South Africa
SA01			33 Fricker Road	Johannesburg		2446	South Africa
KO02		Zebra Technologies (Korea)	21/F, Suite 50, International Finance Centre Seoul, Two IFC, 10 Gukjegeumyung-ro, Yeongdeungpo-gu	Seoul		07330	South Korea
SP01			Calle Martinez Villergas, 52	Madrid	Madrid	28027	Spain
SL02		Colombo, Sri Lanka	No 200, 6th & 7th floors, Maga towers, Narahenpita Rd	Colombo		00500	Sri Lanka
SW02		Malmö, Sweden	Industrigatan 39 Malmö	Malmö		212 28	Sweden
SW03			Borgarfjordsgatan 13	Kista	Stockholms	164 40	Sweden
CH06		Performance Mold & Engineering	No. 25, Lane 576, Chung Cheng Road	Hsin Chuang		24200	Taiwan
CH03	CH1015.00-03	Wistron Corporation	21/F, 88, Sec. 1, Hsin Tai Wu Road	New Taipei City		22181	Taiwan
CH05			13/F, No. 9, Songgao Road	Taipei		110	Taiwan
TH01		Bangkok Office	Unit 911, 9/F, Sathorn Square, 98 North Sathorn Road, Silom	Bangkok		10500	Thailand
TU03		Istanbul, Turkey	Floor 8, 1 - Varyap Meridian Business I-Block, Mor Sumbul, Barbaros Mahallesi P.K.	Istanbul-Atasehir		34746	Turkey



**SCHEDULE OF LOCATIONS, APPENDIX A**

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
UE03		Dubai, UAE	LOB16, Office 414/5, Jebel Ali Free Zone	Dubai		18054	United Arab Emirates
UK01	UKH794.00-01	Bourne End, UK (Unit 2)	Dukes Meadow, Millboard Road Unit 2 Dukes Meadow, Millboard Road	Bourne End	Buckinghamshire	SL8 5XF	United Kingdom
CX36	UK1866.00-03		Unit 3, Cherrywood, Stag Oak Lane, Chineham Business Park, C	Basingstoke	Hampshire	RG24 8WF	United Kingdom
UK03		Canterbury, UK - Business Center	Unit 83, Canterbury Innovation Centre, University Road	Canterbury	Kent	CT2 7FG	United Kingdom
UK02	UKH795.00-01		2 Pittman Court, Pittman Way, Fulwood	Preston	Lancashire	PR2 9ZG	United Kingdom
UK04		London, UK - New Site	161 Drury Lane, 4th Floor	London	London, City of	WC2B 5PN	United Kingdom
UK05		Greenford, UK	Unit 50, The Metropolitan Centre, Bristol Road	Greenford	Middlesex	UB6 8UP	United Kingdom
003	000571.56-03	Bentonville, AR	1201 SE 28th St	Bentonville	Arkansas	72712-3886	United States of America
081		Rogers, AR (Storage)	1400 N Dixieland Rd	Rogers	Arkansas	72756-2081	United States of America
018	076672.22-03	Agoura Hills, CA	30601 Agoura Rd	Agoura Hills	California	91301-2013	United States of America
CX44	089573.44-03	Craftech Corporation	2941 E la Jolla St	Anaheim	California	92806-1306	United States of America
040		Psion Corporation	19782 Macarthur Boulevard Ste 260	Irvine	California	92612-2486	United States of America
CX46		Dynacast Inc.	25952 Commercentre Drive	Lake Forest	California	92630-8815	United States of America
006	002002.38-01	Zebra Technologies - San Diego, CA - Otay Mesa	1440 Innovative Drive, Ste A	San Diego	California	92154-6631	United States of America
007	001493.74-03	Zebra Technologies - San Jose, CA	2940 N 1st St	San Jose	California	95134-2021	United States of America
CX47		ABA-PGT Inc.	10 Gear Drive	Manchester	Connecticut	06042-8907	United States of America
CX48		Seitz LLC	212 Industrial Lane	Torrington	Connecticut	06790-2325	United States of America
042		Miramar, FL (Warehouse)	11481 Interchange Circle S	Miramar	Florida	33025-6009	United States of America
045		Liberty Center - Office	3100 SW 145th Avenue	Miramar	Florida	33027-6610	United States of America
044		The Falls at Sanctuary Park	1125 Sanctuary Pkwy	Alpharetta	Georgia	30009-7610	United States of America
009	002002.40-01	Zebra Technologies - Flowery Branch, GA	5322 Rafe Banks Drive	Flowery Branch	Georgia	30542-2773	United States of America
011	064096.20-09	Zebra Technologies - Buffalo Grove, IL (Repair Center)	2550 Millbrook Drive	Buffalo Grove	Illinois	60089-4694	United States of America

## SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
023		Zebra Technologies - Chicago, IL	820 W Jackson Boulevard Ste 700	Chicago	Illinois	60607-3054	United States of America
CX45		Trend Technologies	737 Fargo Avenue	Elk Grove Village	Illinois	60007-4702	United States of America
CX42	064250.50-12	Franklin Park Data Center (Prod.)	9333 Grand Avenue, Ste 103	Franklin Park	Illinois	60131-3444	United States of America
010	064094.83-02	Zebra Technologies - Lincolnshire, IL Half Day	475 Half Day Rd Ste 500	Lincolnshire	Illinois	60069-2938	United States of America
028	064094.78-03	Lincolnshire, IL 3 OP	3 Overlook Pt	Lincolnshire	Illinois	60069-4302	United States of America
CX37	064126.84-05	Mt. Prospect Data Center (Backup)	1331 E Business Center Drive	Mount Prospect	Illinois	60056-2182	United States of America
068		Fort Wright, KY	909 Wrightsummit Pkwy	Ft Wright	Kentucky	41011-2783	United States of America
057		Rockville, MD	7361 Calhoun Pl, Ste 100	Derwood	Maryland	20855-2765	United States of America
017		Zebra Technologies - Germantown, MD	20312 Seneca Meadows Pkwy	Germantown	Maryland	20876-7004	United States of America
CX38		Flintec Inc.	18 Kane Industrial Drive	Hudson	Massachusetts	01749-2906	United States of America
024		Zebra Technologies - Troy, MI	2800 Livernois Rd, Ste 570	Troy	Michigan	48083-1215	United States of America
027		Eden Prairie, MN	9855 W 78th St, Ste 140	Eden Prairie	Minnesota	55344-8002	United States of America
065		Monticello, MN - Repair	218 Chelsea Rd	Monticello	Minnesota	55362-8919	United States of America
019		Mendota Heights, MN	2520 Lexington Avenue S	Saint Paul	Minnesota	55120-1378	United States of America
025	069211.23-12	Zebra Technologies - Clayton, MO	120 S Central Avenue Ste 300	Saint Louis	Missouri	63105-1705	United States of America
CX39	070130.29-04	Major Plastics Inc.	10117 I St	Omaha	Nebraska	68127-1109	United States of America
CX40		MedPlastic	225 Old Egg Harbor Rd	West Berlin	New Jersey	08091-1602	United States of America
030	002771.86-01	Zebra Technologies - Hauppauge, NY	60 Plant Avenue	Hauppauge	New York	11788-3810	United States of America
022		Holtsville, NY - Lab/Warehouse	194 Morris Avenue, Ste 45 & 46	Holtsville	New York	11742-1449	United States of America
035	022293.32-06	Holtsville, NY	1 Zebra Plz	Holtsville	New York	11742-1300	United States of America
CX50	077489.60-07	On Semiconductor	23400 NE Glisan St	Gresham	Oregon	97030-8411	United States of America
031		Pittsburgh, PA	3030 Penn Avenue, Ste 110	Pittsburgh	Pennsylvania	15201-1521	United States of America
013	015351.27-07	Zebra Technologies - Lincoln, RI	1 Albion Rd Ste 100	Lincoln	Rhode Island	02865-3749	United States of America
067		Memphis, TN - Business Center	5865 Ridgeway Center Pkwy	Memphis	Tennessee	38120-4032	United States of America



## SCHEDULE OF LOCATIONS, APPENDIX A

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX41	000312.40-05	El Paso, TX	1220 Don Haskins Drive	El Paso	Texas	79936-7814	United States of America
CX43	003274.07-01	Ft. Worth, TX Dist Ctr (DHL)	15001 Heritage Pkwy	Fort Worth	Texas	76177-2503	United States of America
059	074679.83-10	US McAllen, TX Zebra	2705 Ebony Avenue	McAllen	Texas	78501-7557	United States of America
061	000212.11-06	McAllen, TX	5400 George McVay Drive	McAllen	Texas	78503-8882	United States of America
CX49	078976.05-05	Kyocera Industrial Ceramics	5713 E Fourth Plain Boulevard	Vancouver	Washington	98661-4292	United States of America
016	002002.42-01	Greenville, WI	W6369 Levi Drive	Greenville	Wisconsin	54942-8119	United States of America



## CONTINGENT TIME ELEMENT LOCATIONS, APPENDIX B

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX02	CC1103.00-04	Jabil - PCBA	No. 128 Jun Cheng Road, Huangpu Economic & Technological Development District	Guangzhou	Guangdong	510350	China
CX03	CC3376.00-02	Jabil - Box Build	No. 388 Lian Yun Lu, Guangzhou Economic & Technological Development District - Box Build	Guangzhou	Guangdong	510350	China
CC55	CC8121.00-01	Universal Scientific Industrial (Consignment)	No. 497 Huangpujiang Road, Qiandeng	Kunshan	Jiangsu	215341	China
CC60	CC9930.00-01	Wistron InfoComm (Kunshan) Co., Ltd.	77, Third Ave, KunShan Integrated Free Trade Zone	Kunshan	Jiangsu	215300	China
CX12	CC3386.00-02	Askey Technology (Jiangsu) Ltd.	No. 1388 Jiao Tong Road, Wu Jiang Economic -Technological Development Area	Suzhou	Jiangsu	215200	China



## FLOOD LOCATIONS, APPENDIX C

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX06	CC5947.00-01	Fuyu Moulding & Tooling	Jing Fu Road, Xin Cheng Industrial Area, Heng Li	Dongguan	Guangdong	523477	China
CX09	CC6477.00-02	Jabil Circuit Gz Ltd.	No. 33 Dongzhong Road, East Section Guangzhou Economic and Technological Development District	Guangzhou	Guangdong	510350	China
CC55	CC8121.00-01	Universal Scientific Industrial (Consignment)	No. 497 Huangpujiang Road, Qiandeng	Kunshan	Jiangsu	215341	China
CC57			Units 2801 & 2807-2812 Floor 28, HKRI Centre Two, 288 Shi Men Yi Road, Jing'an District, Shanghai	Shanghai	Shanghai	200041	China
CX16	CC9540.00-02	Universal - SH	No. 1558 Zhang Dong Road, Zhang Jiang High-Tech Park, Pudong New Area	Shanghai	Shanghai	201203	China
CX27	JP8049.00-01	Nissha	50 Kamiyobe, Yobe-ku	Himeji	Hyogo	671-1262	Japan

## WIND AREAS, APPENDIX D

## Wind Areas Tier 1

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX20		UMC 12X, China (Faraday Technology Corp.)	No. 899, Wan Jia Chun Road, Xiang An	Xiamen	Fujian	200030	China
CX06	CC5947.00-01	Fuyu Moulding & Tooling	Jing Fu Road, Xin Cheng Industrial Area, Heng Li	Dongguan	Guangdong	523477	China
CX14		Sirtec (Dong Guan) Plastics & Electronics Co., Ltd.	Shigu District, Tangxia Town	Dongguan	Guangdong	523729	China
CX18		Watson E.P. Industries Co., Ltd.	Jine He High Tech Industries Park 2, House B15, Zhangmutou	Dongguan	Guangdong	523628	China
CC05		Guangzhou, China	No. 9 Linhexi Road, China Shine Plaza, Rooms B3412-15. Tianhe District	Guangzhou	Guangdong	510610	China
CC41	CCA122.00-01	Guangzhou, China	No. 181 Kexue Avenue, Science City, 4/F, Building A4, Units 601-603	Guangzhou	Guangdong	510663	China
CX02	CC1103.00-04	Jabil - PCBA	No. 128 Jun Cheng Road, Huangpu Economic & Technological Development District	Guangzhou	Guangdong	510350	China
CX03	CC3376.00-02	Jabil - Box Build	No. 388 Lian Yun Lu, Guangzhou Economic & Technological Development District - Box Build	Guangzhou	Guangdong	510350	China
CX09	CC6477.00-02	Jabil Circuit Gz Ltd.	No. 33 Dongzhong Road, East Section Guangzhou Economic and Technological Development District	Guangzhou	Guangdong	510350	China
CX19		TWS	39 Nan Yun San Road, Science Park	Guangzhou	Guangdong	510663	China
CC49		Shenzhen, China	Kerry Plaza Tower 1, Room 1704, 17/F, 1 Zhong Xin Si Road, Futian District	Shenzhen	Guangdong	518048	China
CX04	CC5949.00-01	Ace Plastics Co Limited	Section H, 3rd Industrial Zone, Gonghe Village, Shajing Town	Shenzhen	Guangdong	518104	China
CX05	CC5950.00-01	Creative & Bright Precision Mould Co., Ltd.	No. 289 Huafan Road, Dalang Street, Bao'an District	Shenzhen	Guangdong	518109	China
CX07	CCA123.00-01	Hongrita Plastics Limited	No. 1 Ganli 2nd Road, Gankeng, Buji	Shenzhen	Guangdong	518112	China
CX08		Takahata Seiko (Shenzhen) Co., Ltd.	Building No. 158, Tianliao Industrial Zone, Dahe District, Dahe Road, Guanlan Street	Shenzhen	Guangdong	518110	China
CX10	CC9406.00-01	Shenzhen Changhong Technology	Westside of Jinlong Road, Pingshan New District	Shenzhen	Guangdong	518118	China
CX17	CCA124.00-01	Silverspark Development Ltd.	The 3rd Industrial Zone, Fenghuang Village, Fuyong Town, Bao'an District	Shenzhen	Guangdong	518100	China



## WIND AREAS, APPENDIX D

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
HK01			Suite 712, Ocean Center, 5 Canton Road	Tsim Sha Tsui	Kowloon		Hong Kong
IN03			201/202 Sentinel Building, Powai	Mumbai	Maharashtra	400076	India
CX26		Toyotec Co., Ltd.	2-50 Shinyutaka-Machi	Toyokawa City	Aichi	442-0012	Japan
CX27	JP8049.00-01	Nissha	50 Kamiyobe, Yobe-ku	Himeji	Hyogo	671-1262	Japan
CX24		Shinko Electric America Inc.	921-3 Himegawara	Myoko-shi	Niigata	944-8588	Japan
JP08		Uchisaiwaicho Heiwa Building	1-5-2 Uchisaiwaicho, 14/F	Chiyoda-ku	Tokyo	106-0032	Japan
CX25		Ortus Technology Co., Ltd.	2-8 Asahigaoka chome 7	Hino	Tokyo	191-0065	Japan
CX23	JP6039.00-02	Tokyo Fuji Denki - Factory No. 2	1035 Oshitate	Inagi	Tokyo	206-0811	Japan
CX33		Excelitas Technologies Philippines Inc.	#3 Ampere Street, Light Industry & Science Park 1, Barangay Diezmo Cabuyao	Cabuyao		4025	Philippines
KO02		Zebra Technologies (Korea)	21/F, Suite 50, International Finance Centre Seoul, Two IFC, 10 Gukjegeumyung-ro, Yeongdeungpo-gu	Seoul		07330	South Korea
SL02		Colombo, Sri Lanka	No 200, 6th & 7th floors, Maga towers, Narahenpita Rd	Colombo		00500	Sri Lanka
CH06		Performance Mold & Engineering	No. 25, Lane 576, Chung Cheng Road	Hsin Chuang		24200	Taiwan
CH03	CH1015.00-03	Wistron Corporation	21/F, 88, Sec. 1, Hsin Tai Wu Road	New Taipei City		22181	Taiwan
CH05			13/F, No. 9, Songgao Road	Taipei		110	Taiwan
042		Miramar, FL (Warehouse)	11481 Interchange Circle S	Miramar	Florida	33025-6009	United States of America
045		Liberty Center - Office	3100 SW 145th Avenue	Miramar	Florida	33027-6610	United States of America

## Wind Areas Tier 2

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
059	074679.83-10	US McAllen, TX Zebra	2705 Ebony Avenue	McAllen	Texas	78501-7557	United States of America
061	000212.11-06	McAllen, TX	5400 George McVay Drive	McAllen	Texas	78503-8882	United States of America



## WIND AREAS, APPENDIX D

## Wind Areas US Northeast

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CX47		ABA-PGT Inc.	10 Gear Drive	Manchester	Connecticut	06042-8907	United States of America
CX38		Flintec Inc.	18 Kane Industrial Drive	Hudson	Massachusetts	01749-2906	United States of America
030	002771.86-01	Zebra Technologies - Hauppauge, NY	60 Plant Avenue	Hauppauge	New York	11788-3810	United States of America
022		Holtsville, NY - Lab/Warehouse	194 Morris Avenue, Ste 45 & 46	Holtsville	New York	11742-1449	United States of America
035	022293.32-06	Holtsville, NY	1 Zebra Plz	Holtsville	New York	11742-1300	United States of America
013	015351.27-07	Zebra Technologies - Lincoln, RI	1 Albion Rd Ste 100	Lincoln	Rhode Island	02865-3749	United States of America



## LOCATIONS EXCLUDED FROM HIGH HAZARD EARTH MOVEMENT ZONES, APPENDIX E

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CC01		Beijing Global Trade Center - Tower 2	No. 36 North Third Ring Road East, Dongcheng District, Rooms D305-09	Beijing	Beijing	100013	China
CX20		UMC 12X, China (Faraday Technology Corp.)	No. 899, Wan Jia Chun Road, Xiang An	Xiamen	Fujian	200030	China
CX06	CC5947.00-01	Fuyu Moulding & Tooling	Jing Fu Road, Xin Cheng Industrial Area, Heng Li	Dongguan	Guangdong	523477	China
CX14		Sirtec (Dong Guan) Plastics & Electronics Co., Ltd.	Shigu District, Tangxia Town	Dongguan	Guangdong	523729	China
CX18		Watson E.P. Industries Co., Ltd.	Jine He High Tech Industries Park 2, House B15, Zhangmutou	Dongguan	Guangdong	523628	China
CC05		Guangzhou, China	No. 9 Linhexi Road, China Shine Plaza, Rooms B3412-15. Tianhe District	Guangzhou	Guangdong	510610	China
CC41	CCA122.00-01	Guangzhou, China	No. 181 Kexue Avenue, Science City, 4/F, Building A4, Units 601-603	Guangzhou	Guangdong	510663	China
CX02	CC1103.00-04	Jabil - PCBA	No. 128 Jun Cheng Road, Huangpu Economic & Technological Development District	Guangzhou	Guangdong	510350	China
CX03	CC3376.00-02	Jabil - Box Build	No. 388 Lian Yun Lu, Guangzhou Economic & Technological Development District - Box Build	Guangzhou	Guangdong	510350	China
CX09	CC6477.00-02	Jabil Circuit Gz Ltd.	No. 33 Dongzhong Road, East Section Guangzhou Economic and Technological Development District	Guangzhou	Guangdong	510350	China
CX19		TWS	39 Nan Yun San Road, Science Park	Guangzhou	Guangdong	510663	China
CC49		Shenzhen, China	Kerry Plaza Tower 1, Room 1704, 17/F, 1 Zhong Xin Si Road, Futian District	Shenzhen	Guangdong	518048	China
CX04	CC5949.00-01	Ace Plastics Co Limited	Section H, 3rd Industrial Zone, Gonghe Village, Shajing Town	Shenzhen	Guangdong	518104	China
CX05	CC5950.00-01	Creative & Bright Precision Mould Co., Ltd.	No. 289 Huafan Road, Dalang Street, Bao'an District	Shenzhen	Guangdong	518109	China
CX07	CCA123.00-01	Hongrita Plastics Limited	No. 1 Ganli 2nd Road, Gankeng, Buji	Shenzhen	Guangdong	518112	China
CX08		Takahata Seiko (Shenzhen) Co., Ltd.	Building No. 158, Tianliao Industrial Zone, Dahe District, Dahe Road, Guanlan Street	Shenzhen	Guangdong	518110	China
CX10	CC9406.00-01	Shenzhen Changhong Technology	Westside of Jinlong Road, Pingshan New District	Shenzhen	Guangdong	518118	China
CX17	CCA124.00-01	Silverspark Development Ltd.	The 3rd Industrial Zone, Fenghuang Village, Fuyong Town, Bao'an District	Shenzhen	Guangdong	518100	China

## LOCATIONS EXCLUDED FROM HIGH HAZARD EARTH MOVEMENT ZONES, APPENDIX E

Location No.	Index/ Record No	Name	Street	City	State/ Prov	Postal Code	Country
CC18		Wuhan, China	No. 7 Zhongnan Road, Wuhan Zhongshang Plaza, A1817, 18/F	Wuhan	Hubei	430070	China
CX21		Jiangyin Sinbon Electronics Co., Ltd.	288 Middle Cheng Jiang Road	Jiangyin	Jiangsu	214400	China
CC55	CC8121.00-01	Universal Scientific Industrial (Consignment)	No. 497 Huangpujiang Road, Qiadeng	Kunshan	Jiangsu	215341	China
CC60	CC9930.00-01	Wistron InfoComm (Kunshan) Co., Ltd.	77, Third Ave, KunShan Integrated Free Trade Zone	Kunshan	Jiangsu	215300	China
CX13	CC7415.00-02	Sanmina System (Kunshan) Co., Ltd.	No. 18 Zijin Road, Zhangpu Town	Kunshan	Jiangsu	215321	China
CC11		Nanjing, China	No. 2 Han Zhong Road, World Trade Centre, West Wing, Rooms 1262-1264, 12/F	Nanjing	Jiangsu	210005	China
CX12	CC3386.00-02	Askey Technology (Jiangsu) Ltd.	No. 1388 Jiao Tong Road, Wu Jiang Economic -Technological Development Area	Suzhou	Jiangsu	215200	China
CC12		China Overseas (Block B)	No. 177 Jiaozi Avenue, High-Tech District, Unit 1511, 15/F	Chengdu	Jiangxi	610041	China
CC52	CC5933.00-03	Shanghai Danzas Freight Agency (U10)	No. 530 Zheng Ding Road, Shanghai Pudong Airport Free Trade Zone	Shanghai	Shanghai	201202	China
CC57			Units 2801 & 2807-2812 Floor 28, HKRI Centre Two, 288 Shi Men Yi Road, Jing'an District, Shanghai	Shanghai	Shanghai	200041	China
CX15		Tianma Micro-Electronics Co., Ltd.	889th Huiqing Road, Pudong District	Shanghai	Shanghai	201201	China
CX16	CC9540.00-02	Universal - SH	No. 1558 Zhang Dong Road, Zhang Jiang High-Tech Park, Pudong New Area	Shanghai	Shanghai	201203	China
IT02			Via Giovanni Lorenzini 4	Milano	Milano	20139	Italy
IT03		Pick Center Roma Srl.	Piazza Marconi, 15	Rome	Roma	00144	Italy
MX07			Condesa Building, Calle Jose Vasconcelos 105, 2nd floor	Mexico City	Ciudad de México	06170	Mexico

Account No. 1-55427  
Policy No. 1059959

## **SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT**

**This Endorsement is applicable to all insured Locations in the United States, its territories and possessions and the Commonwealth of Puerto Rico.**

**Coverage for “Certified Act of Terrorism” Under The Terrorism Risk Insurance Act of 2002, as amended.**

In consideration of a premium charged of USD0, this Policy, subject to the terms and conditions therein and in this Endorsement, covers direct physical loss or damage to insured property and any resulting TIME ELEMENT loss, as provided in the TIME ELEMENT section of the Policy, caused by or resulting from a Certified Act of Terrorism as defined herein.

Notwithstanding anything contained elsewhere in this Policy, any exclusion or limitation of terrorism in this Policy and any endorsement attached to and made a part of this Policy, is hereby amended to the effect that such exclusion or limitation does not apply to a “Certified Act of Terrorism” as defined herein. This amendment does not apply to any limit of liability for a Certified Act of Terrorism, if any, stated under the LIMITS OF LIABILITY clause of the DECLARATIONS section of this Policy.

With respect to any one or more Certified Act(s) of Terrorism, this Company will not pay any amounts for which the Company is not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) which includes a provision stating that if the aggregate insured losses exceed USD100,000,000,000 during any calendar year, neither the United States Government nor any insurer that has met its insurer deductible shall be liable for the payment of any portion of the amount of such losses that exceed USD100,000,000,000. If the aggregate insured losses for all insurers exceed USD100,000,000,000, your coverage may be reduced.

The coverage provided under this Endorsement for “Certified” losses caused by acts of terrorism will be partially reimbursed by the United States Government under a formula established by Federal Law. Under this formula, the United States pays 85% (and beginning on January 1, 2016, shall then decrease by 1 percentage point per calendar year until equal to 80 percent) of covered terrorism losses exceeding a statutorily established retention by the insurer referenced in this Policy. The premium charged for this coverage is provided above.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Endorsement or the Policy.

The coverage provided by this Endorsement only applies to a Certified Act of Terrorism.

Reference and Application: The following term(s) means:

Certified Act of Terrorism:

A “Certified Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002 as amended and

extended in 2005, 2007, and in 2015. The criteria contained in that Act for a “Certified Act of Terrorism” include the following:

- a. The act resulted in aggregate losses in excess of USD5,000,000; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



**Account No. 1-55427**  
**Policy No. 1059959**

### **CYBER OPTIMAL RECOVERY ENDORSEMENT**

It is agreed that this Endorsement is a part of the Policy and that the terms and conditions of the Policy are amended as described herein. All other terms and conditions of the Policy remain unchanged.

#### **INSURED OPTION:**

The Insured acknowledges having purchased a cyber policy.

As respects loss or damage that is covered by both this Policy and the cyber policy, and notwithstanding anything contained in the OTHER INSURANCE clause in the GENERAL PROVISIONS section of this Policy, the Insured may elect, within 180 days of notifying this Company of the loss, to apportion the loss between this Policy and the cyber policy and to designate this Policy as primary, excess or contributing insurance to the cyber policy with respect to each portion of the loss, provided designating it as such is necessary to maximize the total indemnity available for the loss under both this Policy and the cyber policy.

This election option shall be subject to the following additional conditions:

#### **ADDITIONAL CONDITIONS**

- 1) The Insured will provide this Company with a copy of any cyber policy in force at the time of loss.
- 2) Any coverage provided by the cyber policy that is not provided by this Policy does not extend to this Policy.
- 3) The insolvency, inability or unwillingness to pay of the company issuing the cyber policy shall in no event increase this Company's liability or delay settlement under this Policy.

**NOTICE TO ARKANSAS POLICYHOLDERS**  
**Inquiries and Complaints**

**Please contact us if you have an inquiry or complaint. We will provide you with the name, address and telephone of your policy producer or agency, if applicable.**

Policyholder Service Office:

Factory Mutual Insurance Company  
Corporate Offices  
P.O. Box 7500  
270 Central Avenue  
Johnston, RI 02919-4949

Toll free: (800) 343-7722  
Local: (401) 275-3000

**If we at Factory Mutual Insurance Company fail to provide you with reasonable and adequate service, you should feel free to contact:**

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201

Toll free: (800) 852-5494  
Local: (501) 371-2640

**NOTICE TO ARKANSAS POLICYHOLDERS**  
**Arson Reporting**

The purpose of this notice is to inform you of the state law requirements mandating the release of information relating to arson reporting.

Arkansas law requires that upon request, insurers must disclose to law enforcement or state or federal agencies any information relating to fire losses that may have been intentionally caused. Details from the law are referenced below.

**RELEASE OF INFORMATION**

- (a) Any authorized agency may, in writing, require the insurer at interest to release to the requesting agency relevant information relating to the fire loss in question which may include, but is not limited to:
  - (1) policy premium payment records;
  - (2) history of previous claims made by the Insured;
  - (3) material relating to the insurer's investigation of the fire loss.
- (b) (1) Any insurer having reason to believe that a fire loss in which it has an interest may be of other than accidental cause shall, in writing, notify an authorized agency of the finding.
  - (2) When an insurer notifies any one of the authorized agencies pursuant to this subchapter, it shall be sufficient notice for the purpose of this subchapter.
  - (3) Nothing in subsection (b) of this section shall abrogate or impair the rights or powers created under subsection (a) of this section.
- (c) The authorized agency provided with information pursuant to subsections (a) or (b) of this section and in furtherance of its own purposes may release or provide the information to any other authorized agency of this or another state, or of the United States to the extent that its disclosure or use is relevant to a loss by fire of real or personal property which is under investigation by the agency.
- (d) (1) When an insurer enters into a contract of insurance against fire loss with the insured, the requirements of this subchapter must be disclosed in writing to the insured.
  - (2) Any insurer providing information to an authorized agency pursuant to this law shall notify its insured in writing of such an action no later than 90 days after the action has been taken. A copy of the report furnished the authorized agency shall be furnished to the Insured upon the commencement of civil action or criminal prosecution. For purposes of this subchapter, "named insured" means the person whose name appears on the face of the policy as the insured individual.
- e) Any insurer, or a person acting on its behalf, shall be immune from liability in any civil or criminal proceeding for any statement made or action required by this subchapter where actual malice on the part of the insurer or its representative is not present.

## **NOTICE TO OUR ILLINOIS POLICYHOLDERS**

### **We are here to serve you.....**

As our Policyholder, your satisfaction is important to us. Should you have an inquiry or complaint, please contact:

**FACTORY MUTUAL INSURANCE COMPANY**

Corporate Affairs Department

P.O. Box 7500

Johnston, Rhode Island 02919

(800) 343-7722

### **If you are still not satisfied.....**

#### **write or call:**

State of Illinois

Department of Insurance

Consumer Affairs and Information

320 West Washington Street, 4<sup>th</sup> Floor

Springfield, Illinois 62767-0001

(217) 782-4515



### **FILING EXEMPTION NOTICE**

Various states have enacted laws which suspend the requirement for the filing of rates and forms used for commercial and large commercial risks. This notice is being sent to you in accordance with the following states' requirement for the insurance company to notify clients affected by this law. If you have any questions or concerns, please contact your Account Manager.

Applicable States:

Kentucky  
Michigan  
Missouri  
Pennsylvania  
South Dakota

## **STATE OF WASHINGTON NOTICE**

Various states have enacted laws that suspend the requirements for the filing of rates and forms used for large commercial insureds. This notice is being sent to you in accordance with the state's requirement for the insurance company to notify clients affected by this new law. If you have any questions or concerns, please contact your Account Manager.