GENERAL INSURANCE CONDITIONS

OF THE FRAMEWORK PROPERTY INSURANCE OF GRENKE GROUP

A. GENERAL SECTION

1. As the owner of the equipment, GRENKE has concluded a Framework Property Insurance with an approved insurance company that is duly registered and licensed. If the equipment given to the client for its use is to be covered under this Framework Property Insurance, then the following conditions apply as per the contract between GRENKE and the client.

2. Insurance benefits in general are intended to cover the costs of restoring an equipment, respectively providing an equivalent replacement for the equipment in the event of damage, based on the equipment's value at the time when the loss occurred. Cover is not therefore provided on a "new for old basis".

3. The insurance generally grants subsidiary insurance protection, i.e. it grants protection only when insurance coverage is not provided by any other source.

4. The excess payable by the client shall total $200.00 per loss event.

B. INSURED LOSS, DAMAGE AND RISKS, EXCLUSION OF LIABILITY

1. The insurer will pay compensation when the insured equipment is damaged or destroyed due to unforeseen events and when the insured equipment is lost due to theft, burglary or looting.

Damage is unforeseen if neither GRENKE as the policy holder nor its representatives foresaw the same in due time or would have been able to foresee the same with the specialist knowledge necessary for the work carried out in the business. In the event that the damage is caused by gross negligence, the insurer's liability is limited to an amount proportionate to the extent of the fault of GRENKE.

Compensation will be paid when equipment is damaged or destroyed (material damage) in particular as a result of the following:

a) handling or operating errors, lack of skill, negligence;
b) excess voltage, electromagnetic induction, short circuiting;
c) fire, lightning, explosion or implosion (including damage caused by water for fire-fighting, demolition, clean-up work or loss of property in the course of these events);
d) water, humidity, flooding;
e) wilful intentional damage by a third party, sabotage, vandalism;
f) force majeure;
g) defects of design, material and/or workmanship.

2. For electronic components (units) that are part of the insured equipment, compensation will be paid only if it is proven that an insured risk has externally affected the replacement unit (in case of repair this is usually the unit to be replaced) or has affected the insured equipment as a whole. If proof cannot be provided, it is sufficient that the damage is, in all probability, attributable to an external insured risk. Consequential damage on further replacement units will be covered.

3. Unless otherwise agreed, the insurer will pay compensation for tubes, (e.g. picture tubes, high-frequency tubes, laser tubes) and photo conductors (e.g. selenium cylinders) only where the damage was caused by one of the following:

a) fire, lightning, explosion provided that these risks can be covered by fire insurance;
b) burglary, robbery, vandalism and only to the extent of coverage by a burglary and robbery insurance;
c) burst pipes provided that this risk can be covered by water damage insurance.

Clauses 4 and 5 remain unaffected.

4. Irrespective of possible other contributing causes, the insurer will not pay compensation for damage caused:

a) by the client's wilful intent;
b) by acts of war of any type or national unrest;
c) by nuclear energy;
d) as a result of normal or premature operational wear and tear or ageing; however, compensation will be paid for consequential loss in further replacement units. Clause 2 remains unaffected.

5. To the extent that one of the causes in clause 4.b) to d) cannot be proven, it is sufficient that the damage is, in all probability, the result of one of these causes.

C. INSURED EQUIPMENT, UNINSURED EQUIPMENT

1. Insurance coverage exists for the following equipment designated for use by the client:

a) facilities and devices of information technology, communication technology, medical technology;
b) other electro technical or electronic facilities and devices;
c) machinery and other technical facilities and devices of domestic engineering, bulk material handling technology and transport technology;
d) office furniture and equipment;
e) software and related accessories.

2. Unless agreed otherwise, insurance coverage includes data (machine readable information) only if they are necessary for the basic functions of the insured equipment (system program data from operating systems or other equivalent data).

3. Due to the high risk of theft, equipment in motor vehicles is only insured if it is permanently installed in the vehicle interior or has been inconspicuously placed in the closed and if possible locked glove compartment or in the trunk of the vehicle so that it is not visible and if the vehicle has been properly locked before leaving it.

4. The insurer's Framework Property Insurance does not cover:

a) auxiliary and operating supplies, consumable supplies and work equipment, e.g. developing liquids, reagents, toners, cooling and extinguishing agents, ink ribbons, films, picture and sound carriers, foil combinations, prepared paper, type face carriers, ratchet discs, pipettes, replaceable cuvettes, reagent tubes;
b) tools of any sort, e.g. drills, milling cutters;
c) other parts that commonly have to be replaced during the life cycle of the insured equipment, e.g. fuses, light sources, batteries (both rechargeable and non-rechargeable), accumulators, filter compounds and cartridges;
d) maintenance (expenditure that is part of regular maintenance is not covered by the insurer's Framework Property Insurance. In particular, this expenditure includes the exchange of structural elements, assemblies and components, provided the damage was not caused by an insured event that externally affected the insured equipment and which can be verified.)

   Maintenance within the meaning of this clause are the following services:
   :: safety check;
   :: preventive maintenance;
   :: removal of defects due to ageing;
   :: repair of damage that is the result of normal operation and has not been caused by an external event.

D. INSURANCE LOCATION

Unless agreed otherwise, for equipment which is intended to be used in a fixed setting, the insured premises is the place stipulated in the contract between GRENKE and the client, otherwise the insurance is considered to be worldwide.

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E. THE EVENT OF DAMAGE, OBLIGATIONS

1. In the event of damage the **client is obliged** to immediately notify GRENKE as soon as the client becomes aware of the damage. For the purpose of notification of damage, the damage claim form is to be used which can be requested from GRENKE at any time.

2. The **notification of loss** must include the following information:

a) name and address of the client
b) contract number
c) location and time of damage
d) detailed description of the events leading to the damage
e) number of the damaged items of equipment
f) detailed description of each damaged equipment
g) type of damage
h) for partial damage: the cost estimate for the repair of the defect object;
i) for total loss: the designation “total loss”.

3. Criminal complaint

In the event of damage intentionally caused by a third-party (e.g. theft) and damage caused by fire, the client must immediately report the offence to the police and inform GRENKE about the investigating authority and file number.

4. Storage

The damaged equipment must be stored and the damage scene must remain unaltered until the insurer or GRENKE inspects the damage or expressly foregoes the inspection or has settled the damage.

5. Delayed notification of loss

If the client does not report the damage immediately after becoming aware of it in the form required in clause E.1 and 2 and if GRENKE does otherwise not receive notification of the insured event, no insurance payment will be made by the insurer under the Framework Property Insurance.

F. PAYMENT OF INSURANCE COSTS, TERMINATION BY GRENKE, EXEMPTION FROM LIABILITY

1. The client’s obligation for paying the costs for the inclusion of the equipment in the insurer’s Framework Property Insurance and the payment due date are determined in accordance with the applicable contract between GRENKE and the client. The client is entitled to arrange insurance coverage with an insurer of in the applicable contract .

2. If the first insurance costs have not yet been paid by the client at the time when an insured event occurs, the client will not be entitled to claim any insurance coverage.

3. If the insurance costs are not paid on time, GRENKE may set a payment deadline of two weeks. After this period has expired, GRENKE may terminate the inclusion of the equipment in its Framework Property Insurance without notice, provided a termination notice was given at the time when the deadline was communicated to the client.

If an insured event occurs after the contract between GRENKE and the client is terminated by GRENKE, the client is not entitled to claim insurance coverage.

4. Irrespective of the above-mentioned provisions, GRENKE is at all times entitled to request that the client arranges for its own insurance coverage in accordance with the contract between GRENKE and the client.

G. FINAL PROVISIONS

1. According to the contract between GRENKE and the client, in the event that the client who obtains its own insurance cover for the equipment, the client is obliged to provide GRENKE with a confirmation of such insurance coverage, showing that such insurance cover is in favor of GRENKE. As long as the client has not yet provided this evidence of insurance, GRENKE is entitled, but not obliged, to include the equipment in the insurer’s Framework Property Insurance.

2. No insurance certificate for individual clients is issued with regard to the equipment that is included in the insurer’s Framework Property Insurance.

3. The occurrence of an insurance event does not release the client from obligations that arise from the contract between GRENKE and the client.

4. No verbal ancillary agreements have been made.