

Product Policy for Commerce and Mutuaris

Introduction

This policy is administered by Gladio (Pty) Ltd (herein after referred to as Gladio) and underwritten by GENRIC Insurance Company Limited, as indicated on your schedule of insurance. This is a Short Term Insurance Policy, regulated by the Financial Services Board, under the auspices of the Short-Term Insurance Act, Act 53 of 1998.

The Insured applies for insurance to Gladio for these services, and agrees that any application or other information supplied by the Insured or on the Insured's behalf shall be the basis of this contract. Gladio agrees, subject to the payment of the premium by or on the behalf of the Insured to carry legal costs on behalf of the Insured and to render the services as stated in the benefit schedule arising out of the declared events occurring and notifying Gladio during the period of contract.

Declared Event

1. All substantial civil actions emanating from contract or delict, instituted by or against the Insured where the Insured has been financially prejudiced, with the understanding that where the Insured wishes to institute civil action against a third party, an additional fee will be payable as pre-arranged and subject to the party/party cost scale. The above-mentioned is not applicable in the case where the Insured institutes action merely to prevent further financial damages.
2. Defending the Insured on any criminal charge.

Please note that Gladio does not provide Legal Assistance, if the declared event is listed under general exclusions, infra.

Definitions

1. Insured means the applicant as stated in the application form on the condition that the Insured undertakes to inform Gladio of any change to the information contained in the application form.
2. Family member/s means a spouse or a dependent child living with the Insured, financially dependent from the Insured and whose details is stipulated on the application form.
3. Insured business means any commercial activity of a business which can be classified as a small or medium sized business.
4. Legal Expenses are calculated as the Insured, attorneys and advocates costs and fees on a party to party scale plus 30%. Cover limitations are not only restricted per annum but also per claim.
5. Annual Period of cover means any 12 consecutive months from the inception date or reinstatement date. A new annual period of cover shall commence at the end of each 12 consecutive months. The liability of Gladio shall not be

cumulative from one annual period of cover to the other and the maximum payable in any one period shall be the amount stated in the benefit schedule.

6. Assistance means legal assistance, including advise, documentation, administration or representation or any combination thereof.

Benefit schedule

Gladio shall provide the following services and benefits: Legal Advice and Legal Documentation	Annual liability limit
Access to a call centre for legal advice, legal documentation and legal administration	Unlimited
Legal representation	
<p>Gladio shall refer the Insured to any panel attorney regarding any claim incurred in any court of law in the RSA, except the small claims court or the constitutional court in respect of any matter below.</p> <p>contractual and delictual claims instituted by or against the Insured criminal matters bail applications uninsured loss recovery litigation regarding tax and financial matters disputes with insurers, service providers and suppliers consumer related matters family law matters</p>	<p>Commerce: All costs regarding legal representation with an annual limit of R120,000-00. Cover is for the business only. Mutuaris: All Costs regarding legal representation scale with an annual limit of R150,000-00. Cover is for the business, as well as all owners/directors, spouses and their financially dependant children, as per the application form, limited to 10 owners/directors/senior managers per client.</p>

Legal Services Commencement Date

Cover with reference to legal services commences after receipt of the first monthly premium or the annual premium and is only applicable on current full paid Insureds.

Claims

On the occurrence of a declared event giving rise to a request for assistance;

1. The Insured shall advise Gladio in writing or telephonically within 30 days.
2. The Insured shall provide information, documentation and affidavits as Gladio requires.
3. Gladio shall have the right to settle the dispute at any stage.

4. Gladio shall appoint legal practitioners prior to the rendering of any legal service. Gladio will under no circumstances be obliged to make any payments to any pre-authorized legal practitioner on behalf of the Insured.
5. Gladio shall determine the nature, extent and procedures of any legal representation and shall be entitled to conduct such proceedings at its own discretion and only with its own appointed legal practitioners.
6. In the event of a repudiation or dispute of a request for assistance the Insured has 90 days from date of Gladio's notification of repudiation or offer to make representations to Gladio in respect of this repudiation or offer. If the dispute is not resolved at the end of this period, then the Insured must within a further 30 days refer such dispute to arbitration in accordance with the Arbitration Act 42 of 1965 (as amended). An independent Arbitrator shall be appointed by and at the cost of both parties. The Arbitrator's finding shall be final and binding.
7. On the occurrence of a defined event Gladio or its nominee may without incurring any liability or in any way diminishing its rights take legal action in the name of the Insured in respect of any recovery of or premium to a request for assistance.

Premium towards Assistance

1. Annual contracts: The premium is payable on or before the renewal date or instalment date. Gladio shall not be obliged to accept premium tendered more than 15 days after such date, but may do so upon such terms as it in its sole discretion may determine.
2. Monthly contracts: Where the premium is payable by bank debit order or by transmission account the premium is due in advance and if it is not received by Gladio by the first day of every calendar month (the due date) or the instalment date this cover shall be deemed to have been cancelled at midnight on the last day of the preceding period of this agreement unless the Insured can show that failure to make payment was an error on the part of his bank or other paying agent. Gladio shall not be obliged to accept premium tendered after the inception date provided that premiums due with effect from the second month of the currency of the agreement will be accepted if paid within 15 days of the due date or the instalment date. In the event of termination due to the non-payment of premium Gladio shall not be obliged to reinstate the agreement but may do so at their sole discretion and any premium received after cancellation shall be considered as a first premium on a new agreement in which event cover will commence.
3. Gladio does not refund premiums for any reason whatsoever unless it is required by legislation and regulation.

Cancellation

1. This agreement may be cancelled by the Insured or Gladio giving 30 days' notice in writing, subject to the terms and conditions specifically applicable on the contract of the Insured.
2. In the event where legal costs are higher than R30,000 within the first 6 months after commencement of this contract, this contract will be deemed to be

an annual agreement and in case of cancellation, the remaining premiums will still be payable.

3. In case of cancellation any outstanding legal services will still be payable by the Insured on the party and party cost scale.

Fraud and Misrepresentation

If any request for assistance under this agreement is in any respect fraudulent or if any fraudulent means or devices or misrepresentation is used by the Insured or anyone acting on his/her behalf to obtain any benefits under this agreement all benefit under this agreement in respect of such assistance shall be forfeited, and any payment on account already made on behalf of, or to the Insured shall be repaid to Gladio by the Insured.

Jurisdiction

Only the Courts of the Republic of South Africa shall have jurisdiction to entertain any claims arising out of or in respect of this agreement. If any cause or action falls within the jurisdiction of more than one court Gladio shall have the sole discretion to decide which court shall be used.

VAT

It is hereby agreed that all costs and limits reflected in the schedule are inclusive of VAT.

General Exclusions

Gladio will not be liable for any legal costs arising from:

1. Defined events which originates or is conducted outside the RSA.
2. Specialized legal disciplines (according to the opinion of Gladio) that fall outside the scope of general legal practice.
3. Traffic related matters where the Insured has the option to pay an admission of liability or a fine.
4. Any criminal matter where the legal practitioner is of the opinion that the Insured has no valid defense.
5. Any occurrence caused while the Insured was under the influence of narcotics.
6. Legal costs incurred which could otherwise be avoided due to the Insured's failure to inform Gladio in time of any event.
7. Events, conditions or circumstances of general public interest which affect or may affect public interests, the society, and an identifiable interest group.
8. War, military rising, state of siege, civil commotion, labour disturbances, riots, strikes, lock-outs, public disorders, civil disobedience or any act or activity which is calculated or directed to bring about any of the aforementioned,

including any occurrence for which a fund has been established in terms of the War Damage Insurance and Comprehension Act, (Act 85 of 1976).

9. Notwithstanding anything to the contrary hereto before or hereinafter mentioned, the Insured will not be covered under the agreement in the event of the matter being pursued or defended in a manner contradictory to the advice of an attorney or advocate instructed by Gladio to act on behalf of the Insured, without the knowledge and/or prior consent of Gladio. Cover will only be supplied if the Insured has a reasonable prospect of success regarding any declared event.
10. The opponent costs that a Court orders the Insured to pay in connection with the declared event covered under this policy are not covered by this policy and will be for the Insured own expense.
11. The payment of any messenger fees, fines, taxes, levies, stamps or duty fees, witnesses, traveling or subsistence costs, any payment or reimbursement of money to the Insured of whatever nature including court/cost orders against the Insured, including penalties, punitive, exemplary or vindictive damages awarded against the Insured.