

15 May 2023

Dear Client

The unprecedented levels of loadshedding by Eskom due to unexpected breakdowns and lack of planned infrastructure maintenance have culminated in an increased risk of grid failure. The entire South African insurance industry has been prompted to limit our exposures to such systemic risks.

In line with cover available and reinsurance capacity in South Africa, and given the continued strain on the grid, Discovery Business Insurance will be implementing a general exclusion for Electricity grid failure.

We will therefore apply the following Electricity grid exclusion to your Plan with effect from 1 July 2023. This letter serves as the customary 31 days' notice of the amendment.

Electricity grid exclusion

Discovery Business Insurance shall not be liable for any loss, damage, liability, claim, cost, exposure, expense or other sum of whatsoever nature, including any consequential losses, in terms of any section of this Plan Guide, that is directly or indirectly, regardless of any other cause or event contributing concurrently or in any other sequence, and including where the insured fails to comply with any other term, condition, warranty, endorsement or other Plan Guide requirement, caused by, related to, attributable to by, resulting from, or arising out of or in connection with, the following:

- a) Persistent loadshedding; or
- b) Grid failure; or
- c) Grid interruption; or
- d) The restoration of supply electricity by the utility supplier following persistent loadshedding, grid failure or grid interruption.

If Discovery Business Insurance alleges that, by reason of this Electricity grid exclusion, Discovery Business Insurance is not liable and/or any claim is not covered, the burden of proving the contrary shall rest on the insured.

This Electricity grid exclusion shall apply notwithstanding any provision of this Plan Guide to the contrary, including any exclusion, exception, extension, insuring provision, or any provision which would otherwise override this exclusion.

Notwithstanding this Electricity grid exclusion, this Plan Guide will cover loss or damage caused by power surge as provided for under any section of this Plan Guide, provided that this cover will not apply where

the power surge occurs upon the resumption of the supply of electricity following persistent loadshedding, grid failure or grid interruption.

Definitions

Persistent loadshedding means the planned or intentional switching off of the distribution of electricity by the utility to a geographical area for more than 12 consecutive hours.

Grid failure means the inability of the utility to provide electrical power to an end user caused by a sudden and unforeseen event (such as a fault on a power line, a drop in voltage, power stations tripping) that causes partial or total collapse of the power grid.

Grid interruption means a national (including provincial, regional, municipal, local and/or private) total or partial interruption, interference, suspension, blackout, and/or failure of electricity supply from the electricity grid to any end user/s, for whatsoever reason, whether due to damage, an inability and/or failure (whether partial or total) of the utility supplier to generate, transmit or distribute electricity, or otherwise.

This exclusion forms part of your Plan Guide and should be read in conjunction with it.

For more information on any aspect of the exclusion, please contact your broker.

Regards

A handwritten signature in black ink, appearing to read 'Lana Ross'.

Lana Ross
Chief Operating Officer
Discovery Business Insurance