

ANNEXURE A- SCOPE OF WORK

PROVISION OF INSURANCE SERVICES TO THE SOUTH AFRICAN BUREAU OF STANDARDS

1. Introduction

The South African Bureau of Standards (SABS) is a statutory body that was established in term of Standards Act, 1945 (Act No.24 of 1945) and continues to operate in terms of the latest edition of the Standards Act, 2008 (Act No. 8 of 2008) as the national standardization institution in South Africa, Mandated to:

- Develop, promote and maintain South African National Standards (SANS)
- Promote quality in connection with commodities, products and services
- Render conformity assessment services and assist in matters connected therewith.

The main campus of the SABS is located on a block bordered by George Storrar Drive, Totius Street, Dr Lategan road, Sibelius street and Leyds street in Groenkloof. Entrances are provided on Dr Lategan Road, Sibelius and Leyds street. The surrounding properties include amongst others Residential dwelling, several educational properties and office/retail properties. All modern amenities are in proximity including shopping station. The complex has municipal services.

2. Business Description

SABS is a service provider to organizations worldwide, offering a range of services for management system certification, product testing and certification and standardization as detailed below:

- SABS publishes national standards which it prepares through a consensus process in technical committees, provides information on national standards of all countries as well as international standards
- SABS tests and certifies products and services to standards
- SABS develops technical regulations (compulsory specifications) based on national standards, monitors and enforces compliance with such technical regulations
- SABS monitors and enforces legal metrology legislation
- SABS promotes design excellence
- SABS provides training on aspects of standardization.

With a view to maximising its service delivery to the industries it serves, SABS has aligned its activities with seven different industry sectors, each housing the whole range of SABS services pertinent to a particular industry. This ensures easy access to products, faster reaction and turn-around times, and the creation of centres of knowledge excellence that will be easily available to clients.

The seven industry sectors are:

- Chemicals
- Electro technical
- Food and Health
- Mechanical and Materials
- Mining and Minerals
- Services
- Transportation

Additional information regarding the services and activities of the South African Bureau of Standards is available on the SABS website; www.sabs.co.za

3. SABS COMPANIES

SABS comprises of the following companies:

- South African Bureau of Standards
- SABS Commercial (SOC)Ltd

4. SABS properties

4.1 SABS owned properties

| Property Name | Property Description |
|---|---|
| Groenkloof | Main Campus (Land, Offices and Laboratories) |
| NETFA (National Electrical Test Facility) | Land, office and laboratories. Testing Facility: high voltage, high current, materials technology. Consulting section. |
| Cape Town | Office, Laboratories, Double storey business building (not converted; residential property). Commercial: certification closely related to Groenkloof work. Laboratories: microbiology and water. |
| Durban | Office (Certification) and Training facility |
| East London | Office and Laboratory, Testing: drive-by noise, battery (Willards; Telkom stand-by; wind turbine energy storage), emissions (all support for OEMs) |
| Secunda | Laboratory, Office, Located in industrial area |
| Saldanha | Offices, Laboratories, Converted double storey residential house (top storey office; ground floor laboratory) |

4.2 Rented Properties

In addition to the above properties the sabs rents properties at the following locations.

- Port Elizabeth
- Secunda
- Richards Bay
- Springlake

5. Insurance Required - Scope of insurance required

ASSETS

Loss of or Damage to the Property Insured because of Fire, Lightning, Special Perils (Storm, Wind etc.), Explosion, Earthquake and Malicious Damage. Policy is Subject to average.

| PROPERTY INSURED | TO BE INSURED (INCL. VAT) |
|---------------------------------|--------------------------------------|
| Buildings | R 1 187 711 487 |
| Contents | R 740 606 467 |
| Laptops | R 41 027 964 |
| Electronic Equipment | R 0 |
| Artworks | R 1 741 575 |
| Golf carts | R 240 763 |
| Theft | R 5 775 000 |
| Theft (Forcible) | R 15 750 000 |
| Money | R 2 625 000 |
| Property in Transit | R 525 000 |
| Locks; Keys and Access Cards | R 25 500 |
| Capital Additions | R 21 000 000 |
| Earthquake & Flood Limit | R 420 000 000 |
| Accidental Damage | R 105 000 000 |
| Goods in Transit | R 2 100 000 |
| Electronic Breakdown | R 21 000 000 |
| Machinery Breakdown | R 10 500 000 |

BUSINESS INTERRUPTION

Loss following interruption or interference with the Business in consequence of damage occurring during the period of Insurance because of a peril insured under the Fire / Material Damage Section of the Policy. Indemnity period 12 months.

| RISKS INSURED | TO BE INSURED (INCL. VAT) |
|---|--------------------------------------|
| Gross Revenue | R 577 500 000 |
| Prevention of access | R 5 250 000 |
| Additional Increase in Cost of Working | R 105 000 000 |
| Research Re- Establishment | R 5 250 000 |

COMMERCIAL CRIME

1. Loss of money and/or other property belonging to the insured or for which they are responsible, stolen by an insured employee during the currency of this section.

OR

2. Direct financial loss sustained by the insured because of fraud or dishonesty of an insured employee, all of which occur during the currency of this section which results in dishonest personal financial gain.

BASIS OF COVER

Annual Aggregate

| RISK / EXTENSION | TO BEINSURED (INCL. VAT) | |
|------------------------------|-----------------------------|------------|
| Aggregate Limit of Liability | R | 10 500 000 |

GENERAL PUBLIC LIABILITY

“Damages which the Insured becomes legally liable to pay consequent upon accidental death or bodily injury or illness to any person, or accidental loss of or physical damage to tangible property which occurred in the course of an in connection with the business, within the territorial limits”.

Claims Made Basis: “on or after the retroactive date shown on the Schedule, and which results in a claim or claims first being made against the insured in writing during the period of Insurance”.

Territorial Limits: worldwide, excluding USA and Canada.

BASIS OF COVER

Any one occurrence

| RISK EXTENSIONS | TO BEINSURED (INCL. VAT) | |
|--|-----------------------------|-------------|
| Products Liability including Defective Workmanship | R | 157 500 000 |
| Product Inefficiency | R | 157 500 000 |
| | R | 1 050 000 |
| Employers Liability | R | 157 500 000 |
| Defamation and Wrongful arrest | R | 5 100 000 |
| Statutory Defence Costs | R | 5 100 000 |
| Advertising Liability | R | 5 100 000 |
| Excess of loss/Motor Liabilities | R | 13 125 000 |
| Spread of Fire, Fire, or explosion | Included | |

PROFESSIONAL INDEMNITY

The Policy provides Indemnity for Liability for all sums which you may become legally liable to pay arising out

of Breach of Professional Duty by reason of any neglect, error, or omission.

TERRITORIAL LIMITS

Worldwide, excluding USA and Canada

BASIS OF COVER

Any one occurrence

| RISK / EXTENSION | LIMIT OF LIABILITY(INCL. VAT) | |
|--|-------------------------------|-------------|
| Professional Indemnity | R | 210 000 000 |
| Joint Venture and/or Consortium Agreements | R | 210 000 000 |
| Fee Recovery | R | 1 050 000 |
| Loss of Documents | R | 1 050 000 |

EMPLOYMENT PRACTICES LIABILITY

This policy covers an employer's legal expenses and the awards made against it by the CCMA, Bargaining Councils and Labour Court for unfair labour practices such as unfair dismissal, sexual harassment, discrimination and failure to employ.

BASIS OF COVER

Annual Aggregate

| DETAIL | TO BE INSURED (INCL. VAT) | |
|--------|---------------------------|-----------|
| EPL | R | 2 100 000 |

DIRECTORS AND OFFICERS LIABILITY

If the company's directors or managers are sued in their personal capacity for not running the company properly, then this policy will pay the Damages as well as the legal costs.

BASIS OF COVER

Annual Aggregate

| DETAIL | TO BE INSURED (INCL. VAT) | |
|--------------|---------------------------|---------------|
| Policy Limit | R | 52 500 000.00 |

GROUP PERSONAL ACCIDENT

Bodily Injury caused by accidental, violent, external, and visible means to any Principal, Partner Director or Employee of the Insured specified in the Schedule.

BASIS OF COVER

24 Hours and 7-days a week

Executive Directors Employees in Category P1 to P18 include Specialists, Senior Management, Senior Technical Staff and Learnership.

7 X Board Members

| RISK / EXTENSIONS | LIMIT OF LIABILITY INCLUDING VAT |
|-----------------------------|--|
| Death | R 262 500 |
| Permanent Disability | Such % of R262 500 as is specified for the particular disability |
| Emergency Expense Shortfall | R 31 500 per insured person |

All Employees between levels P1 to P18 of the Insured – 722 Employees

| RISK / EXTENSIONS | LIMIT OF LIABILITY INCLUDING VAT |
|------------------------------|--|
| Combined Annual Earnings | R 469 387 045 |
| Death | 3 x Annual Earnings |
| Permanent Disability | 3 x Annual Earnings as specified |
| Temporary Total Disability | 100% of weekly earnings or a period not exceeding 52 weeks from the date of the Accident |
| Temporary Partial Disability | 40% of weekly earnings or a period not exceeding 52 weeks from the date of the Accident |
| Medical Expenses | Up to R 105 000 per insured persons |
| Emergency Expense Shortfall | R 105 000 per Insured Person |

MOTOR FLEET

Loss of damage to any vehicle described in the Schedule and its accessories and spare parts thereon.

COVER

Comprehensive – Commercial and Business.

| DETAIL | values |
|-------------------------------|-------------|
| Fleet Value | R 9 318 500 |
| Number of vehicles | 28 |
| Own Damage Limit of Indemnity | R 650 000 |

EXTENSIONS

| | | |
|---|----------|-----------|
| Car Hire – R 500 p/d maximum 30 days | Included | |
| Contingent Liability | R | 5 250 000 |
| Passenger Liability | R | 5 250 000 |
| Unauthorized Passenger Liability | R | 5 250 000 |
| Parking Facilities and Movement of Third-Party Vehicles | R | 5 250 000 |
| Windscreen | Included | |
| Loss of Keys | R | 15 750 |
| Wreckage Removal | R | 31 500 |
| Credit Shortfall | Included | |
| Riot and Strike (excluding South Africa and Namibia) | Included | |
| SASRIA | Included | |

CYBER RISKS AND/OR DATA BREACH COVER

Cover for both 1st and 3rd party losses due to cyber-attack on the insured's network.

1st party losses: Recovery of Data, Business Interruption Ransomware

3rd party losses: Regulatory fines and defence costs and damages awarded to third parties who may hold the insured liable for loss/misuse of data. The rise in cybercrime, especially ransomware attacks, has made cyber insurance a critical part of short-term cover. With the introduction of the POPI Act, which requires Compliance with data protection. Insurers are demanding stricter cybersecurity protocols and providing risk management services to policyholders. Premiums for cyber insurance are increasing due to higher claims frequency and severity.

COVER 1st party losses.

3rd party losses.

CORPORATE KIDNAP AND RANSOM COVER

If the company's directors, managers or employees are kidnapped and ransom is sought from the SABS including all other incidental costs associated with kidnapping and ransom.

BASIS OF COVER

PER INCIDENT

Cover value: R 20 million