LEPPARD

LOMBARD

VKN Financial Services Pty Limited
Insuring Trust

Policy Document

Underwritten by Lombard Insurance Company Limited, an Authorised Financial Services Provider (FSP 1596).

SOUTH AFRICAN INSTITUTE OF ARCHITECTUAL TECHNOLOGISTS NPC PROFESSIONAL INDEMNITY SCHEME MASTER POLICY P51 010804

Introduction

The **Laws** of South Africa apply to this **Policy**.

All words in **bold typeface** have a specific meaning as set out in the Definitions.

This **Policy** is entered into by **SAIAT** for the benefit of its **Members.**

Specific Compliance

Any indemnity **We** provide as set out in this **Policy** will only apply if the **Member**:

1.   complies with;

    a.   the Architectural Professions Act 2000 and

    b.   the Codes of Conduct set out by the **SACAP** and **SAIAT** and

2.   is in good standing with **SAIAT** and

3.   performed a **Risk Assessment** prior to signing a **Professional - Client Agreement** and

4.   entered into a signed **Professional - Client Agreement** dated before the date of commencement of any **Project** and

5.   agrees and authorises **Us** to share with **SAIAT**, the **Risk Assessment** and **Professional - Client Agreement** and **Claim** or **Circumstance** description, related to any notification provided in terms of clause 38.1, subject always to the legal concept of privilege.

Premium

The **Premium** and related payment terms are set out in a separate agreement between **SAIAT** and **Us.**

Agreement

We agree, subject to all the terms of this **Policy** and provided the **Premium** has been paid,

to indemnify **You** for **Your** legal liability to pay **Compensation** to a **Third Party** and to pay for **Costs and Expenses,**

because of a **Claim** first made against **You** during the **Contract Period**,

as a result of an **Event** arising out of **Your Architectural Services**,

up to the **Limit** subject to the **Deductible.**

Authority

This **Policy** is entered into by the **Underwriting Manager** as authorised and on **Our** behalf.

_____

Authorised **Underwriting Manager** signature

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Policy Schedule

This is the **Schedule:**

A.	**You** and **Your**	each **Member**.
B.	**We, Your** insurers, are	Lombard Insurance Company Limited (Reg. No. 1990/001253/06) (FSP No. 1596).
C.	**Policy Period**	twelve consecutive calendar months commencing on the **Inception Date**.
D.	**Inception Date**	1st January 2025.
E.	**Retroactive Date**	1st July 2005.
F.	**Limit:**	R2,000,000 **Any One Claim** and in total for the **Policy Period** for each **Member**
G.	**Deductible**	15% of the **Fees** subject to a minimum of R15,000 and a maximum of R150,000 **Any One Claim**.

Definitions

1.	**Act**	The Architectural Professions Act, 2000.
2.	**Any One Claim**	all **Claims** arising out of a **Project** regardless,

    2.1.   of their number and

    2.2.   the identity of the claimants and

    2.3.   irrespective of the **Event** or series of **Events** causing a **Loss** and whether each **Event** is connected or related.

3.	**Architectural Services**	the performance of the duties as set out in a **Professional - Client Agreement**.
4.	**Claim** or **Claims**	a claim from a **Third Party** that **You** have caused them a **Loss.**
5.	**Circumstance** or **Circumstances**	**Your** knowledge of facts from which **You** ought reasonably to conclude **You** may receive a **Claim.**
6.	**Compensation**	an amount that a **Third Party** is awarded by judgment, enforceable award or a settlement agreed to by **Us** as compensation for a **Loss.**
7.	**Costs and Expenses**	all amounts **We** spend, or **You** spend with **Our** prior written approval, all paid as part of the **Limit**, in relation to investigating a **Circumstance** or investigating, defending, settling or mitigating the financial impact of a **Claim.**
8.	**Deductible**	the amount to be borne by **You** at **Your** own cost in respect of the first part of **Compensation** and **Costs and Expenses**.
9.	**Documents**	any words, numbers, still or moving images or graphics maintained in or on any medium whether in physical, electronic, broadcast or any other form including **Technology and Data**.
10.	**Employee**	any person employed under a contract of employment or apprenticeship or supervised, by **You**.
11.	**Event(s)**	the occurrence of any but only of the following;

    11.1.   breach of duty of care,

    11.2.   negligent act error omission,

    11.3.   misrepresentation

    11.4.   misstatement,

    11.5.   breach of confidentiality,

    11.6.   defamation,

    11.7.   dishonest, fraudulent, criminal act or omission committed by an **Employee**.

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| 12. | **Fees** | **Your** total fees and disbursements for **Architectural Services.** |

13. **Inception Date**: the date shown in the **Schedule.**

14. **Laws**: laws formulated by any government or authorised authority.

15. **Limit** the maximum amount shown in the **Schedule We** will pay **You** as indemnity plus **VAT** in addition.

16. **Loss** any:

    16.1. physical damage to or loss of use or control of any tangible property,

    16.2. death of or injury to or illness affecting any person or

    16.3. monetary loss.

17. **Malicious Code** any virus, Trojan Horse, worm, spyware, malware, ransomware, time and logic code bombs or other disabling, invasive or destructive computer code.

18. **Member** an individual who is registered:

    18.1. in terms of Section 19 of the **Act** and

    18.2. with **SACAP** and

    18.3. **SAIAT**.

19. **Policy** this policy of insurance, including any endorsements.

20. **Policy Period**: the period shown in the **Schedule.**

21. **Pollution** the escape of any gas, liquid, substance, or noise.

22. **Premium** the amount payable to **Us** by **SAIAT**.

23. **Project** the project named and described in the **Professional - Client Agreement.**

24. **Professional - Client Agreement** an agreement **You** have entered to provide **Your** professional services which comply and accord with:

    24.1. the **SAIAT** Agreement for Architectural Services or

    24.2. the six stages of the SACAP latest Board Notice Final Guideline Professional Fees or

    24.3. the rational designs as allowed for in the National Building Regulations or

    24.4. as may be specifically agreed by SAIAT and the Underwriting Manager from time to time but prior to You entering any agreement.

25. **Retroactive date**: the date shown in the **Schedule**.

26. **Risk Assessment** the **SAIAT** Project Risk Assessment template or equivalent.

27. **SACAP** The South African Council for the Architectural Profession.

28.	**SAIAT**	The South African Institute of Architectural Technologists NPC.
29.	**Schedule**	the particular terms of this **Policy**.
30.	**Technology and Data**	communication technology devices and facilities for the electronic storage, transmission, receipt, retrieval and processing of computer software, information, data, voice communications and networking equipment or facilities which enable connection to other devices or networks.
31.	**Third Party**	any party who is not **You, SACAP** or **SAIAT** or **Us.**
32.	**Underwriting Manager**:	Leppard and Associates (Proprietary) Limited Registration No. 1991/002788/07 and FSP No.274 Po Box 2730, Houghton, 2041, South Africa. E-mail: pi@leppard.co.za
33.	**VAT**:	the tax applicable to goods and services in terms of the Value Added Tax Act, 1991.
34.	**We, Our** and **Us**	Lombard Insurance Company Limited. (Reg. No. 1990/001253/06) (FSP No. 1596)
35.	**Workmanship and Sales**	the physical act of construction, manufacture, fabrication, installation, alteration, repair or treatment and including the sale, supply or distribution of the whole or any part of any tangible property.
36.	**You** or **Your**:	as specified in the **Schedule**.

37.   **We** will not provide an indemnity to **You** for any legal liability nor pay any **Costs and Expenses** directly or indirectly caused by or in connection with, involving or arising out of:

37.1.   Companies Act, 2008:   the duties and responsibilities of any person as defined under Sections 77, 128 or as contemplated under Section 218 of the Companies Act 71, 2008.

37.2.   Computer Virus: the introduction of **Malicious Code** by **You** or a **Third Party** into any **Technology and Data** resulting in the incapacity or failure correctly or at all to capture save retain or to process any data.

37.3.   Contractual: legal liability agreed or assumed by **You** under any contract unless the legal liability would have attached to **You** in the absence of the contract.

37.4.   Cyber Event: the unauthorised, malicious or fraudulent act of anyone who;

37.4.1.   accesses or attempts to access any **Technology and Data**, electronic mail, website or digital information data base,

37.4.2.   assumes or adopts the identity of or impersonates another party.

37.5.   Deliberate Act: **Your** deliberate or wilful disregard of the need to take reasonable steps to prevent a **Loss**.

37.6.   Documents   the physical damage to or loss of use or control of or theft of any **Documents.**

37.7.   Finance, Insurance: **Your** failure to arrange finance or to effect or maintain insurance.

37.8.   Fines and Penalties: any fines penalties punitive or exemplary damages unless they are indemnified as **Compensation**.

37.9.   Fraud: **Your** involvement in or being party to a fraud committed against **Us.**

37.10.   Infectious Disease   Coronavirus (COVID-19) including any mutation or variation or any pandemic or epidemic, as declared by the World Health Organisation or any governmental authority.

37.11.   Insolvency, trading: **Your** insolvency or trading losses and liabilities.

37.12.   Pollution: arising directly or indirectly from **Pollution**.

37.13.   Previous Claims: any **Claim** or **Circumstance** which was or should reasonably have been disclosed to **Us** or a **Third Party** prior to the **Inception Date** or the date **We** agree to incept this contract whichever is the later date.

37.14.   Property**:**   the theft, misappropriation, disappearance whether explained or unexplained, of any money, property, item of value and whether tradable or marketable, in **Your** possession or for which **You** are responsible.

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37.15.	Related Companies:	any **Claim** made against **You** by any claimant in which **You** have a shareholding, monetary or other interest, administrative or managerial influence, unless such **Claim** is as a direct result of **Your Architectural Services** with the claimant.
37.16.	Retroactive Date:	**Architectural Services** performed prior to the **Retroactive Date.**
37.17.	Sanctions:	an indemnity which would result in **Us** breaching any sanction, prohibition or restriction under United Nations or the trade or economic sanction **Laws** of the European Union, United Kingdom or United States of America.
37.18.	USA and Canada:	any;

37.18.1. **Architectural Services** conducted in or

37.18.2. **Claim** brought initially in

any country or territory that operates under the **Laws** of the United States of America or Canada.

37.19.	War, Nuclear, Asbestos:	an act of;

37.19.1. war, foreign enemy action and hostility, invasion including cyber warfare of any sort,

37.19.2. civil unrest or domestic or international terrorism,

37.19.3. nuclear fuel, material or waste,

37.19.4. asbestos.

37.20.	Warranties:	any performance warranties given by **You** unless legal liability would have attached to **You** in the absence of such warranties.
37.21.	Workmanship and Sales:	**Workmanship and Sales**.

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38. **You** have to comply with the following and if **You** fail to do so it may, in **Our** sole discretion, result in no indemnity being due to **You**.

    38.1.   Notification: **You** must notify the **Underwriting Manager** in writing as soon as but in any event not later than 20 business days after;

                38.1.1.   **You** receive a **Claim** or

                38.1.2.   **You** become aware of a **Circumstance.**

    38.2.   Admission: **You** must not admit to any liability for a **Claim** unless **We** agree in writing that **You** may do so.

    38.3.   Assistance and disclosure: **You** must

                38.3.1.   give all reasonable assistance, at **Your** own cost and

                38.3.2.   fully and truthfully disclose information

                to **Us** and **Our** representatives in relation to any notified **Claim** or **Circumstance.**

    38.4.   Statutory requirements: **You** must comply:

                38.4.1.   with all **Laws** governing **Your Architectural Services** and

                38.4.2.   the Specific Compliance **Policy** terms.

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39.	Contract cancellation:	This **Policy** may only be cancelled by the **SAIAT** but subject to **SAIAT** providing **Us** 20 business days' written notice of cancellation.
40.	**Circumstance:**	Should a **Claim** arise out of any **Circumstance You** notified to and was accepted by **Us** then this **Policy** will apply to that **Claim.**
41.	Multiple Claims:	In the event that **You** notify two **Claims** during the **Policy Period** it is a condition of continued cover that **You** submit to a risk and practice review focussed on **Your** business practices, protocols and training. The cost of this review shall be borne by **You**.
42.	**Claim** settlement or defence:	**We** will decide whether to settle or defend a **Claim** but **You** will not be required to contest any legal proceedings unless a Senior Counsel confirms that there is a reasonable prospect of success. If **You** disagree with any proposed settlement of a **Claim We** will pay **You** the applicable **Limit** or any lower amount acceptable to the **Third Party** to settle the **Claim.** If this occurs, then **We** will have no further obligation in respect of such **Claim.**
43.	Rights of recovery:	**We** may recover any amount **We** pay in terms of this contract from;

43.1.   any **Employee** who commits a dishonest, fraudulent, criminal or malicious act causing **Your** liability.

43.2.   any **Third Party** causing **Your** liability.

Any amount recovered will be used firstly to reduce the amounts **We** have paid in terms of this contract and secondly to reimburse **You.**

44.   Disputes: If a dispute arises between **You** and **Us** then either:

44.1.   it may be referred to **Us** at complaints@lombardins.com or the **Underwriting Manager** at complaints@leppard.co.za or

44.2.   it may be referred in writing to an arbitrator with appropriate expertise who will conduct the arbitration in terms of the rules and be appointed by the Chairman of the Arbitration Foundation of South Africa and any decision will be final and binding or

44.3.   **You** may sue **Us** in which case summons must be served at:

4th Floor, 22 Wellington Road, Parktown 2193, Johannesburg, South Africa.

This endorsement forms part of contract number **P51 010804**

1. **Documents**: any words, numbers, still or moving images or graphics maintained in or on any medium whether in physical, electronic, broadcast or any other form but excluding computer operating and software programs.

2. **Event**: accidental loss, damage, destruction or theft by a **Third Party** of any **Documents.**

3. **We** will reimburse **You** for costs incurred by **You** in replacing or restoring **Documents** that belong to **You** as a result of an **Event** occurring during the **Policy Period**, provided:

    3.1. **Our** liability to reimburse **You** is limited to R500,000 plus **Value Added Tax** in addition in respect of each **Event**,

    3.2. You pay the first R20,000 of the costs incurred in respect of each **Event**.

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This endorsement forms part of contract number **P51 010804**

1. **Statutory Defence Costs**: legal costs and expenses **You** incur with **Our** prior written approval in the defence of any criminal prosecution brought against **You** during the **Policy Period** alleging a breach of any statute by **You.**

2. **We** agree to pay for **Statutory Defence Costs** up to an amount of R1,000,000 plus **Value Added Tax** in addition any one prosecution.

3. **We** will not pay for **Statutory Defence Costs**:

    3.1.   in any appeal unless a senior counsel appointed by **Us** confirms that such an appeal is likely to succeed.

    3.2.   relating to Statutes governing the:

        3.2.1.   ownership and use of any land vehicle or trailer including any attached machinery or apparatus and whether subject to registration or not or whether self-propelled or not and any locomotive or rolling stock or any air, water, hover or space craft or

        3.2.2.   the Basic Conditions of Employment Act, 1997

        3.2.3.   Companies Act, 2008

        3.2.4.   Cybercrimes Act, 2020

        3.2.5.   Protection of Personal Information Act, 2013

        3.2.6.   Consumer Protection Act: No 68 of 2008

    3.3.   unless You pay the first R20,000 of **Statutory Defence Costs** in respect of each prosecution.

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This endorsement forms part of contract number **P51 010804**

1. **Public Liability**:   **Your** legal liability for **Injury** or **Damage.**

2. **We** agree to indemnify **You** for **Public Liability** provided:

   2.1   the **Injury** or **Damage** does not arise out of any negligent act error or omission in the rendering of **Your Architectural Services.**

   2.2   the **Limit** is R2,000,000 for **Any One Claim.**

   2.3   the **Deductible** is R10,000**.**

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CONTRACT ENDORSEMENT: RETIRED AND DECEASED MEMBERS

This endorsement forms part of contract number **P51 010804**

It is noted and agreed that the definition of **Member** shall extend, with effect from the **Inception Date**, to include any individual who has retired and no longer rendering any **Architectural Services** or has died provided that in the event of a **Claim** arising, the individual was a **Member** in good standing and that the **Architectural Services** giving rise to the **Claim** were performed on or before the date of retirement or death.

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CONTRACT ENDORSEMENT: JOINT VENTURE

This endorsement forms part of contract number **P51 010804**

1. **Joint Venture**: any joint venture or consortium or partnership or entity in which **You** participate.

2. **We** agree to indemnify **You** for **Your** portion of the liability which the **Joint Venture** may incur provided:

   2.1. the liability arises out of **Architectural Services** performed by the **Joint Venture**.

   2.2. the **Joint Venture** complies with all the terms of this **Policy**.

3. **We** will not provide an indemnity nor pay for any legal liability or **Costs and Expenses**:

   3.1. if the **Joint Venture** is separately insured except in respect of any **Deductible** applicable under the **Joint Venture** insurance,

   3.2. for any **Loss** incurred by a participant in the **Joint Venture** unless arising directly out of **Your Professional Services.**

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