

**Modification cost/Incompatibility expenses**

It is hereby understood and agreed, subject otherwise to the terms, conditions and exclusions of the Policy and endorsed hereon, that the policy is extended to cover the cost or expense of

- (i) modification of equipment including computer and ancillary equipment (the equipment) being the damaged equipment or undamaged equipment.  
and
- (ii) the replacement, restoration or recompilation of computer records where there results in the event of the loss incompatibility between the replacement equipment and the existing equipment and or the computer records.

Where a claim under (i) or (ii) above shall occur then the basis of settlement shall be whichever is the lesser of the two amounts to achieve compatibility in the event that the loss of the equipment insured by this Policy has resulted in undamaged Computer Records being unavoidably incompatible with the replaced equipment.

The indemnity provided herein shall be subject to the limit of indemnity as specified in The Schedule.