



KAY INTERNATIONAL PLC

POLICY DOCUMENTS

FIRE AND NAMED PERILS INSURANCE POLICY

THIS IS TO CERTIFY that in accordance with the authorisation granted under the Contract (the number of which is specified in the schedule) to the undersigned by certain Underwriters at Lloyd's, whose names and the proportions underwritten by them, which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Signing Office and in consideration of the premium specified herein, the said Underwriters are hereby bound, each for his own part and not for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

THE UNDERWRITERS hereby agree to the extent and in the manner hereinafter provided, to indemnify the Assured against loss or damage sustained or legal liability to accidents happening during the period stated in the Schedule, after such loss, damage or liability are proved.

PROVIDED always that:

- 1) The liability of the Underwriters shall not exceed the limits of liability expressed in the said Schedule or such other limits of liability as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Underwriters;
- 2) This Certificate insures in respect ONLY of such of the sections hereof as are so specified in the Schedule.

IN WITNESS whereof this Certificate has been signed as follows:
100% with certain Underwriters at Lloyd's in respect of all Sections

EFFECTED THROUGH:

The subscribing Underwriters obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions.

The subscribing Underwriters are not responsible for the subscription of any co - subscribing Underwriters who for any reason does not satisfy all or part of its obligations.

The Assured is requested to read this Certificate and, if it is incorrect, return it immediately for alteration.

The Certificate is made and accepted subject to all the provisions, conditions, warranties and exclusions set forth herein, attached or endorsed, all of which are to be considered.

A person who is not party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

E.U. DISCLOSURE CLAUSE (UK)

Notice to the Proposer/Insured

The Parties are free to choose the law applicable to this Insurance Contract. Unless specifically agreed to the contrary this insurance shall be subject to English Law. Any enquiry or complaint should be addressed in the first instance to your Broker. If you are not satisfied with the way a complaint has been dealt with you may ask the Complaints and Advisory Department at Lloyd's or the Financial Ombudsman to review your case without prejudice to your rights in law.

The addresses are:

Complaints and Advisory Department Lloyd's
One Lime Street
London
EC3M 7HA
Tel No: 020 7327 1000

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Tel No: 0845 080 1800 (Consumer Helpline)

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SECTION A

MATERIAL DAMAGE

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Certificate, and the conditions and exclusions contained in this Section, we the Underwriters agree to the extent and in the manner provided herein to indemnify the Assured against loss of or damage to the property specified in the Schedule (hereinafter referred to as 'the Property') caused by or arising from the Perils shown as operative in the Schedule, occurring during the period of this Insurance.

Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Certificate in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

PERILS AND SPECIFIC EXCLUSIONS

- 1) **a) Fire and/or Lightning**
 - b) Fire consequent upon explosion wherever the explosion occurs.
- 2) **Storm or Tempest excluding**
 - a) Loss, destruction or damage by:
 - i) The escape of water from the normal confines of any natural or artificial water course or lake, reservoir, canal or dam.
 - ii) Inundation from the sea.
Whether resulting from storm or tempest or otherwise.
 - b) Loss, destruction or damage caused by frost, subsidence or landslip.
 - c) Loss, destruction or damage to fences and gates, and movable property in the open.
- 3) **Flood excluding**
 - a) Loss, destruction or damage by frost, subsidence or landslip.
- 4) **Bursting or Overflowing of Water Tanks, Apparatus or Pipes excluding**
 - a) Loss, destruction or damage by water discharged or leaking from an installation of automatic sprinklers.
 - b) Repairs to pipes, mains and tanks.
However this insurance shall not cover bursting or overflowing or leakage of water tanks apparatus or pipes occurring whilst the premises are vacant or unoccupied but this exclusion shall not apply whilst the premises are normally closed for holidays or weekends.
- 5) **Impact by any Vehicle (or by goods falling therefrom) or Animal.**
- 6) **Explosion excluding**
 - a) Loss, destruction or damage (other than loss, destruction or damage by fire resulting from explosion) occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Assured.
- 7) **Aircraft and other aerial devices or articles dropped therefrom, excluding**
 - a) Loss, destruction or damage occasioned by pressure waves caused by aircraft and
 - b) Other aerial devices travelling at sonic or supersonic speeds.
- 8) **Riot, Civil Commotion, Strikers, Locked-out Workers or Persons taking part in Labour Disturbances excluding**
 - a) Loss, destruction or damage occasioned by or happening through confiscation or destruction or requisition by order of the Government or any Public Authority.
 - b) Loss, destruction or damage resulting from interruption or cessation of work.
- 9) **Malicious Persons not acting on behalf of or in connection with any political organisation excluding**
 - a) Loss, destruction or damage resulting from interruption or cessation of work.
 - b) Loss, destruction or damage by fire or theft.
- 10) **Earthquake**
- 11) **Water Discharged or Leaking from the Automatic Sprinkler Installation(s) in the Premises provided that**
 - a) Such discharge or leakage of water be accidental and shall not be occasioned by or happen through:
 - i) Freezing whilst the premises in the Assureds ownership and/or tenancy are empty or disused.
 - ii) Heat caused by fire.
 - iii) Explosion (including the blowing up of buildings or blasting), earthquake or subterranean fire.

- b) The Assured shall take all reasonable steps to prevent frost and other damage to the automatic sprinkler installation(s) and, so far as their responsibility extends to maintain the installation(s) including the automatic external alarm signal(s) in efficient condition.
- c) When any changes, repairs or alterations to the automatic sprinkler installation(s) are proposed notice thereof is to be given to the Underwriters.

12) Theft or Attempted Theft

- a) Following entry into or exit from the Premises by forcible and violent means only. and/or
- b) Consequent upon and in connection with assault or violence or threat thereof to the Assured or any employee of the Assured.

Excluding loss, destruction or damage:

- i) To property in any yard or open space.
- ii) By fire or explosion.
- iii) To glass which is more specifically insured.
- iv) To money, medals, documents of title.

This Insurance shall also include loss, damage to or destruction of the buildings or fixtures and fittings, the property of the Assured or for which the Assured is legally responsible, during such theft or attempted theft, up to a limit of 10% of the Sum insured stated in the Schedule in respect of the damaged premises.

13) Accidental Damage

Caused by or arising from any cause whatsoever not otherwise named as an Insured Peril herein, but excluding:

- a) Loss, destruction or damage caused by:
 - i) Inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials.
 - ii) Faulty or defective workmanship, operational error or omission on the part of the Assured or any of their employees.
 - iii) Explosion occasioned by the bursting of a boiler, economiser vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Assured but this exclusion shall not apply to loss or damage resulting from an ensuing cause which is not otherwise excluded.
- b) Loss, destruction or damage caused by:
 - i) Corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
 - ii) Change in temperature, colour, flavour, texture or finish.
 - iii) Theft or attempted theft other than damage to the buildings (including landlord's fixtures and fittings) of the premises for which the Assured is responsible and which is not otherwise insured.
 - iv) Joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith.
 - v) Mechanical or electrical breakdown or derangement of machinery or equipment.
- c) Loss, destruction or damage caused by:
 - i) Acts of fraud or dishonesty.
 - ii) Disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
- d) Collapse or cracking of any building or structure unless such collapse or cracking can be attributed to an independent cause not excluded by this Insurance.
- e) Loss, destruction of or damage to movable property in the open, fences and gates by wind, rain, hail, sleet, snow, flood or dust.
- f) Loss, destruction or damage resulting from the property insured undergoing any process of production, packing, treatment, testing, commission, servicing or repair.
- g) Loss of or damage to:
 - i) Fixed glass.
 - ii) Glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects.
 - iii) Electronic Data Processing Equipment and Media.
- h) Loss, destruction or damage to:
 - i) Jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art and rare books.
 - ii) Property in transit.
 - iii) Money, cheques, stamps, bonds, credit cards or securities of any description.

- iv) Vehicles licensed for road use (including accessories thereon) caravans, trailers whilst being used outside the confines of the premises, railway locomotives, rolling stock, watercraft or aircraft.
- v) Property or structures in the course of construction or erection and materials supplied in connection with all such property in the course of construction or erection.
- vi) Roads, pavements, piers, jetties, bridges, culverts or excavations.
- vii) Livestock, growing crops or trees.
- viii) Land, air and water.

Unless specifically declared to and agreed by the Underwriters and endorsed upon this Insurance.

SPECIAL CONDITIONS APPLICABLE TO SECTION A – MATERIAL DAMAGE

- 1) This Section does not cover:
 - a) Loss, destruction or damage attributable solely to change in the water table level.
 - b) Notwithstanding anything to the contrary contained herein, this Section does not cover loss, destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by:
 - i) Pollution or contamination which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
 - ii) Any of the perils listed in (i) above which itself results from pollution or contamination.
- 2) Where buildings are covered by this Insurance and an amount has been so entered in the Schedule, Underwriters agree, in addition to provide coverage in respect of the following:
 - a) The cost of repairing accidental damage to fuel oil or the underground water supply or gas pipes, electricity or telephone cables extending from the buildings to the public mains.
 - b) Accidental breakage or collapse of radio and television aerials, their fittings and masts.
 - c) Accidental breakage of sanitary fixtures forming part of the buildings, excluding:
 - i) The excess as shown in policy schedule each and every loss.
 - ii) Loss, destruction or damage whilst the buildings are unoccupied.
 - iii) Breakage of property not in sound condition.

Provided that the Sum Insured for the building is not thereby increased.
- 3) The Underwriters will not be liable under this Section of the Policy for destruction of or damage to electrical plant or apparatus caused by self-ignition, but this exclusion shall only apply to that part of the electrical plant or apparatus in which self-ignition occurs.

MEMORANDA IN RESPECT OF SECTION A – MATERIAL DAMAGE

- 1) **Designation of Property**
For the purpose of determining where necessary the heading under which any property is insured, Underwriters agree to accept the designation under which such property has been entered in the Assureds books.
- 2) **Average Clause (under-insurance)**
If the property covered shall at the breaking out of any fire or at the commencement of any destruction of or damage to such property by any other peril hereby insured against be collectively of greater value than such Sum Insured, then the Assured shall be considered as being their own Insurer for the difference and shall bear a rateable share of the loss accordingly.
- 3) **Architects'. Surveyors'. Legal and Consulting Engineer's Fees**
This Insurance covers Architects', Surveyors', Legal, Consulting Engineers', and other Fees necessarily incurred by the Assured in the reinstatement of the property insured following upon its destruction or damage by any peril hereby insured against (but not any fees for the preparation of a claim or estimate of loss) not exceeding the amounts authorised under the Scales of the various Institutions regulating such charges prevailing at the time of the destruction or damage.
- 4) **Reinstatement**
It is hereby agreed that in the event of the property insured under Item number 1 of this Section of the Certificate being lost, destroyed or damaged by any peril insured hereunder the basis upon which the amount payable under each of the said Items of the Certificate is to be calculated shall be the reinstatement of the property lost, destroyed or damaged subject to the following special provisions and subject also to the terms and conditions of the Certificate except in so far as the same may be varied hereby.

For the purpose of the insurance under this Memorandum 'reinstatement' shall mean:

- a) The carrying out of the following work, namely,
 - i) Where property is lost or destroyed, the rebuilding of the property, if a building, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.
 - ii) Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition as new.
- b) In respect only of goods sold but not delivered for which the Assured are responsible and with regards to which under the conditions of sale, the sale contract is by reason of the destruction or damage cancelled, either wholly or the extent of the loss or damage, the liability of the Underwriters shall be based on the contract price and for the purpose of Average the value of all goods to which the Memorandum would in the event of loss or damage be applicable shall be ascertained on the same basis.

5) Special Provisions

- a) The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Assured subject to the liability of the Underwriters not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated therein shall be made.
- b) Where any property insured under this memorandum is lost, damaged or destroyed in part only, the liability of the Underwriters shall not exceed the sum representing the cost which the Underwriters could have been called upon to pay for reinstatement if such property had been wholly destroyed.
- c) No payment beyond the amount which would have been payable under the Policy if this memorandum had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
- d) No payment beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated therein shall be made, if at the time of any loss or destruction of/or damage to any property insured hereunder, such property shall be covered by any other insurance effected by or on behalf of the Assured, which is not upon the identical basis of reinstatement set forth herein.
- e) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under the Policy if this Memorandum had not been incorporated therein, the rights and liabilities of the Underwriters and the Assured in respect of the destruction or damage shall be subject to the Terms and Conditions of the Policy, including any Condition of Average therein.

6) Public Authorities

The insurance by this Policy extends to include such additional cost of reinstatement of the property hereby insured which has been lost, destroyed or damaged by any peril hereby insured against, as may be incurred solely by reason of the necessity to comply with Buildings or other Regulations under or framed in pursuance of any ACT of PARLIAMENT or with BYE-LAWS of any MUNICIPAL or LOCAL AUTHORITY provided that:

- a) The amount recoverable under this Memorandum shall not include:
 - i) The cost incurred in complying with any of the aforesaid Regulations or Bye-Laws:
 - (a) In respect of loss, destruction or damage occurring prior to the granting of this Extension.
 - (b) In respect of loss, destruction or damage not insured by this section of the Policy.
 - (c) Under which notice has been served upon the Assured prior to the happening of the destruction or damage.
 - (d) In respect of undamaged property or undamaged portions of the property.
 - ii) The additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new, had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen.
 - iii) The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
- b) The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the loss, destruction or damage or

within such further time as the Underwriters may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Underwriters under this Memorandum not being thereby increased.

- c) If the liability of the Underwriters under any item of the Policy apart from this Memorandum shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Underwriters under this Memorandum in respect of any such item shall be reduced in like proportion.
- d) The total amount recoverable under any item of the Policy shall not exceed the Sum Insured thereby.
- e) All the Terms and Conditions of the Policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein.

7) Removal of Debris

It is understood that the insurance provided by this Section of the Policy includes costs and expenses necessarily incurred by the Assured with the consent of the Underwriters in:

- a) Removing debris
- b) Dismantling and/or demolishing.
- c) Shoring up or propping of the portion or portions of the property insured by the said Items destroyed or damaged by fire or by any other peril hereby insured against.

Underwriters will not pay for any cost or expenses:

- i) Incurred in removing debris except from the site of such property lost, destroyed or damaged and the area immediately adjacent to such site.
- ii) Arising from pollution or contamination of property not insured by this Policy.

8) Subrogation Waiver

In the event of a claim arising under this Policy, the Underwriters agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a) Any Company standing in the relation of Parent to Subsidiary to the Assured as defined in Section 154 of the Companies Act 1948.
- b) Any Company standing in the relation of Subsidiary to Parent to the Assured as defined in Section 154 of the Companies Act 1948.
- c) Any Company which is a Subsidiary of a Parent Company of which the Assured are themselves a Subsidiary in each case within the meaning of Section 154 of the Companies Act 1948.

9) Other Interests

The interest of other parties in this insurance is noted, it being understood that in the event of loss, the nature and extent of such other interests will be disclosed by the Assured.

10) Non-Invalidation

This insurance shall not be invalidated by any change of occupancy or increase of risk taking place in the described premises without the knowledge of the Assured provided that they shall, immediately upon the same coming to their knowledge, given notice thereof to the Underwriters and pay such additional premium as may be required from the date of such increase of risk.

11) Workmen

Workmen may be employed for the purpose of making alterations, repair, general maintenance and the like in all or any of the buildings at the premises without prejudice to the insurance hereby. The Assured is to give prior notice to Underwriters and confirm that adequate liability insurance is held by the contractors.

12) Customers' Goods

The Assured having intimated to their Customers that they will accept responsibility for destruction or damage by fire to Goods the property of such Customers or for which the said Customers may be legally responsible whether manufactured by them or not; upon which work is or is to be done on behalf of Customers or which may be left in the Assureds hands for storage or despatch or otherwise temporarily in the Assureds custody, it is hereby declared and agreed that all such goods in said buildings shall be held to be insured by the Item of this Policy covering Stock in Trade except insofar as they shall be more specifically otherwise insured.

13) Extensions

Except where specifically insured the buildings and/or contents:

- a) Outbuildings, annexes, gangways, conveniences and external hoists.
- b) Extensions communicating with any of the building(s) described herein.

are insured under the respective Item(s) applying to the building(s) and/or contents to which such property is attached or belongs.

14) Tenants Improvements

The insurance by each Item on buildings and machinery is understood to include tenants' improvements, alterations and decorations for which the Assured is responsible.

15) Services

The insurance on buildings, machinery and plant extends to include telephone, gas, water and electricity instruments, meters, drains, piping, cables and the like, and accessories thereof including such property for which the Assured are responsible which is underground and/or partly or wholly serves to supply the described premises.

OPTIONAL EXTENSIONS

The following Extensions shall apply only where specified in the Specifications. Where there is any conflict between the terms of an Extension and any Condition, Exclusion or Memorandum of this Section of the Policy, then the terms of the Extension shall prevail.

1) Day One Basis (Non Adjustable)

Applicable to buildings and machinery if shown as operative in the Specification.

- a) The Assured having stated in writing the Declared Value incorporated in each item to which this Memorandum applies the premium has been calculated accordingly.
Declared Value shall mean the Assureds assessment of the cost of reinstatement of the property insured, arrived at in accordance with paragraph (a) of the Reinstatement Memorandum at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the items provides due allowance for:
 - i) The additional cost of reinstatement to comply with Public Authorities requirements.
 - ii) Professional Fees.
 - iii) Removal of Debris.
- b) At the inception of each Period of Insurance, the Assured shall notify the Underwriters of the Declared Value of the property insured by each of the said item(s). In the absence of such declaration the last amount declared by the Assured shall be taken as the Declared Value for the ensuing Period of Insurance.
 - i) Memorandum 2 is restated as follows:
AVERAGE
If at the time of loss, destruction or damage the Declared Value of the property covered by such Item(s) be less than the cost of reinstatement (as defined in paragraph 1 of the Day One Basis Memorandum) at the inception of the Period of Insurance then the Underwriters' liability for any damage hereby insured shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement.
 - ii) Special Provision E of Memorandum 4 is restated as follows:
Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under this Section if this Memorandum had not been incorporated therein the rights and liabilities of the Underwriters and the Assured in respect of the damage shall be subject to the terms of this Section including any condition of average herein as if this Memorandum had not been incorporated herein except that the sums insured shall be limited to 125% of the Declared Values.
- c) In respect of each of the Items subject to this Memorandum the figure(s) stated in brackets below the sum(s) insured represent the Declared Value as defined in paragraph a) above.

2) Rent Payable

In the event of damage to the building in respect of any item on Rent Payable, the Underwriters will pay to the Assured the amount of rent which continues to be payable by the Assured for the buildings or part of the buildings whilst unfit for occupation in consequence of the damage, for a period not exceeding 12 months from the occurrence of the damage or the period for which the Assured is contractually obliged to pay rent, whichever is the lesser.

3) Glass

This insurance shall also include breakage of glass fixed in the windows and doors of the premises specified, but only if the cost of the replacement of such glass has to be borne by the Assured. In addition, Underwriters will indemnify the Assured against the cost of boarding up pending replacement of glass following such breakage.

This Certificate also covers breakage of internal glass but does not include:

- a) The cost of removing or restoring frames or fittings.
- b) Breakage arising from repairs, decorations, additions, alterations which in any way affect the glass, or to glass whilst being fitted.
- c) Breakage due to dilapidation or deterioration of framework.

In the event of breakage, all glass shall be considered plain and of ordinary glazing quality unless specifically mentioned in the Schedule.

4) Subsidence Extension

Subsidence Extension Clause

It is understood and agreed that Section A of this Insurance extends to include damage to the buildings specified in the Schedule occasioned by subsidence, landslip or heave of the site upon which such buildings stand.

Excluding:

- a) Loss or damage to fixed fuel oil tanks, swimming pools, paved patios and terraces, walls, gates or fences unless the main building is also affected by the same peril.
- b) Any claim for which compensation has been provided or would have been but for the existence of this insurance under any contract or legislation or guarantee.
- c) Loss or damage arising from faulty workmanship, defective plans or the use of defective material.
- d) Any claim arising out of loss or damage to solid floors unless the walls are damaged at the same time.
- e) Loss or damage whilst the buildings are undergoing any structural repairs, alterations or extensions.
- f) Loss or damage to any building on any demolition or excavation site.
- g) Loss or damage due to coastal or river erosion.
- h) Loss or damage to any building which stands on made-up ground, over mine working or on any site at which there has been a previous occurrence of subsidence, landslip or heave.
- i) The first £2500.00 of each loss or damage sustained.

SECTION B BUSINESS INTERRUPTION

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Certificate, and the conditions and exclusions contained in this Section, if during the period of Insurance the Business of the Assured is interrupted or interfered with as a direct result of loss, destruction or damage to property by any peril covered under Section A other than theft of this Policy (such loss, destruction or damage being hereafter referred to as 'damage') then if liability for such damage has been admitted or would have been admitted but for the operation of any deductible or self-insured amount thereunder under Section A covering the interest of the Assured at the Insured Premises, the Underwriters will pay in respect of each item on the Specification hereto the amount of loss resulting from the interruption or interference in accordance with the provisions hereinafter contained. Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

GROSS PROFIT

The insurance under this item is limited to loss of gross profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- a) IN RESPECT OF REDUCTION IN TURNOVER: The sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover.
- b) IN RESPECT OF INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for the expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided.

Less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the damage.

PROFESSIONAL ACCOUNTANTS CLAUSE

Any particulars or details contained in the Assureds books of account or other business books or documents which may be required under General Condition 5 of this Certificate for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Assured and their report shall be prima facie evidence of the particulars and details to which such report relates.

ADDITIONAL INCREASED COST OF WORKING

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred during the indemnity period in consequence of the damage in respect of increase in cost of working (including the cost of alternative accommodation) in excess of the amount payable under the item on Gross Profit for the purpose of avoiding or diminishing the reduction in turnover.

RENT RECEIVABLE

The Underwriters shall provide indemnity for any loss sustained as a result of the Untenability, caused by damage to buildings let by the Assured. The amount so payable shall be calculated as follows:

- 1) The amount by which the rent receivable by the Assured during the Indemnity Period shall, in consequence of the damage, fall short of the rent which would have been received during the period had the damage not occurred.
- 2) The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding a shortfall in rent, but not exceeding the amount of the loss of rent which would otherwise have been payable under paragraph a) less any savings in respect of expenditure payable out of rent receivable which reduces or ceases in consequence of the damage.

In arriving at the amount of rent receivable such adjustments shall be made as may be necessary to provide for trend, variations or other relevant circumstances either before or after the damage, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the rent which, but for the damage, would have been obtained during the relative period after the damage.

If, following the damage, the amount of rent receivable is maintained by the provision of alternative accommodation by the Assured such rent shall be taken into account in calculating the amount payable.

If at the time of the damage the Sum Insured by any item on rent receivable is less than the amount of rent which would have been received during the period of insurance if the damage had not occurred (or a proportionately increased multiple thereof if the rental period exceeds 12 months) the amount payable shall be proportionately reduced.

DEFINITIONS

1) Gross Profit

The amount by which:

- a) The sum of.
- b) The Turnover (less any Discounts allowed).
- and
- c) The amount of the Closing Stock and Closing Work in Progress.

Shall exceed:

- i) The sum of the amounts of.
- ii) The Opening Stock and Opening Work in Progress.
- iii) The Specified Working Expenses.

The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Assureds normal accountancy methods, due provision being made for depreciation.

2) Specified Working Expenses

(Which the Assured elects not to insure as part of Gross Profit) as specified in the Specification.

The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Assured.

3) Estimated Gross Profit

The amount declared by the Assured to the Underwriters as representing not less than the Gross Profit which it is anticipated will be earned by the business during the financial year most nearly concurrent with the period of insurance (or a proportionately increased multiple thereof where the indemnity period exceeds twelve months).

4) Turnover

The money paid or payable to the Assured for goods sold and delivered and for services rendered in course of the business at the premises.

5) Indemnity Period

The period beginning with the occurrence of the damage and ending not later than the last day of the period specified in the Specification, during which the results of the business shall be affected in consequence of the damage.

6) Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the damage or which would have affected the Business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

7) Standard Turnover

The Turnover during that period in the twelve months immediately during the date of the damage which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the damage or which would have affected the Business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

8) Value Added Tax

To the extent that the Assured is accountable, to the tax authorities for Value Added Tax, all terms in this section shall be exclusive of such tax.

MEMORANDA IN RESPECT OF SECTION B – BUSINESS INTERRUPTION

Where there is any conflict between the terms of a memorandum and any condition or exclusion of this section of the Policy then the terms of the Memorandum shall prevail.

1) Renewal Memorandum

The Assured shall prior to each renewal furnish the Underwriters with the estimated gross profit for the financial year most nearly concurrent with the ensuing year of insurance.

2) Premium Adjustment Memorandum

The first and annual premium in respect of Business Interruption Insurance Coverage are provisional and are based on the estimated Gross Profit for the financial year most nearly concurrent with the period of insurance.

The Assured shall furnish to the Underwriters not later than six months after the expiry of each period of insurance a declaration certified by the Assureds auditors of the Gross Profit earned during the financial year most nearly concurrent with the period of insurance.

If any damage shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Underwriters for the purpose of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the damage.

If the declaration (adjusted as provided above and proportionately increased where the maximum indemnity period exceeds 12 months):

- a) Is less than the estimated Gross Profit for the relative period of insurance the Underwriters will allow a pro-rata return of the premium paid on the estimated Gross Profit but not exceeding 50% of such premium.
- b) Is greater than the estimated Gross Profit for the relative period of insurance the Assured shall pay a pro-rata addition to the premium paid on the estimated Gross Profit.

3) Departmental Memorandum

If the Business can be conducted in Departments, the independent trading result of which are ascertainable the provisions of Memoranda (a) and (b) of the Item on Gross Profit shall apply separately to each Department affected by the damage.

4) Payments On Account Memorandum

It is agreed that payments on account of a claim may be paid if required by the Assured, during the Indemnity Period provided that Underwriters' consent to such payments is obtained; such consent shall not be unreasonably withheld. However if the total of the amounts so paid exceeds the final adjusted loss sustained, the Assured undertakes to pay the difference to the Underwriters.

5) Alternative Basis Memorandum

It is agreed and declared that, at the option of the Assured, the term OUTPUT may be substituted for the term TURNOVER and for the purposes of this Policy OUTPUT shall mean the sale value of goods manufactured by the ASSURED in the course of the Business at the Premises.

Provided that:

- a) Only one such meaning shall be operative in connection with any one occurrence involving damage (as within defined).
- b) If the meaning set out above be used the ALTERNATIVE TRADING MEMORANDUM shall be altered to read as follows:

If during the INDEMNITY PERIOD goods shall be manufactured other than at the Premises for the benefit of the Business either by the Assured or by others on the Assureds behalf the sale value of the goods so manufactured shall be brought into account in arriving at the OUTPUT during the INDEMNITY PERIOD.

6) Accumulated Stocks Memorandum

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover due to the damage is postponed by reason of the turnover being temporarily maintained from accumulated stocks of finished goods.

7) Denial Of Access Memorandum

Subject to the conditions of this Section loss resulting from interruption or interference with the business in consequence of damage (as within defined) to property in the vicinity of the premises destruction of or damage to which shall prevent or hinder the use of the premises or access thereto whether the premises or property of the Assured therein shall be damaged or not shall be deemed to be loss resulting from damage to property used by the Assured at the premises.

8) Customers and Suppliers Memorandum

Subject to the conditions of this Section of the Policy loss as insured by Items 1 and 2 of this Section of the Policy resulting from interruption of or interference with the Business in consequence of damage at the customers or suppliers premises specified in the specification shall be deemed to be loss resulting from damage to property used by the Assured at the Premises, provided that after the application of all other terms, conditions and provisions of this Section of the Policy the liability under this memorandum in respect of any one occurrence shall not exceed:

- a) The percentage of the Sum Insured by Item 1 of this Section of the Policy, or
- b) The amount shown in the Specification against such situations or property as the Limit.

9) Auditors Charges

The insurance includes an amount in respect of the reasonable charges payable by the Assured to their Auditors and for Accountants for producing any particulars or details contained in the Assureds books of account or other business books or documents or such other proofs, information or evidence as may be required by the Underwriters under the terms of this Policy and reporting that such particulars or details are in accordance with the Assureds books of account or other business books or documents.

10) Alternative Trading Memorandum

If during the Indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the Business either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

CONDITIONS

This section shall be void if:

- 1) The business is wound up or carried on by a liquidator or receiver or permanently discontinued.
or
- 2) The Assureds interest ceases otherwise than by death, at any time after the commencement of this insurance unless its continuance be admitted in writing by or on behalf of the Underwriters.

SECTION C

LIABILITIES

INSURING CLAUSE

Subject to the General Certificate Conditions and Exclusions and the Conditions applicable to each Sub-Section and the Section as a whole, the Underwriters will indemnify the Assured against their liability to pay compensation (including claimant's costs, fees and expenses) in accordance with the law of any country specified within the Territorial Limits.

The Indemnity applies only to such liability as defined by each insured Sub-Section of this Section of the Policy arising out of the Business as set forth in the Schedule and is limited to the amounts specified in the Specification in respect of each Sub-Section.

SUB-SECTION 1- EMPLOYERS LIABILITY

The Underwriters will indemnify the Assured against legal liability for damages and reasonable costs and expenses in respect of accidental Bodily Injury caused during the Period of Insurance to any Employee and arising out of and in the course of employment by the Assured within the Territorial Limits in connection with the Business.

Provided that an action for damages is brought against the Assured within a court of law within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

The Underwriters will also pay the following costs provided that they are incurred with the Underwriters prior written consent:

- 1) The legal costs of representation at:
 - a) Any coroners' inquest or enquiry in respect of any death.
 - b) Proceedings in any court of summary jurisdiction arising out of any alleged breach of Statutory duty resulting in Bodily Injury which may be the subject of indemnity under this Sub Section.
- 2) All other costs and expenses in relation to any matter which may be the subject of a claim under this Sub-Section.

EXTENSIONS TO SUB-SECTION 1

Where any contract or agreement entered into by the Assured with any Principal so requires the Underwriters will:

- 1) Indemnify the Assured against liability arising in connection with and assumed by the Assured by virtue of such contract or agreement.
- 2) Indemnify the Principal in like manner to the Assured in respect of the Principals liability arising from the performance of such contract or agreement but only so far as concerns liability as defined in this Policy to an Employee of the Assured.

Provided that:

- a) The Assured shall have arranged with the Principal for the conduct and control of all claims to be vested in the Underwriters in accordance with General Condition 6.
- b) The Principal shall as though he were the Assured observe fulfil and be subject to the terms and conditions of this Policy in so far as they can apply.

SUB-SECTION 1- EMPLOYERS LIABILITY EXCEPTIONS

1) Family Exception – Employers Liability

The Underwriters shall not indemnify the Insured under this Section against liability for Bodily Injury sustained by any Employee Closely Related to the Insured.

For the purposes of this exception Closely Related shall mean, husband, wife, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother or half-sister.

This exception will not apply where the business is incorporated as a limited company.

FAR2310

2) Terrorism – Employers Liability

The liability of the Underwriters under this Section for damages, costs and expenses payable in respect of any one claim against the Insured or series of claims against the Insured arising out of Terrorism shall not exceed £5,000,000.

DEFINITION

An act – whether involved violence or the use of force or not – or the threat or the preparation thereof, of any person or group(s) of persons – whether acting alone or on behalf of or in connection with any organisation(s) or government(s) – which is designed to, or does:

- a) Intimidate or influence a de jure or de facto government or the public or a section of the public.
- b) Disrupt any segment of the economy.

From its nature or context is done in connection with political, social, religious ideological or similar causes or objectives.

FAR2610

SUB-SECTION 2 – PUBLIC LIABILITY

The Underwriters will indemnify the Assured against legal liability for damages and reasonable costs and expenses in respect of accidental Bodily Injury to any person or for accidental loss of or damage to property occurring during the Period of Insurance within the Territorial Limits in connection with the business.

Provided that an action for damages is brought against the Assured within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

The Underwriters will also pay:

- 1) The legal costs incurred with the Underwriters prior written consent for representation at:
 - a) Any coroners' inquest or enquiry in respect of any death.
 - b) Proceedings in any court of summary jurisdiction arising out of any alleged breach statutory duty resulting in Bodily Injury.

Which may be the subject of Indemnity under this Sub-Section.

- 2) All other costs and expenses in relation to any matter which may be the subject of a claim under this Sub-Section.

EXCLUSIONS TO SUB-SECTION 2

The indemnity will not apply to legal liability:

- 1) Arising out of the ownership possession or use by or on behalf of the Assured of any:
 - a) Mechanically propelled vehicle for which insurance is required under the Road Traffic Act or similar legislation.
 - b) Aircraft or other aerial devices.
 - c) Hovercraft.
 - d) Waterborne craft (other than hand propelled or sailing craft in inland or territorial waters).
- 2) For Bodily Injury to any Employee arising out of and in the course of employment by the Assured in the Business.
- 3) In respect of loss of or damage to property owned by or in the care, custody or control of the Assured other than:
 - a) Personal property of employees' directors' partners or visitors.
 - b) Premises and their contents not owned by or leased or rented to the Assured at which the Assured is undertaking work in connection with the Business.
 - c) Premises and their fixtures and fittings leased or rented to the Assured provided that such premises are insured against fire and that the indemnity shall not apply in respect of liability for:
 - i) Such loss or damage if the liability is assumed by the Assured under a tenancy or other agreement and would not have attached in the absence of such agreement.
 - ii) The Assured shall be responsible for the first £250 of such loss or damage caused otherwise than by fire or explosion.
- 4) For the cost of remedying any defect or alleged defect in premises disposed of by the Assured.
- 5) For loss of or damage to any aircraft, hovercraft or waterborne craft arising out of work carried out by or on behalf of the Assured.
- 6) Arising out of or in connection with wrongful advice, design or Specification when given by Assured for a fee.
- 7) For Bodily Injury or loss of or damage to property arising from goods or products manufactured sold, supplied, altered, distributed, constructed, repaired, serviced, treated, or installed or let on hire by the Assured.

EXTENSIONS TO SUB-SECTION 2

1) Cross Liabilities:

When more than one party comprise the Assured the Underwriters will provide indemnity to each in the same manner and to the same extent as if a separate Policy had been issued to each. Provided that the total amount payable in respect of damages shall not exceed the limit of Indemnity shown in the Schedule.

2) Contingent Motor Liability:

Notwithstanding Exclusion 1(a) the Underwriters will provide indemnity to the Assured against legal liability arising out of the use in the course of the Business of any motor vehicle not the property of nor provided by the Assured. The indemnity will not apply to legal liability:

- a) In respect of loss of or damage to such vehicle or to property conveyed therein.
- b) Arising whilst such vehicle is being driven by the Assured.
- c) In respect of which the Assured is entitled to indemnity under any other insurance.

SUB-SECTION 3 – PRODUCTS LIABILITY

The Underwriters will indemnify the Assured against legal liability for Accidental Bodily Injury to any person or accidental loss of or damage to property occurring during the Period of Insurance within the Territorial Limits and arising out of the Products (after they have ceased to be under the possession or control of the Assured) manufactured, sold, supplied, altered, distributed, constructed, repaired, serviced, treated or installed or let on hire by the Assured.

EXCLUSIONS TO SUB-SECTION 3

The indemnity will not apply to legal liability:

- 1) In respect of loss of or damage to any Product caused by any defect therein or the unsuitability thereof for its intended purpose.
- 2) For the costs of recall, removal, alteration, replacement, repair or reinstatement of any Products necessitated by any defect therein or the unsuitability thereof for its intended purpose.
- 3) Arising out of or in connection with any Product where such legal liability has been accepted by agreement unless such liability would have attached in the absence of such agreement.
- 4) Arising out of or in connection with wrongful advice, design or Specification when given by the Assured for a fee.

EXTENSION TO SUB-SECTION 3

Consumer Protection Act – Legal Defence Costs

The Underwriters will indemnify the Assured and at the Assured's request any Director, Partner or Employee of the Assured in respect of legal costs and expenses incurred with the Underwriters prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising out of any proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 and which may be the subject of indemnity under this Policy.

Provided that:

- 1) The proceedings relate to an offence alleged to have been committed during the Period of Insurance.
- 2) The indemnity will not apply:
 - a) To fines or penalties of any kind.
 - b) Where indemnity is provided by other insurance.
 - c) To proceedings consequent upon any deliberate act or omission.

SPECIFIC EXCLUSION TO SECTION 'C' SUB-SECTION 2 (PUBLIC LIABILITY) and SUB-SECTION 3 (PRODUCTS LIABILITY)

Gradual Environmental Impairment Exclusion Clause LMC 1 (B)

With regard to all Public Liability General Third Party Liability and Products Liability (whether written as such or otherwise) under policies covering operations located outside U.S.A. and Canada.

This Agreement does not cover liability for:

- 1) Personal injury or Bodily Injury or financial loss or loss of, damage to, or loss of use of property indirectly or arising out of the discharge, dispersal, release or escape of pollutants.
- 2) The cost of removing, nullifying or cleaning up pollutants.
- 3) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of pollutants.

Notwithstanding the foregoing, this Agreement shall cover liability otherwise excluded under paragraphs (a) and (b) above which:

- a) Is caused by a sudden identifiable unintended and unexpected happening which takes place in its entirety at a specific time and place, and
- b) Is indemnified in not more than one annual period of original insurance.

For the purpose of this clause, 'pollutants' means any solid liquid gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

This clause shall not, however, apply to the following risk category: Personal Liability.

GENERAL EXTENSIONS

1) Compensation for Court Attendance

In the event of any of the under mentioned persons attending court as a witness at the request of the Underwriters in connection with a claim in respect of which the Assured is entitled to indemnity, the Underwriters will pay compensation to the Assured at the following rates per day for each day on which attendance is required.

- a) Any Director or Partner of the Assured – £100.00
- b) Any Employee of the Assured – £50.00

2) Health and Safety at Work Act – Legal Defence Costs

The Underwriters will provide indemnity to the Assured and at the Assureds request any Director, Partner or Employee of the Assured in respect of legal costs and expenses incurred with the Underwriters written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 and which may be the subject of indemnity under this Policy.

Provided that:

- a) The proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Assureds Business.
- b) The indemnity will not apply:
 - i) To fines or penalties of any kind.
 - ii) To proceedings consequent upon any deliberate act or omission.

3) The Underwriters will Indemnify

- a) The personal representatives of the Assured in respect of liability incurred by the Assured.
- b) At the request of the Assured:
 - i) Any Director of the Assured or
 - ii) Any Employee of the Assured against legal liability in respect of which the Assured would have been entitled to indemnity under this Policy if a claim had been made against the Assured.
 - iii) The officers, committees and members of the Assureds canteen sports social and welfare organisations and first aid, fire and ambulance services in the respective capacities as such.
 - iv) Any Director or Partner of the Assured in respect of private work undertaken by any Employee for such Director or Partner with the prior consent of the Assured.

Each of whom shall as though they were the Assured be subject to the terms and conditions of this Policy in so far as they can apply.

GENERAL DEFINITIONS

1) Business

As shown in the schedule shall include the ownership and disposal of premises and the provisions and management of canteen social sports and welfare organisations for the benefit of Employees and first aid, fire and ambulance services.

2) Bodily Injury

Shall include death, illness and disease.

3) Property

Shall mean material property.

4) Employee

Shall mean any:

- a) Person under a contract of service or apprenticeship with the Assured.
- b) Labour master and person supplied by him.
- c) Person employed by Labour only sub contractor.
- d) Self employed person.
- e) Person hired or borrowed by the Assured for the Assured in connection with the Business.
- f) Person undertaking study or work experience for the Assured in connection with the Business.

5) Event

Shall mean any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause.

6) Principal

Shall mean the person, company, firm or Public Authority with whom the Assured has entered into a contract for work or services.

7) Product

Shall mean any:

- a) Any goods.
- b) Buildings, contract work, and structures erected by or on behalf of the Assured manufactured, sold, supplied, altered, distributed, constructed, repaired, serviced, treated or installed or let on hire by the Assured and no longer in the possession or control of the Assured in connection with the Business as shown in the Schedule.

8) Territorial Limits

a) Sub-Section 1

Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and temporary visits by non-manual Employees outside such territories.

b) Sub-Section 2 and 3

Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and anywhere in the world other than the United States of America or Canada.

GENERAL CONDITIONS

- 1) The due observance of the terms of this Policy relating to anything to be done or complied with by the Assured is a condition precedent to any liability of the Underwriters except in so far as it is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands relating to compulsory insurance of legal liability to Employees. The Assured shall repay to the Underwriters all sums paid by Underwriters which but for this legislation Underwriters would not have been liable to pay.
- 2) The Assured shall take all reasonable precautions to prevent Bodily Injury or loss of or damage to property and shall maintain all buildings, plant and vehicles in sound condition.
- 3) If the premium for this section of this Policy is subject to adjustment the Assured shall keep during the entire currency hereof the records necessary to adjust the premium and shall at all reasonable times allow Underwriters or their representatives to inspect such records. At the end of each period of Insurance and on termination of this Policy the Assured shall declare such particulars. The premium shall then be adjusted and the difference paid by or allowed to the Assured subject to any minimum premium shown in the Schedule.

SUB-SECTION 3 – PUBLIC and PRODUCTS LIABILITY EXCEPTIONS

1) Family Exception – Public and Products Liability

The Underwriters shall not indemnify the Insured under this Section against liability for Bodily Injury sustained by the Insured or any person Closely Related to the Insured.

For the purposes of this exception Closely Related shall mean, husband, wife, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother or half-sister.

FAR2410

2) Component Building Material – Public and Products Liability

The Underwriters shall not indemnify the Insured under this Section in respect of injury, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.

FAR2910

3) Terrorism – Public and Products Liability

The Underwriters shall not indemnify the Insured under this Section in respect of injury, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism

DEFINITION

Terrorism shall mean an act – whether involving violence or the use of force or not – or the threat or the preparation thereof, of any person or group(s) of persons – whether acting alone or on behalf of or in connection with any organisation(s) or government(s) – which is designed to, or does:

- a) Intimidate or influence a de jure or de facto government or the public or a section of the public.
- b) Disrupt any segment of the economy.

From its nature or context is done in connection with political, social, religious ideological or similar causes or objectives.

FAR2510

4) Fungus, Mould and Mildew – Public and Products Liability

The Underwriters shall not indemnify the Insured under this Section against:

- a) Damages, direct or consequential, on account of 'bodily injury', 'property damage', 'personal or advertising injury', or 'medical payments' arising out of, resulting from, caused by, contributed to, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
- b) Any costs or expenses associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
- c) Any obligation or duty to defend any actions on account of 'bodily injury', 'property damage', 'personal or advertising injury' or 'medical payments' arising out of, resulting from, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens.

Irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring.

For purposes of this Exclusion, 'bodily injury' shall include mental anguish, mental injury and/or emotional distress.

All other terms and conditions of this Insurance remain unchanged.

FAR2810

SUB-SECTION 4 – PROPERTY OWNERS LIABILITY EXTENSION

Underwriters will indemnify the Insured against all sums which the Insured shall become legally liable to pay as damage and claimants' costs and expenses recoverable from him in respect of:

- 1) Accidental bodily injury (including death, illness or disease) of any person not being an employee of the Insured where the injury arises out of and in the course of such person's employment or service with the Insured.
- 2) Accidental loss of or damage to material property not being the property belonging to or in charge of or under the control of the Insured.

Occurring during the Period of Insurance and happening in or about the Premises based solely upon liability of the Insured as landlord of such Premises.

PROVIDE THAT the liability of the Underwriters in respect of any one accident or occurrences or series of accidents or occurrences consequent upon or attributable to any one single cause is limited to the amount stated in the Schedule.

- a) Accidental loss of or damage to material property not being the property belonging to or in charge of or under the control of the insured.
- b) The Solicitor's fees incurred with the Underwriter's written consent for representation at proceedings in any Court of Summary Jurisdiction in respect of any alleged act causing or relating to any occurrences which may be the subject of indemnity hereunder or at any Coroner's Inquest or Fatal Accident Inquiry.

INTERPRETATIONS

For the purposes of this Section the following terms are deemed to be interpreted in the manner stated.

The Insured shall include:

- 1) Personal representatives of the Insured in the event of the death of the Insured but only in respect of liability incurred by the Insured.
- 2) If the Insured so requests any director, partner or employee of the Insured.

PROVIDED THAT such parties observe, fulfil and are subject to the terms, conditions and limitations of this Section in so far as they can apply AND the Underwriters shall retain sole conduct and control of any claims. Landlord shall mean the Insured as owner of the Premises or where he is responsible for the upkeep, repair and maintenance of the Premises as leaseholder under a legal lease for a specified term.

PROPERTY OWNERS LIABILITY – EXTENSIONS

The insurance by this Section is extended to include the following:

1) Defective Premises Act 1972

Indemnity hereunder is deemed to include liability for accidents arising in connection with any premises disposed of and previously owned or leased by the Insured solely by virtue of and within the limitations of such Act and caused by construction, repair, maintenance, demolition or other work done on or in relation to such previous premises.

PROVIDED that this Extension shall not apply to:

- a) Any loss or damage to such previous premises.
- b) Any liability for which the Insured is entitled to indemnity under any other policy.

2) Work Away

Liability of the Insured hereunder extends to apply whilst the Insured is engaged solely in commercial, secretarial, administrative and non-manual duties anywhere in the United Kingdom, in direct connection with his ownership or as lessee of the Premises.

3) Cross Liabilities

Where more than one party comprises the insured in the Schedule the Underwriters will treat each party as the Insured as if a separate Policy has been issued to each PROVIDED THAT the maximum liability of the Underwriters hereunder shall not exceed in the aggregate the Limit in the said Schedule.

4) Contingent Liability Contractors

Liability of the Insured hereunder arising out of minor work carried out by bonafide contractors in the form of decorations, repairs and routine maintenance and there being no other insurance in force covering the liability of such contractors PROVIDED THAT the maximum liability hereunder shall not exceed the Limits in the said Schedule and be otherwise subject to the terms and conditions and limitations of this Section in so far as they can apply.

The Underwriters shall not be liable under this Section in respect of the following:

- 1) Any claim arising in connection with the Insured's trade, business or profession other than in his capacity as Landlord of the Premises.
- 2) Any liability arising out of the explosion or collapse of any steam pressure vessel (not being a boiler used for domestic purposes only) belonging to or under the contract of the Insured unless such is the subject of an Inspection Contract to the extent required by statutory regulations.
- 3) Any claim arising from work being carried out by the Insured or by anyone on his behalf in the form of decorations, repairs, maintenance, alterations, additions, demolitions (other than as provided under Extension 4 hereof).
- 4) Seepage, pollution or contamination unless due to a sudden unintended, unexpected happening during the Period of Insurance.
- 5) For the loss of or damage to property belonging to the Insured in the custody or control of the Insured or of any Employee of the Insured other than:
 - a) Employees' or Visitors' Property.
 - b) Any premises including contents not being leased or rented to the Insured which are temporarily occupied by the Insured for the purpose of carrying out work in or to such Premises.
- 6) Arising from the ownership, possession or use under the control of the Insured or any Employee of the Insured of:
 - a) Any mechanically propelled vehicle but this exception shall not apply in respect of Bodily Injury or loss of or damage to property arising in circumstances where compulsory insurance or security in respect of any such vehicle is not required by any Road Traffic Legislation and the Insured is not entitled to indemnity under any other policy of indemnity or insurance.
 - b) Any aircraft or other aerial devices, hovercraft or watercraft (other than hand propelled watercraft or sailing craft not exceeding six metres in length).
- 7) Caused by any Goods after they have ceased to be in the custody or control of the Insured other than food or drink supplied primarily for the use of Employees or for entertainment purposes.
- 8) Arising from professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged.

SUB-SECTION 4 – PROPERTY OWNERS LIABILITY EXCEPTIONS

1) Terrorism – Property Owners Liability

The Underwriters shall not indemnify the Insured under this Section in respect of injury, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism.

DEFINITION

Terrorism shall mean an act – whether involving violence or the use of force or not – or the threat or the preparation thereof, of any person or group(s) of persons – whether acting alone or on behalf of or in connection with any organisation(s) or government(s) – which is designed to, or does:

- a) Intimidate or influence a de jure or de facto government or the public or a section of the public.
- b) Disrupt any segment of the economy.

From its nature or context is done in connection with political, social, religious ideological or similar causes or objectives.

FAR2510

2) Fungus, Mould and Mildew – Property Owners Liability

The Underwriters shall not indemnify the Insured under this Section against:

- a) Damages, direct or consequential, on account of 'Bodily Injury', 'property damage', 'personal or advertising injury', or 'medical payments' arising out of, resulting from, caused by, contributed to, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
- b) Any costs or expenses associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
- c) Any obligation or duty to defend any actions on account of 'bodily injury', 'property damage', 'personal or advertising injury' or 'medical payments' arising out of, resulting from, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens.

Irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring.

For purposes of this exclusion, 'bodily injury' shall include mental anguish, mental injury and/or emotional distress.

All other terms and conditions of this Insurance remain unchanged.

FAR2810

3) Family Exception – Property Owners Liability

The Underwriters shall not indemnify the Insured under this Section against liability for Bodily Injury sustained by the Insured or any person Closely Related to the Insured.

For the purposes of this exception Closely Related shall mean, husband, wife, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother or half-sister.

FAR2410

4) Component Building Material – Property Owners Liability

The Underwriters shall not indemnify the Insured under this Section in respect of injury, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.

FAR2910

SECTION D LOSS OF MONEY

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and exclusions contained herein, if during the period of insurance:

- 1) Money and Non-Negotiable Money is lost, destroyed or damaged by any cause.
- 2) Any safe or strong room belonging to the Assured is lost, destroyed or damaged as a result of theft or attempted theft of Money.

Whilst within or in transit between The United Kingdom and Eire, the Underwriters will indemnify the Assured at their option by repairing, replacing or paying the amount of the loss, destruction or damage. Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event as stated in the Schedule.

LIMITS OF LIABILITY

The Underwriters' liability shall not exceed the Limit of Liability set against any Item in the Specification.

DEFINITIONS

- 1) Money shall mean Negotiable and Non-Negotiable Money as defined herein.
- 2) Negotiable Money shall mean Cash, Bank Notes, Uncrossed Cheques, Uncrossed Giro Cheques, Uncrossed Bankers' Drafts, Uncrossed Money Orders, Uncrossed Postal Orders, Bills of Exchange, Unused Postage Stamps and Certificates, Holidays with Pay Stamps, Credit Company Sales Vouchers and VAT Purchase Invoices all the Assureds own or for which they are responsible and Luncheon Vouchers the property of the Assured but only whilst in their custody.
- 3) Non-negotiable Money shall mean Crossed Cheques, Crossed Giro Cheques, Crossed Bankers' Drafts, Crossed Money Orders, Crossed Postal Orders, Used National Insurance Stamps, National Savings Certificates, Credit Company Sales Vouchers, VAT Purchase Invoices and Franking Machine Units.

EXCLUSIONS

This Section does not cover:

- 1) The deductible as outlined in the policy schedule each and every claim.
- 2) Shortages due to error or omission.
- 3) Loss, destruction or damage arising from the dishonesty of any employee:
 - a) Unless such loss, destruction or damage is discovered within seven working days of its occurrence.
 - b) Insured under a Fidelity Guarantee policy (irrespective of whether the Assured has purchased such Insurance) except in respect of any excess beyond the amount which would have been payable under such policy had this insurance not been effected.
- 4) Loss, destruction or damage resulting from a safe or strong room being opened by the use of a key or a combination code through the key or combination code having been left on the Assureds premises whilst closed for business.
- 5) Loss, destruction or damage as a result of theft from an unattended vehicle.
- 6) Loss, destruction or damage to money whilst in transit by post.

SPECIAL CONDITIONS

It is a condition precedent to any liability under this Section that:

- 1) The Insured shall keep a record of all Money insured under this Section and such record be kept in a secure place, other than in safes or strong rooms on the Premises.
- 2) The Insured shall at all times exercise reasonable care in the selection and employment of employees involved with the handling and or transit of Money and has obtained and will continue to obtain satisfactory written references and confirmation of such references from previous employers.
- 3) Safe/s shall be locked and key/s removed whenever the room containing the safe/s is left unattended.
- 4) It is warranted in respect of Cash carryings the following conditions apply:

| | | |
|------------------|---|----------------------|
| Up to £2,500 | - | 1 Able Bodied Adult |
| £2,501 – £4,000 | - | 2 Able Bodied Adults |
| £4,001 – £10,000 | - | 3 Able Bodied Adults |
| Over £10,000 | - | Security Company |

Adjustments of Premium

The premium for this Section has been calculated on estimates supplied by the Assured of the amount of Money at risk during the Period of Insurance. The Assured shall keep an accurate record.

EXTENSIONS

Cover under this Section is extended to include:

Assault – personal assault benefits in accordance with the Table of Benefits hereunder in the event of a robbery or attempted robbery of the Insured or any partner, director or employee in the course of their employment by the Insured which directly results in death or disablement:

- 1) death £10,000
 - 2) total & irrecoverable loss of sight in one or both eyes £10,000
 - 3) total loss of use of an entire hand, arm, foot or leg £10,000
 - 4) permanent total disablement from usual occupation £10,000
 - 5) temporary total disablement from usual occupation £100 per week
- Provided that:

- a) Benefits shall only be payable under one of the Table of Benefits 1 to 4 in respect of any one injury and such payment shall be the maximum payable per person in any Period of Insurance.
- b) No benefit shall be payable under Benefits 1 to 4 inclusive unless death or disablement occurs within twelve months of the injury.
- c) No benefit shall be payable to any person whose age is less than sixteen or more than sixty five years.
- d) Benefit 5 shall cease immediately the Insured are entitled to claim Benefits 1, 2, 3 or 4.
- e) The maximum period payable for Benefit 5 shall be 104 weeks from the date on which the Insured, partner, director or employee first attends a qualified medical practitioner.
- f) Persons are between the ages of 16 and 60 years.

SECTION E

GOODS IN TRANSIT

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusions contained in this Section herein, if the goods as described in the Specification or any part thereof are lost, destroyed or damaged within the territorial limits specified below whilst being loaded upon, in transit by or unloaded from the means of conveyance detailed in the Specification by any cause not excluded hereby the Underwriters will indemnify the Assured in respect of such loss or damage up to the limits of liability specified in the Schedule.

Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

It is a condition as regards transit on vehicles owned or operated by the Assured that any vehicle left loaded and unattended:

- 1) Is fully closed and locked with all keys removed therefrom and all alarm/immobilising systems put into operation.
- 2) Is housed in a securely locked garage or compound, between the hours of 7 pm and 8 am.

TERRITORIAL LIMITS

The United Kingdom, Channel Islands, Isle of Man and Eire including whilst in transit by sea or air between these countries.

EXCLUSIONS

This section does not cover:

- 1) The excess as outlined in the policy schedule each and every claim.
- 2) Loss, destruction or damage:
 - a) Of or to jewellery, watches, works of art, precious stones or precious metals or articles composed of them, furs, leather goods or livestock, money, securities or stamps, manuscripts, business books, patterns, moulds, plans, designs, explosives or other dangerous goods, perfumery, tobacco, cigars, cigarettes, wines, spirits and the like, cameras, radios, television sets, tape recorders and the like.
 - b) Arising from wear, tear, depreciation, gradual deterioration, defective workmanship, moth, vermin, or changes brought about by natural causes, electrical or mechanical derangement unless caused by external means and contamination.
 - c) Loss, destruction or damage caused by breakdown or derangement of refrigerating units.
 - d) Loss, destruction or damage arising from infidelity or dishonesty on the part of the Assured, the Assured's Employees or Agents of the Assured, inventory shortages and unexplained disappearances.

SPECIAL CONDITIONS

- 1) If at the time of the happening of any loss or damage the total value of the goods comprising the load or consignment exceeds the limit of liability, the Assured shall be considered as being their own Insurers for the difference.
- 2) The Assured shall take all reasonable care:
 - a) In the selection and supervision of employees.
 - b) In the maintenance of vehicles and any protective devices thereon.

- c) In the safeguarding of the goods insured by proper packing and addressing, loading, unloading and handling.
- 3) Any claim for loss or damage following theft shall be:
 - a) Evidenced by violent and forcible entry and in the event of theft of the vehicle by violent forcible entry therein.
 - or
 - b) Accomplished by hold-up or kidnapping or by the use of keys obtained by robbery from an approved custodian of the keys for the vehicle and alarm systems.
- 4) Adjustment of Premium.

The premium has been calculated on estimates supplied by the Assured and they shall keep an accurate record of information on matters for which estimates have been given. Within one month of expiry of each Period of Insurance the Assured shall supply a true statement of the particulars necessary for assessment of premium and should these particulars differ from the estimates upon which premium has been paid the difference in premium shall be met by a further proportionate payment or refund as the case may be. Failure to supply such particulars shall entitle the Underwriters to estimate if they so wish such particulars and to assess the further premium payment due calculated on such estimated particulars.

MEMORANDA

Where there is any conflict between the terms of Memoranda 1 or 2 below and any condition or exclusion of this Section of the Policy then the terms of the Memorandum shall prevail.

All Memoranda shall be applicable to own vehicle or vehicles under the custody or control of the Assured only.

- 1) Clearance of Debris, Transshipment and Recovery Charges.

The Underwriters will indemnify the Assured up to £1,000 any one occurrence in respect of costs reasonably incurred in clearing debris, transshipment and recovery of property lost damaged or destroyed by a peril not otherwise excluded by this Section.
- 2) Sheets, Ropes, Chains, Toggles and Dunnage.

The Underwriters, will indemnify the Assured, subject to the Policy terms and conditions against loss or destruction of or damage to Sheets, Ropes, Chains, Toggles and Dunnage. Nevertheless the Underwriters shall not be liable for:

 - a) More than £1,000 in respect of any one vehicle.
 - b) Loss, destruction or damage caused by or arising from wear and tear or gradual deterioration.
 - c) Loss, destruction or damage unless the cause is:
 - i) Supported by direct evidence to the satisfaction of the Underwriters.
 - ii) A peril insured by this Section of the Policy.
 - d) The deductible as outlined in the policy schedule each and every claim.

SECTION F

ALL RISKS TO BUSINESS EQUIPMENT

INSURING CLAUSE

Subject to the General Exclusions of this Policy, this Section insures Business Equipment of the Assured or for which the Assured may be responsible against All risks of physical loss or damage occurring during the period of Insurance anywhere in the United Kingdom and Eire up to the limits shown in the Specification.

SPECIFIC CONDITIONS

- 1) In the event of loss, destruction or damage hereunder, the basis of Valuation for such lost, damaged or destroyed equipment shall be based upon the cost of repair or replacing the said item(s) with an item of similar specification.
- 2) In respect of each item separately, the liability of Underwriters for any loss or damage, shall not exceed the respective Sum Insured specified in the Specification, nor shall it exceed such proportion of the said loss or damage as the Sum Insured bears to the total value thereof.

SPECIFIC EXCLUSIONS

This section does not cover:

- 1) The excess as outlined in the policy schedule each and every claim.
- 2) Loss, destruction or damage caused by moth, vermin, inherent vice, climatic conditions, wear and tear, mechanical derangement, gradual deterioration or faulty manipulation.
- 3) Loss, destruction or damage to any part of any machine caused by its own ignition, electrical breakdown or burn out.
- 4) Loss, destruction or damage caused by the actual process of repair, renovation or servicing.
- 5) Depreciation, contamination, or any other consequential loss of any description.
- 6) Loss, destruction or damage to Business Equipment whilst contained in an unattended vehicle unless in a locked boot.

SECTION G BOOK DEBTS

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusions contained herein. -If the Assureds books of accounts, other business books or records at the premises stated in the Schedule should be destroyed or damaged by any of the perils detailed in Section A and shown as insured in the Specification and in consequence thereof the Assured is unable to trace or establish the outstanding debit balance in whole or in part due to them, then the Underwriters will pay to the Assured the loss sustained by the Assured in respect of such outstanding balances and the amount payable in respect of any one occurrence or damage shall not exceed:

- 1) The difference between:
 - a) The outstanding debit balances.
 - b) The total of the amounts received or traced in respect thereof.
- 2) The additional expenditure incurred with the previous consent of the Underwriters in tracing and establishing outstanding debit balances after the damage.

If the Sum Insured be less than the outstanding debit balances the amount payable shall be proportionately reduced.

The Sum Insured under this Section includes all reasonable charges payable by the Assured to their Auditors for producing identifying and certifying any particulars or details contained in the books of account or other business books or records, or documents or such other proofs, information or evidence as may be required by the Underwriters.

Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event.

DEFINITIONS

- 1) Outstanding Debit Balances – the total shown in the Assured's last audited accounts adjusted for:
 - a) Bad debts.
 - b) Amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customer's accounts in the period between the date to which the last statement relates and the date of the damage.
and
 - c) Any abnormal conditions of trade which had or could have had a material effect on the business so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred.
- 2) Customers' Accounts – the accounts of all customers and/or agents of the Assured who purchase goods from, or to whom services are rendered by the Assured.

CONDITIONS

- 1) This Section shall be void if:
 - a) The business be wound up or carried on by a liquidator or receiver or permanently discontinued.
or
 - b) The Assured's interest ceases other than by death at the time after the commencement of this insurance, unless its continuance be admitted in writing by or on behalf of the Underwriters.

WARRANTY

- 1) Fire Resistant Safes
It is Warranted that the Assured books of accounts, other business books or records are kept in a fire resistant Safe or cabinet when not in use.

SECTION H

STOCK DETERIORATION FOLLOWING REFRIGERATION BREAKDOWN

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Policy, and the Conditions and Exclusions contained herein, this Section shall cover Stocks of frozen foods whilst contained in Deep Freezers and/or Refrigerators up to the amount specified in the Specification against deterioration or putrefaction due to a change in the temperature following:

- 1) Breakdown of refrigeration.
- 2) Failure of the Public Electricity or Gas supply.
- 3) The action of refrigerant fumes escaping from the refrigeration equipment.
Which occurs during the period of Insurance set forth in the schedule Provided that Underwriters shall not be liable for more than the Sum Insured stated in the Specification or in the Policy in respect of each loss or series of losses arising out of one event at each location as stated in the Schedule.

EXCLUSIONS

This Section does not cover:

- 1) The deliberate act of any electricity or gas supply authority of the exercise by any such authority of its power to withhold or restrict supply.
- 2) Failure of the electricity or gas supply due to strikes or any other withdrawal of labour by employees of any electricity or gas authority.

CONDITION PRECEDENT

It is a Condition Precedent to Underwriters' liability under this Section that the refrigerant unit(s) is/are maintained by maker, installer or competent engineer under an annual maintenance contract.

CONDITIONS AND EXCLUSIONS APPLICABLE TO ALL SECTIONS

GENERAL CONDITIONS

1) Alarm Protections Maintenance Clause

It is a condition precedent to Underwriters' liability for loss of or damage to property following entry or attempted entry into or exit from the premises by forcible and violent means that:

- a) In respect of any Alarm System installed at the Premises.
 - i) A maintenance contract is maintained in force during the currency of this insurance with the installing company or other such company approved by Underwriters.
 - ii) The Premises are not left unattended unless:
 - (a) The Alarm System is tested and set in its entirety and, where the equipment permits, any central station to which the Alarm System is connected has acknowledged the setting signal.
 - (b) As far as the Insured or his representative is aware, the Alarm System is in full and efficient working order.

- (c) The agreement of Underwriters is obtained in writing before replacing, extending or otherwise altering the Alarm System.
- iii) Underwriters are notified immediately and in writing if:
 - (a) The Insured receives written notification from a Police Authority that they may be withdrawing response to alarm calls or
 - (b) The Insured is required to abate a nuisance under Code of Practice on Noise from Audible Intruder Alarms 1983 or by Force policy issued by the Chief Constable.
- b) Whenever the Premises are left unattended:
 - i) All locks and other protective devices are in full operation.
 - ii) All keys (including those relating to any part of the Alarm System) are:
 - (a) Removed from the Premises
 - or
 - (b) Placed within a locked safe or strongroom, the keys to which are themselves removed from the Premises.

DEFINITION

Alarm System shall be deemed to include all lines and equipment used to transmit the signals to and from the Premises.

2) Fire Appliance Maintenance Clause

It is understood and agreed that:

- a) The Insured will maintain all fire extinguishing appliances contained in the premises in full working order during the currency of this Insurance, and
- b) Notify the Underwriters immediately of any disconnection or failure of the automatic fire alarm installation which is likely to leave any area without protection for 12 hours or more.

Nevertheless this Insurance shall not be invalidated by any defect in any of the appliances due to circumstances unknown or beyond the control of the Insured.

3) Non-Contribution

This insurance does not cover any loss or liability which at the time of the happening of such loss or liability is more specifically insured elsewhere, except in respect of any excess beyond the amount which would have been payable under such other Insurances had this insurance not been effected.

4) Due Diligence

The Assured shall at all times use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss, damage or liability under this insurance.

5) Claims Notifications

It is a condition precedent to the liability of Underwriters that following any happening likely to give rise to a claim the Assured will:

- a) As soon as is practicable notify in writing the Underwriters.
- b) Provide such information and assistance as Underwriters may reasonably require.
- c) In the event of theft, loss of money, riot or malicious damage, immediately inform the Police, and offer them all reasonable assistance in the apprehension of the person(s) responsible and the recovery of any property stolen.
- d) In respect of Claims arising under Section C, every letter, claims, writ, summons and process shall be notified or forwarded to Underwriters immediately on receipt. Notice shall also be given in writing to the Underwriters immediately the Assured shall have notice of any impending prosecution inquest or fatal accident inquiry in connection with any such occurrence.

All such matters shall be referred immediately to the Broker through whom this Policy has been issued.

6) Handling of Claims

The Assured shall not incur any expense in making good any damage without the consent of the Underwriters and shall not admit liability for or offer or agree to settle any claim without the written consent of the Underwriters, who shall be entitled to take over and conduct in the name of the Assured the defence of any claim and to prosecute in the Assured's name for Underwriters benefit any claim for indemnity or damage or otherwise against any third party and shall have full discretion in the conduct of any negotiations and proceedings and the settlement of any claim.

7) Alterations

The Assured shall give the Underwriters immediate notice in writing of any alterations to the risk insured and shall pay or agree to pay any additional Premium that may be required.

8) Warranties

Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole currency of this Policy and non-compliance with any such warranty whether it increases the risk or not shall be a bar to any claim provided that whenever this Policy is renewed a claim occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period provided such warranty if it is still in force has been fully complied with from the commencement of such period.

9) Premium Adjustment

Where the premium is calculated on the statements and estimates furnished by the Insured the Insured shall keep an accurate record of all relevant particulars and shall at any reasonable time allow the Underwriters to inspect such record and shall within one month of the expiry of each Period of Insurance furnish to the Underwriters such information as the Underwriters require for such expired period and the premium for such period shall thereupon be adjusted by the Underwriters and the difference be paid or allowed to the Insured as the case may be subject to any agreed minimum premium.

10) Duties of the Insured

The Insured shall:

- a) Maintain the Premises, machinery, plant and equipment in a satisfactory state of repair.
- b) Take all reasonable precautions to prevent loss or destruction or damage, accident or injury.
- c) Take all reasonable precautions for the safety and protection of the property insured including the selection and supervision of Employees and not do or permit anything whereby the risk of Underwriters shall be increased.
- d) Comply with all statutory requirements and other safety regulations imposed by any authority.
- e) Keep books with a complete record of purchases and sales.
- f) Make good any defect or danger which becomes apparent and take additional precautions as circumstances require.

11) Salvage

On the happening of any loss, destruction or damage, the Assured shall give the Underwriters or their agent or representative leave and licence to enter the building where the loss, destruction or damage has occurred and take and keep possession of any of the property hereby insured and deal with the salvage in a reasonable manner.

12) Fraudulent Claims

If the Assured shall make any statement, claim or representation knowing the same to be false or fraudulent as regards amount or otherwise, this insurance shall become void and all claims hereunder shall be forfeited.

13) Cancellation

This insurance may be cancelled at any time at the request of the Assured in writing to the Broker who effected the Insurance, and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining the customary short term premium, details of which are available on request. This Insurance may also be cancelled by or on behalf of Underwriters by 30 days' notice given in writing, and sent by registered or recorded delivery mail, to the Assured at his last known address, and the premium hereon shall be adjusted on the basis of Underwriters receiving or retaining pro-rata premium for the unexpired period.

14) Automatic Reinstatement of Loss

Upon the occurrence of a loss hereunder, the Sum Insured shall be immediately and automatically reinstated, and the Assured undertake to pay the Additional Premium on the amount of loss at the rate applicable pro-rata from the date of the loss to the expiration of this Policy.

GENERAL EXCLUSIONS

1) Property Excluded

This Insurance does not cover loss, destruction or damage:

- a) To motor vehicles and accessories in or upon the said vehicles, explosives, livestock, cash currency and/or banknotes, stamps, bonds, bills of exchange, promissory notes, securities for money, negotiable documents or other documents except as expressly mentioned as insured.
- b) To computer system records, nor any claim whatsoever arising from such loss or damage, except as expressly mentioned as insured herein.

2) Invalid Payments

This Insurance excludes all claims in respect of loss of property hereby insured where loss has been sustained by the Assured consequent upon handing over such insured property to any third party against any payment or promise of payment by any means whatsoever and where such payment shall prove to be false, fraudulent or otherwise invalid or uncollectable for any reason whatsoever.

3) Consequential Loss

This Insurance does not cover Loss of use, delay, consequential loss or loss of market, unless specifically specified herein.

4) War

This Insurance does not cover any loss, damage, bodily injury or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority.

5. Radioactive Contamination

This Policy does not cover:

- a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss.
- b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - i) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - ii) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

6) Sonic Bang

This Insurance does not cover any loss, damage or liability directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

7) Territorial Limits

This Insurance does not cover any loss, damage or liability occurring outside the limits of The United Kingdom and Eire unless otherwise stated herein to the contrary.

8) Northern Ireland Override Clause

Loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- i) Civil commotion.
- ii) Any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of, or in connection with any unlawful association.

NOTE

'Unlawful association' means any organisation which is engaged in terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973.

'Terrorism' means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action, suit or other proceedings where the Underwriters allege that by reason of the provisions of this exclusion any loss, destruction or damage is not covered by this Policy the burden of proving that such loss, destruction or damage is covered shall be upon the Assured.

This overriding exclusion applies to this Insurance and to any extensions thereof, unless such extension expressly cancels this overriding exclusion.

SPECIAL CLAUSES / WARRANTIES FOR THE MATERIAL DAMAGE SECTION

THESE ARE OPERATIVE ONLY IF SHOWN IN THE SCHEDULE

CLAUSES

1) Daily Waste Warranty

It is warranted that trade waste and other refuse be swept up daily and placed in bags or bins outside the building.

2) Pipe and Tank Lagging Warranty

Underwriters will not be liable for loss of or damage to property as a result of burst or leaking water pipes and tanks which are inadequately lagged at the time of the loss or damage.

3) Deep Fat Frying Warranty

It is warranted that:

- a) All frying and other cooking ranges, equipment, flues and exhaust ducting are securely fixed and free from contact with combustible material.
 - b) All extraction hoods, canopies, filters and grease traps are cleaned every two weeks.
 - c) All extraction ducts are cleaned at least every six months.
 - d) Frying equipment is fitted with a thermostat designed to prevent the temperature of cooking oils and fat from rising above 205C.
 - e) Multi purpose fire extinguishers or other materials suitable for extinguishing oil and fat fires are maintained and close to the installation ready for immediate use.
 - f) The pans to be fitted with metal lids which can be shut down in the event of fire (with large installations closing to be automatic and the system to be linked to the ventilation system so that this is also shut down in the event of a fire).
- 4) Kitchen Duct Warranty**
Warranted cooking fume extraction canopies and ductwork be cleaned at least every six months by independent contractors and that filters, traps or other grease removal devices therein be cleaned at least fortnightly.
- 5) Roof Maintenance Warranty**
It is a Condition precedent to liability in respect of damage by storm or tempest that any flat felted roof portion of the within described premises shall be inspected at least once every two years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.
- 6) Electrical Clause**
It is understood and agreed that the Underwriters shall not be liable for any loss, destruction of or damage to electrical apparatus or appliances caused by self-ignition. However, this exclusion shall apply solely to the part of the said apparatus or appliance in which self-ignition occurs.
- 7) Portable Heating Warranty**
It is a condition precedent to the liability of the Underwriters that there will be no use of or storage on the premises of any form of portable heating unless specifically agreed.
- 8) Frost Stat Warranty**
Warranted that the heating system incorporates Frost stat controls to ensure that a minimum temperature of at least 4 degrees centigrade is automatically maintained between the months of October and May inclusive.
- 9) Waste Warranty**
Warranted combustible storage/waste in the open to be at least 20 ft from building when premises are closed for business.
- 10) Flammables Warranty**
It is a condition precedent to the liability of the Underwriters that all flammables are kept in metal lidded containers when not in use.
- 11) Bulk Flammables Warranty**
Warranted bulk supplies of flammables kept within a separate locked store and only one days supply permitted out on the premises.
- 12) Gutter Warranty**
Warranted valley gutters cleared and downpipes rodded at least twice per annum.
- 13) Alarm Protected Area Warranty**
Warranted all stock/contents within alarm protected area.
- 14) Cooking In Rooms Warranty**
Warranted no cooking in rooms other than in designated kitchen areas.
- 15) Renovation/Refurbishment Exclusion**
Excluding losses arising from building works, renovation or refurbishment.
- 16) Stillage Warranty**
It is warranted that all property stored in the premises is stored on racks, shelves and stillages not less than 6" (six inches) above floor level.
- 17) Paint Spraying Warranty**
It is warranted that:
- a) All paint spraying to be conducted in booths of non combustible material and positioned against an external wall.
 - b) All doors to be self closing and kept closed during spraying.
 - c) Any glazing should be wired glass.

- c) All electrical fittings in booths to be flamed proof and earthed.
- d) All wiring should conform to Institute of Electrical Engineers' Wiring regulations. A current Institute of Electrical Engineers Certificate to be held and reissued every three years.
- e) All paints residue to be cleaned off at least weekly.
- f) Each booth to have a separate ventilation fan and duct discharging direct to the open air.
- g) Motors not to be located in ducts.

18) Auditorium Warranty

Warranted that the Assured carry out a thorough examination of the premises insured hereunder for smouldering matches, tobacco or other material at the close of business each day and for signed reports to be made thereon daily by the employee, or employees, detailed to make the examination and for such reports to be checked at least weekly by the Management. It is further warranted that all ashtrays and the like to be emptied into a lidded metal bin and the bin be removed from the building at the close of each day.

19) Unoccupancy Conditions

- a) Notwithstanding anything contained herewith it is hereby understood and agreed that coverage herein is limited to fire, lightning, explosion, aircraft only.
- a) Warranted all mains services disconnected and all water pipes/tanks drained down.
- b) Warranted premises secured against illegal entry.
- c) All windows and doors shall be boarded or bricked up at ground level so as to prevent unauthorised entry and firmly secured at other levels.
- d) Warranted all letter boxes shall be sealed to prevent insertion of material.
- e) Warranted premises shall be kept clear of all loose combustible materials.
- f) Warranted assured and/or his agent to visit premises once per week and carry out any work necessary to maintain security. A record of these visits are to be kept and advised quarterly to Underwriters.
- g) Warranted excluding loss or damage arising out of refurbishment or renovation.
- h) Warranted a caretaker or security guard is on duty full-time on the premises.
- i) 10 days cancellation clause – Excess £ or coinsurance %.

20) Minimum Protections Warranty

It is warranted that all final exit doors have a minimum 5 lever mortice deadlocks fitted with box steel striking plates at least 7". Where locks are to be replaced or fitted these should conform to BS3621. Alternatively a 5 lever close shackle padlock with substantial locking bar. All accessible windows to be barred or fitted with key operated window locks or fixed permanently shut.

21) Electrical Circuit Warranty

It is warranted that the electrical installation be inspected and tested at least once in every three years by a contractor approved by the National Inspection Council for Electrical Installation (N.I.C.E.I.C) and that any defects found be remedied forthwith in accordance with the regulations of the Institute of Electrical Engineers.

22) Sprinkler and Fire Extinguishing Appliances Maintenance Clause

In consideration of the reduced premium at which this Insurance is written it is warranted that the Assured will:

- a) Maintain the Sprinkler Installation(s) and other Fire Extinguishing Appliances specified in this policy in full working order during the currency of this Insurance, make a test every week for the purpose of ascertaining that the Alarm Gong is in full working order and that the Stop Valves controlling the Water Supplies are fully open, ensure that a test is made every twelve months to confirm that the Water Supplies are in order, and that the particulars of such tests are recorded, and remedy promptly any defect revealed by such tests.

Nevertheless this Policy shall not be invalidated by any defect in the Sprinkler Installation(s) or other Fire Extinguishing Appliances due to circumstances unknown to or beyond the control of the Assured.

23) Restricted Perils Clause

Notwithstanding anything contained herein to the contrary the Insured perils granted by this Policy are limited to Fire, Lightning, Full Explosion and Aircraft only.

24) Co Insurance Clause

Notwithstanding anything contained herein to the contrary it is noted and agreed that Theft is subject to _____% Co Insurance Clause with a minimum contribution by the insured of £_____ each and every claim.

25) Subsidence Extension

Subsidence, Ground Heave or Landslip – If so indicated on the Schedule this Section also covers damage arising from Subsidence, Ground Heave or Landslip of any part of the site on which the property stands excluding:

Damage to any paths, drives and other surfaced areas, walls, gates and fences unless the building itself is damaged at the same time by the same peril.

Damage resulting from:

- a) The normal settling or bedding down of new structures the settlement or movement of made up ground coastal or river erosion defective design or workmanship or the use of defective materials fire, subterranean fire, explosion, earthquake or escape of water from any tank, pipe or apparatus.
- b) Damage which commenced prior to the inception of this cover.
- c) Damage occurring as a result of demolition, construction, structural alteration or repair of any property or ground works or excavation, at the same premises.
- d) The first £1,000 (or as shown in the schedule whichever the greater) of each and every loss at each separate premises as ascertained after the application of any condition of Average

SPECIAL CONDITION

This extension shall be avoided if the risk of subsidence, ground heave or landslip is increased by reason of demolition, groundworks, excavation or construction being carried out on the same or adjoining sites.

26) Business Interruption – Theft cover

It is hereby deemed that the words 'other than theft' are deleted from the first paragraph of Section B – Business Interruption.

27) Millennium Clause (Named Perils)

UK MILLENNIUM ENDORSEMENT

a) Commercial Named Perils

This Insurance does not cover any physical loss or damage or any consequential loss directly or indirectly caused by or consisting of or arising from the failure of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the Insured or not, and whether occurring before, during or after the year 2000:

- i) Correctly to recognise any date as its true calendar date.
- ii) To capture, save or retain and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date.
- iii) To capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data on or after any date.

But this shall not exclude:

(a) Any ensuing physical loss or damage to property insured:

- i) Resulting from a peril insured under this Insurance, and
- ii) Which is not otherwise excluded.

or

- b) Any consequential loss, as covered under this Insurance, which may arise from such ensuing physical loss or damage.

Provided that nothing in this endorsement or any other provision or extension of this Insurance shall be construed to extend the liability of the Insurers to cover any costs and expenses, whether preventative, remedial or otherwise arising out of or relating to change, alteration or modification of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the Insured or not.

UKME(CNP) NMA 2803 (6/5/98)

Form approved by Lloyd's Underwriters' Non-Marine Association Limited

28) Millennium Clause (All Risks)

UK MILLENNIUM ENDORSEMENT

a) Commercial All Risks

This Insurance does not cover any physical loss or damage or any consequential loss directly or indirectly caused by or consisting of or arising from the failure of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the Insured or not, and whether occurring before, during or after the Year 2000:

- i) Correctly to recognise any date as its true calendar date.
- ii) To capture, save or retain and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date.
- iii) To capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data on or after any date.

But this shall not exclude:

- a) Any ensuing physical loss or damage to property insured:
 - i) Resulting from a listed peril, set out below, as covered under this insurance but no other for the purposes of this endorsement, and
 - ii) Which is not otherwise excluded.
- or
- b) Any consequential loss, as covered under this Insurance, which may arise from such ensuing physical loss or damage.

LISTED PERILS

Fire and/or Lightning

Explosion

Aircraft or other aerial devices or articles dropped therefrom

Impact by road vehicles or animals

Riot or civil commotion

Strikers, locked-out workers, or persons taking part in labour disturbances

Malicious persons

Earthquake

Storm

Flood

Escape of water from any tank apparatus or pipe

Theft

If specific perils are defined in this Insurance the listed perils shall be deemed to be amended to follow this Insurance but in no event shall it include Accidental Damage or the equivalent coverage provided by this Insurance. If any of the above listed perils are specifically excluded by this Insurance they shall be deemed to be deleted from this list.

Provided that nothing in this endorsement or any other provision or extension of this Insurance shall be construed to extend the liability of the Insurers to cover any costs and expenses, whether preventative, remedial or otherwise arising out of or relating to change, alteration or modification of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the Insured or not.

UKME(CAR) NMA 2804 (6/5/98)

Form approved by Lloyd's Underwriters' Non-Marine Association Limited

29) Theft limitation Clause

Underwriters will not be liable for losses caused by Theft or any attempt thereat if not:

- a) Involving entry to or exit from the Premises by forcible or violent means.
- b) Following actual or threatened assault or violence to the Insured, the Insured's employees or any person lawfully on the Premises.

DAS Legal Expenses Insurance Company Limited. Head and Registered Office: DAS House, Quay Side, Temple Back, Bristol BS1 6NH England. Registered in England and Wales, number 103274.

COMMERCIAL LEGAL PROTECTION

WELCOME TO COMMERCIAL LEGAL PROTECTION

Thank you for insuring with DAS. As a DAS Commercial Legal Protection policyholder, your business is now protected by Europe's leading legal expenses insurer.

To make sure that you get the most from your DAS cover, please take time to read the policy which explains the contract between us. Please take extra care in following the procedures under *Employment Compensation Awards cover (insured incident 1(b))*.

If you have any questions or would like more information, please contact your insurance adviser or DAS if you have bought the policy direct.

It will help if you keep the following points in mind:

How we can help

Once you have sent us the details of your claim and we have accepted it, we will start to resolve your legal problem.

Always report your claim to us in writing and as soon as possible. We can send you a claim form to help you do this.

We normally deal with claims through our Legal Claims Centre but sometimes we use appointed lawyers.

Claims outside the United Kingdom may be dealt with by other DAS offices elsewhere in Europe.

As a member of the Association of British Insurers, DAS subscribes to the General Insurance Claims Code. This document sets down the service standards that you expect as a policyholder if you have to make a claim. You can see the code on the Internet at www.abi.org.uk and at www.das.co.uk. If you would like to receive a written copy of the code please write to us or the ABI.

Send your claim to

Legal Claims Centre, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

If you need help from us

You can phone us any time on 0117 934 2111 for advice on any commercial legal or tax problem affecting your business. If you require a claim form you can phone us on 0117 934 2000.

When we cannot help

Please do not ask for help from a solicitor or accountant before we have agreed.

If you do, we will not pay the costs involved.

Problems

We will always try to give you a quality service. If you think we have let you down, please write to our Managing Director at Head Office and he will try to help.

If you are still not happy, you can contact the Association of British Insurers at 51 Gresham Street, London EC2V 7HQ. Telephone 0207 600 3333.

If you use this service, it does not affect your right to take legal action.

THIS IS YOUR COMMERCIAL LEGAL PROTECTION POLICY

This policy, the policy schedule and any endorsement shall be considered as one document.

The proposal or any information supplied by **the policyholder** shall be incorporated in the contract.

This policy will cover the **insured person** in respect of any **insured incident** arising in connection with the business shown in the policy schedule if the premium has been paid.

We agree to provide the insurance in this policy in accordance with the operative covers shown in the policy schedule as long as:

- (a) the **date of occurrence** of the **insured incident** happens during the **period of insurance** and within the **territorial limit**; and
- (b) any legal proceedings will be dealt with by a court, or other body which we agree to, in the **territorial limit**; and
- (c) in civil claims it is always more likely than not that an **insured person** will recover damages (or obtain any other legal remedy which we have agreed to) or make a successful defence.

For all **insured incidents**, we will help in appealing or defending an appeal as long as the **insured person** tells us within the time limits allowed that they want us to appeal. Before we pay any **costs and expenses** for appeals, we must agree that it is always more likely than not that the appeal will be successful.

If an **appointed representative** is used, we will pay the **costs and expenses** incurred for this.

We will pay Compensation Awards that we have agreed to.

The most we will pay for all claims resulting from one or more event arising at the same time or from the same cause is £50,000.

THE MEANING OF WORDS IN THIS POLICY

1 We, us, our

DAS Legal Expenses Insurance Company Limited.

2 The policyholder

As shown in the policy schedule.

3 Insured person

The **policyholder** and the directors, partners, managers, employees and any other individuals declared to us by the **policyholder**.

4 Appointed representative

The lawyer, accountant or other suitably qualified person, who has been appointed to act for an **insured person** in accordance with the terms of this policy.

5 Period of insurance

The period for which we have agreed to cover the **insured person** and for which the premium has been paid.

6 Full enquiry

An extensive examination by the Inland Revenue which considers all aspects of the **policyholder's** tax affairs, excluding those enquiries which are limited to one or more specific aspects of the **policyholder's** self assessment and/or corporation tax return.

7 Aspect enquiry

An examination by the Inland Revenue which considers one or more specific aspects of the **policyholder's** self assessment and/or corporation tax return.

8 Date of occurrence

(1) For civil cases (other than under **insured incident – 7 Tax Protection**), the **date of occurrence** is when the cause of action first accrued.

(2) For criminal cases, the **date of occurrence** is when the **insured person** commenced or is alleged to have commenced to violate the criminal law in question.

(3) For **full enquiries** or **aspect enquiries**, the **date of occurrence** is when the Inland Revenue first notifies in writing the intention to make enquiries. For Employers' Compliance and Value Added Tax disputes, the **date of occurrence** is when the relevant authority sends an assessment or written decision to the **policyholder**.

9 Costs and expenses

- Legal costs

All reasonable and necessary costs chargeable by the **appointed representative** on a standard basis. Also the costs incurred by opponents in civil cases if an **insured person** has been ordered to pay them, or pays them with our agreement.

- Accountant's costs

A reasonable amount in respect of all costs reasonably incurred by the **appointed representative**.

- Attendance expenses

The **insured person's** salary or wages for the time that the **insured person** is off work to attend any arbitration, court or tribunal hearing at the request of the **appointed representative** or while attending jury service. We will pay for each half or whole day that the court, tribunal or the **insured person's** employer will not pay for.

The amount we will pay is based on the following:

- * the time the **insured person** is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours;
- * if the **insured person** works full time, the salary or wages for each whole day equals 1/250th of the **insured person's** yearly salary or wages;
- * if the **insured person** works part-time, the salary or wages will be a proportion of the **insured person's** weekly salary or wages.

10 Territorial limit

- For **insured incidents 2 Legal Defence (excluding 2(4)), and 3(b) Bodily Injury**
The European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Bulgaria, Croatia, the Czech Republic, Gibraltar, Hungary, Iceland, Liechtenstein, Macedonia, Malta, Monaco, Montenegro, Norway, Poland, Romania, San Marino, Serbia, Slovakia, Slovenia, Switzerland and Turkey (west of the Bosphorus).
- For all other **insured incidents**
The United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands and any other extension agreed with us.

INSURED INCIDENTS WE WILL COVER

1 EMPLOYMENT DISPUTES AND COMPENSATION AWARDS

(a) Employment Disputes

We will defend **the policyholder's** legal rights:

- (1) prior to the issue of legal proceedings in a court or tribunal following the dismissal of an employee; or
- (2) in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme; or
- (3) in legal proceedings in respect of any dispute with
 - (a) an employee or ex-employee or a trade union acting on behalf of an employee or ex-employee which arises out of, or relates to, a contract of employment with **the policyholder**; or
 - (b) an employee, prospective employee or ex-employee arising from an alleged breach of their statutory rights under employment legislation.

What is not covered

- (1) Any employment dispute where the cause of action arises within the first 90 days of the indemnity provided by the policy.
- (2) Any dispute with an employee who was subject to a written or oral warning (formal or informal) within 180 days immediately preceding the inception date of the indemnity provided by the policy if the **date of occurrence** was within the first 180 days of the indemnity provided by the policy.
- (3) Any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the indemnity provided by the policy.
- (4) Any claim in respect of damages for personal injury or loss of or damage to property.
- (5) Any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 1981 as amended by the Collective Redundancies and Transfer of Undertaking Regulations (Protection of Employment) (Amendment) Regulations 1999, or the Acquired Rights Directive 2001 and any amending legislation.

(b) Compensation Awards

We will pay:

- (1) any basic and compensatory award; and/or
- (2) an order for compensation following a breach of **the policyholder's** statutory duties under employment legislation in respect of a claim we have accepted under **insured incident 1(a)**.

Provided that

- (1) *In cases relating to performance and/or conduct, **the policyholder** has throughout the employment dispute either:*
 - (a) *followed the ACAS Code of Disciplinary Practice and Procedures in Employment as prepared by the Advisory Conciliation and Arbitration Service; or*
 - (b) *followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or*
 - (c) *sought and followed advice from our legal advice service.*
- (2) *For an order of compensation following **the policyholder's** breach of statutory duty under employment legislation **the policyholder** has at all times sought and followed advice from our legal advice service since the date when **the policyholder** should have known about the employment dispute.*
- (3) *For any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **the policyholder** has sought and followed advice from our Claims Department prior to serving notice of redundancy.*
- (4) *The compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by us.*
- (5) *The total of the compensation awards payable by us shall not exceed £1,000,000 in any one period of insurance.*

What is not covered

- (1) Any compensation award relating to the following:
 - trade union activities, trade union membership or non-membership;
 - pregnancy or maternity rights;
 - health and safety related dismissals brought under section 44 of the Employment Rights Act 1996;
 - statutory rights in relation to trustees of occupational pension schemes;
 - statutory rights in relation to Sunday shop and betting work.
- (2) Non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- (3) Any award ordered as a result of a breach of statutory rights in relation to the provision of relevant records to employees under the National Minimum Wage Act 1998.
- (4) Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

(c) Service Occupancy

We will negotiate for **the policyholder's** legal rights against an employee or ex-employee to recover possession of premises owned by, or for which **the policyholder** is responsible.

What is not covered

Any claim relating to defending the policyholder's legal rights other than defending a counter-claim.

2 LEGAL DEFENCE

At **the policyholder's** request

- (1) We will defend the **insured person's** legal rights:
 - (a) prior to the issue of legal proceedings when dealing with the
 - Police
 - Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer where it is alleged that the **insured person** has or may have committed a criminal offence; or
 - (b) following an event which leads to the **insured person** being prosecuted in a court of criminal jurisdiction; or
 - (c) if civil action is taken against the **insured person** for compensation under section 13 of the Data Protection Act 1998. We will also pay any compensation award made against the **insured person** under section 13 of the Data Protection Act 1998.
- (2) We will defend **the policyholder's** legal rights following civil action taken against **the policyholder** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.
- (3) We will defend the **insured person's** (other than **the policyholder**) legal rights if:
 - (a) an event arising from their work as an employee leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion; or
 - (b) civil action is taken against them as a trustee of a pension fund set up for the benefit of **the policyholder's** employees.
- (4) We will represent the **insured person** in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting **the policyholder's** business.
- (5) We will represent **the policyholder** in appealing against the refusal of the Information Commissioner to register **the policyholder's** application for registration.
- (6) We will pay the **attendance expenses** of an **insured person** for jury service.

Provided that

- (1) *In so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the territorial limit shall be any place where the Act applies.*
- (2) *At the time of the insured incident, the policyholder has registered with the Information Commissioner in respect of insured incident (1)(c).*

What is not covered

Any claim which leads to the insured person being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

3 PROPERTY PROTECTION AND BODILY INJURY

(a) Property Protection

We will negotiate for **the policyholder's** legal rights in any civil action relating to material property which is owned by, or the responsibility of **the policyholder**, following:

- (1) any event which causes or could cause physical damage to such material property; or
- (2) any nuisance or trespass.

What is not covered

Any claim relating to the following:

- (1) a contract entered into by **the policyholder**;
- (2) goods in transit or goods lent or hired out;
- (3) goods at premises other than those occupied by **the policyholder** unless the goods are at such premises for the purpose of installations or use in work to be carried out by **the policyholder**;
- (4) mining subsidence;
- (5) defending **the policyholder's** legal rights other than in defending a counter-claim;
- (6) a motor vehicle owned or used by, or hired or leased to an **insured person** other than damage to motor vehicles where **the policyholder** is engaged in the business of selling motor vehicles.

(b) Bodily Injury

At **the policyholder's** request, we will negotiate for an **insured person's** and their family members' legal rights following an event which causes the death of, or bodily injury to them.

What is not covered

Any claim relating to the following:

- (1) any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident; or
- (2) defending an **insured person's** or their family members' legal rights other than in defending a counter-claim; or
- (3) a motor vehicle owned or used by, or hired or leased to an **insured person** or their family members.

4 TAX PROTECTION

(a) Full or Aspect Enquiries

We will negotiate on behalf of **the policyholder** and represent them in any appeal proceedings in respect of a **full enquiry** and/or **aspect enquiry**.

(b) Employers' Compliance

We will negotiate on behalf of **the policyholder** and represent them in any appeal proceedings in respect of a dispute concerning **the policyholder's** compliance with Pay As You Earn or Social Security Regulations following a review by the Inland Revenue or the Department of Social Security Contributions Agency.

(c) VAT Disputes

We will negotiate on behalf of **the policyholder** and represent them in any appeal proceedings following an assessment issued by HM Customs and Excise in respect of Value Added Tax due.

Provided that

- (1) For all **insured incidents**, **the policyholder** has taken reasonable care to ensure that all returns are complete and correct and that such returns are submitted within the statutory time limits allowed.
- (2) We will not pay more than £2000 for **aspect enquiries**.

What is not covered

- (1) In respect of **aspect enquiries** the first £200 of **costs and expenses** in each and every claim.
- (2) Any **insured incident** arising from a tax avoidance scheme.
- (3) Any **insured incident** caused by the failure of **the policyholder** to register for Value Added Tax.
- (4) Any **insured incident** arising from any investigation or enquiries undertaken by the Inland Revenue Special Investigation Section or Special Compliance Office.
- (5) Any **insured incident** arising from any investigation or enquiry by HM Customs and Excise into alleged dishonesty or alleged criminal offences.

WHAT IS NOT COVERED BY THIS POLICY

- 1 Any claim reported to us more than 180 days after the date the **insured person** should have known about the **insured incident**.
- 2 **Costs and expenses** incurred before the written acceptance of a claim by us.
- 3 Fines, penalties, compensation or damages which the **insured person** is ordered to pay by a court or other authority other than compensation awards as covered under **insured incident 1(b) Compensation Awards** and **2 Legal Defence**.
- 4 Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- 5 Any claim relating to franchise rights, or agency rights where **the policyholder** has the legal capacity to alter the legal relations of another.
- 6 Any **insured incident** deliberately or intentionally caused by an **insured person**.
- 7 A dispute with us not otherwise dealt with under Condition 7.

- 8 Any claim relating to a shareholding or partnership share in **the policyholder** unless such shareholding was acquired under a scheme open to all employees of **the policyholder** or a substantial number of them of a certain minimum grade other than the directors or partners of **the policyholder**.
- 9 An application for judicial review.
- 10 Any claim caused by, contributed to by or arising from:
 - ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from burning nuclear fuel;
 - the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear part of it;
 - war, invasion, foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, military force or coup;
 - pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.
- 11 Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to or where the **insured person** does anything that hinders **us** or the **appointed representative**.
- 12 When either at the commencement of or during the course of a claim, **the policyholder** is bankrupt or has filed a bankruptcy petition or winding-up petition, or has made an arrangement with its creditors, or has entered into a deed or arrangement or is in liquidation or part or all of its affairs or property are in the care or control of a receiver or administrator.
- 13 Any claim directly or indirectly caused by or resulting from any device failing to recognise, interpret or process any date as its true calendar date.
- 14 Any claim relating to any non-contracting party's right to enforce all or any part of this policy. The Contracts (Rights of Third Parties) Act 1999 does not apply to this policy.

CONDITIONS WHICH APPLY TO THE WHOLE POLICY

- 1 An **insured person** must:
 - (a) keep to the terms and conditions of this policy;
 - (b) notify **us** immediately of any alteration which may materially affect **our** assessment of the risk;
 - (c) take reasonable steps to keep any amount **we** have to pay as low as possible;
 - (d) try to prevent anything happening that may cause a claim;
 - (e) send everything **we** ask for, in writing;
 - (f) give **us** full details of any claim as soon as possible and give **us** any information **we** need.
- 2 (a) **We** can take over and conduct in the name of the **insured person**, any claim or legal proceedings at any time.

We can negotiate any claim on behalf of an **insured person**.

 - (b) If **we** agree to start legal proceedings and it becomes mandatory for an **insured person** to be represented by a lawyer, or if there is a conflict of interest, an **insured person** can choose an **appointed representative** by sending **us** the suitably qualified person's name and address. **We** may choose not to accept the choice of representative, but only in exceptional circumstances. If there is a disagreement over the choice of **appointed representative**, another suitably qualified person can be appointed to decide the matter.
 - (c) Before an **insured person** chooses a lawyer or an accountant, **we** can appoint an **appointed representative**.
 - (d) An **appointed representative** will be appointed by **us** and represent an **insured person** according to **our** standard terms of appointment. The **appointed representative** must co-operate fully with **us** at all times.
 - (e) **We** will have direct contact with the **appointed representative**.
 - (f) An **insured person** must co-operate fully with **us** and with the **appointed representative** and must keep **us** up-to-date with the progress of the claim.
 - (g) An **insured person** must give the **appointed representative** any instructions that **we** require.
- 3 (a) An **insured person** must tell **us** if anyone offers to settle a claim and must not agree to any settlement without **our** written consent.
 - (b) If an **insured person** does not accept a reasonable offer to settle a claim, **we** may refuse to pay further **costs and expenses**.
 - (c) **We** may decide to pay the **insured person** the amount of damages that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal proceedings.
- 4 (a) If **we** ask, an **insured person** must tell the **appointed representative** to have **costs and expenses** taxed, assessed or audited.

- (b) An insured person must take every step to recover costs and expenses that we have to pay and must pay us any costs and expenses that are recovered.
- 5 If an appointed representative refuses to continue acting for an insured person or if an insured person dismisses an appointed representative, the cover we provide will end at once, unless we agree to appoint another appointed representative.
 - 6 If an insured person settles a claim or withdraws their claim without our agreement, or does not give suitable instructions to an appointed representative, the cover we provide will end at once and we will be entitled to re-claim any costs and expenses paid by us.
 - 7 If we and an insured person disagree about the choice of appointed representative, or about the handling of a claim, we and the insured person can choose another suitably qualified person to decide the matter. We must both agree to this in writing. If we cannot agree with the insured person about the choice of the second suitably qualified person, we will ask the president of a relevant national law society to choose a suitably qualified person.
Whoever loses the disagreement will have to pay the costs of settling it.
 - 8 We may at our discretion require the policyholder to obtain an opinion from counsel at the policyholder's expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid by us.
 - 9 We can cancel this policy at any time as long as we tell the policyholder at least 21 days beforehand. The policyholder can cancel this policy at any time as long as we are told at least 21 days beforehand.
 - 10 The policyholder shall declare information as requested by us at the end of each period of insurance. The policyholder shall pay any additional premium or receive a refund of premium as the case may be. If the required information is not supplied to us at the intervals required, we will adjust the policyholder's premium in accordance with the index of average earnings published by the Office for National Statistics.
 - 11 We will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this policy did not exist.
 - 12 This policy will be governed by English law.
 - 13 All Acts of parliament within the policy wording shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands as the case may be.

HELPLINE SERVICES

We provide these services 24 hours a day, seven days a week during the period of insurance. To help us check and improve our service standards, we record all calls.

EUROLAW COMMERCIAL LEGAL ADVICE

We will give the policyholder confidential legal advice over the phone on any commercial legal problem affecting the business, under the laws of the member countries of the European Union, the Isle of Man, the Channel Islands, Switzerland and Norway.

TAX ADVICE

We will give the policyholder confidential advice over the phone on any tax matters affecting the business, under the laws of the United Kingdom.

BUSINESS ASSISTANCE

In the event of an unforeseen emergency affecting the policyholder's business premises which causes damage or potential danger, we will contact a suitable repairer or contractor and arrange assistance on behalf of the policyholder. All costs of assistance provided are the responsibility of the policyholder. To contact the above services, phone us on 0117 934 2111 or 0117 976 2030 quoting your policy number.

COUNSELLING

We will provide all employees (including any members of their immediate family who permanently live with them) of the policyholder with a confidential counselling service over the phone including, where appropriate, onward referral to relevant voluntary and/or professional services.

To contact the counselling helpline, phone us on 0117 934 2121. These calls are not recorded.

We will not accept responsibility if the Helpline Services fail for reasons we cannot control.

Please do not phone us to report a general insurance claim.

EMPLOYMENT MANUAL

The DAS Employment Manual offers comprehensive, up to date guidance on rapidly changing employment law. To view it, please visit our website at www.das.co.uk. From the Home Page click on the Employment Manual icon. All the sections of this web-based document can be printed off for your own use. Contact us at marketing@das.co.uk with your e mail address, quoting your policy number and we will contact you by e mail to inform you of future updates to the information.

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