

SCHEDULE

UNIQUE MARKET REFERENCE:	B1262PG0196315
ATTACHING TO DELEGATED UNDERWRITING CONTRACT NUMBER:	FPG0000415
TYPE:	Stand Alone Sabotage and Terrorism Insurance
INSURED:	Midlands Academy Insurance Group
	Address: c/o Solihull Metropolitan Borough Council Council House Manor Square Solihull B91 3QB
PERIOD:	Risks attaching during the Period; 1st September 2016 to 31st August 2017 Both days inclusive Local Standard Time at the location insured.
INTEREST:	Real and Personal Property of every kind and description belonging to the Insured or for which they are responsible or have assumed responsibility to insure including all such property in which the Insured may acquire an insurable interest during the period of insurance and Business Interruption (Gross Profit) and/or Additional Increased Cost of Working, as more fully described herein.
LIMIT OF LIABILITY:	GBP 35,000,000 in respect of Material Damage, each occurrence and in the annual aggregate, and GBP 12,000,000 in respect of Additional Expenditure, each occurrence and in the annual aggregate, and GBP 120,000 in respect of Loss of Revenue, each occurrence and in the annual aggregate.
SUB-LIMIT OF LIABILITY:	As per the Linked Policy except: a) Sub-limits apply any one occurrence and in all for the period and b) where a sub limit stated below is less than the limit provided by the Linked Policies, the lower limit shall apply: <ul style="list-style-type: none">• Nuclear, Chemical, Biological and/or Radiological Terrorism and Seepage and/or Pollution/Clean Up: GBP 1,000,000• Brand Rehabilitation: 10% of the Overall Limit of Liability or GBP 500,000 whichever the lesser but this extension is only operative where such cover is not provided for within a Business Interruption Loss Insurance settlement under the Linked Policy.• Seepage/contamination/pollution: 10% of the Overall Limit of Liability or GBP 1,000,000 whichever the lesser.• Denial of Access including civil or military order*: 10% of the Overall Limit of Liability or GBP 2,500,000 whichever the lesser.• Failure of Public Utilities*: 10% of the Overall Limit of Liability or GBP 2,500,000 whichever the lesser.

SUB-LIMIT OF LIABILITY (continued):

- Contingent Business Interruption (Customers / Suppliers Contingent Extra Expense)*: 10% of the Overall Limit of Liability or GBP 2,500,000 whichever the lesser.
* Subject to one overall combined Sub-limit for Denial of Access, Failure of Public Utilities and Contingent Business Interruption of 10% of the Overall Limit of Liability or GBP 2,500,000 whichever the lesser.
- Damage to property at any unspecified third party site (other than sites in Referral Countries which must be specifically agreed by Underwriters) GBP 500,000 Property Damage / Business Interruption combined.
- Damage to Property Insured whilst in transit (other than transit in Referral Countries which must be specifically agreed by Underwriters): GBP 500,000 Property Damage / Business Interruption combined.
- Extinguishment Expenses: GBP 100,000
- Contract Works: GBP 2,500,000

DEDUCTIBLES:

Combined Material Damage and Business Interruption: GBP 5,000 each occurrence
Denial of Access: 48 hours each occurrence
Failure of Public Utilities: 48 hours each occurrence
Contingent Business Interruption: 48 hours each occurrence
10% any one occurrence in respect of Brand Rehabilitation

TERRITORIAL LIMITS:

United Kingdom as per the attached schedule.

CONDITIONS:

Wording: Terrorism Wording and Business Interruption Extension, as attached.
Brand Rehabilitation Extension, as attached.
Nuclear, Chemical, Biological and or Radiological Contamination Extension, as attached.
Seepage, Contamination and Pollution Extension, as attached.
Denial of Access Extension as attached.
Failure of Public Utilities Extension, as attached.
Contingent Business Interruption (Customers/Suppliers Contingent Extra Expense) Extension, as attached.
Extinguishment Expenses Extension, as attached.
Contract Works Extension as attached.
Additional Increased Cost of Working Extension, as attached.
Sanction Limitation and Exclusion Clause – LMA3100 as attached.
Special Cancellation Clause as attached.
Including automatically any increases or decreases in values up to 10% of total incepting values to be adjusted at expiry.

NOTICES:

Complaints Procedure Notice (Commercial) as attached.
Claims Notice as attached.
The attached wording may contain certain onerous clauses including warranties or conditions precedent to liability. It is essential that you read the policy wording and acquaint yourself with all the terms and conditions including any such onerous clauses.

CHOICE OF LAW AND JURISDICTION:

This insurance shall be governed by and construed in accordance with the law of England and Wales and each party agrees to submit to the jurisdiction of the courts of England and Wales.

PREMIUM:

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PREMIUM PAYMENT TERMS:

Premium Payment Clause LSW3001 (amended – certificate) 90 days from inception as attached.

TAX(ES) PAYABLE BY INSURED AND ADMINISTERED BY INSURER(S): 9.5% Insurance Premium Tax

INSURER CONTRACT DOCUMENTATION: This document details the contract terms entered into by the Insurer(s) and constitutes the contract document.

Insureds are advised that if any terms, clauses or conditions are unclear they should contact Arthur J Gallagher (UK) Limited immediately.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

INFORMATION

INFORMATION: Insured's Principal Activity:

Education Services

Total Declared Values:

Material Damage: GBP ##

Additional Expenditure: GBP ##

Loss of Gross Revenue: GBP ##

TOTAL: **GBP ##**

Indemnity Periods: 48 months

Schedule of Values, as attached (1 page).

Loss Record - in respect of Terrorism only: Nil

SABOTAGE AND/OR TERRORISM INSURANCE

INSURING CLAUSE

In consideration of the insured paying or agreeing to pay the premium, the Underwriters agree subject to the Definitions, Exclusions, Limits and Conditions of this Policy, to indemnify the Insured up to the Overall Limit of Liability stated in the Schedule for:

- a) Damage to Property Insured by an Act of Terrorism;
- b) Consequential Loss resulting from Damage by an Act of Terrorism, to any building or other property used by the Insured, for the purpose of the Business,
- c) Continuing hire charges as a result of Damage by an Act of Terrorism,

as more fully described and defined herein occurring during the Policy Period as stated in the Schedule attaching to and forming part hereof, (hereinafter referred to as the "Schedule").

Provided that the liability of the Underwriters under this Policy shall not exceed the Overall Limit of Liability or in respect of any item its sum insured or any other relevant Limit of Liability or Sub-limit stated in the Schedule.

Payment of an indemnity under this clause is dependent upon the Insured maintaining the Linked Policies in full force and effect for the duration of the Policy Period. However, if one of more of the Linked Policies is allowed to lapse it shall not prejudice cover under this Policy in so far as loss, but for the happening of an Act of Sabotage and/or Terrorism, would be recoverable under another Linked Policy.

This Policy incorporates the Schedule and Endorsements, which shall be read together as one contract. Words and expressions to which specific meaning is given in any part of this Policy shall have the same meaning wherever they appear.

APPLICATION OF LINKED POLICIES

Except as otherwise provided herein at paragraphs a) to h) below, this Policy is subject to the same basis of settlement, warranties, terms and conditions, definitions, extensions and other provisions as the Linked Policies, and it is agreed that those provisions are expressly incorporated from the Linked Policies into this Policy.

The provisions which are not expressly incorporated from the Linked Policies are as follows:

- a) the Premium;
- b) the Overall Limit;
- c) any provision relating to the reinstatement of sums insured or limits;
- d) any terms which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance;
- e) any terms which provide the addition of locations in the Referral Countries which must be specifically agreed by Underwriters;
- f) the Deductible or Excess;
- g) any renewal or long term agreement;
- h) Exclusions.

For the avoidance of doubt, it is further agreed that the express provisions of this Policy shall prevail over any provision incorporated from the Linked Policies where such provisions are incompatible with each other.

Such incorporation shall apply to any mid-term adjustments or amendments to the Linked Policies (other than the addition of locations in the referral Countries per e) above) and notwithstanding that a copy of the Linked Policies may not have been provided to the Underwriter of this Policy either in advance of this Policy being agreed or at all.

Where loss, but for the happening of an Act of Sabotage and/or Terrorism, would be recoverable under more than one Linked Policy, such loss shall be recoverable hereunder and adjusted under the relevant terms of the Linked Policy which provides the most favourable result to the Insured, such judgement being made at the Insured's sole discretion.

GENERAL DEFINITIONS

1. The word "**Damage**" shall mean: direct physical loss or destruction of or physical damage
2. The words "**Consequential Loss**" shall mean: loss resulting from interruption of or interference with the Business carried on by the Insured in consequence of Damage caused by an Act of Sabotage and/or Terrorism, to property used by the Insured for the purposes of the Business.
3. The words "**Act of Terrorism**" shall mean: an act or series of acts, involving the use of force or violence, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

For the avoidance of doubt an "Act of Terrorism" shall include an act of Sabotage.

4. The word "**Sabotage**" shall mean: a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
5. The words "**Linked Policies**" shall mean: the policy issued by the Insurer as set forth in the Schedule.
6. The word "**Occurrence**" shall mean: any one loss and/or series of losses occasioned by, happening through, arising out of and in consequence of any one Act of Terrorism for the same purpose or cause. The duration and extent of any one Occurrence shall be limited to all losses sustained by the Insured during any period of 72 consecutive hours. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless Damage first occurs prior to expiration. No period of 72 consecutive hours shall commence prior to the attachment of this Policy.
7. The words "**Referral Countries**" shall mean:

Afghanistan, Iraq, Pakistan, Ethiopia, Israel, Nigeria, Somalia, Yemen and Chechnya, or any Country that any Sanction, prohibition or restriction under United Nations Resolutions or the Trade or Economic Sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

EXCLUSIONS

This Policy is not subject to the Exclusions of the Linked Policy. This Policy does not cover:

1. Damage or Consequential Loss arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however caused.
2. Damage or Consequential Loss occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, military or usurped power or martial law.

For the avoidance of doubt, the fact that an Act of Sabotage and/or Terrorism is committed by an agent of the sovereign or government entity operating covertly and not in connection with any operation of armed forces or where the Act of Sabotage and/or Terrorism is funded by a sovereign or government entity, will not of itself give rise to the application of this war exclusion.

3. Damage or Consequential Loss caused by or consisting of confiscation, requisition, detention, seizure, legal or illegal occupation, embargo, quarantine acts of contraband or illegal transportation or illegal trade or any result of any order of public or government authority which deprives the Insured of the use or value of the property.

4. a) Damage or Consequential Loss caused by chemical or biological release or exposure of any kind;
- b) Damage or Consequential Loss directly or indirectly arising from or in consequence of the seepage and/or discharge of pollutants or contaminants including but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment unless otherwise specifically insured herein,

but this shall not exclude Damage to Property Insured or Consequential Loss resulting therefrom caused by seepage and/or pollution and/or contamination (including that involving chemical and/or biological and/or mineral agent) which itself result from Damage caused by an Act of Sabotage and/or Terrorism. Provided that:

- a) such Damage is derived from pollutants and/or contaminants owned by, or in the care, custody or control of the insured, and
 - b) such pollutants and/or contaminants are insured by this Policy.
5. Damage or Consequential Loss caused by attacks by electronic means including computer hacking or the introduction of any form of computer virus corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

6. Damage or Consequential Loss caused by malicious damage, strikes, riots or civil commotion unless Damage is caused directly by an Act of Sabotage and/or Terrorism.
7. Loss or increased cost as a result of threat or hoax, in the absence of actual Damage due to an Act of Sabotage and/or Terrorism.
8. Damage or Consequential Loss caused by cessation, fluctuation or variation in or insufficiency of water, gas or electricity supplies and telecommunications or any type of service unless Damage occurs in or within 100 meters of the insured premises or is otherwise specifically insured herein.
9. a) land or land values, soil, air or water.
b) aircraft or any other aerial device, or watercraft. However, this exclusion does not apply to spare parts, materials or aircraft engines for installation or repair, but not yet a part of the aircraft or aircraft engines attached to aircraft for the purpose of transit and not connected to any power and/or fuel source.
c) any land conveyance including vehicles, locomotives or rolling stock, other than whilst at the Premises at the time of its Damage.
d) animals, plants and living things of all types other than trees and plants which form part of landscaped areas at the Premises.
10. Consequential Loss in respect of cover provided for under any unspecified third party site or Utility extension or Denial of access / prevention of access extension or any clause which has the same or substantially the same intent or effect other than to the extent that cover may be expressly provided herein.

11. Consequential Loss in respect of cover provided for under any attraction properties extension or any clause which has the same or substantially the same intent or effect other than to the extent that cover may be expressly provided herein. Attraction properties shall mean properties, not owned or operated by the Insured, which attract potential customers to the vicinity of the Insured's location.

TERRORISM AND/OR SABOTAGE INSURANCE

BUSINESS INTERRUPTION EXTENSION WORDING

GROSS PROFITS

In consideration of the premium paid, and subject to the exclusions, conditions and limitations of the Policy to which this Extension is attached, and also to the following **additional** conditions, exclusions and limitations, this Policy is extended to cover loss resulting from necessary interruption of business, relating only to the premises affected by an Insured Event, caused by direct physical loss or physical damage by an Insured Event, as covered by the Policy to which this Extension is attached, to Property Insured by this Policy.

In the event of such direct physical loss or physical damage, Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary interruption of business, but not exceeding the Sum Insured stated in the Schedule due to:

a) reduction in Turnover;

and

b) increase in cost of working;

and the amount payable as indemnity thereunder shall be:

- i) 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 an Insured Event fall short of the Standard Turnover,
- ii) 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 that expenditure would have taken place during the Indemnity Period in consequence of an Insured Event 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 an Insured Event.

Provided that if the Sum Insured by this Extension be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Due consideration shall be given to the continuation of Normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

CONDITIONS

1. DIRECT DAMAGE

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of that direct physical loss or physical damage by an Insured Event to Property Insured under the Policy to which this Extension is attached and which gave rise to interruption of business.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of an excess in said Policy which excludes liability for losses below a specified amount.

2. RESUMPTION OF OPERATIONS

If the Insured could reduce the loss resulting from the interruption of business,

a) by complete or partial resumption of operation of the property,

and/or

b) by making use of merchandise, stock (opening or closing), or any other property at the Insured's locations or elsewhere,

and/or

c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

3. EXPENSES TO REDUCE LOSS

This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any finished stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

4. VALUATION

All amounts and accounting details to be calculated using the Insured's usual generally accepted accounting standards.

EXCLUSIONS

This Extension DOES NOT cover:

1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation.
2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured Interruption of business, and then Underwriters shall be liable for only such loss as affects the Insured's profits during, and limited to, the period of Indemnity Period covered under this Policy.
3. loss of market or any other consequential loss except as a specifically insured herein.

LIMITATIONS

1. Underwriters shall not be liable for more than the smaller of either:
 - a) any specific business interruption Sum Insured stated in the Schedule,
 - or
 - b) the Sum Insured stated in the Schedule, where such includes business interruption, if such is a combined limit,

in respect of such loss, regardless of the number of locations suffering an interruption of business as a result of any one Occurrence.

2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by an Insured Event, the length of time for which the Underwriters shall be liable hereunder shall not exceed:
 - a) 30 consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding the Indemnity Period stated in the Schedule,

whichever is the greater length of time.

DEFINITIONS

1. INDEMNITY PERIOD

The period beginning with the date of an Insured Event and ending not later than the Indemnity Period stated in the Schedule during which the results of the business shall be affected in consequence of the Insured Event.

2. TURNOVER

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

3. GROSS PROFIT

The amount by which

- a) the sum of amount of the Turnover and the amounts of the closing stock and closing work in progress

shall exceed

- b) the sum of the amounts of the opening stock and opening work in progress and the amount of the Specified Working Expenses.

The amount of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

4. SPECIFIED WORKING EXPENSES

- a) Purchases and discounts relative thereto.
- b) Bad debts.

The words and expressions used in the definition of Specified Working Expenses shall have the meaning usually attached to them in the books and accounts of the Insured.

5. RATE OF GROSS PROFIT

The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of an Insured Event**

6. ANNUAL TURNOVER

The Turnover during the twelve months immediately before the date of an Insured Event**

7. STANDARD TURNOVER

The Turnover during the period in the twelve months immediately before the date of an Insured Event 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 special circumstances affecting the business either before or after the date of the Insured Event or which would have affected the business had the Insured Event not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Insured Event would have been obtained during the relative period after the Insured Event.

8. NORMAL

The condition that would have existed had no loss occurred.

EXTENSIONS – Property Damage

Notwithstanding the Exclusions of this Policy or the Linked Policy, Property Damage hereunder is extended to include:

1. Brand Rehabilitation

In the event of Damage to Property Insured under this Policy by an Act of Sabotage and /or Terrorism, the Underwriters will pay:

- a) advertising costs and/or
- b) cost of crisis public relations consultancy

necessarily and reasonably incurred by the Insured for up to a maximum of 30 (thirty) days starting at the time of the Damage, for the sole purpose of avoiding or diminishing a reduction in turnover or resuming or maintaining normal business.

Provided that the Act of Sabotage and/or Terrorism giving rise to a claim under this Policy result in Damage hereby insured exceeding 10% of the Overall Limit of Liability hereon.

This extension is only operative where such cover is not provided for within a Business Interruption Loss insurance settlement under the Linked Policy.

Subject to the Sub-limit and Excess shown in the Schedule.

2. Loss Control

Notwithstanding any provision to the contrary within this Policy or the Linked Policy, it is understood and agreed that this Policy includes cover against Damage to property insured directly caused by the actions of the government of the state (or its Military Authority) where the property insured is located, in suppressing, controlling or minimizing the consequences of an Act of Sabotage and/or Terrorism, as insured by this Policy. Underwriters will only provide this cover if such Damage is directly caused by the actions of the government of the state (or its Military Authority) where the property insured is located and such Damage takes place during the Occurrence of an Act of Sabotage and/or Terrorism.

If the Insured is eligible for compensation or indemnity under any government compensation plan or other similar scheme in respect of the Damage described above, this Policy shall be excess of any payment due from such plan or scheme.

“Military Authority” shall mean a military or security authority operating on behalf of a state recognised by the United Nations.

EXTENSIONS – Business Interruption

Notwithstanding the Exclusions of this Policy or the Linked Policy, cover hereunder is extended to include:

1. Denial or Access including civil or military order

- a) Loss resulting from interruption of or interference with the Business in consequence of Damage caused by an Act of Sabotage and/or Terrorism to property within one (1) mile radius of the Premises, such damage to which shall prevent or hinder the use of the Premises or access thereto whether the Premises or Property Insured shall be damaged or not.
- b) Loss resulting from interruption of or interference with the Business in consequence of closure, confiscation, requisition or sealing off of the Premises or any right of way by order or action of civil or military authority as a result of an Act of Sabotage and/or Terrorism which prevents or hinders the use of the Premises by the Insured.

The Maximum Indemnity Period under this Extension is: 60 days

Subject to the Sub-limit and Excess shown in the Schedule.

2. Failure of Public Utilities

Loss resulting from interruption of or interference with the Business caused by Damage by an Act of Sabotage and/or Terrorism, to installations and/or equipment, pipes, lines, wires and the like used for the supply of gas, electricity, water, effluent, telecommunications or internet provision services which results in failure of supply or services at the terminal ends of the service feeders or receivers or meters at the Premises. Loss arising from transmission distribution or feeder lines however, will be limited to such lines located within one (1) mile of the Insured's Premises.

The Maximum Indemnity Period under this Extension is: 60 days

Subject to the Sub-limit and Excess shown in the Schedule.

3. Contingent Business Interruption (Direct Customers/ Suppliers Contingent Extra Expense)

Loss resulting from interruption of or interference with the Business caused by Damage by an Act of Sabotage and/or Terrorism to property that impairs a) direct supplier(s) of goods and/or services to the Insured from rendering and/or delivering their goods and/or services, or b) direct customer(s) of goods and/or services from the Insured from accepting the Insured's goods and/or services.

Subject to the Sub-limit and Excess shown in the Schedule.

CONDITIONS

All as per the Linked Policies except as herein expressly varied.

1. Any clause included in the Linked Policies relating to the automatic reinstatement of sums insured or limits of liability does not apply to this policy.

2. Other Insurance

This Policy shall be excess of any other insurance available to the Insured covering a loss covered hereunder except such other insurance that is written specifically as excess insurance over this Policy. When this Policy is written specifically in excess of other insurance covering the peril insured hereunder, this Policy shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this Policy.

3. Reasonable precautions

The Insured shall take all reasonable steps and precautions to prevent loss, destruction or damage.

4. Claims conditions

- a) Notification

In the event of any Occurrence likely to give rise to a claim hereunder, the Insured shall as soon as reasonably practicable notify the Underwriters and/or the Broker, named for that purpose in the Schedule.

- b) In the event of Damage caused by an Act of Sabotage and/or Terrorism, the Insured must deliver to the Underwriters all such relevant information and evidence as may reasonably be required including:

- (i) full information in writing of the property lost, destroyed or damaged and the amount of the Damage;
- (ii) details of any other insurances on any property hereby insured;
- (iii) all such proofs and information relating to the claim including time, place and cause of loss;
- (iv) if required by Underwriters, a statutory declaration of the truth of the claim and of any matters connected to it,

which shall be submitted as soon as reasonably practical but in all cases this must be within 60 days of the Occurrence.

- c) In the event of a claim being made under Business Interruption as included under this Policy, the Insured must deliver to the Underwriters:

- (i) not later than 30 days after the expiry of the Indemnity Period or within such further time as the Underwriters may allow, particulars of his claim together with details of all other insurances covering property used by the Insured at the Premises for the purpose of the Business or any part of it or any resulting Consequential Loss.
- (ii) deliver to the Underwriters such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Underwriters for the purpose of investigating the claim together with, if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

- d) The Insured must co-operate fully in the investigation or adjustment of any claim.

e) Proof of Loss

In any claim and/or action, suit, proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the Insured.

f) Subrogation

Any claimant under this Policy shall at the request of the Underwriters take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Underwriters.

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

- (i) a company standing in the relation of a parent to subsidiary (or subsidiary to parent) to the Insured as defined in the Companies Act or Companies (Northern Ireland) order (or any more applicable legislation or regulations in the country in which the Insured is registered) current at the time of Damage and/or Consequential Loss.
- (ii) any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary within the meaning of the Companies Act or Companies (Northern Ireland) Order (or any more applicable legislation or regulations in the country in which the Insured is registered) current at the time of Damage and/or Consequential Loss

Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder.

If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (i) Any interest, (including the Insured's), exclusive of any excess of self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the excess)
- (ii) Out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Policy
- (iii) The remaining balance, if any, shall insure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, excess, self insured retention and/or loss of a type not covered by this Policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.

g) Payments on Account

Payment on account will be made to the Insured if the Insured wishes, subject to any necessary adjustment at the termination of such period

5. Fraud and Misrepresentation

This Policy shall be voidable in the event of fraud or if any fraudulent means or devices are used by the Insured or anyone acting on their behalf to obtain benefit under this Policy or in the event of deliberate

misrepresentation, misdescription or non-disclosure of any material in particular relevant to the risk insured or claim hereunder.

Underwriters' rights, in the event of non fraudulent non-disclosure or innocent or negligent misrepresentation or misdescription or material particulars relevant to the risk insured or any claim hereunder by the Insured are limited to the right to charge an increased premium which could reasonably have been demanded had such non-disclosure, misrepresentation or misdescription not occurred.

6. Abandonment

There shall be no abandonment to the Underwriters of any property.

7. The Underwriters or their agents shall be permitted but not obligated to inspect the Insured's property at any time.

Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance

8. Law and Jurisdiction

As specified under Schedule

9. Cancellation

This Policy may be cancelled at any time at the request of the Insured in writing to the Broker who effected the insurance, and the premium hereon shall be adjusted on the basis of the Underwriters receiving or retaining the customary short term premium.

This Policy may also be cancelled by or on behalf of the Underwriters by 30 days' notice given in writing to the Insured at his last known address, and the premium hereon shall be adjusted on the basis of the Underwriters receiving or retaining pro rata premium.

Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed.

**NUCLEAR, CHEMICAL, BIOLOGICAL AND/OR RADIOLOGICAL TERRORISM
INSURANCE EXTENSION WORDING**

INSURING CLAUSE

The individual risks declared to this facility shall not be covered for loss of Damage directly or indirectly caused by or resulting from an Act of Terrorism and/or Sabotage that is deemed to be of a Chemical, Biological, Radiological or Nuclear nature. However, if insured property is physically damaged by an Act of Terrorism and/or Sabotage and such Insured property contains Chemical, Biological or Radiological/Radioactive material which is stored or used in any processes conducted at the Insured locations, then this policy subject to its terms and conditions insures Chemical, Biological, Radiological/Radioactive contamination resulting directly from such insured property, provided that on the date of the loss there is neither a Nuclear reactor nor any new or used Nuclear fuel at the Insured location.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION

If an act of Terrorism and/or Sabotage within an Insured location is the sole, immediate and direct cause of seepage onto, and/or pollution and/or contamination of Property insured (including seepage and/or pollution and/or contamination involving Nuclear and/or Chemical and/or Biological and/or Radiological and/or mineral agents) then this Extension, subject to the per Occurrence and in all per risk Sum Insured and Excess and also to the following additional terms and limitations, also insures the resulting Damage and the reasonable and necessary expense incurred by the insured for clean-up provided:

- a) Underwriters have agreed to pay for the original Damage or, but for the operation of an excess or underlying amount would have agreed to pay for the original Damage: and
- b) Within one year of the commencement of the Act of Terrorism and/or Sabotage which caused the original Damage, the Insured became aware and advised the underwriter the amount of:
 - i) The resulting Damage and the reasonable and necessary expense incurred by the insured for clean-up; and
 - ii) Any other interest to be claimed under this Extension as a result of the resulting Damage

Notwithstanding the foregoing, the cost of resulting Damage and the reasonable and necessary expense incurred by the insured for clean-up shall not be considered in determination of the valuation of the property insured

DEFINITIONS:

1. **“Damage”** shall mean physical loss, contamination of the property insured
2. **“Nuclear”** shall mean a weapon which derives its destructive force from nuclear reactions of fission or fusion
3. **“Chemical”** agent shall mean any compound which, when suitable disseminated, produces incapacitating, damaging or lethal effects on people, animals, plants or real or personal property
4. **“Biological”** agent shall mean any pathogenic (disease producing) micro-organism(s) and/or biologically produced toxin(s) (including genetically modified organisms and chemically synthesized toxins) which cause illness and/or death in humans, animals or plants
5. **“Radiological”** isotope or radioisotope includes but is not limited to a natural or artificially created isotope of a chemical element having an unstable nucleus that decays, emitting alpha, beta or gamma rays which causes illness and/or death in humans, animals or plants.

EXTINGUISHMENT EXPENSES

The Business Interruption Extension, attached to this Policy also covers the reasonable costs of:

- a) Refilling, recharging and/or replacing any fire extinguishing appliances and or equipment including sprinkler heads following physical loss or damage from an Act of Sabotage or Terrorism
- b) Fire brigade charges and other extinguishing expenses for which the Insured may be assessed for
- c) Refilling the cylinder(s) of any gas flooding system installed solely for the protection of the Property

Provided that Insurers' Liability does not exceed the Sub-Limit of the Sum Insured as stated herein.

CONTRACT WORKS EXTENSION

The property insured extends to include the permanent and temporary works forming part of any insured contract at the insured Premises including materials incorporated or to be incorporated therein all the property of the Insured or for which he is responsible as principal or employer but not building dot machinery of a prototype or experimental nature and only in respect of extensions or additions to existing buildings, structures or facilities at an already established location.

Provided that Insurers' Liability does not exceed the Sub-Limit of the Sum Insured as stated herein.

INCREASED COST OF WORKING EXTENSION

The Business Interruption Extension, attached to this Policy also covers Increased Cost of Working, as defined below, incurred by the Insured as result of direct physical loss or physical damage by an Act or Series of Acts of Terrorism during the term of the Policy.

DEFINITION

The additional expenditure beyond that recoverable under the Business Interruption Extension necessarily and reasonably incurred to continue the operation of the Insured's business as nearly as reasonably practicable during the Indemnity Period over and above the cost that would normally have been incurred to conduct the business during the same period had no loss or damage occurred.

Provided that Insurers' Liability does not exceed the Sub-Limit of the Sum Insured as stated herein.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

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SPECIAL CANCELLATION CLAUSE

In the event that any Insurer hereon ceases underwriting whether entirely or in the class of business which includes this policy or ceases accepting new business or enters into a run-off arrangement or is subject to a scheme of arrangement, appointment of administrators, provisional liquidators or announces an intention to take any of the foregoing actions or if the Standard & Poor's security rating is lowered below BBB and/or A.M. Best security rating is lowered below B+ then the Insured is entitled at its option to cancel that Insurers participation in this policy as at any date thereafter. In that event, the premium due to such Insurer shall be the proportion of the premium allocated to the risk covered under the policy up to the date of cancellation and after deduction of claims under the policy.

The premium due shall be determined by the Slip Leader insofar as otherwise unaffected by this clause.

COMPLAINTS PROCEDURE NOTICE (COMMERCIAL)

We take all complaints seriously. If you wish to register a complaint then please contact Ms Sarah Dalgarno, Chief Risk Officer using any of the following contact details:

Post: The Walbrook Building,
25 Walbrook,
London, EC4N 8AW
United Kingdom

Tel: +44 (0) 20 7204 6000

E-mail: Sarah_Dalgarno@ajg.com

We will acknowledge your complaint within 5 working days.

In the event that you remain dissatisfied and wish to pursue the complaint it may be possible in certain circumstances for you to refer the matter to the Complaints Department at Lloyd's.

Their address is:

Policyholder & Market Assistance
Lloyd's Market Services
One Lime Street
London
EC3M 7HA

Tel: 020 7327 5693

Fax: 020 7327 5225

E-mail: Complaints@Lloyds.com

CLAIMS NOTICE

In the event of loss or damage likely to involve a claim under this Insurance, immediate notice should be given to:

Gallagher Claims Division
Arthur J Gallagher (UK) Limited
Claims Division,
133 Houndsditch,
London,
EC3A 7AH,
United Kingdom.
(Telephone: +4420 7204 6000)

Telephone: 020 7560 3000
Fax: 020 7560 3355
Email: gallagherclaimsuk@ajg.com

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

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to Arthur J Gallagher (UK) Limited within the number of days specified in the Premium Payment Terms (or, in respect of instalment premiums, when due).

If the premium due under this certificate has not been so paid to Arthur J Gallagher (UK) Limited within the agreed timescale (and, in respect of instalment premiums, by the date they are due) the Underwriters shall have the right to cancel this certificate by notifying the Insured via Arthur J Gallagher (UK) Limited in writing. In the event of cancellation, premium is due to Arthur J Gallagher (UK) Limited on a pro rata basis for the period that the Underwriters are on risk but the full certificate premium shall be payable to the Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this certificate.

It is agreed that Arthur J Gallagher (UK) Limited shall give not less than 15 days prior notice of cancellation to the Insured. If premium due is paid in full to Arthur J Gallagher (UK) Limited before the notice period expires, notice of cancellation shall automatically be revoked. If not, the certificate shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001 (amended – certificate)

(RE)INSURERS SEVERAL LIABILITY CLAUSE

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA5123 (Line Slip Declaration)

9 February 2009