

Broadform Liability Insurance

The Insured named in the Schedule having made to the Insurers a written proposal which is deemed to be incorporated herein and having paid the premium stated in the Schedule then subject to the terms, conditions and exclusions contained in or endorsed on this Policy the Insurers will pay to or on behalf of the Insured all sums provided by the Policy which the Insured shall become legally liable to pay as compensation for:

1. Personal Injury or
2. Property Damage or
3. Advertising Liability

caused by an Occurrence within the Territorial Limits as stated herein in connection with the Insured's Business.

Limit of Liability

The limit of the Insurers' liability in respect of any one Occurrence shall not exceed the Limit of Liability stated in the Schedule for Public Liability or Products Liability or Advertising Liability or Pollution Liability. All Personal Injury and Property Damage arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one Occurrence.

The total aggregate limit of the Insurers during any one Policy Period for all claims arising out of Products Liability including Advertising Liability and Pollution Liability shall not exceed the Limit of Liability stated in the Schedule.

Supplementary Payments

The Insurers will pay in addition to the applicable Limit of Liability all expenses incurred defending in the name of and on behalf of the Insured any claim or suit against the Insured to recover compensation in respect of and/or arising out of Occurrences covered hereby.

Pay in addition to the Limit of Liability expressed in the Schedule:

- (a) for immediate medical and/or surgical aid and/or for temporary repair of property made necessary by any Occurrence covered hereby
- (b) all expenses incurred by or with permission of the Insurers for investigation, negotiation and defence of claims and suits
- (c) all expenses incidental to the appeal from any judgement against the Insured, and all costs taxed against the Insured, in any suit for damages on account of any judgement in such suits
- (d) all expenses incurred by Insurers or the Insured for representation of the Insured at any coroner's inquest or court of criminal justice plus all expenses incidental to the appeal from any judgement.

Territorial Limits

This Policy applies in respect of Occurrences anywhere in the world, excluding operations domiciled in the United States of America and/or Canada other than exports and non-manual visits of directors and employees.

Definitions

Where appearing in the Policy the following words shall mean:

1. "Insured"

Each of the following is insured under this Policy to the extent set forth below:

- (a) the Named Insured stated in the Schedule
- (b) all subsidiary companies (now or hereafter constituted) of the Named Insured whose place of incorporation is within Australia and whose business falls within the definition of the Named Insured's Business
- (c) any Director, Executive Officer, Employee, Partner or Shareholder of the Named Insured or of any company designated in paragraph (b) above but only while acting within the scope of their duties in such capacity
- (d) any principal in respect of the liability of such principal arising out of the performance by the Named Insured or by any company designated in paragraph (b) above of any contract or agreement for the performance of work for such principal, to the extent required by such contract or agreement
- (e) any incorporated or unincorporated association or organisation including their office bearers and members organised by the Insured (other than an Insured designated in definition 1(d)) or their employees with the consent of the Insured for the purpose of providing canteen, social, sports, welfare and or child care organisations or first aid, medical, fire or ambulance services for such employees
- (f) any other party who enters into an agreement with the Insured for any purpose of the Business, but only to the extent required by such agreement to grant such indemnity.

2. "Personal Injury" means:

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish or mental injury
- (b) false arrest, false imprisonment, malicious prosecution and humiliation
- (c) libel, slander, defamation of character (other than Advertising Liability)
- (d) wrongful entry or wrongful eviction or other invasion of the right of private occupancy
- (e) assault and battery not committed by or at the direction of the Insured unless committed for the purpose of preventing or eliminating danger to persons or property

which occurs during the Policy Period.

3. "Property Damage" means:

- (a) physical injury to or destruction or loss of tangible property which occurs during the Policy Period and any loss of use of that property resulting therefrom; or
- (b) loss of use of tangible property which has not been physically injured or destroyed or lost which is caused by physical injury to or destruction or loss of other tangible property which occurs during the Policy Period.

4. **"Occurrence"** means an event including continuous or repeated exposure to substantially the same general conditions, which causes Personal Injury, Property Damage or Advertising Liability which is not expected or intended from the standpoint of the Insured.
5. **"Medical Persons"** means medical doctors, medical nurses, dentists and first aid attendants.
6. **"Public Liability"** means liability covered by this Policy but does not include Products Liability.
7. **"Products Liability"** means Personal Injury or Property Damage
 - (a) caused by any defect, or the harmful nature of any of the Insured's Products
 - (b) resulting from any defect or deficiency in any direction or advice given at any time, or intended to be given by the Insured concerning the use or storage of the Insured's Products.
8. **"Insured's Products"** means anything, including any packaging or container thereof (after it has ceased to be in the possession or control of the Insured) manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied or distributed by the Insured including all previously supplied products.
9. **"Vehicle"** means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.
10. **"Policy Period"** means the duration of this Policy as stated in the Schedule incorporated into the Policy.
11. **"Business"** means the business stated in the Schedule and shall include the activities of any canteen, social, sports, welfare, and/or child care organisation or first aid, medical, fire or ambulance services.
12. **"Watercraft"** means any powered vessel, craft or thing made or intended to float on or in or travel on or through water.
13. **"Aircraft"** means any vessel, hovercraft, craft or thing designed to transport persons or property in or through the air or space.
14. **"Schedule"** means New Policy Schedule, Renewal Schedule or Endorsement Schedule issued by the Insurers.
15. **"Excess"** means the first amount payable by the Insured in respect to each Occurrence and includes all Supplementary Payments.
16. **"Tool of Trade"** means any vehicle which has a tool or plant forming part of or attached to or used in connection with it while such tool or plant is engaged on or about or in close proximity to or travelling to and from a work site, but does not include vehicles whilst used for transport or haulage, excluding whilst at the worksite or about or in close proximity to the worksite.
17. **"Advertising Liability"** means:
 - (a) libel, slander or defamation
 - (b) infringement of copyright or of title or slogan
 - (c) piracy or unfair competition or idea misappropriation under an implied contract
 - (d) invasion of privacycommitted or alleged to have been committed during the Policy Period in any advertisement, publicity article, broadcast or telecast and arising out of the Insured's advertising activities or any

advertising activities conducted on behalf of the Insured in the course of advertising the Products, goods or services.

Exclusions

The Insurers shall not be liable to indemnify the Insured in respect of:

1. Employer's Liability

- (a) liability for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in the Insured's service, or through the breach of any duty owed to that person, where the Insured:
 - (1) is indemnified or entitled to be indemnified (either in whole or in part) in respect for claims for damages under a policy of insurance (which expression includes arrangements made by the Insured to provide accident insurance for the Insured's workers under a licence to self insure) arranged (whether required by law or not) in accordance with any workers' compensation legislation or accident compensation legislation; or
 - (2) would have been indemnified or entitled to be indemnified had the Insured arranged a policy of insurance as required by such legislation
- (b) liability for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in the Insured's service in Western Australia, other than a person of who the Insured is deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA)
- (c) liability for mental anguish suffered by any person arising out of, or in the course of, that person's employment by or service to the Insured
- (d) liability for Personal Injury arising out of the harassment, libel, slander, defamation or humiliation of, or discrimination against, any person while in the Insured's service or while employed by the Insured
- (e) liability of a type in respect of which indemnity previously would have been provided under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current Policy Period; and
- (f) any other liability imposed by the provisions of any workers compensation legislation or accident compensation legislation or industrial award, agreement or determination.

This exclusion does not apply to the liability of others assumed by the Insured under a written contract.

2. Motor Vehicles

liability to pay compensation for Personal Injury or Property Damage arising out of the ownership, possession, operation, use or legal control by the Insured of any Vehicle:

- (a) which is registered or
- (b) in respect of which insurance is required by virtue of any legislation relating to motor vehicles, or
- (c) which is otherwise insured in respect of the same liability

Provided that this Exclusion does not apply to Vehicles whilst being operated or used by the Insured as a Tool of Trade

3. Aircraft and Watercraft

liability to pay compensation for Personal Injury or Property Damage arising from the ownership, maintenance, possession, operation, use or legal control by the Insured of:

- (a) any Aircraft, or
- (b) any Watercraft or vessel exceeding twenty (20) metres in length

4. Property in Physical or Legal Control

liability to pay compensation for damage to property owned leased or hired or under hire purchase or on loan to the Insured or otherwise in the Insured's care, custody or control other than:

- (a) premises (or the contents thereof) temporarily occupied by the Insured for work therein (but no indemnity is granted for Damage to that part of the property on which the Insured is working and which arises out of such work)
- (b) clothing and personal effects belonging to employees and visitors of the Insured
- (c) premises tenanted by the Insured for the purpose of the Insured's business to the extent that the Insured would be held liable in the absence of any specific agreement
- (d) any property in the physical or legal control of the Insured, not otherwise covered hereunder, up to the applicable sub-limit detailed in the Declaration Schedule

5. Faulty Workmanship

any liability for the cost of re-performing, completing, correcting or improving any work done or undertaken by the Insured

6. Damage to Insured's Products

liability to pay compensation for:

- (a) physical injury to or destruction or loss of the Insured's Products or any part of those Products arising out of them or any part of them
- (b) loss of use of any tangible property caused by physical injury to or destruction or loss of the Insured's Products or any part of those Products arising out of them or any part of them

7. Product Recall and Repair

liability to pay compensation for damages claimed for the withdrawal, inspection, repair, replacement or loss of use of the Insured's Products

8. Aircraft Products

any liability arising out of the selling, leasing, hiring or manufacture and/or supply of parts and/or products that are used with the Insured's knowledge in Aircraft or any aerial device

9. Contractual Liability

liability to pay compensation for Personal Injury, Property Damage or Advertising Liability where the liability has been assumed solely under an agreement unless such liability:

- (a) would have attached in the absence of such agreement, or
- (b) is usual to the Insured's occupation or trade or
- (c) is assumed by the Insured under a warranty of fitness or quality, or is implied by law, in respect of the Insured's Products
- (d) has been assumed under a contract by reason of having contracted out of the operation of Proportionate Liability Legislation

10. Professional Liability

liability to pay compensation for the rendering of or failure to render professional advice or service by the Insured or error or omission connected therewith, but this Exclusion does not apply to:

- (a) the rendering or failure to render professional medical advice by medical persons employed by the Insured to provide first aid and other medical services on the Insured's premises
- (b) any resulting Personal Injury or Property Damage providing such professional advice or service is not given for a fee

11. Libel and Slander

any liability to pay compensation arising out of the publication or utterance of a libel or slander:

- (a) made prior to the Policy commencing on the date stated in the Schedule, or
- (b) made at the direction of the Insured with the knowledge of the falsity thereof

12. Fines and Punitive Damages

any liability for fines, penalties, punitive or exemplary damages

13. Pollution

- (a) liability to pay compensation for Personal Injury or Property Damage caused by or arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, the atmosphere or any watercourse or body of water (including groundwater) but this exclusion does not apply if the actual discharge, dispersal, release or escape
 - (1) is neither reasonably expected nor intended by the Insured; and
 - (2) is the consequence of a sudden and instantaneous cause which takes place at a clearly identifiable point in time during the Policy Period
- (b) liability for any costs or expenses incurred in the preventing, removing, nullifying, or cleaning up any discharge, dispersal, release or escape as described in (a) above, unless such costs or expenses are consequent upon an unexpected, unintended sudden and instantaneous cause which takes place at a clearly identifiable point in time during the Policy Period and results in Personal Injury or Property Damage neither of which is otherwise excluded by this Policy

Provided that the total aggregate liability of the Insurers during any one Policy Period in respect of all claims arising out of such Personal Injury or Property Damage or such costs or expenses shall not exceed the Limit of Liability stated in the Policy Schedule and further provided that Insurers

shall not be liable to indemnify the Insured in respect of liability for pollution arising in the United States of America and/or Canada

14. Asbestos

liability arising out of or related in any way to asbestos or asbestos-containing materials other than liability not caused by or contributed to by or alleged to be caused by, in whole or in part, directly or indirectly, the known or suspected injurious or damaging effects of asbestos

15. Nuclear

liability to pay compensation for Personal Injury or Property Damage of whatsoever nature directly or indirectly caused or contributed to by or arising from ionising radiation, or contamination by radioactivity from nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exclusion combustion shall include any self-sustaining process of nuclear fission

16. War

liability to pay compensation for Personal Injury or Property Damage directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (with or without the declaration of war), civil war, rebellion, insurrection, military or usurped power

17. Advertising Liability

liability to pay compensation for Advertising Liability arising from:

- (a) offences committed prior to the inception date of this Policy
- (b) offences made at the direction of the Insured with knowledge of the illegality or falsity thereof
- (c) breach of contract, other than misappropriation of advertising ideas under an implied contract
- (d) incorrect description of the price of the Products, goods or services
- (e) infringement of trade mark, service mark or trade name by use thereof as the trade mark, service mark or trade name of the Products, goods or services sold, offered for sale or advertised, but this exception does not apply to titles or slogans
- (f) failure of the Products, goods or services to conform with advertised performance, quality, fitness or durability
- (g) any Insured whose business is advertising, broadcasting, publishing or telecasting.

18. Excess

the applicable Excess, Deductible, Self-Insured Retention or underlying limit stated in the Schedule in respect of the first amount of each claim or series of claims arising out of one originating cause.

Conditions

1. Claims Control

Notice in writing shall be given as soon as possible to the Insurers of every Occurrence, claim, writ, summons, impending proceedings, impending prosecution and/or inquest in respect of which there may arise a liability under this Policy.

- (a) The Insured shall not without the Insurers' consent in writing make any admission, offer, promise or payment in connection with any Occurrence or claim and if the Insurers so desire they shall be entitled to take over and conduct in the Insured's name the defence or settlement of any claim and the Insurers may make such investigation, negotiation and settlement of any claim or suit as they deem expedient.
- (b) The Insured shall use the best endeavours to preserve any property, products, appliances, plant or other things which might prove necessary or useful by way of evidence in connection with any claim and so far as may be reasonably practicable no alteration or repair shall be effected without the Insurers' consent until the Insurers shall have had the opportunity of inspection.
- (c) The Insurers shall be entitled to prosecute in the Insured's name at the Insurers' own expense and for the Insurers' own benefit any claim for indemnity for damages or otherwise.
- (d) The Insurers shall have full discretion in the conduct of any proceedings in connection with any claim and the Insured shall give all information and assistance as the Insurers may require in the prosecution, defence or settlement of any claim.
- (e) In the event of an Occurrence, the Insured shall promptly take at the Insured's expense all reasonable steps to prevent other Personal Injury or Property Damage arising out of the same or similar conditions, but such expense shall not be recoverable under this Policy.
- (f) The Insurers shall be entitled to attend any inquest in respect of which there may arise liability under this Policy.

2. Discharge of Liabilities

The Insurers may at any time pay to the Insured in respect of all claims against the Insured arising directly or indirectly from the one source or original cause the amount of the liability or such other amount specified in respect thereof (after deduction of any sum or sums already paid by the Insurers which sum or sums would reduce the amount of the Insurers' unfulfilled liability in respect thereof) or any lesser sum for which the claim or claims can be settled and upon such payment the Insurers shall relinquish conduct or control of and be under no further liability under the Policy in connection with such claim or claims except for costs charges or expenses in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently) or incurred by the Insurers or by the Insured with the Insurers' written consent prior to the date of such payments.

3. Reasonable Care

The Insured shall:

- (a) take all reasonable precautions to:
 - (1) prevent Personal Injury and Property Damage
 - (2) prevent the manufacture, sale or supply of defective products; and

- (3) comply and ensure that the Insured's workers, servant and agents comply with all statutory obligations, by-laws or regulations imposed by any public authority in respect thereof for the safety of persons and property
- (b) at the Insured's own expense take reasonable action to trace, recall or modify any products containing any defect or deficiency which defect or deficiency the Insured has knowledge of or has reason to suspect.

4. Cross Liabilities

Where more than one party comprises the Insured each of the parties shall be considered as a separate and distinct unit and the word Insured shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties provided that nothing in this clause shall result in the increase of the Insurers' Limit of Liability in respect of any Occurrence or Policy Period.

5. Alteration of Risk

Any alteration in any material fact or otherwise regarding construction methods or procedures or any other information contained in or omitted from any underwriting information supplied to the Insurers shall not prejudice this Policy which shall be held covered subject to immediate notification to the Insurers as soon as the alteration or omission becomes known to the Insured, and then subject to any variation in the terms and conditions which may be agreed between the Insured and the Insurers.

6. Subrogation

In the event of payment under this Policy to or on behalf of the Insured, the Insurers shall be subrogated to all the Insured's rights of recovery against all persons and organisations and the Insured shall execute and deliver instruments and papers and do all that is necessary to assist in the exercise of such rights.

Notwithstanding the above Insurers agree to waive their rights of subrogation against any principal where waiver is required under written contract but only in respect of liability for bodily injury and/or Property Damage arising out of the operations performed by the Insured and only to the extent required under said written contract.

7. Other Insurance

If the Insured makes a claim under this Policy in respect of an Occurrence recoverable under this Policy which Occurrence is or may be covered in whole or in part by any other Insurance, then the Insured must advise the Insurers of the full details of such other Insurance when making a claim under this Policy.

Subject to the Contracts Act, 1984, the Insurers reserve the right to seek contribution from the other insurer(s).

8. Insurance Arranged By Principal

If the Insured enters into an agreement with any other party (who for the purpose of this clause is called the "Principal") pursuant to which the Principal has agreed to provide a policy of insurance which is intended to indemnify the Insured for any loss or liability arising out of the performance of the said agreement then the Insurers will (subject to the terms and conditions of this Policy) only indemnify the Insured for loss or liability not covered by the policy of insurance provided by the Principal.

9. Cancellation

The Named Insured may cancel this Policy by giving thirty (30) days' notice in writing to the Insurers.

After cancellation by the Insured the premium for the period to cancellation shall be adjusted on a pro-rata basis plus ten per cent (10%) of the premium for the unexpired period.

The Insurers may cancel this Policy in any of the circumstances set out in the Insurance Contracts Act, 1984.

When the premium is subject to adjustment, cancellation will not affect the Insured's obligation to supply such information as the Insurers may require for the adjustment of the premium. Cancellation will not affect the Insured's obligations to pay the amount of adjustment applicable up to the date of cancellation.

10. Severability

Insurers agree that any act, error, omission, neglect, fraud, misrepresentation, misdescription, non-disclosure or breach of Condition or warranty by any individual insured party shall not prejudice or invalidate the rights of the other parties comprising the Insured who are themselves not guilty of such act, error, omission, neglect, fraud, misrepresentation, misdescription, non-disclosure or breach of Condition or warranty.

11. Assignment

No assignment of interest under this Policy shall bind the Insurers until their consent is endorsed thereon. However, should the Insured die or be adjudged bankrupt or insolvent the Insurers will consent to the assignment of this Policy to the Insured's legal representative provided that written notice is given to Insurers within 30 days after the date of such death, bankruptcy or insolvency.

12. Release

Wherever the Insured is required by contractual agreement to release government or quasi-governmental bodies, landlords or any other parties from liability, such release is allowed without prejudice to this Policy and the Insurers agree to waive any rights and remedies or relief to which they may become entitled by subrogation against such bodies, landlords or other parties.

13. Inspection and Premium Adjustment

The Insurers shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Insurers' 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 or operations are safe. The Insurers may examine and audit the Insured's books and records at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy as far as they relate to the subject matter Insured.

If the first or renewal premium for the Policy or part thereof shall have been calculated on estimates furnished by the Insured, then the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Insurers to inspect such records. The Named Insured shall within thirty (30) days after the expiry of each Policy Period furnish to the Insurers such particulars and information as the Insurers may require. The premium for such period shall thereupon be adjusted and any difference paid or allowed to the Insured as the case may be subject to receipt and retention of any minimum premium charged by the Insurers.

14. Insurance Contracts Act

Nothing contained in this Policy shall be construed to reduce or waive either the Insured's or the Insurers' privileges, rights or remedies available under the Insurance Contracts Act, 1984 as amended.

15. Headings

The headings in this Policy are for ease of reference only and shall not be deemed any part of the context or to affect the interpretation of this Policy.

16. Australian Jurisdiction

In the event of a dispute arising under this Policy, the Insurers at the request of the Insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court

Any summons notice or process to be served upon the Insurers may be served upon
Lloyd's General Representative in Australia
Lloyd's Australia Ltd
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney, NSW 2000

who has authority to accept service and to enter an appearance on Insurers' behalf, and who is directed at the request of the Insured to give a written undertaking to the Insured that he will enter an appearance on Insurers' behalf.

If a suit is instituted against any one of the Insurers all Insurers hereon will abide by the final decision of such Court or any competent Appellate Court.

17. Goods and Services Tax

Where the Insurers make a payment under this Policy for the acquisition of goods, services or other supply the Insurers will reduce the amount of the payment by the amount of any input tax credit the Insured is, or will be, or would have been entitled to under a New System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where the Insurers make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply the Insurers will reduce the amount of payment by the amount of any input tax credit that the Insured would have been entitled to under a New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Memoranda attaching to and forming part of Broadform Liability Wording

1. TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes liability for loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat 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), 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.

This endorsement also excludes loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Insurers allege that by reason of this exclusion, any loss, injury, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**NMA2951
14/07/2002**

2. WORKER TO WORKER EXTENSION

Exclusion 1 (a) Employers Liability shall not apply to:

- (i) claims for recoveries of any payments made by any compulsory workers or accident compensation insurer under the provisions of any compulsory workers or accident compensation legislation or policy, but only where the claim is being made against an Insured who is not the direct employer of the worker in respect of whom the recovery is being sought
- (ii) claims made by an injured worker (as defined by applicable workers or accident compensation legislation) against any Insured other than the worker's direct employer.

The Excess in respect of claims brought under this Extension shall be as stated in the Schedule.

3. LEGIONELLA EXTENSION

It is understood and agreed that this Policy extends to include, within the Limit of Liability specified in the Schedule, Claims made against the Insured and notified to Insurers during the Policy Period for:

- (i) sums which the Insured shall become legally liable to pay for compensation and claimant's costs and expenses in respect of Personal Injury caused by the discharge, dispersal, release or escape of Legionella bacteria from any premises owned by the Insured

- (ii) costs and expenses of litigation incurred with the written consent of the Insurers in respect of a Claim against the Insured to which the coverage expressed in (i) above applies

Provided that:

- (iii) Insurers' total aggregate liability in respect of all Claims made during the Policy Period shall not exceed the Limit of Liability specified in the Schedule
- (iv) in the event of more than one Claim resulting from a discharge, dispersal, release or escape of Legionella bacteria from any premises owned by the Insured all Claims shall be deemed to have occurred on the day that the first Claim was notified to Insurers
- (v) this Extension shall not apply to:
 - (a) liability assumed under contract
 - (b) Personal Injury caused by the escape of Legionella bacteria from any of the Insured's premises unless the Insured has, for that premises, complied with health and safety codes of practice that apply in respect of the control of Legionella bacteria in water systems.

For the purpose of this Extension "Claim" means a demand for compensation or damages or an intimation of the intention to seek compensation or damages, made to the Insured during the Policy Period.

4. AUTOMATIC ACQUISITIONS EXTENSION

It is understood and agreed that this Policy extends to include entities newly formed (not as a result of an internal restructure) and/or acquired during the Policy Period, provided always that

- (i) there is no material change in the Insured's business activities
- (ii) the turnover of such newly formed or acquired entities or joint ventures does not exceed 10% of the Insured's turnover at inception
- (iii) claims records in respect of new acquisitions shall be submitted to Insurers within 90 days of such acquisition

If newly formed or newly acquired entities or joint ventures fall outside the criteria mentioned in (i), (ii) or (iii) above or if the claims records submitted to Insurers are deemed unsatisfactory, then the inclusion of such newly formed or acquired entities is to be agreed by Insurers and additional premium or other specific terms may be applied by Insurers

5. USA/CANADIAN JURISDICTION

Where cover is provided by this Policy in respect of any judgment, award or settlement made within countries which operate under the laws of the United States of America and/or Canada (or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part) the Insured agree to accept the following additional terms and Exclusions in respect of such judgment, award or settlement

- (i) the Limits of Liability are inclusive of all costs and expenses
- (ii) Insurers shall not be liable for:
 - (a) Personal Injury, damage to or loss of use of property directly or indirectly caused by seepage, pollution or contamination

- (b) the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances.

6. CONTRACTUAL LIABILITY

Notwithstanding Exclusion 9, Insurers will indemnify the Insured in respect of any Occurrence arising out of contractually assumed liability over and above the statutory requirements, provided that sole conduct & control of the claim is vested with Insurers.

Provided always Insurers will not be liable for any fines, penalties, punitive or exemplary damages.

7. 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.

15/09/10
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All Memoranda are subject otherwise to the terms, conditions and exclusions of the Policy

GENERAL INSURANCE CODE OF PRACTICE

This Insurance does not comply with the Insurance Council of Australia's General Insurance Code of Practice.

LMA5137
20 March 2009

Form approved by Lloyd's Market Association