



ace europe

ACE European Group Ltd.

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ACE European Group Limited is authorised and regulated by the Financial Services Authority

LIABILITY POLICY

In consideration of the Insured paying the Premium to ACE EUROPEAN GROUP LIMITED (hereinafter called "the Company") and having made a Proposal which shall be the basis of this contract and is deemed to be incorporated herein

The Company agrees to indemnify the Insured in the terms of this Policy and subject to the Limits of Liability against all sums which the Insured shall become legally liable to pay as damages

Section 1. Employers Liability

in respect of Bodily Injury sustained by any Employee caused during the Period of Insurance within the Territorial Limits and arising out of and in the course of employment by the Insured in the Business

Section 2. Public and Products Liability

in respect of accidental

- A. Bodily Injury occurring
- B. Damage to material property occurring
- C. Trespass Nuisance or Obstruction occurring
- D. Personal and Advertising Injury offences committed

during the Period of Insurance within the Territorial Limits and arising in connection with the Business.

The Company will also pay Costs and Expenses in respect of any occurrence to which this Policy applies.

SIGNED for and on behalf of the
Company

Andrew Kendrick *Chairman and Chief Executive Officer*

This Policy shall constitute the entire contract between the parties, and should be examined and if incorrect returned immediately for alteration

Definitions

1. **Advertisement** means a notice which is broadcast or published to the general public or specific market segments about the Insured's Products or services for the purpose of attracting customers or supporters.
2. **Bodily Injury** means bodily injury to any person and includes
 - 2.1 death illness and disease
 - 2.2 mental injury anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury death illness or disease.
3. **Business** means the Business described in the Schedule and includes
 - 3.1 in connection with such Business
 - a) the sale or supply of food and/or drink to Employees or others
 - b) the provision of fire first aid security and ambulance services by the Insured and maintenance of the Insured's premises
 - 3.2 the provision by the Insured of sports social and welfare organisations primarily for employees
 - 3.3 private work undertaken by any Employee for any director, partner or employee of the Insured.
4. **Costs and Expenses** means
 - 4.1 costs and expenses recoverable by any claimant from the Insured
 - 4.2 costs and expenses incurred with the written consent of the Company
 - 4.3 the solicitor's fees for representation at any coroner's inquest or fatal accident inquiry or in any court of summary jurisdiction
 - 4.4 compensation to the Insured at the following rates per day for each day on which any of the following persons attend court as a witness at the request of the Company
 - a) any director or partner of the Insured GBP500
 - b) any Employee GBP250
5. **Damage** includes loss.
6. **Employee** means any person under a contract of service or apprenticeship with the Insured. Employee also includes the following while working for the Insured in connection with the Business, in which case they will be considered to be employed by the Insured:
 - 6.1 any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured
 - 6.2 any labour master and any person supplied by him
 - 6.3 any person engaged as a labour-only sub-contractor and any person supplied by him
 - 6.4 any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the Insured
 - 6.5 any person supplied to the Insured under a contract or agreement the terms of which deem such person to be in the employment of the Insured for the duration of such contract or agreement
 - 6.6 any work experience student or trainee.
7. **Insured** means the party or parties described as such in the Schedule.

8. Limit of Liability means

8.1 under Section 1 of this Policy the maximum amount as stated in the Schedule which the Company shall be liable to pay as damages and Costs and Expenses in respect of any one claim against the Insured or series of claims against the Insured arising out of any one occurrence and for the purpose of such Limit of Liability the Insured shall be deemed to include all parties entitled to indemnity under this Policy regardless of whether such parties are designated as the Insured

8.2 under Section 2 of this Policy the maximum amount as stated in the Schedule which the Company shall be liable to pay as damages as a result of any one occurrence or of any series of occurrences arising directly or indirectly from one source or original cause.

For the purpose of this Definition, occurrence or occurrences also means offence or offences
Provided always that the liability of the Company

- a) for all damages payable in respect of all Bodily Injury and Damage occurring during any one Period of Insurance and caused by Products shall not exceed the Limit of Liability for Section 2 stated in the Schedule
- b) for all damages payable in respect of all Personal and Advertising Injury offences committed during any one Period of Insurance shall not exceed the Limit of Liability for Section 2 stated in the Schedule.

9. Period of Insurance means the period stated in the Schedule or any subsequent period for which the Insured shall have paid and the Company shall have accepted a renewal premium.

10. Personal and Advertising Injury means injury other than Bodily Injury occurring as a direct result of any of the following offences

- 10.1 false arrest, detention or imprisonment or malicious prosecution
- 10.2 wrongful entry or eviction which interferes with the right of private occupancy
- 10.3 oral or written publication of material in any Insured's Advertisement which constitutes slander or libel or disparages goods, products or services
- 10.4 oral or written publication of material which violates the right of privacy of a person
- 10.5 misappropriation of advertising ideas in any Insured's Advertisement
- 10.6 infringement of copyright, Trade Dress or slogan in any Insured's Advertisement.

In the event of a series of the same Personal and Advertising Injury offences being committed over a period of time

- a) all offences of such series shall be treated as though they were committed on the date of the first of such offences committed during the Period of Insurance
- b) no indemnity shall be provided hereunder in respect of any offences committed prior to the inception date of this Policy
- c) no indemnity shall be provided hereunder in respect of any offences committed after the expiry of the Period of Insurance.

11. Products means anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Insured including containers, packaging or labelling and which is not in the possession of the Insured at the time of the occurrence.

- 12. Territorial Limits** means anywhere within Great Britain Northern Ireland the Isle of Man or the Channel Islands.
- Elsewhere in the world the indemnity granted by
- 12.1 Section 1 of this Policy is extended to apply in respect of any Employee whilst temporarily outside the Territorial Limits stated above, provided that such Employee normally resides within the Territorial Limits stated above
 - 12.2 Section 2 of this Policy is extended to apply in respect of the activities (excluding manual work outside the member countries of the European Union) in the course of the Business of the directors, partners and/or Employees of the Insured temporarily engaged outside the Territorial Limits stated above
 - 12.3 Section 2 of this Policy shall apply to occurrences anywhere in the world caused by Products supplied from or worked upon in the Territorial Limits stated above.
- 13. Trade Dress** means any right enforceable at law to the extent that it relates to the overall visual appearance of a business and its products and/or services and the manner in which they are packaged and/or presented.
- 14. Trespass Nuisance or Obstruction** means trespass nuisance or obstruction or interference with any easement right of air light water or way.
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- 15. Proposal** means any signed proposal form and declaration and any information in connection with this insurance supplied by or on behalf of the Insured in addition thereto or in substitution therefor whether at the time of acceptance or prior or subsequent thereto.

Extensions

Indemnity to Principals and Others

1. The Company will also indemnify in the terms of this Policy
 - 1.1 in the event of the death of the Insured his/her legal personal representative in respect of liability incurred by the Insured
 - 1.2 any principal with whom the Insured has entered into an agreement to the extent required by such agreement but only in respect of liability for which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insuredand at the request of the Insured
 - 1.3 any officer or member of the Insured's catering sports social and welfare organisations and fire first-aid or ambulance services
 - 1.4 any director partner or employee of the Insured in respect of liability for which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured
 - 1.5 any director partner or employee of the Insured in respect of liability for private work undertaken by Employees with the consent of the Insured

Provided that

- a) such person(s) shall not be entitled to indemnity under any other policy
- b) such principal/person(s) shall as though he/they were the Insured be subject to the terms of this Policy in so far as they can apply
- c) the Limit of Liability shall not be increased hereby.

Cross Liabilities

2. Where more than one party comprises the Insured any claim by one Insured against any other Insured shall be treated as though the party so claiming is not an insured party provided that the Limit of Liability shall not be deemed to be increased hereby.

This Extension does not apply in respect of Personal and Advertising Injury.

Damage to Leased or Rented Premises

3. Exclusion 4.2 of this Policy does not apply to premises (including fixtures and fittings) leased or rented to the Insured

Provided that this Extension shall not apply in respect of

- a) liability assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement
- b) Damage to any such premises which is insured under any property or fire insurance policy arranged by the Insured or under which the Insured is entitled to indemnity in respect of such Damage.

- Data Protection Act**
4. Personal and Advertising Injury also means damage or distress occurring as a result of an offence under Section 13 of the Data Protection Act 1998 committed during the Period of Insurance within the Territorial Limits and arising in connection with the Business
- Provided that this Extension shall not apply to liability
- a) in respect of the costs and expenses of rectifying or erasing Data or Personal Data
 - b) arising from fraud or dishonesty
 - c) arising from any agreement to store process or supply Data or Personal Data for a fee or by reciprocal arrangement.
- “Data” and “Personal Data” have the meanings defined in the Data Protection Act 1998.
- Defective Premises Act**
5. The Company will indemnify the Insured in the terms of Section 2 of this Policy against legal liability incurred by the Insured by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises which have been disposed of by the Insured
- Provided that this Extension shall not apply in respect of the cost of remedying any defect (or alleged defect) in such premises.
- Legal Defence Costs**
6. The Company will indemnify the Insured or, at the request of the Insured, any Employee director or partner of the Insured, against legal costs and expenses incurred with the prior approval of the Company in the defence of any criminal proceedings brought for a breach of
- 6.1 the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, or
 - 6.2 Part II of the Consumer Protection Act 1987
- committed during the Period of Insurance in the course of the Business, including legal costs and expenses incurred with the prior approval of the Company in an appeal against conviction arising from such proceedings
- Provided that this Extension shall not apply to
- a) fines or penalties imposed by any court
 - or
 - b) proceedings consequent upon any deliberate act or omission.
- Health and Safety at Work Act**
- Consumer Protection Act, Part II**
- Motor Contingent Liability**
7. Exclusions 9.2 and 14 of this Policy do not apply in respect of legal liability of the Insured named in the Schedule arising from the use in connection with the Business of any motor vehicle not the property of nor provided by the Insured
- Provided that this Extension shall not apply in respect of
- a) Damage to any such vehicle or its contents
 - b) liability arising while such vehicle is being
 - i) driven by the Insured
 - ii) driven with the general consent of the Insured or of the representative of the Insured by any person who to the knowledge of the Insured or of such representative does not hold a valid licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
 - iii) used elsewhere than within the member countries of the European Union.

Part 1.4 of Extension 1 does not apply to this Extension.

**Personal Liability
Overseas**

8. The Company will indemnify in the terms of Section 2 of this Policy the Insured and at the request of the Insured any director partner or Employee of the Insured or spouse of any such person against legal liability for damages in respect of Bodily Injury or Damage to material property arising from personal activities while temporarily outside the Territorial Limits in connection with the Business

Provided that this Extension shall not apply in respect of

- a) liability arising from the ownership or occupation of any land or building
- b) liability insured by any other policy of insurance

and that any such director partner Employee or spouse shall as though he/they were the Insured be subject to the terms of this Policy in so far as they can apply.

Vendors Indemnity

9. At the request of the Insured the Company will indemnify in the terms of Section 2 of this Policy any person or organisation (herein referred to as “vendor”) but only with respect to Bodily Injury or Damage to material property arising out of the Insured’s Products distributed or sold in the regular course of the vendor’s business

Provided that

- a) this Extension shall not apply in respect of liability arising from
 - i) any express warranty unauthorised by the Insured
 - ii) any physical or chemical change in the form of the Products made intentionally by the vendor
 - iii) repacking unless unpacked solely for the purpose of inspection demonstration testing or the substitution of parts under instruction from the Insured and then repacked in the original container
 - iv) demonstration installation servicing or repair operations except demonstration performed at the vendor’s premises in connection with the sale of the Products
 - v) Products which after distribution or sale by the Insured have been labelled or re-labelled or used as a container part or ingredient of any other thing or substance by or for the vendor
- b) this Extension shall not apply to any person or organisation from whom or which the Insured has acquired such Products or any ingredient part or container entering into accompanying or containing such Products
- c) such vendor shall as though he/they were the Insured be subject to the terms of this Policy in so far as they can apply
- d) the Limit of Liability shall not be increased hereby.

Unsatisfied Court Judgements

10. In the event of a judgment for damages being obtained
- 10.1 by any Employee or the personal representatives of any Employee in respect of Bodily Injury to the Employee caused during the Period of Insurance and arising out of and in the course of employment by the Insured in the Business against any company or individual other than the Insured operating from premises within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in any court situate in the aforesaid territories, and
 - 10.2 remaining unsatisfied in whole or in part six months after the date of such judgment

then subject otherwise to the terms exclusions limitations and conditions applicable to Section 1 of this Policy the Company will at the request of the Insured pay under Section 1 to the Employee or the personal representatives of the Employee the amount of any such damages and any awarded costs to the extent that they remain unsatisfied

Provided that

- a) there is no appeal outstanding
- b) if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgment to the Company
- c) all reasonable steps necessary have been taken to recover monies due from the party against whom the judgment was obtained
- d) this Extension shall not apply if Section 1 is not insured under this Policy.

Manslaughter Defence Costs

11. The Company will indemnify the Insured, and at the request of the Insured, any party entitled to indemnity under this Policy in respect of legal costs and expenses incurred with the written consent of the Company
- (a) in defending a charge of manslaughter (including a charge of corporate manslaughter or corporate homicide brought under the Corporate Manslaughter and Corporate Homicide Act 2007) where the death in connection with which such charge arises is likely to result in a claim under this Policy
 - (b) in appealing against conviction on such charge and/or the imposition of a remedial or publicity order under the Corporate Manslaughter and Corporate Homicide Act 2007 in connection with such charge provided that in the opinion of a Queen's Counsel or similar legal authority (to be mutually agreed upon by the Insured and the Company) such appeal could be contested with the probability of success.

Any Definition of Limit of Liability contained in this Policy shall be deemed to include payments made by the Company under this Extension.

**Residual Employers
Liability**

12. Exclusion 3 of this Policy does not apply to liability in respect of Bodily Injury sustained by any Employee
- (a) which is insured or normally insured by an employers liability and/or workers compensation and/or public liability policy in the territory in which the Employee is employed in which case the indemnity provided by this Extension shall only apply to amounts in excess of
 - (1) USD1,000,000 in respect of any occurrence in the United States of America or any territory within its jurisdiction
 - (2) GBP500,000 in respect of any occurrence elsewhere in the worldor
 - (3) the limit of indemnity provided by such policyor
 - (4) the applicable minimum limit required by lawwhichever is the greater
 - (b) arising from the exercise of subrogation rights against the Insured by any state social security or similar scheme.

This Extension shall not apply to liability for Bodily Injury to Employees who are employed by the Insured in Great Britain Northern Ireland the Isle of Man or the Channel Islands.

Exclusions

Radioactive Contamination

1. This Policy does not apply to liability of whatsoever nature directly or indirectly caused by contributed to by or arising from
 - 1.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - 1.2 the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereofbut in respect of Bodily Injury sustained by any Employee this Exclusion shall apply only when the Insured under a contract or agreement has either undertaken
 - a) to indemnify another party or
 - b) to assume the liability of another partyin respect of such Bodily Injury.

THE FOLLOWING EXCLUSIONS (2-13) DO NOT APPLY TO SECTION 1 OF THIS POLICY

Section 2 of this Policy does not apply to liability

Contractual Liability

2. assumed under any contract or agreement in respect of
 - 2.1 Damage to contract or temporary works to be executed by the Insured and/or their sub-contractors and/or to any materials plant tools and other property for use in connection therewith
 - 2.2 Bodily Injury or Damage to material property arising from or caused by Products
 - 2.3 Personal and Advertising Injuryunless such liability would have attached in the absence of such contract or agreement or such liability arises from an applicable statutory implied condition or warranty relating to the fitness for purpose or quality or safety of any Products

Employees

3. in respect of Bodily Injury sustained by any Employee arising out of and in the course of employment by the Insured in the Business

Custody or Control

4. in respect of Damage to property
 - 4.1 belonging to the Insured
 - 4.2 in the custody or control of the Insured or any Employee or agent of the Insured other than
 - a) personal effects (including motor vehicles) belonging to visitors directors partners and Employees of the Insured
 - b) premises (including their contents) not leased or rented to the Insured but temporarily occupied by the Insured for the purpose of carrying out work

Damage to Products

5. in respect of Damage to or any costs or expenses claimed or incurred for repair removal replacement recall disposal or loss of use of any Products out of which the occurrence arises

Aircraft Products

6. arising from Products knowingly supplied for use or installation in or on any aircraft or aerospace device which could affect the navigation flying capabilities or safety of such aircraft or device

Fines and Penalties

7. for fines liquidated damages or under any penalty clause

Advice

8. arising out of the provision of or failure to provide any instruction advice information or professional service in return for a fee

**Aircraft Watercraft
Vehicles**

9. arising from or caused by the ownership possession control or use by or on behalf of the Insured of
- 9.1 any aerospace device or any airborne or waterborne craft or vessel (other than manually propelled waterborne craft) or the loading or unloading of such craft or vessel
- 9.2 any mechanically propelled vehicle or trailer attached thereto
- a) in circumstances for which insurance or security is required in accordance with any road traffic legislation in force within the member countries of the European Union
- b) whilst being used on any public road in any other country whether or not insurance in respect of liability therefor is compulsory
- or the loading or unloading of such vehicle or trailer attached thereto

Provided that if there is no indemnity afforded by any motor or other insurance policy this Exclusion shall not apply to liability arising from

- i) the act of loading or unloading or the bringing to or taking away of a load from such vehicle or trailer
- ii) the operation of plant as a tool of trade within the member countries of the European Union but only insofar as such liability is not the subject of compulsory insurance or security in accordance with any road traffic legislation in force in such countries

Pollution

10. arising out of the 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 land the atmosphere or any water course or body of water; but this Exclusion does not apply to Bodily Injury or Damage to material property if such discharge dispersal release or escape is sudden and accidental

**Personal and Advertising
Injury**

11. in respect of Personal and Advertising Injury
- 11.1 arising out of oral or written publication of material
- a) if the first oral or written publication of the same or similar material took place prior to the commencement date of this Policy, or
- b) which to the knowledge of the Insured is false
- 11.2 arising out of a breach of contract other than misappropriation of advertising ideas under an implied contract
- 11.3 arising out of the failure of goods products or services to conform with advertised quality or performance
- 11.4 arising out of the wrong description of the price of goods products or services
- 11.5 committed by an Insured whose business is advertising broadcasting publishing or telecasting

Provided that this Exclusion 11.5 does not apply to the offences described in parts 10.1 and 10.2 of Definition 10

War

12. directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

Asbestos

13. for any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.
- The Company shall have no duty of any kind with respect to any such loss demand claim or suit.

THE FOLLOWING EXCLUSIONS (14 AND 15) DO NOT APPLY TO SECTION 2 OF THIS POLICY

Section 1 of this Policy does not apply to liability

Employee Passengers

14. for which compulsory motor insurance or security is required under any road traffic legislation in force within any member country of the European Union

Employees Offshore

15. to any Employee arising while Offshore.

Offshore means from the time of embarkation on to a vessel or aircraft for conveyance to any Offshore Rig, Offshore Platform or Offshore Installation including associated accommodation, until disembarkation from a conveyance on to land upon return therefrom.

Offshore Rig means any offshore structure (including a mobile offshore drilling unit) containing a derrick or mast, draw-works and attendant surface equipment for the purposes of performing, drilling or workover operations.

Offshore Platform or Offshore Installation means any immobile offshore structure from which development wells are drilled and/or produced.

Special Conditions

- Non-Avoidance**
1. The indemnity granted by Section 1 of this Policy is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in Great Britain Northern Ireland the Isle of Man or the Channel Islands but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.
- USA/Canada**
2. With regard to Section 2 of this Policy it is hereby agreed between the Company and the Insured that in respect of occurrences happening in or claims or legal proceedings brought or originating in the United States of America or Canada or in any other territory within the jurisdiction of either such country
- 2.1 the liability of the Company under Section 2 of this Policy in respect of all damages payable together with all Costs and Expenses shall not exceed the Limit of Liability for Section 2 stated in the Schedule
- 2.2 regardless of any of the other provisions of this Policy, this insurance does not apply to punitive or exemplary damages
- 2.3 regardless of Exclusion 10 of this Policy, this insurance does not apply to
- a) liability arising out of the 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 land the atmosphere or any water course or body of water
- b) any cost or expense arising out of any governmental demand or request that an Insured test for assess monitor clean-up remove contain treat de-toxify or neutralise any irritants contaminants or pollutants
- and the Company shall not have the duty to defend any claims or suits seeking to impose any such liability cost or expense or any other relief.
- It is further agreed between the Company and the Insured that the premium for this insurance has been calculated accordingly.
- Sanction Limitation**
3. The Company shall not provide cover nor make any payment hereunder to the extent that doing so would expose the Company to any sanction, prohibition or restriction under any United Nations resolution, or under any trade or economic sanction, law or regulation of Great Britain, the European Union or the United States of America.

Special Extensions applicable to Section 2 of this Policy

1. Products Recall Expense

Notwithstanding Exclusion 5 of this Policy the Company will indemnify the Insured against costs which the Insured shall have paid as Products Recall Expense caused by an Occurrence of which the Insured first became aware during the Period of Insurance and which was first reported in writing to the Company during the same Period of Insurance, arising from any Products.

Definitions applicable to this Extension

- Limits of Liability** 1. The liability of the Company shall not exceed the Limits of Liability shown in the Schedule to this Extension.
- The amount payable in respect of each Occurrence is limited to the Net Loss in excess of the Excess shown in the Schedule to this Extension.
- All Products Recall Expense incurred in the simultaneous recall of different types, classes or models of the same product shall be considered as arising out of one Occurrence.
- The liability of the Company in respect of all amounts paid or payable for Products Recall Expense arising from all Occurrences reported to the Company during the same Period of Insurance shall not exceed the Limit of Liability in the Aggregate stated in the Schedule to this Extension.
- Products Recall Expense** 2. shall mean the reasonable and necessary costs which with the consent of the Company are incurred by the Insured or by persons or organisations acting on behalf of the Insured for:
- newspaper, magazine, radio and television announcements, correspondence and other communications;
 - the transportation of the Products from any purchaser distributor or user to the place or places designated by the Insured;
 - the hire of additional persons who are not existing Employees of the Insured;
 - the remuneration paid to the Insured's regular Employees at normal hourly rates or overtime rates if required;
 - expenses incurred by the Insured's Employees for transportation and accommodation;
 - the cost of the rent or hire of additional warehouse or storage space;
 - the extra costs incurred to properly dispose of any recalled Products and/or packaging materials that cannot be re-used
- but only when such costs and expenses are incurred exclusively for the purpose of or as a consequence of recalling the Products.
- Occurrence** 3. means the ascertainment that the use or consumption or storage of the Products has caused or may cause Bodily Injury to a person or Damage to material property which creates the need to recover possession or control of the Products from any purchaser distributor or user and/or to destroy or dispose of such Products but only as a result of one or more of the following events:
- the accidental omission by the Insured of a substance or component in the Products;
 - the accidental introduction or the accidental substitution by the Insured of a deleterious substance or of a defective component in the Products;
 - an unintentional error or deficiency in the manufacture design blending mixing compounding packaging or labelling of the Products by the Insured but only if such error or deficiency is known or recognised as such in the industry at the time such error or deficiency occurred.

A recall by order of a government, federal, state, or other regulatory body or official shall also be an Occurrence provided that any such recall is a result of an event specified in sub-paragraphs a), b) or c) above.

Net Loss 4. means the Products Recall Expense after making proper deduction for all recoveries and salvages collectible.

Exclusions applicable to this Extension

This Extension shall not apply to Products Recall Expense as a result of:

- 1 a) a wish to recall other Products which are similar to the Products giving rise to an Occurrence
- 1 b) the Products being of the same trade or brand name but of different batches than that which has been determined as being a likely cause of loss under this Extension, if the Insured has represented at the time of the application of this Extension that the Products are identifiable by batch, code, or other means
2. inherent deterioration decomposition or transformation of the Products, or the Products reaching the end of the period within which use or consumption or storage is recommended
3. loss of customer faith or approval or any costs incurred to regain customer faith or approval or other consequential loss arising therefrom
4. changes in the condition of the Products or any part thereof if such changes are deliberately caused by the act or omission of any person and whether occurring before or after the release of such Products by the Insured
5. any pre-existing condition of the Products which could possibly become a cause of loss under this Extension and of which the Insured had prior knowledge
6. circumstances arising from an arbitrary, deliberate or capricious act by the Insured
7. any Occurrence arising from Products which were sold or supplied prior to the Retroactive Date shown in the Schedule to this Extension
8. withdrawal of a Product without the reasonably held belief that its use or consumption or storage would or could result in either Bodily Injury or Damage to material property
9. use of materials after they have been banned or declared unsafe by any authorised governmental entity
10. acts or omissions of any of the Insured's Employees and of which any of the Insured's officers or directors had prior knowledge
11. the express conditions of a contract or agreement entered into by the Insured which imposes costs or expenses for the recall or replacement of the Products which would not have been incurred in the absence of such contract or agreement.

Condition applicable to this Extension

In the event of any claim being made under this Extension in respect of which the Insured and the Company shall fail to agree as to the necessity for the recall of the Products or as to the amount of costs and expenses recoverable hereunder, then such disagreement shall be referred to an arbitrator to be appointed by the parties in accordance with the relevant statutory provisions. Where any disagreement is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company.

Subject otherwise to the terms Exclusions and Conditions of this Policy.

Schedule to this Extension

Limits of Liability:	GBP25,000	for each Occurrence
	GBP25,000	in the Aggregate for any one Period of Insurance.
Excess	GBP1,000	for each Occurrence.
Retroactive Date:	The commencement date of the first Period of Insurance of this Extension.	

2. Environmental Liability

This Extension applies only if Section 2 of this Policy is in force.

This is a Claims Made and Notified Extension.

Notwithstanding Exclusion 10 of this Policy -

A. Remediation of New Pollution Conditions

The Company will pay on behalf of the Insured subject to the Liability Limit of this Extension the Remediation Costs and Regulatory Authority Costs which arise out of any New Pollution Condition on at under or migrating from any Covered Location where such Remediation Costs and Regulatory Authority Costs result from Regulatory Action first imposed on the Insured during the Period of Insurance and notified to the Company during the same Period of Insurance or within 60 days of expiry thereof.

B. Remediation of Unknown Historic Contaminated Land

The Company will pay on behalf of the Insured subject to the Liability Limit of this Extension the Remediation Costs and Regulatory Authority Costs which arise following a Contaminated Land Notice, which Contaminated Land Notice arises out of an Unknown Historic Pollution Condition and where such Contaminated Land Notice is sent to the Insured during the Period of Insurance and the Insured notifies the Company of the Contaminated Land Notice during the same Period of Insurance or within 60 days of expiry thereof.

Words and phrases used in this Extension have the same meaning as defined in the Policy save where set out below.

Definitions applicable to this Extension

Contaminated Land	1.	means contaminated land as defined under Part 2A of the Environmental Protection Act 1990 but not to the extent that Part 2A of the Environmental Protection Act 1990 applies to land contaminated by ionising radiations, radioactivity or radioactive substances.
Contaminated Land Notice	2.	means a formal notification or other written correspondence from a Regulatory Authority pursuant to Part 2A of the Environmental Protection Act 1990 to the Insured identifying a Covered Location as Contaminated Land.
Regulatory Authority Costs	3.	means
	3.1	costs and expenses recoverable by any Regulatory Authority from the Insured
	3.2	costs and expenses incurred with the written consent of the Company.
Covered Location	4.	means any property owned or leased by the Insured which is located in Great Britain Northern Ireland the Isle of Man or the Channel Isles.
Delineation Date	5.	means the date expressed as such in the Schedule to this Extension.
Environment Law	6.	means any law other than Planning Laws or Planning Permission, governing the liability of the Insured with respect to Pollution Conditions.
Excess	7.	means that part of any claim expressed as such in the Schedule to this Extension.
Fungi	8.	means any type or form of fungus including mould or mildew and any mycotoxins spores scents or by-products produced or released by fungi
Historic Pollution Condition	9.	means a Pollution Condition which first commenced prior to the Delineation Date.

Liability Limit of this Extension	10.	for the purposes of this Extension means the maximum amount stated in the Schedule to this Extension as the Limit of Liability for any one Pollution Condition which the Company shall be liable to pay in respect of all Remediation Costs and Regulatory Authority Costs arising from any one Pollution Condition Provided always that the liability of the Company for all Remediation Costs and Regulatory Authority Costs pertaining to all Pollution Conditions during any one Period of Insurance shall not exceed the Limit of Liability in the aggregate for any one Period of Insurance stated in the Schedule to this Extension.
New Pollution Condition	11.	means a sudden and accidental Pollution Condition which first commences in its entirety subsequent to the Delineation Date.
Planning Laws	12.	means any law governing the liabilities and/or obligations of the Insured in respect of the development, change of use, construction or demolition of any land, buildings or structures contained therein or thereon.
Planning Permission	13.	means a consent, authorisation, permission, permit or licence (whether in outline or in full) issued pursuant to Planning Laws.
Pollution Condition	14.	means the discharge dispersal release escape migration or seepage of any solid liquid gaseous or thermal irritant pollutant or contaminant including smoke soot vapours fumes acids alkalis chemicals Fungi hazardous substances hazardous materials and waste materials into or upon land structures thereon the atmosphere surface water or groundwater.
Regulatory Action	15.	means any action taken or any liability imposed by any Regulatory Authority under Environment Law.
Regulatory Authority	16.	means any legal body, authority, agency or other person and/or any court of law or tribunal (other than any competent authority under any Planning Permission or any Planning Laws) in each case having authority under Environment Law.
Remediation Costs	17.	means reasonable expenses incurred with the written consent of the Company in the investigation quantification monitoring abatement removal disposal treatment neutralisation or immobilisation of Pollution Conditions to the extent required by Environment Law.
Responsible Official	18.	means any Employee or former Employee of the Insured who is or was responsible for environment matters control or compliance at a Covered Location or any officer director or partner of the Insured.
Unknown Historic Pollution Condition	19.	means an Historic Pollution Condition which was not known to any Responsible Official prior to the Delineation Date.

Exclusions applicable to this Extension

This Extension does not apply to Remediation Costs or Regulatory Authority Costs

Advice	1.	arising out of the provision of or failure to provide any instruction advice information or professional service in return for a fee
Aircraft, Watercraft, Vehicles	2.	arising from or caused by the ownership possession control or use by or on behalf of the Insured beyond the boundaries of Covered Locations of <ul style="list-style-type: none"> 2.1 any aerospace device or any airborne or waterborne craft or vessel or the loading or unloading of such craft or vessel 2.2 any mechanically propelled vehicle or trailer attached thereto
Asbestos and Lead	3.	arising out of or related in any way to asbestos or asbestos-containing materials, or lead or lead-containing materials, on or in structures and the Company shall have no duty of any kind with respect to any such liability
Capital Improvement	4.	arising from any Pollution Condition discovered in the course of replacement, repair or capital improvement activities at a Covered Location

Change in Use	5.	arising from any change in ownership or a material change in use of a Covered Location
Contractual Liability	6.	assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement
Custody or Control	7.	in respect of loss of damage to loss of use of or diminishment in value of property belonging to the Insured or in the custody or control of the Insured or any Employee or agent of the Insured other than in respect of Remediation Costs
Employees	8.	in respect of Bodily Injury sustained by any Employee or former Employee arising out of and in the course of employment by the Insured in the Business
Excess	9.	for the amount of the Excess shown in the Schedule to this Extension
Fines and Penalties	10.	for fines liquidated damages or under any penalty clause
Known Historic Pollution Conditions	11.	arising from an Historic Pollution Condition which is not an Unknown Historic Pollution Condition
Intentional Non-compliance	12.	arising from the intentional disregard of or knowing wilful or deliberate non-compliance with any statute regulation Contaminated Land Notice administrative complaint notice of violation notice letter instruction of any Regulatory Authority or executive judicial or administrative order by the Insured or by a Responsible Official
Non-Aggregation	13.	any of which are the subject of indemnity under Section 2 of this Policy or would be but for the Limit of Liability applicable thereto or any other Premises Pollution Liability or Contractors Pollution Liability policy issued by the Company
Offshore Facilities	14.	arising from Pollution Conditions on at under or migrating from any property or structure owned, leased, operated or controlled by the Insured which is situated offshore
Planning	15.	arising from any permission, obligation or condition required by any competent authority under any Planning Permission and/or Planning Laws
Primary, Complementary and Compensatory Remediation	16.	incurred in respect of injury to or damage sustained by or destruction of land, water protected species or natural habitats for which the Insured is legally responsible under legislation in any Member State of the European Union which implements the European Union Environmental Liability Directive 2004/35/EC For the avoidance of doubt, this includes primary, complementary and compensatory remediation as defined in Annex II of Directive 2004/35/EC However this Exclusion does not apply to liability which would have attached in the absence of implementation of such Directive
Products Pollution	17.	arising from anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Insured including containers, packaging or labelling and which is not in the possession of the Insured at the time of the occurrence
Radioactivity	18.	notwithstanding any other provisions of this Policy, arising from Pollution Conditions arising from any ionising radiations, radioactivity, or radioactive substances
Site Investigation	19.	arising from a Pollution Condition discovered during or as a result of any site investigation or associated activities undertaken for the purpose of an application to a Regulatory Authority by the Insured 19.1 to obtain or maintain a permit to operate an installation, facility or equipment at a Covered Location 19.2 to develop or undertake construction activity at a Covered Location

- Underground Storage Tanks** 20. arising from a Pollution Condition which emanates from any tank or associated piping and appurtenance which tank has more than 10% of its volume below ground the presence of which was known to a Responsible Official prior to the commencement of the Delineation Date.

Conditions applicable to this Extension

- Claims Procedure** 1. In addition to the conditions contained in Condition 5 – Claims Procedure, it is a condition precedent to any liability of the Company under this Extension that the Insured shall not incur any Remediation Costs without the written consent of the Company, except in the event of an imminent and substantial threat to human health or the environment.
- Inspection and Audit** 2. The Company has the right but not the duty to inspect any Covered Location and to take samples therefrom. Such right and any resultant findings shall not imply that such Covered Location is safe or in compliance with any law.

Subject otherwise to the terms Exclusions and Conditions applicable to this Policy.

Schedule to this Extension

- Limits of Liability:** GBP 50,000 for any one Pollution Condition
GBP 50,000 in the aggregate for any one Period of Insurance.
- Delineation Date:** The commencement date of the first Period of Insurance of this Extension.
- Excess:** GBP 5,000 per incident.

Conditions

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| Interpretation | 1. This Policy and the Schedule shall be read together as one document and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear. |
| Choice of Law | 2. This Policy of insurance shall be governed by and construed in accordance with the laws of England and Wales and the Commercial Court, Queen's Bench Division of the High Court of Justice, Royal Courts of Justice, The Strand, London WC2A 2LL shall have exclusive jurisdiction in respect of any dispute arising under or in connection with this Policy, including any dispute as to the formation or validity of the Policy. |
| Alteration | 3. The Insured shall give notice to the Company of any material alteration or change in circumstances affecting the risk covered and until the Company shall have agreed in writing to accept liability for such altered risk the Company shall not provide an indemnity in respect of liability arising from such altered circumstances. |
| Precautions | 4. It is a condition precedent to any liability of the Company under this Policy that the Insured at their own expense take all reasonable precautions to prevent occurrences which may give rise to liability under this Policy and all reasonable steps <ol style="list-style-type: none">4.1 to comply with all applicable statutory requirements and to maintain their ways works machinery plant and premises in good order and repair4.2 to ensure that their Products are free from defect and fit for the purposes intended and comply with all statutory obligations and regulations imposed by any authority before possession thereof is relinquished to others4.3 to remedy any defect or danger upon discovery thereof and take such additional precautions as the circumstances may require4.4 in the selection of employees. |
| Claims Procedure | 5. It is a condition precedent to any liability of the Company under this Policy that in the event of any occurrence giving rise to or which may give rise to a claim under this Policy <ol style="list-style-type: none">5.1 the Insured shall<ol style="list-style-type: none">a) give written notice thereof (and full particulars of the occurrence) to the Company as soon as possibleb) notify the Company in writing immediately he/they shall have knowledge of any impending prosecution inquest or fatal accident inquiry in connection with any occurrence for which there may be liability under this Policyc) forward to the Company immediately on receipt every claim notice letter verbal notice of claim or other originating process or any other document served on the Insuredd) give all such information and assistance as the Company may require5.2 the Insured or any other party who may be entitled to indemnity under this Policy shall NOT negotiate admit liability or make any promise payment or settlement without the Company's written consent |

- 5.3 the Company shall be entitled
- a) if and so long as it desires, to take over and to have the sole conduct and control of any claim and legal proceedings or alternative disputes resolution relating thereto in the name of the Insured and shall have full discretion in the settlement of any claim
 - b) to prosecute in the name of the Insured but for the Company's benefit any claim for compensation or indemnity.
- Discharge of Liability** 6. The Company may at its sole discretion in respect of any occurrence or occurrences covered by this Policy pay to the Insured the Limit of Liability applicable to such occurrence or occurrences (but deducting therefrom any sum or sums already paid), or any lesser sum for which the claim or claims arising from such occurrence or occurrences can be settled and the Company shall thereafter be under no further liability in respect of such occurrence or occurrences except for the payment of Costs and Expenses incurred prior to the date of such payment and for which the Company may be responsible hereunder (unless the Limit of Liability is stated to be inclusive of Costs and Expenses).
- Non-Contribution** 7. If at the time of the happening of any occurrence covered by this Policy there is any other existing insurance whether effected by the Insured or not covering the same liability the Company shall not be liable to indemnify the Insured in respect of such liability except so far as concerns any excess beyond the amount which would have been payable under such other insurance had this Policy not been effected.
- Premium Adjustment** 8. If the first and renewal premiums under this Policy have been calculated (wholly or in part) upon estimates furnished by the Insured, the Insured shall keep proper records containing all particulars relative thereto and the Company shall be allowed to inspect such records at all reasonable times. The Insured shall within one month from the expiry of each Period of Insurance supply to the Company such particulars as the Company may require, whereupon the premium for such period shall be adjusted and the difference paid by or allowed to the Insured as the case may be, subject to any Minimum Premium specified in the Schedule.
- Cancellation** 9. The Company may cancel this Policy by sending not less than 30 days' notice thereof by recorded delivery letter to the Insured at the Insured's last known address. In such event the Company shall make a return of the proportionate part of the premium in respect of the unexpired Period of Insurance from the effective date of cancellation or if the premium has been based wholly or partly on any estimates the premium shall be adjusted in accordance with Condition 8.
- Where any premium payable by direct debit instalments is not received, the Company will request payment for that unpaid premium in writing. If payment is not received within 15 days of that request, the Policy will be cancelled with effect from the date on which the initial unpaid direct debit was due.
- Contracts (Rights of Third Parties) Act** 10. A person or company who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999 in respect of this Policy. This Condition does not affect any right or remedy which exists or is available notwithstanding such Act.

Data Protection

ACE European Group Limited and its group companies ('ACE') will use the information supplied during the formation and performance of this Policy for policy administration, customer services, the payment of claims and the production of management information for business analysis and for the purpose of complying with regulatory requirements. We will keep this information for a reasonable period.

Where sensitive personal data has been disclosed, including any medical or criminal record information, ACE will also use this information for these purposes. ACE are entitled to ask about criminal convictions in relation to insurance risks. There is no obligation to provide ACE with details of any convictions which are spent under the terms of the Rehabilitation of Offenders Act 1974. ACE may also transfer certain information to countries that do not provide the same level of data protection as the UK for the above purposes. A contract will be in place to ensure the information transferred is protected.

ACE may record telephone calls for quality control, fraud prevention and staff training purposes.

When personal or sensitive data is supplied to ACE about third parties other than the Insured, both during the formation and performance of this policy, ACE assumes that those third parties consent to the supply of this information to ACE, to ACE processing this data, including sensitive personal data, and to the transfer of their information abroad. ACE will also assume that the supplier of the information is authorised to receive, on their behalf, any data protection notices.

ACE may share personal and sensitive personal information with the following organisations for the purposes described above:

- our connected companies, service providers, agents and subcontractors including loss adjusters and claims investigators;
- our reinsurers who use this information to assess the terms of specific policies and to administer our insurance policies generally;
- other insurance companies about other insurance policies you may have;
- Employers' Liability Tracing Office, Tracing Services Limited, other tracing bodies and the Financial Services Authority and any body which supersedes it for the purpose of assisting individuals (with claims arising out of their course of employment in the United Kingdom for employers carrying on, or who carried on, business in the United Kingdom) to identify an insurer or insurers that provided employers' liability insurance;
- the police, other insurance companies, fraud reference agencies and other representative bodies in relation to the prevention and detection of fraudulent claims or as part of our money laundering checks.

We work with the police, other insurance companies, fraud reference and detection agencies and other representative bodies to prevent and detect fraudulent or exaggerated claims. As part of this we will share information about your claims with providers of software designed to assist in the detection of fraudulent claims. We may also use commercially available databases to prevent money laundering.

Other companies may contact these bodies for information to help them make decisions about insurance or similar services they provide to you.

Individuals whose information has been supplied to ACE are entitled to a copy of that information on payment of a fee and to have any inaccuracies corrected. Such information is available by contacting the Data Protection Officer at 100, Leadenhall Street, London EC3A 3BP.

We do not use personal information for marketing purposes, nor do we share it with any other company for marketing purposes, unless consent to do so has been received in writing from you.

Complaints Procedure

We are dedicated to providing you with a high quality service, and want to maintain this at all times. If you feel that we have not offered you a first class service or you wish to make an enquiry regarding this insurance, please contact the intermediary who arranged this insurance for you or the manager of the branch of the company which issued your policy.

If you are still not satisfied, you may write to our Chief Executive of the company at ACE's head office – the address is shown on your policy.

ACE European Group Limited is a member of the Financial Ombudsman Service (FOS) and in limited circumstances, you can approach them for assistance if you remain dissatisfied with our response. A leaflet explaining its procedure is available on request.

The FOS's contact details are FOS, South Quay, 183 Marsh Wall, London, E14 9SR, Phone: 0845 080 1800 e-mail: enquiries@financial-ombudsman.org.uk.

Financial Services Authority

ACE European Group Limited, UK Head Office, 100 Leadenhall Street, London EC3A 3BP, authorised and regulated by the Financial Services Authority, registration number FRN202803. Full details can be found on the FSA's Register by visiting www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.