



# CHARITY TRUSTEE ASSURANCE

Policy





**THIS POLICY (AND THE SCHEDULE WHICH FORMS AN INTEGRAL PART OF THE POLICY) IS A LEGAL CONTRACT. IT NEEDS TO BE EXAMINED THOROUGHLY TO ENSURE IT MEETS THE INSURED'S REQUIREMENTS. IF IT DOES NOT MEET THE INSURED'S REQUIREMENTS THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.**

**ANY FACTS WHICH THE INSURER HAS TAKEN INTO ACCOUNT IN THE ASSESSMENT OR ACCEPTANCE OF THIS INSURANCE, AND ANY SUBSEQUENT CHANGES TO THOSE FACTS, NEED TO BE DECLARED. FAILURE TO DO SO MAY INVALIDATE YOUR POLICY OR RESULT IN CERTAIN COVERS NOT OPERATING FULLY. IF YOU ARE IN ANY DOUBT AS TO WHETHER A FACT IS MATERIAL OR NOT, THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.**

Royal & Sun Alliance Insurance plc (herein called the **Insurer**) and the **Insured** agree that

The **Policy** the **Policy Schedule** (including any **Policy Schedule** issued in substitution) and any endorsements shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears

The **Proposal** or any information supplied by the **Insured** shall be incorporated in the contract

The **Insurer** will provide the insurance described in this **Policy** subject to the terms and conditions for the **Policy Period** shown in the **Policy Schedule** and any subsequent period for which the **Insured** shall pay and the **Insurer** shall agree to accept the premium

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## Claim Notification

Conditions that apply to the policy and in the event of a claim are set out in this policy wording. It is important that you comply with all policy conditions and you should familiarise yourself with any requirements.

Directions for claim notification are included under Claims Conditions. Please be aware that events that may give rise to a claim under the insurance must be notified to us as soon as possible. Further guidance is contained in this policy wording.

Claims Conditions require you to provide us with any reasonable assistance and evidence that we require concerning the cause and value of any claim. Ideally, as part of the initial notification, you will provide:

- Your name, address, and your telephone number
- Personal details necessary to confirm your identity
- Policy number
- The date of the incident
- The cause of the claim
- Details of the claim together with the claim value, if known
- Names and addresses of any other parties involved or responsible for the claim.

This information will enable us to make an initial evaluation on policy liability and claim value. We may, however, request additional information depending upon circumstances.

Sometimes we, or someone acting on our behalf, may wish to meet with you to discuss the circumstances of the claim, or to undertake further investigations.

Initially a notification of any claim should be sent to:

Professional & Financial Risks Claims Department  
St Mark's Court  
Chart Way  
Horsham  
West Sussex  
RH12 1XL

We recognise that there may be some occasions when you need to notify us of matters urgently and we are pleased to be able to offer a Claims Helpline.

The Claims Helpline number is **0845 300 4006**

Please quote your policy number.

For your protection, telephone calls may be recorded or monitored.

## Definitions

When used in the **Policy**:

- A. Agent** means any person, firm or other entity directly appointed by the **Charity** to act on their behalf and for whose acts the **Charity** is legally liable.
- B. Charity** means the charity or charities specified in Item 2. of the **Policy Schedule** (and shall be deemed to include any other charity named or identified in the **Proposal** and any **Subsidiary** wholly or mainly engaged within or in furtherance of the charitable purposes of the charity).
- C. Circumstance** means any incident, occurrence, fact, matter, act, error or omission of which the **Insured** becomes aware which is likely to give rise to a **Claim** against them.
- D. Claim** means:
1. a Claim Form, Counterclaim, Other Additional Claim, Application Notice, Notice of Appeal, Witness Summons or similar legal document including an application for any related injunction served upon any **Insured** in respect of a **Wrongful Act**;
  2. any arbitration proceeding or request to nominate an arbitrator served upon any **Insured** in respect of a **Wrongful Act**;
  3. any written communication (including electronic communications), whether or not containing a demand for compensation or damages, received by any **Insured** threatening commencement of proceedings in respect of a **Wrongful Act**, and any written demand against any **Insured** for monetary damages, reinstatement or other non-monetary relief;
  4. any criminal prosecution of any **Insured** resulting from a **Wrongful Act**; or
  5. any notice of an **Investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document:
    - (a) into the affairs of the **Charity** and where a **Trustee** is required to attend or give evidence; or
    - (b) involving a **Wrongful Act** alleged to have been committed by a **Trustee** or in respect of which a **Trustee** is required to attend or give evidence by reason of his acting in the capacity of a **Trustee**;
- provided that it is first made against, or received by, any **Trustee** during the **Policy Period**.
- E. Corporate Trustee** means a company incorporated for the purpose of administering the **Charity** or of acting as a **Trustee** of the **Charity**.
- F. Defence Costs** means that part of **Loss** consisting of reasonable and necessary costs, charges, fees (including but not limited to lawyers' and agents' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Trustee** or **Employee**) incurred by the **Insurer** or (with the **Insurer's** prior written consent) the **Insured**, in defending, investigating or settling **Claims** or assisting the **Insurer** in investigating, defending or settling **Claims** (including the premiums paid for any insurance instruments or bonds which may be required in certain jurisdictions to institute an appeal or enter an appearance but without any obligation to apply for or furnish any such bonds). For the purposes of Standard Extension of Cover IV.H only, **Defence Costs** shall include those incurred:
1. in respect of the attendance or giving of evidence by any **Trustee** at an **Investigation** into the affairs of the **Charity**; or
  2. in respect of any **Investigation** involving a **Wrongful Act** alleged to have been committed by a **Trustee** or in respect of which a **Trustee** is required to attend or give evidence by reason of his acting in the capacity of a **Trustee**.
- G. Director** means any natural person who was, is, or becomes:
1. a director of the **Charity** or the **Corporate Trustee** including a de facto or shadow director (as defined under section 741(2) of the Companies Act 1985 or any equivalent provision in the jurisdiction in which the **Charity** or the **Corporate Trustee** is incorporated); or
  2. a shadow director of any company directly as a result of his activities as a **Trustee** of the **Charity** or as a **Director** of the **Corporate Trustee**.
- For the avoidance of doubt, the **Policy** covers a **Director** solely in relation to his activities for and on behalf of the **Charity** and not in relation to any other activities.
- H. Discovery** means when a **Trustee** (not in collusion with a dishonest **Trustee** or **Employee** or any other person) first becomes aware of facts which would cause a reasonable person to believe that a **Fidelity Loss** covered by the **Policy** has been or is likely to be incurred, regardless of when the act or acts causing or contributing to such **Fidelity Loss** occurred, even though the exact amount or details of such **Fidelity Loss** may not then be known, and **Discovered** shall be construed accordingly.
- I. Discovery Period** means the period following the expiry of the **Policy Period** during which the **Policyholder** may continue to notify **Claims**, **Circumstance** or **Discovery** of **Fidelity Loss** but only in relation to **Wrongful Acts** committed or **Fidelity Losses** occurring prior to the expiry of the **Policy Period**. Any **Claim** made, or **Fidelity Loss Discovered** during the **Discovery Period** shall be deemed to have been made or **Discovered** during the immediately preceding **Policy Period**.
- J. Documents** means:
1. documents (excluding bearer bonds, coupons, bank or currency notes or other negotiable instruments); or
  2. computer systems records the property of the **Insured** or for which the **Insured** is legally responsible.

- K. Employee** means a natural person:
1. whilst employed under a contract of service or apprenticeship with the **Charity** in the ordinary course of its business whether temporary, permanent, full-time, part-time or seasonal;
  2. who personally performs duties or services under the control of the **Charity** in the ordinary course of its business whilst:
    - (a) serving an apprenticeship;
    - (b) being trained under a Government approved training scheme;
    - (c) directly engaged by the **Charity** to work with or without payment; or
    - (d) provided to the **Charity** by an agency on a permanent or temporary basis.
- For the purposes of **Employee Fidelity Loss** only, the definition stated above includes the first sixty days following termination of employment or engagement with the **Charity**.
- L. Employee Fidelity Loss** means direct loss of **Property, Money** or **Securities** belonging to the **Charity** or for which the **Charity** is legally responsible, such loss caused by a **Fraudulent Act** (not committed or occurring prior to the **Inception Date** specified in Item 8. of the **Policy Schedule**) committed by any **Employee** whilst resident within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.
- M. Employment Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by any one or more **Trustees** in their capacities as such against any past, present or prospective **Employee** or **Trustee**, in connection with any actual or alleged violation of employment discrimination laws (including but not limited to sexual or other workplace harassment and discrimination on the grounds of racial or national origin, sex, sexual orientation, religion, maternity, pregnancy, age and disability).
- N. European Union** means the member states of the European Union and shall be extended to include the Channel Islands and the Isle of Man.
- O. Fidelity Loss** means **Trustee Fidelity Loss** and shall extend to include **Employee Fidelity Loss** where such cover is noted as purchased in Item 6. (a) of the **Policy Schedule**.
- P. Fraudulent Act** means any act, or series of related acts, of fraud or dishonesty committed alone or in collusion with others with the clear intent of making improper personal financial gain for themselves or for any other person or organisation intended by such person(s) to receive such gain.
- “improper personal financial gain” shall not include salary, commissions, fees, bonuses, promotions, awards profit sharing pensions or other emoluments or benefits earned in the normal course of employment.
- Q. Full Annual Premium** means the annual premium payable by the **Policyholder**, including any additional premium which becomes payable subsequent to renewal pursuant to the provisions of the **Policy**, immediately prior to the expiry of the policy period in question.
- R. Inception Date** means the date from which **Employee Fidelity Loss** cover (if purchased) commences under the **Policy** as specified in Item 8. of the **Policy Schedule**.
- S. Insured** means:
1. the **Charity**; and
  2. the **Trustees**.
- For the avoidance of doubt, the **Insured** shall not include any **Agent** of the **Insured**, any sub-consultant or any joint venture partner of the **Insured**.
- T. Insurer** means Royal & Sun Alliance Insurance plc.
- U. Investigation** means any formal or official investigation (other than the **Charity's** own internal investigation), examination or other proceedings made or commenced during the **Policy Period** by a governmental body, professional body or other institution duly authorised to carry out such investigation, including, without limitation, any such proceedings initiated by the Charity Commissioners; the Board of the Inland Revenue and the Commission for Racial Equality or similar body or institution at which the affairs of the **Charity** are being investigated.
- V. Limit of Liability** means the aggregate limit specified in Item 5. (a) of the **Policy Schedule**.
- W. Loss** means:
1. damages, compensation, contributions, judgments or (if concluded with the **Insurer's** prior written consent) settlements;
  2. claimant's legal costs and expenses;
  3. exemplary damages awarded in respect of libel, slander or defamation to the extent only that such damages are insurable by law;
  4. all other costs and expenses ordered by a court or other legally authorised tribunal, or incurred with the **Insurer's** prior written consent, and
  5. **Defence Costs**.
- The **Insurer** shall advance **Defence Costs** in accordance with the provisions of section VIII.A.2.(b)
- Loss** shall not include taxes, fines, penalties or any other form of loss which is uninsurable under the law of the state or country to which the **Claim** is subject or the multiple portion of any multiplied damage award.
- X. Merger** means the occurrence of any of the following events:
1. the **Policyholder** consolidating with or merging into or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
  2. any person or entity, whether individually or together with any other person or entity, acquiring an amount of share capital representing more than fifty per cent (50%) of the voting power for the election of **Trustees** of the **Policyholder**, or acquiring the voting rights for such an amount of the shares.

- Y. Money** means currency, coins and bullion, or monetary balances held at a financial institution to the credit of the **Charity**.
- Z. North America** means the United States of America and Canada and in each case its territories and possessions and any state or political sub-division thereof.
- AA. Officer** means any natural person who was, is, or becomes:
1. an officer of the **Charity**, other than its external auditor, liquidator, administrator, receiver or solicitor;
  2. any **Employee** of the **Charity** whilst acting in a managerial or supervisory capacity;
  3. any **Employee** of the **Charity** who is named as a co-defendant in respect of a **Claim** made against an officer acting as **Trustee**; and
  4. any **Employee** of the **Charity** in respect of an **Employment Wrongful Act**.
- BB. Original Inception Date** means the date from which **Trustee Fidelity** cover commences as specified in Item 8. of the **Policy Schedule**.
- CC. Policy** means, collectively, the **Proposal**, the Terms and Conditions of the Policy (including any memoranda and endorsements thereto) and the **Policy Schedule**.
- DD. Policyholder** means the **Charity** designated in Item 1. of the **Policy Schedule**.
- EE. Policy Period** means the period of time stated in Item 3. of the **Policy Schedule**.
- FF. Policy Schedule** means the schedule attached to the **Policy**.
- GG. Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a country, state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odour, waste water, oil or oil products, infectious or medical waste, biological contaminants, asbestos or asbestos products, electric or magnetic or electromagnetic fields and noise, any ionising radiations or contamination by radioactivity.
- HH. Pollution** means the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere.
- II. Premium** means the initial premium specified in the **Policy Schedule** together with any additional or return premium due in respect of the **Policy**.
- JJ. Professional Indemnity Wrongful Act** means any act or omission actually or allegedly committed arising out of the provision of **Professional Services**.
- KK. Professional Services** means the services specified in Item 6.(b) of the **Policy Schedule** when performed within or in furtherance of the charitable purposes of the **Charity**, other than by a trust corporation or by a **Trustee** in the course of carrying on his profession.
- LL. Property** means tangible property other than **Money** or **Securities**.
- MM. Proposal** means the signed proposal form and declaration completed in respect of the **Policy** including any renewal declaration and any information supplied by or on behalf of the **Insured** in addition to or in connection with or in substitution therefor.
- NN. Related Claims** means all **Claims** based on, arising out of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.
- OO. Retention** means that part of each and every **Claim** or **Fidelity Loss**, as applicable, which is payable by the **Insured**, the amount of which is specified in Item 5.(b) of the **Policy Schedule**. The **Retention** does not form part of the **Limit of Liability** and it shall be payable by the **Insured** before the application of the **Limit of Liability**.
- PP. Securities** means negotiable and non-negotiable instruments representing either **Money** or **Property** but not including **Money** or **Property**.
- QQ. Spouse** means a lawful spouse, civil partner or any person deriving similar status by reason of the common law.
- RR. Subsidiary** means any body corporate wholly or mainly engaged within or in furtherance of the charitable purposes of the **Charity**, which within the meaning of Section 736 of the Companies Act 1985 or any amendment or reenactment thereof:
1. is a subsidiary of the **Charity** at the date of the commencement of the **Policy Period**; or
  2. becomes a subsidiary of the **Charity** within the **Policy Period** and is so notified to the **Insurer** which has received such additional information relating to the **Subsidiary** and such additional premium as it may require and has agreed to extend this insurance accordingly.
- SS. System** means computers, other computing and electronic equipment linked to computer hardware, electronic data, processing equipment, microchips and anything which relies on a microchip for any part of its operation and includes for the avoidance of doubt any computer installation.
- TT. Terrorism** means any act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any government de jure or de facto.
- UU. Trustee** means any natural person who was, is, or becomes:
1. a trustee of the **Charity**, or the **Employee** thereof to whom any duty of such trustee is delegated;
  2. a trustee of any trust other than a trust corporation or a pension fund trust which was, is, or may hereafter be or be deemed to be the **Charity** or wholly or mainly engaged within or in furtherance of the charitable purposes of the **Charity**;
  3. a **Director** or **Officer** of the **Charity** or the **Corporate Trustee** other than its external auditor, liquidator, administrator, receiver or solicitor; and



4. an officer or member of the committee of management of any unincorporated association which was, is or may hereafter be or be deemed to be the **Charity** or wholly or mainly engaged within or in furtherance of the charitable purposes of the **Charity**.
- VV. Trustee Fidelity Loss** means direct loss of **Property, Money** or **Securities** belonging to the **Charity** or for which the **Charity** is legally responsible, such loss caused by a **Fraudulent Act** (not committed or occurring prior to the **Original Inception Date** specified in Item 8. of the **Policy Schedule**) committed by any **Trustee** whilst:
1. acting in that capacity or in the first 60 days following ceasing to act in that capacity; and
  2. resident within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.
- WW. Virus** means programming code or series of instructions designed to achieve an unexpected, unauthorised and/or undesirable effect or operation when loaded onto a **System**, transmitted between **Systems** by transfer between computer systems via networks, extranets, internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not.
- XX. Wrongful Act** means any actual or alleged error; misstatement, misleading statement, omission, neglect, breach of statutory law, breach of trust, libel, slander; breach of contract, breach of warranty of authority, **Wrongful Trading, Employment Wrongful Act** or other wrongful act actually or allegedly committed or attempted by a **Trustee** solely by reason of his serving in that capacity; or any matter claimed against a **Trustee** solely by reason of his serving in that capacity.
- YY. Wrongful Trading** shall bear the meaning set out in Section 214 of the Insolvency Act 1986 (or analogous legislation in any jurisdiction in which the **Charity** is incorporated).

## Interpretation

In this **Policy** the singular includes the plural and vice versa. The male gender includes the female and neutral genders. Person includes bodies corporate.

A reference in this **Policy** to any statute, statutory provision or subordinate legislation (whether of the United Kingdom or elsewhere) shall be construed as including a reference to any such enactment which that enactment has directly or indirectly replaced (whether with or without modification) and that enactment as re-enacted, replaced or modified from time to time.

The titles and headings to the various parts, sections, sub-sections and endorsements of the **Policy** are included solely for ease of reference and do not in any way limit or expand or otherwise affect the provisions of such parts, sections, subsections or endorsements.

## Insuring Clauses

### A. Trustee Liability Cover

The **Insurer** shall pay, on behalf of the **Trustee**, **Loss** arising from **Claims** first made during the **Policy Period** or any applicable **Discovery Period** for which the **Charity** has not provided indemnity.

### B. Charity Reimbursement Cover

The **Insurer** shall pay, on behalf of the **Charity**, **Loss** arising from **Claims** first made during the **Policy Period** or any applicable **Discovery Period** if and to the extent that the **Charity** is required or permitted to indemnify the **Trustee** for such **Loss**.

### C. Trustee Fidelity Cover

The **Insurer** shall indemnify the **Charity** for **Trustee Fidelity Loss** first **Discovered** during the **Policy Period** or any applicable **Discovery Period** to the extent that such loss is not reasonably recoverable from the said **Trustee** subject to a maximum aggregate limit as noted in Item 5.(c) of the **Policy Schedule** (such limit being part of and not in addition to the **Limit of Liability**).

### D. Loss of or damage to Documents

The **Insurer** shall pay, on behalf of the **Charity** or the **Trustee**, all costs and expenses reasonably incurred by the **Charity** or the **Trustee** in replacing or restoring **Documents** subject to a maximum aggregate limit as noted in Item 5.(d) of the **Policy Schedule** (such limit being part of and not in addition to the **Limit of Liability**) provided that:

1. such loss of or damage to **Documents** is first **Discovered** during the **Policy Period** or any applicable **Discovery Period**;
2. where the **Documents** are in electronic format, the **Insured** can demonstrate to the reasonable satisfaction of the **Insurer** that sufficient and proper procedures were in place for the security and daily back-up of the **Documents**; and
3. the **Insurer** shall not be liable for any costs or expenses in respect of loss of or damage to **Documents** directly based on, arising out of or in any way involving:
  - (a) the transmission or impact of any **Virus**; and/or
  - (b) unauthorised access to a **System**.

## Standard Extensions of Cover

### A. Pollution

The **Insurer** shall pay the **Trustees**, that part of the **Loss** arising from **Claims** first made during the **Policy Period** which relates to **Defence Costs** only, subject to a maximum aggregate limit as noted in Item 5.(e) of the **Policy Schedule** (such limit being part of and not in addition to the **Limit of Liability**) incurred by the **Trustees** in defending themselves against criminal or regulatory proceedings in respect of **Pollution** of any kind which results from a **Wrongful Act** except where there is a conviction for a criminal offence or such a conviction is upheld on final appeal.

### B. Retired Trustees

Any **Trustee** who retired or retires at any time prior to the expiry of the **Policy Period** shall be entitled to a free **Discovery Period** of 72 months after the date of such expiry, provided always that this extension shall not apply where:

1. the **Policyholder** renews or replaces the **Policy** (whether with the **Insurer** or any other insurer); or
2. a **Merger** takes place.

### C. Legal Representatives

This **Policy** shall afford cover for **Claims** made against **Trustees** which are pursued against the estates, heirs, executors or other legal representatives of such **Trustees** who are deceased, or against the legal representatives or trustees in bankruptcy of such **Trustees** who are incompetent, incapacitated or bankrupt to the extent that in the absence of such death, incompetence, incapacity or bankruptcy, such **Claims** would have been covered by this **Policy**.

### D. Spouses

If a **Claim** against a **Trustee** includes a claim against the **Trustee's Spouse** solely by reason of (i) such **Spouse's** legal status as a spouse of the **Trustee**, or (ii) such **Spouse's** ownership interest in property which the claimant seeks as recovery for **Claims** made against the **Trustee**, all loss which such **Spouse** becomes legally liable to pay by reason of such **Claim** shall be treated for the purposes of this **Policy** as **Loss** which the **Trustee** becomes legally liable to pay on account of the **Claims** made against the **Trustee**. All terms and conditions of this **Policy**, including without limitation the **Retention** applicable to **Loss** incurred by such **Trustee** in the **Claim** shall also apply to such spousal loss. This cover extension does not apply to the extent the **Claim** alleges any wrongful act, error or omission by the **Trustee's Spouse**.

### E. Retention Reimbursement

Any **Retention** borne by the **Insured** in respect of any **Claim** shall be reimbursed by the **Insurer** if final judgment or adjudication is given in favour of the **Insured** by a court or tribunal of competent jurisdiction. For the purposes of this sub-section, final judgment or adjudication shall only be deemed to have been given when all rights of appeal to higher tribunals have been foregone or exhausted.

### F. Acquisitions

1. Subject to sub-section IV.F.2. below, if any **Charity** creates or acquires, during the **Policy Period**, a new **Subsidiary**, either directly or indirectly, that new **Subsidiary** shall be automatically covered under the **Policy** in relation to:
  - (a) **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Charity**;
  - (b) **Fidelity Loss** first occurring after the date the new **Subsidiary** was created or acquired by the **Charity**; and
  - (c) loss of or damage to **Documents** first occurring after the date the new **Subsidiary** was created or acquired by the **Charity**.

The **Charity** shall not have to provide the **Insurer** with any particulars of the new **Subsidiary** so created or acquired until the next renewal date.

2. Automatic cover pursuant to sub-section IV.F.1. above shall not apply where a new **Subsidiary** created or acquired by the **Charity** has:
  - (a) any of its assets in **North America**; or
  - (b) any of its **Securities** listed on any exchange in **North America**; or

- (c) its registered office outside the **European Union**; or
- (d) gross consolidated assets that increase the gross consolidated assets of the **Charity** by more than twenty five percent (25%) (by reference to the **Charity's** most recent consolidated annual accounts).

3. If any **Charity** acquires or creates a **Subsidiary** that falls within the parameters specified in sub-section IV.F.2. above, then cover shall be extended to such new **Subsidiary** in relation to the **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Charity**; **Fidelity Loss** first occurring after the date the new **Subsidiary** was created or acquired by the **Charity** and loss of or damage to **Documents** first occurring after the date the new **Subsidiary** was created or acquired by the **Charity**, provided that, and as a condition precedent to such cover being provided, the **Policyholder**:
  - (a) gives the **Insurer** written notice of any such creation or acquisition as soon as practicable, together with any such additional information as the **Insurer** may require;
  - (b) accepts any notified alteration in the terms of the **Policy**; and
  - (c) pays any additional premium required by the **Insurer**.

Subject to these conditions precedent having been met and the **Insurer** agreeing, the **Insurer** shall include the new **Subsidiary** within the scope of the **Policy** by way of endorsement.

4. In addition, the **Insurer** shall consider the provision of retroactive cover for any new **Subsidiary** in respect of **Wrongful Acts** committed, or alleged to have been committed, and **Fidelity Loss** first occurring prior to the date of any such acquisition or creation, upon specific request. If the **Insurer** agrees to provide such cover it shall be recorded by way of endorsement.

### G. Discovery Period

1. If the **Insurer** declines to offer any terms for renewal of the **Policy** and the **Policyholder** does not replace the **Policy** with a similar policy with any other insurer, the **Policyholder** shall be entitled to elect a **Discovery Period** on the terms set out below. The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute the **Insurer** declining to renew.
2. The terms of the **Discovery Period** shall be 12 months for fifty per cent (50%) of that part of the **Full Annual Premium** payable in respect of the **Policy**.
3. The application to elect any **Discovery Period** must be received by the **Insurer** within 15 days from the expiry of the **Policy Period**, and payment of the premium must be made within 30 days of the same date (such premium being non-refundable). For the avoidance of doubt, any time delay between the expiry of the **Policy Period** and the election of any **Discovery Period** shall be part of and not in addition to the **Discovery Period** elected.

4. If a **Merger** takes place, the **Policyholder** shall not be entitled to purchase a **Discovery Period** on the terms set out above. However the **Policyholder** shall have the right within 15 days of the expiry of the **Policy Period** to request an offer from the **Insurer** of a **Discovery Period** of up to 72 months. The **Insurer** shall offer a **Discovery Period** on such terms as it may reasonably consider appropriate.
5. During the 15 day application period referred to above and during any **Discovery Period** and without prejudice to sub-section VII.D.1.(a) and sub section VII.D.2.(a) the **Policyholder** may continue to notify:
  - (a) **Claims** but only in respect of **Wrongful Acts** committed prior to the expiry of the **Policy Period**;
  - (b) **Fidelity Loss** committed prior to the expiry of the **Policy Period**; and
  - (c) loss of or damage to **Documents** occurring prior to the expiry of the **Policy Period**.

#### H. Defence Costs

The **Insurer** shall provide cover in respect of **Defence Costs** only incurred in respect of any criminal proceedings, including those for corporate killing or manslaughter (or other similar criminal offence in any jurisdiction in which the **Charity** operates) resulting from a **Wrongful Act** or **Investigation** except where there is a conviction for a criminal offence or such a conviction is upheld on final appeal.

## Optional Extensions of Cover

The following extensions of cover are operative only if they are noted as purchased in Item 6. of the **Policy Schedule**:

#### A. Employee Fidelity Cover

The **Insurer** shall indemnify the **Charity** for **Employee Fidelity Loss** first **Discovered** during the **Policy Period** or any applicable **Discovery Period** subject to a maximum aggregate limit as noted in Item 5. (c) of the **Policy Schedule** (such limit being part of and not in addition to the **Limit of Liability**).

#### B. Professional Services

The **Insurer** shall pay, on behalf of the **Charity**, the **Trustee** and/or (at the request of the **Charity**) the **Employee**, **Loss** resulting from **Claims** first made against the **Charity**, the **Trustee** and/or the **Employee** during the **Policy Period** or any applicable **Discovery Period** in respect of any civil liability for **Professional Indemnity Wrongful Acts**.

## Exclusions

#### A. Exclusions Applicable to both Loss and Fidelity Loss

The **Insurer** shall not be liable for **Loss** or **Fidelity Loss**:

1. directly or indirectly based on, arising out of, or in any way involving any fact, matter or situation or deriving from the same matter, fact or situation:
  - (a) which has been or should have been the subject of any written notice given under any policy of which the **Policy** is a direct or indirect renewal or replacement; or
  - (b) alleged in, relating to or underlying any written demand for monetary damages or other relief or any civil, criminal or administrative or regulatory proceeding (including arbitration) commenced or issued or otherwise began on or prior to the date of the commencement of the **Policy Period**;

2. directly or indirectly based on, arising out of, or in any way involving:
  - (a) ionising radiations or contamination by radioactivity, from any nuclear fuel, from any nuclear waste, or from the combustion of nuclear fuel; or
  - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
3. directly or indirectly based on, arising out of, or in any way involving any contractual liability, where such liability would not arise but for such contract. This Exclusion VI.A. 3 shall not apply to **Professional Services** where such cover is noted as purchased in Item 6. (b) of the **Policy Schedule**.
4. directly or indirectly based on, arising out of, or in any way involving declared or undeclared war, civil war, insurrection, **Terrorism**, riot, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalisation.

#### B. Additional Exclusions only Applicable to Loss

The **Insurer** shall not be liable for **Loss**:

1. directly or indirectly based on, arising out of, or in any way involving a **Trustee** found by way of judgment or other final adjudication:
  - (a) to have gained any profit or advantage to which he was not legally entitled; or
  - (b) to have received any remuneration to which he was not legally entitled; or
  - (c) to be guilty of dishonesty, fraud, or wilful or reckless conduct.
2. sustained by the **Charity** and directly or indirectly based on, arising out of, or in any way involving a **Wrongful Act** committed or attempted by the **Trustee** when he:
  - (a) knew, or must be assumed to have known, that it was not in the best interests of the **Charity**; or
  - (b) did not care whether or not it was in the best interests of the **Charity**.
3. directly or indirectly based on, arising out of, or in any way involving bodily injury, mental anguish or emotional distress, damage to reputation, illness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof, save that this exclusion shall not apply:

- (a) in relation to any actual or alleged mental anguish or emotional distress by a past, present or prospective **Employee** of the **Charity** for any **Employment Wrongful Act**;
- (b) insofar as such **Loss** is covered by Standard Extension of Cover IV.H.;
- (c) where Optional Extension of Cover V.B. is noted as purchased in Item 6. of the **Policy Schedule** and is so indemnifiable by reason of advice, design specification or omission in the performance of **Professional Services**.

4. directly or indirectly based on, arising out of, or in any way involving the trusteeship or administration by an **Insured** of any pension, profit share or other employee benefit programme or an **Insured** acting in a fiduciary capacity in respect thereof, including any obligation incurred under the Pensions Act 1995 or for any actual or similar law or regulation;

5. directly or indirectly based on, arising out of, or in any way involving:

(a) **Pollution**;

(b) any direction or request that the **Charity** or the **Trustees** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so, including without limitation any **Claim** for financial loss to the **Charity** or its creditors based on, arising out of, or in any way involving the matters described in sub-sections (a) or (b) of this sub-section VI.B.6.

provided that this exclusion shall not apply insofar as such **Loss** is covered by sub-section IV.A. above;

6. where legal action is brought or commenced in a court of law or other tribunal outside the **European Union**, or is brought outside those territories to enforce a judgment or award in those territories whether by reciprocal agreement or otherwise;

7. in relation to unfair or wrongful dismissal and other employment disputes, other than relating to **Employment Wrongful Acts**;

8. directly or indirectly based on, arising out of, or in any way involving any failure or omission by the **Charity** or the **Trustees** to effect and maintain insurance for them and on their behalf;

9. arising out of any claim made against a **Trustee** based upon or alleging or originating from breach of any professional duty owed to the claimant except where cover for **Professional Services** is purchased;

10. directly or indirectly based on, arising out of, or in any way involving any goods or products sold, supplied, recalled, repaired, altered, manufactured, installed or maintained by the **Charity** or by any **Agent** of the **Charity**; or

11. directly or indirectly based on, arising out of, or in any way involving taxes, fines, punitive damages, penalties or any other form of loss which is uninsurable under the law of the state or country to which the **Claim** is subject or the multiple portion of any multiplied damage award.

#### C. Additional Exclusions only Applicable to Fidelity Loss

The **Insurer** shall not be liable for **Fidelity Loss**:

1. or any part of any **Fidelity Loss** which is dependent solely upon (a) a profit and loss computation or comparison or (b) a comparison of inventory records with an actual physical count, provided, however, that where the **Charity** establishes wholly apart from such comparison that it has sustained loss covered under the **Policy** caused by an identified **Employee** or **Trustee** then it may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;
2. caused by an **Employee** or **Trustee** which is sustained after **Discovery** by another **Trustee** of any fraud, or dishonesty committed by such **Employee** or **Trustee**; or
3. sustained by one **Insured** or one part of an **Insured** to the advantage of any other **Insured** or other part of an **Insured**.
4. directly or indirectly based on, arising out of, or in any way involving taxes, fines or other penalties, punitive or exemplary damages or any multiplied portion of damages.
5. which amounts to indirect or consequential loss of any kind, including but not limited to interest, profits, dividends or other income.

#### D. Exclusions Applicable to Professional Services where such cover is noted as purchased in Item 6. (b) of the Policy Schedule

The **Insurer** shall not be liable for **Loss** directly or indirectly based on, arising out of or in any way involving:

1. any trading losses or trading liabilities incurred in connection with any business managed or carried on by the **Charity** including loss of any client account or business; or
2. the ownership, use, occupation or leasing of mobile or immobile goods or property by or on behalf of the **Charity**.
3. arising from the contractual agreement in respect of:
  - (a) any express guarantee given by the **Insured**; or
  - (b) any express contractual penalty made between the **Insured** and a third party; or
  - (c) any acceptance by the **Insured** of liability for liquidated damages

in so far as liability assumed by the **Insured** exceeds the amount of the **Insured's** liability in the absence of such agreement.

#### E. Severability of Exclusions

No fact pertaining to or knowledge possessed by any **Trustee** shall be imputed to any other **Trustee** for the purposes of applying the exclusions set forth in this section VI.

## General Conditions

### A. Proposal, Representations and Severability

1. In granting cover under this **Policy**, the **Insurer** has relied upon the statements and representations in the **Proposal** and it is agreed that the **Proposal** shall form the basis of and is incorporated into the **Policy**. The **Insured** shall not conceal or misrepresent any material fact or circumstance when completing the **Proposal**.
2. The **Proposal** shall be construed as a separate application for cover by each of the **Insured** with respect to the declarations and statements contained therein. Other than with respect to sub-section A.3 below, no fact relating to, or statement of, or knowledge possessed by, any **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of cover.
3. The **Insured** agree that in the event that any statements or representations made in the **Proposal** are inaccurate or incomplete, the **Insurer** shall be entitled to avoid the **Policy** with respect to any of the following **Insured**:
  - (a) any **Trustee** who knew the facts that were not fully and accurately disclosed in the **Proposal**;
  - (b) the **Charity**, to the extent it indemnifies any **Trustee** referenced in sub-section A.3 (a) above.

### B. Authorisation Clause

It is a condition of this **Policy** that the **Policyholder** shall act on behalf of all **Insured** with respect to the giving and receiving of notice of any **Claim**, **Circumstance** or **Fidelity Loss**, the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the negotiation, agreement to and payment of **Claims** or **Fidelity Loss**, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this **Policy** (except the giving of notice to apply for the **Discovery Period**), and the **Insured** agree that the **Policyholder** shall so act on their behalf.

### C. Alteration and Assignment

No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by written endorsement to this **Policy** which is signed by an authorised signatory of the **Insurer**.

### D. Insurer's Waiver Of Rights

1. Other than in the circumstances set out in sub-section VII.D.2. below apply, in the event of the **Insurer** being entitled to avoid this **Policy** from inception or from the time of any variation in cover (including at renewal) the **Insurer** may at its discretion maintain this insurance in full force but exclude the consequences of any matter which ought to have been disclosed at inception or at the time of any variation in cover (including at renewal).
2. In the event of non-disclosure or misrepresentation at any renewal the **Insurer** shall waive its rights to avoid this **Policy** provided that:
  - (a) the **Insured** is able to establish to the satisfaction of the **Insurer** that such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive;

- (b) the premium and terms shall be adjusted at the discretion of the **Insurer** to those which would have applied had such circumstances been disclosed; and
- (c) where the **Policyholder** should have notified during a preceding policy period a **Claim**, **Circumstance** or **Fidelity Loss**, and the indemnity or cover to which the **Insured** would have been entitled was in any way more restricted than that provided at the date of notification, the **Insurer** shall be liable only to the extent applicable during such preceding policy period.

### E. Partial Invalidity

Should any provision of this **Policy** be, or become, invalid or unenforceable pursuant to the law to which this **Policy** is subject, such provision shall be deemed to be deleted and all other terms and conditions of this **Policy** shall remain in full force and effect.

### F. Third Party Rights

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

### G. Law Applicable

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both parties may choose the law which applies to this contract, to the extent permitted by those laws. Unless the parties agree otherwise in writing, the **Insurer** has agreed with the **Insured** that the law which applies to this contract is the law which applies to the part of the United Kingdom in which the **Insured** is based, or, if based in the Channel Islands or the Isle of Man, the law of whichever of those two places in which the **Insured** is based.

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the United Kingdom in which the **Insured** is based, or, if the **Insured** is based in either the Channel Islands or the Isle of Man, the courts of whichever of those two places in which the **Insured** is based.

### H. Acquisitions Prior to the Policy Period

If a new **Subsidiary** has been acquired by the **Charity** prior to the **Policy Period**, such **Subsidiary** shall be covered under the **Policy** in relation only to:

1. **Wrongful Acts** committed or alleged to have been committed; or
2. **Fidelity Loss** first occurring;

after the date on which such **Subsidiary** was acquired by the **Charity** unless agreed in writing by the **Insurer** and endorsed to the **Policy**.

### I. Cessation of Subsidiaries

If during the **Policy Period** an organisation ceases to be a **Subsidiary**, cover with respect to such **Subsidiary** shall continue in full force and effect until the expiry of the **Policy Period** but only with respect to:

1. **Wrongful Acts** committed or alleged to have been committed;



2. **Fidelity Loss** first occurring; and
3. loss of or damage to **Documents** first occurring prior to the date such organisation ceased to be a **Subsidiary**.

Any claim arising pursuant to this section VII.I. may be notified during the **Policy Period** and any applicable **Discovery Period**.

#### J. Takeovers & Mergers

If during the **Policy Period** a **Merger** takes place, cover shall continue in full force and effect until the expiry of the **Policy Period** but only with respect to:

1. **Wrongful Acts** committed or alleged to have been committed;
2. **Fidelity Loss** committed; and
3. loss of or damage to **Documents** first occurring

prior to the date of such **Merger**.

Any claim arising pursuant to this section VII.J. may be notified during the **Policy Period** and any applicable **Discovery Period**.

#### K. Limits of Liability

##### A. Aggregate Liability

Subject to the sub-limits noted in the Policy Schedule the amount stated at Item 5. (a) of the **Policy Schedule** shall be the maximum aggregate liability of the **Insurer** for all **Fidelity Loss** first **Discovered** and all loss of **Documents** first discovered during the **Policy Period** and all **Loss** resulting from all **Claims** first made during the **Policy Period** regardless of the number of **Insured** the **Insurer** is liable to indemnify.

##### B. Discovery Period

Any applicable **Discovery Period** shall not increase or reinstate the **Limit of Liability** which shall be the **Insurer's** maximum liability for the **Policy Period** and **Discovery Period**, combined.

##### C. Defence Costs

**Defence Costs** incurred by the **Insurer**, or by the **Insured** with the prior written consent of the **Insurer**, are part of and not in addition to the **Limit of Liability** and the payment by the **Insurer** of **Defence Costs** reduces the **Limit of Liability**.

##### D. Loss

All **Loss** of any kind sustained as a result of one occurrence, act, omission or event or a series of acts, omissions or events shall be deemed to be one **Loss** for the purpose of the calculation of the **Limit of Liability** and **Retention** regardless of when during the **Policy Period** or prior thereto, such acts occurred or the number of **Insureds** who sustained such **Loss**.

#### L. Fidelity Loss

1. All **Fidelity Loss** of any kind shall be subject to a maximum aggregate limit as noted in Item 5.(c) of the **Policy Schedule** such limit being part of and not in addition to the **Limit of Liability**.

2. All **Fidelity Loss** of any kind sustained as a result of any act, or series of related acts, of fraud or dishonesty committed alone or in collusion with others shall be deemed to be one **Fidelity Loss** for the purpose of the calculation of the **Limit of Liability** and **Retention** regardless of the number of **Insureds** who sustained such **Fidelity Loss**.
3. All acts committed by any **Employee** or **Trustee** or in which such **Employee** or **Trustee** is concerned or implicated shall be considered as one occurrence or event.
4. Regardless of the number of years the **Policy** remains in effect and the total premiums due or paid, the **Limit of Liability** shall not be cumulative from year to year or from policy period to policy period.

## Claims Conditions

#### A. Defence And Cooperation

1. The **Insurer** shall have the right but is not obliged to conduct in the name of the **Insured** the defence and settlement of any **Claim** covered by this **Policy**, and to appoint lawyers or other representatives for this purpose even if any of the allegations are groundless, false or fraudulent. The **Insurer's** right to defend shall cease upon exhaustion of the **Limit of Liability**.
2. With respect to any **Claim** or **Circumstance** notified:
  - (a) the **Insured** shall execute all papers required and shall do everything necessary to defend such **Claim** and provide the **Insurer** with all information, documentation, assistance and co-operation as the **Insurer** reasonably requests; and
  - (b) the **Insurer** shall advance **Defence Costs** excess of any applicable **Retention**, provided that if and to the extent it is finally established that any such **Defence Costs** are not covered under this **Policy**, the **Insured**, severally according to their interests, hereby agree to repay the **Insurer** such non-covered **Defence Costs**.
3. The **Insured** shall not settle or offer to settle any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim**, without the **Insurer's** prior written consent. The **Insurer** shall not be liable for, and any applicable **Retention** shall not be depleted or exhausted by, any settlement, **Loss** or **Defence Costs**, assumed obligation or admission to which it has not consented.
4. The **Insurer** shall not unreasonably withhold any consent referred to in this section.

The **Insured** agrees that in the event of a **Claim** the **Insured** shall do nothing that shall prejudice the **Insurer's** position or its potential or actual rights of recovery. The **Insured** shall at all times use reasonable endeavours to do, and concur in doing, all such things as are reasonably practicable to avoid or diminish any **Loss** and to assist with the defence or settlement of any **Claim**. The **Insurer** may make any investigation it deems necessary.

## B. Notice

### I. Claims

(a) The **Policyholder** shall, as a condition precedent to its rights under this **Policy**, give to the **Insurer** written notice as soon as possible after receipt of notice of any **Claim** or after the **Policyholder** becomes aware of any **Circumstance** and in any event notice shall be given to the **Insurer**:

- (i) during the **Policy Period** or any applicable **Discovery Period**; or
- (ii) (in respect of any **Claim**) within 60 days after the end of the **Policy Period** or any applicable **Discovery Period**.

(b) Notification of any **Claim** or **Circumstance** must be sent to the **Insurer** at the Claims Department, Professional & Financial Risks, PO Box 509, Horsham, West Sussex, RH12 1WS, for the attention of the Professional & Financial Risks Claims Manager. Each notification shall so far as possible provide full details of the **Claim** or **Circumstance** including, but not limited to:

- (i) the identity of the claimant or potential claimant;
- (ii) the nature of the **Claim**;
- (iii) the likely quantum of the **Claim**; and
- (iv) the **Policyholder's** preliminary views (if any) on the merits of such **Claim**

and the **Policyholder** shall provide the **Insurer** with such further information and documentation as it may reasonably require.

(c) Any **Claim** arising from any notification of a **Circumstance** shall be deemed to have been made in the **Policy Period** (including any applicable **Discovery Period**) in which the **Circumstance** was first notified to the **Insurer**.

(d) Subject to the provisions of sub-section VII.D.2. above, the **Insurer** shall not avoid any **Claim** on the grounds of the breach of this section but where in the opinion of the **Insurer** the **Policyholder** has prejudiced the handling or settlement of any **Claim** the amount payable in respect of such **Claim** (including costs and expenses) shall be reduced to such sum as in the **Insurer's** opinion would have been payable in the absence of such prejudice.

### 2. Fidelity Loss

(a) It shall be a condition precedent to the obligations of the **Insurer** under this **Policy** that the **Policyholder** shall give the **Insurer** written notice as soon as possible after **Discovery** of a **Fidelity Loss**, and in any event no later than 60 days after such **Discovery**. Such notice shall be sent to the **Insurer** at the address set out in section VIII.B.1.(b) above.

(b) Within 6 months after **Discovery** of any such **Fidelity Loss**, the **Policyholder** shall furnish to the **Insurer**, at the address set out in section VIII.B.1.(b) above proof of loss with full particulars including all relevant information in their possession in relation to the **Fidelity Loss** and such further information as may be required by the **Insurer**.

(c) Legal proceedings for the recovery of any **Fidelity Loss** hereunder shall not be brought prior to the expiration of 60 days after proof of loss is filed with the **Insurer** or after the expiry of 24 months from **Discovery** of such **Fidelity Loss**.

### C. Related Claims

All **Related Claims** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period** or the **Discovery Period**.

### D. Subrogation and Recoveries

1. In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery. The **Insured** shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable the **Insurer** effectively to bring proceedings in the name of the **Insured**.

2. Provided however that in no event shall the **Insurer** exercise its rights of subrogation against an **Insured** except where such **Insured** has been fraudulent, committed a criminal act or obtained any profit or advantage to which he was not legally entitled. This exception shall not apply to **Fidelity Loss**.

3. All recoveries obtained by the **Insured** from other parties shall be allocated, after the settlement of any claim under the **Policy** as follows:

- (a) firstly, to the benefit of the **Insured** to reduce or extinguish the amount of the **Insured's Loss** or **Fidelity Loss** to the extent that it would have been paid under the **Policy** but for the fact that such **Loss** or **Fidelity Loss** exceeds the **Limit of Liability** together with any **Retention** where applicable;
- (b) secondly, to the benefit of the **Insurer** for all sums paid in settlement of **Loss** arising under the **Policy**;
- (c) thirdly, to the benefit of the **Insured** for the amount of the **Retention** under the **Policy**.

All recoveries shall be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under the **Policy** shall be held for the benefit of the **Insurer** and applied as stated herein after settlement if any is made.

### E. Other Insurance

This **Policy** shall be specifically excess of any other valid and collectible insurance (including but not limited to any insurance which is stated to be primary, contributory, excess, contingent or otherwise), unless such other insurance is specifically excess of this **Policy**.

For the avoidance of doubt, a **Loss** or a **Fidelity Loss** which is covered partly by this **Policy** and partly by another policy (including policies of which this is a renewal) issued by the **Insurer** to the **Insured** for which any previous applicable discovery period has not expired, shall be limited to the larger amount of cover under the previous policy or this **Policy** and shall on no account be cumulative.

#### F. Arbitration

Any dispute arising out of or in connection with this **Policy** shall be referred to a sole arbitrator, who shall be a Queen's Counsel specialising in insurance law. The sole arbitrator shall be appointed by agreement between the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council. The arbitration shall be held in London and in the English language.

#### G. Disputes as to Contesting Legal Proceedings

1. Subject to the provisions of sub-section G.2. below, in the event of a disagreement arising between the **Insurer** and the **Insured** as to whether or not to contest or settle legal proceedings or proceed with appeals, the issue shall be remitted to a Queen's Counsel whose decision on the probability of successfully defending the **Claim** or the acceptability of the proposed terms of settlement or the probability of succeeding on appeal shall be final. The identity of such Queen's Counsel shall be agreed by the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council.
2. In the event that Queen's Counsel or Junior Counsel is instructed in connection with the defence of a **Claim**, the parties shall remit any issue between them to the said Counsel as to whether or not to contest or settle legal proceedings or proceed with appeals.
3. Any appointment under the provisions of this section shall be as expert and not as arbitrator.
4. The costs of the said expert determination shall be deemed to form part of the **Defence Costs**.
5. All references to Queen's Counsel in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status.
6. Reference to the Chairman for the time being of the Bar Council in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a similar appointee.

#### H. Valuation

The **Insurer** shall not be liable for more than:

1. the actual market value of **Securities** at the close of business on the business day immediately preceding the day on which the **Fidelity Loss** was **Discovered** or the actual cost of replacing **Securities** whichever is less plus the cost of posting any required lost instrument bond (which cost shall be paid by the **Insurer** on behalf of the **Insured**);

2. the value of a foreign currency calculated in pounds sterling at the rate of exchange published as the Financial Times closing mid point rate on the date of **Discovery**;
3. the actual cash value of **Property** at the time of the loss or the actual cost of repairing or replacing the **Property** with property of similar quality or value whichever is less.

## Data Protection

All personal information supplied by you will be treated in confidence by the RSA Group of companies and will not be disclosed to any third parties except where your consent has been received or where permitted by law. In order to provide you with products and services this information will be held in data systems of the RSA Group of companies or our agents or subcontractors.

The RSA Group of companies may pass your personal information to other companies for processing on its behalf. Some of these companies may be based outside Europe in countries which may not have laws to protect your personal information, but in all cases the Group will ensure that it is kept securely and only used for the purposes for which you provided it. Details of the companies and countries involved can be provided to you on request.

#### How to contact the Data Protection Liaison Officer

On payment of a small fee you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to:

Data Protection Liaison Officer  
Customer Relations Office  
RSA  
Bowling Mill  
Dean Clough Industrial Estate  
Halifax  
HX3 5WA



## Complaints Procedure

We aim to provide you with a first class service. If we have not delivered the service that you expect or you are concerned with the service provided, we would like the opportunity to put things right.

### **Our complaints process**

Initially please raise your concerns with your usual business contact. Once we have reviewed your complaint we will issue our business decision in writing. If upon receipt of this you remain dissatisfied, you can escalate your complaint to our Customer Relations Office who will conduct a separate investigation. This will be concluded with the issue of the company's final decision in writing.

### **What to do if you are still not satisfied**

If you are still not satisfied, Royal & Sun Alliance Insurance plc is regulated by the Financial Services Authority whose arbitration service is the Financial Ombudsman Service and you may be able to refer your complaint to them.

Insurance Division  
The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

### **Your rights**

Your rights as a customer to take legal action remain unaffected by the existence or use of any complaints procedures referred to above. However the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.





