

Effected through **KL UNDERWRITING AGENCY**
Clare House, Worton Court, Worton Road, Isleworth, Middlesex TW7 6ER

This is to Certify, in accordance with the authorisation granted under the Contract No KLC 01/001 the undersigned by Schwarzmeer Und Ostsee Insurance Company Limited (UK Branch), Head office Schwanenwik 37, 22087, Hamburg and in consideration of the Insured having paid or agreed to pay the premium the Insurer hereby agrees to indemnify or otherwise pay the Insured in accordance with the terms and conditions contained herein or endorsed hereon

In Witness whereof, this Certificate has been signed at the place stated and on the date specified in the Schedule

For and on behalf of KL Underwriting Agency

E.U. DISCLOSURE CLAUSE (UK)

Notice to the Proposer/Insured

The Parties are free to choose the law applicable to this Insurance Contract. Unless specifically agreed to the contrary this insurance shall be subject to English Law. Any enquiry or complaint should be addressed in the first instance to your Broker. If you are not satisfied with the way your complaint has been dealt with you may refer the matter to the

Association of British Insurers
51, Gresham St,
London
EV2V 7HQ

Schwarzmeer und Ostsee (UK) Ltd,
7th Floor, 37/39, Lime St,
London
EC3M 7AY

Telephone: 0207 600 3333
Facsimile : 0207 696 8999

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

General Definitions

The following definitions apply to all sections of this Insurance except where expressly varied within a specific Section

Business

means the Business as shown in the Schedule of this Insurance and no other for the purposes of this Insurance.

Excess

means the amount for which the Insured is responsible in respect of each and every loss or occurrence.

Insured

means the Insured as stated in the Schedule.

Sum Insured / Limit of Indemnity

means the Sum Insured / Limit of Indemnity stated in the Schedule (or any other Sum Insured / Limit of Indemnity as may hereafter be agreed to in writing by the Underwriters).

Period of Insurance

means the Period of Insurance stated in the Schedule and any subsequent period for which the Underwriters have accepted a renewal premium.

Property / Property Insured

means the Property Insured as specified in the Specification.

Underwriters

means the Underwriters as detailed in this Insurance.

Buildings

Means

1 the building(s) shown in the Schedule being constructed of brick, stone or concrete and roofed with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the Underwriters: and

2 landlords fixtures and fittings in or on the said building(s):

which are the property of or leased to the **Insured**

Unless more specifically insured, Buildings also includes

A annexes and Outbuildings being constructed of brick, stone or concrete and roofed with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the Underwriters:

B conveyors, trunks, lines, wires, service pipes and similar property on the Premises and extending to the public mains:

C walls, gates and fences (no cover is provided in respect of Peril 2) unless the walls are constructed of brick and or stone

Buildings unless otherwise agreed by the Underwriters in the course of

construction are **excluded**

Rent Receivable

The money paid or payable to the Insured for tenancies and other charges and for services rendered in the course of the Business at the premises

Landlords Contents

Contents of common parts, furniture, furnishings, fitted carpets, domestic appliances and fixtures and fittings all belonging to the Insured or which the Insured is responsible whilst contained in the Buildings insured by this Policy excluding:

- a) stock and materials in trade
- b) property more specifically insured

SECTION A MATERIAL DAMAGE

INSURING CLAUSE

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

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

1. PERILS AND SPECIFIC EXCLUSIONS

- a) FIRE and/or LIGHTNING
- b) FIRE consequent upon explosion wherever the explosion occurs.

2. STORM OR TEMPEST excluding:

- a) Loss, destruction or Damage by:
 - i) the escape of water from the normal confines of any natural or artificial water course or lake, reservoir, canal or dam.
 - ii) inundation from the sea

Whether resulting from storm or tempest or otherwise.

- b) Loss, destruction or Damage by caused frost, subsidence or landslip.
- c) Loss, destruction or Damage to fences and gates, and movable property in the open.

3. FLOOD excluding Loss, destruction or Damage by frost, subsidence or landslip.

4. BURSTING OR OVERFLOWING OF WATER TANKS, APPARATUS OR PIPES excluding:

- a) Loss, destruction or Damage by water discharged or leaking from an installation of automatic sprinklers.
- b) Repairs to pipes, mains and tanks.

However this insurance shall not cover bursting or overflowing or leakage of water tanks apparatus or pipes occurring whilst the premises are vacant or unoccupied but this exclusion shall not apply whilst the premises are normally closed for holidays or weekends.

5. IMPACT BY ANY VEHICLE (or by goods falling therefrom) OR ANIMAL.

6. EXPLOSION excluding:-

Loss, destruction or Damage (other than loss, destruction or Damage by fire resulting from explosion) occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Assured.

7. **AIRCRAFT** and other aerial devices or articles dropped therefrom, excluding loss, destruction or Damage occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

8. **RIOT, CIVIL COMMOTION, STRIKERS, LOCKED-OUT WORKERS or PERSONS** taking part in **LABOUR DISTURBANCES EXCLUDING**

a) Loss, destruction or Damage occasioned by or happening through confiscation or destruction or requisition by order of the Government or any Public Authority.

b) Loss or Damage resulting from interruption or cessation of work.

9. **MALICIOUS PERSONS** not acting on behalf of or in connection with any political organisation excluding:

a) Loss, destruction or Damage resulting from interruption or cessation of work.

b) Loss, destruction or Damage by fire or theft.

10. **EARTHQUAKE**

11. **WATER DISCHARGED OR LEAKING FROM THE AUTOMATIC SPRINKLER INSTALLATION(S) IN THE PREMISES** provided that

(i) such discharge or leakage of water be accidental and shall not be occasioned by or happen through:

a) Freezing whilst the premises in the Assured's ownership and/or tenancy are empty or disused.

b) Heat caused by fire.

c) Explosion (including the blowing up of buildings or blasting), earthquake or subterranean fire.

(ii) The Assured shall take all reasonable steps to prevent frost and other Damage to the automatic sprinkler installation(s) and, so far as their responsibility extends to maintain the installation(s) including the automatic external alarm signal(s) in efficient condition.

In the event of any discharge or leakage from the said installation(s) the Assured shall do and permit to be done all things practicable whether by removal or otherwise to save and protect the property insured.

(iii) When any changes, repairs or alterations to the automatic sprinkler installation(s) are proposed notice thereof is to be given to the Underwriters.

12. **THEFT OR ATTEMPTED THEFT**

i) following entry into or exit from the Premises by forcible and violent means only.

and/or

ii) Consequent upon and in connection with assault or violence or threat thereof to the Assured or any employee of the Assured.

Excluding loss, destruction or Damage:

- a) to property in any yard or open space,
- b) by fire or explosion,
- c) to glass which is more specifically insured,
- d) to money, medals, documents of title.

This Insurance shall also include, Damage to or Destruction of the Buildings or Fixtures and Fittings, the property of the Assured or for which the Assured is legally responsible, during such theft or attempted theft, up to a limit of 10% of the Sum insured stated in the Schedule in respect of the damaged premises.

13. ACCIDENTAL DAMAGE

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

A. Loss, Destruction or Damage caused by:

- 1) inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials.
- 2) faulty or defective workmanship, operational error or omission on the part of the Assured or any of their employees.
- 3) explosion occasioned by the bursting of a boiler, economiser vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Assured

but this exclusion shall not apply to Loss or Damage resulting from an ensuing cause which is not otherwise excluded.

B. Loss Destruction or Damage caused by:

- 1) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
- 2) change in temperature, colour, flavour, texture or finish.
- 3) theft or attempted theft other than Damage to the Buildings (including landlord's fixtures and fittings) of the premises for which the Assured is responsible and which is not otherwise insured.
- 4) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith.
- 5) mechanical or electrical breakdown or derangement of machinery or equipment.

C. Loss Destruction or Damage caused by:

- 1) acts of fraud or dishonesty.
- 2) disappearance, unexplained or inventory shortage, misfiling or misplacing of information.

D. Collapse or cracking of any Building or Structure unless such Collapse or Cracking can be attributed to an independent cause not excluded by this Insurance

E. Loss of or Damage to movable property in the open, fences and gates by wind, rain, hail, sleet, snow, flood or dust.

F. Loss, Destruction or Damage resulting from the property insured undergoing any process of production, packing, treatment, testing, commission, servicing or repair.

G. Loss of or Damage to:

- 1) fixed glass.
- 2) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects.
- 3) Electronic Data Processing Equipment and Media

H. Loss, Destruction or Damage to:

- 1) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art and rare books
- 2) property in transit.
- 3) money, cheques, stamps, bonds, credit cards or securities of any description.
- 4) vehicles licensed for road use (including accessories thereon) caravans, trailers whilst being used outside the confines of the premises, railway locomotives, rolling stock, watercraft or aircraft.
- 5) property or structures in the course of construction or erection and materials supplied in connection with all such property in course of construction or erection.
- 6) roads, pavements, piers, jetties, bridges, culverts or excavations.
- 7) livestock, growing crops or trees.
- 8) Land, air and water.

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

14. SUBSIDENCE, GROUNDHEAVE OR LANDSLIP

Damage caused by subsidence groundheave or landslip of any part of the site on which the buildings stand

EXCLUDING

- (1) DAMAGE caused by or consisting of
 - (a) coastal or river erosion
 - (b) defective design or inadequate construction of foundations
 - (c) demolition construction structural repair or groundworks or excavation
 - (d) the normal settlement or movement of made up ground
 - (e) the settlement or movement of made up ground
 - (f) fire subterranean fire explosion earthquake or escape of water from any tank apparatus or pipe
- (2) Damage to swimming pools tennis courts terraces patios driveways footpaths walls fences gates yards roads car parks service areas and hedges unless there is damage to the remaining portions of the buildings at the same time
- (3) Damage as a result of the movement of solid floor slabs unless there is damage to the foundations beneath the exterior walls of the buildings at the same time
- (4) Damage which originated prior to the inception of this policy.

SPECIAL CONDITIONS applying to 14

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip

- (a) The Insured shall notify the company immediately they become aware of any demolition groundworks excavation or construction being carried out on any adjoining site
- (b) The underwriters shall then have the right to vary the terms and conditions or cancel the policy

MEMORANDA

AVERAGE (NOT APPLICABLE TO RENT)

If the Sum Insured declared to Underwriters in respect of the item shall at the time of loss be less than 85% of the value of the property insured by this section of the Certificate as shown in the Specification then the Assured shall be considered as being their own Insurers for the difference and shall bear a rateable share of any loss occurring during such period of insurance.

SECTION B LOSS OF RENT

INSURING CLAUSE

Subject to the General Conditions and Exclusions of this Certificate, and the conditions and exclusions contained in this Section, we the Underwriters agree to the extent and in the manner provided herein to indemnify the Assured against loss of rent receivable resulting from damage to the property specified in the Schedule (hereinafter referred to as "the Property") provided liability is admitted under the relevant Property Section A

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

Settlement provisions

The Insurance by item 1 of the schedule is limited to loss of rent receivable not exceeding the sum insured stated in the schedule due to

- (i) loss of rent receivable
and
- (ii) additional expenditure

and the amount payable as indemnity shall be

- (a) in respect of loss of rent receivable the amount by which the rent receivable during the indemnity period shall in consequence of the claim shall in consequence of the claim fall short of the standard rent receivable
- (b) in respect of additional expenditure the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in rent receivable which but for that expenditure would have taken place during the indemnity period in consequence of the claim but not exceeding the reduction in rent receivable thereby avoided

less any sum insured during the indemnity period in respect of such of the charges and expenses of the business payable out of rent receivable as may cease or be reduced in consequence of the claim

Provided that if the sum insured by this item be less than the annual rent receivable (or a proportionately increased multiple thereof where the maximum indemnity period exceeds twelve months) the amount payable shall be proportionately reduced

SECTION C PROPERTY OWNERS' LIABILITY

The Insurers agree to indemnify the Insured (subject to the terms, limitations and conditions herein contained) during the period stated in the Schedule and during any subsequent period for which the Insurers shall have accepted the premium required for renewal of this Policy in respect of all sums which the Insured shall become legally liable to pay as compensation for:

PUBLIC LIABILITY

- a) accidental death of or accidental Personal Injury to any person other than an Employee where such death or Personal Injury arises out of and in the course of the employment
 - b) accidental loss of or accidental damage to material property
 - c) accidental obstruction, accidental trespass, accidental nuisance, accidental interference with pedestrian, road, rail, air or waterborne traffic, accidental invasion of the right of privacy or accidental interference with any right of air, light, water or way
 - d) wrongful arrest or false imprisonment
- occurring during the currency of this Policy within The Territorial Limits in connection with the Business of the Insured.

The liability of the Insurers under this Section for all compensation payable by the Insured to any claimant or number of claimants in respect of any one occurrence or all occurrences of a series arising out of one original cause shall not exceed the Limit(s) of Indemnity stated in the Schedule.

EXCLUSIONS TO PUBLIC LIABILITY

The indemnity granted by this Section shall not apply to or include:

1. liability arising from the ownership or possession or use by or on behalf of the Insured of any mechanically propelled vehicle or mobile plant:

- a) which is licensed for road use or
- b) for which compulsory motor insurance or security is required or
- c) which is more specifically insured.

Provided always that this Exclusion shall not apply in respect of:

- i) liability not more specifically insured under any other policy arising during the act of loading or unloading mechanically propelled vehicles or mobile plant or the bringing to or the taking away of a load from such vehicle or such plant
- ii) the use of any mechanically propelled vehicle or mobile plant solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required.
- iii) the unauthorised movement on the Insured's premises or contract site of any mechanically propelled vehicle or mobile plant unless more specifically insured or unless compulsory motor insurance or security is required

2. Liability arising from the ownership or possession or use by or on behalf of the Insured of craft designed to travel through air or space, hovercraft or watercraft other than barges, motor launches and non-powered craft used on inland waterways.
3. Liability arising from Products after they have ceased to be in the custody or control of the Insured other than food or beverages for consumption on the Premises of the Insured or at any other Premises where the Insured is carrying on the Business.
4. Loss of or damage to that part of any property upon which the Insured or any servant or agent of the Insured is or has been working where the loss or damage is the direct result of such work.
5. Loss of or damage to property belonging to the Insured or held in trust by or borrowed, rented, leased or hired for the use by the Insured but this exception shall not apply to:
 - a) the personal effects (including vehicles and their contents) of directors, Employees and visitors
 - b) buildings or their contents temporarily occupied by the Insured for the purpose of carrying out work therein or thereon
 - c) Premises (or fixtures and fittings therein) hired, rented, leased or lent to the Insured other than such loss or damage if liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement.
6. The first £250 (Two Hundred and Fifty Pounds) of compensation payable for loss of or damage to material property in respect of any one occurrence or all occurrences of a series arising out of one original cause.

Provided always that the Insured shall indemnify the Insurers in respect of any such amount for which the Insurers have made payment.

GENERAL EXCLUSIONS

The indemnity granted by Section C shall not apply to or include:

- 1 Liability in respect of liquidated damages or fines or penalties which attaches solely because of a contract or agreement

Liability arising out of professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged

Any Associated or Subsidiary Company of the Insured or Branch Office or Representative of the Insured with Power of Attorney domiciled elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man

Aggravated, exemplary, vindictive or punitive damages awarded by any Court of Law outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

EXTENSIONS

1. Legal Costs

In addition to the indemnity provided by Section C the Insurers will indemnify the Insured in respect of all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with the consent of the Insurers.

2. Additional Benefit

The Insurers will pay the costs incurred with consent for:
representation at any Coroner's Inquest or Fatal Inquiry in respect of any death any act or omission causing or relating to any event which may be the subject of indemnity under this policy.

3. Personal Representatives

In the event of the death of the Insured the indemnity provided by this Policy shall apply to any personal representative of the Insured in respect of liability incurred by the Insured.

Provided always that such personal representative shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

4. Indemnity to Directors and Employees

In the event of any claim in respect of which the Insured named in the Schedule hereto would be entitled to receive indemnity under this Policy being brought or made against:

a) any director or Employee of the Insured

Provided always that:

- i) such person is not entitled to indemnity under any other insurance
- ii) such person shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- iii) the Insurers shall not be liable under this Extension unless the Insurers have the sole conduct and control of all claims
- iv) the total liability of the Insurers under this Extension to pay compensation shall not exceed the Limit(s) of Indemnity.

5. Indemnity to Principal

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Policy being brought or made against any Public or Local Authority or other Principal the Insurers will indemnify the said Public or Local Authority or other Principal against such claim and/or any costs, charges and expenses in respect thereof.

Provided always that the Insurers shall not be liable under this Extension unless the Insurers have the sole conduct and control of all claims.

6. Defective Premises Act 1972

The Insurers will indemnify the Insured against liability at law incurred by the Insured under 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 always that the Insurers shall not be liable under this Extension

- a) for the cost of remedying any defect or alleged defect in said Premises in respect of liability more specifically insured under any other insurance

7. Cross Liabilities

Where this Policy is issued in the joint names of more than one party it will indemnify each party in the same manner as if a separate policy had been issued to each of them.

Provided always that the total liability of the Insurers under this Extension to pay compensation shall not exceed the Limit(s) of Indemnity.

8. Court Attendance Costs

In the event of any of the under-mentioned persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Insurers will provide compensation to the Insured at the following rates per day for each day on which attendance is required:

- | | |
|---|------|
| a) any director or partner of the Insured | £250 |
| b) any employee | £100 |

Provided always that these Extensions are subject to the terms, limitations and conditions of the Policy insofar as they can apply.

9. Data Protection Act

The Insurers will indemnify the Insured against liability at law incurred by the Insured under Sections 22 and 23 of the Data Protection Act 1984 in connection with personal data as defined by Section 1 in the said Act held by the Insured.

Provided always that the Insurers shall not be liable for:

- a) the payment for fines and penalties
- b) the cost of placing, reinstating, rectifying or erasing any personal data.

DEFINITIONS

The Business

The Business shall include in addition to those activities specified in the Schedule:

- a) maintenance of property and Premises owned or occupied by the Insured

Personal Injury

Personal Injury shall include illness.

Employee

Employee shall mean:

- a) any person under a contract of service or apprenticeship with the Insured
- b) any labour master or labour only subcontractor or persons supplied by any of them
- c) any self employed person
- d) any person under a work experience scheme
- c) any person hired or borrowed by the Insured

working for the Insured in connection with the Business.

THE TERRITORIAL LIMITS

The Territorial Limits shall mean:

Anywhere within the limits of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man

CLAUSES

1. Pollution

This Section excludes all liability in respect of Pollution or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the period of Insurance.

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

The liability of the Insurers for all compensation payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed the Limits of Indemnity in the aggregate. Provided always that the total liability of the Insurers to pay compensation shall not exceed the Limit(s) of Indemnity specified in the Schedule.

For the purpose of this Memorandum "Pollution or Contamination" shall be deemed to mean:

- i) all pollution or contamination of buildings or other structures or of water or land or the atmosphere and
- ii) all loss or damage or Personal Injury directly or indirectly caused by such Pollution or Contamination.

SPECIAL CONDITIONS

Discharge of Liability

The Insurers may at any time by the payment to or on behalf of the Insured of the maximum sum payable hereunder in respect of any one occurrence, or the balance of such maximum sum should any payments have already been made in respect of claims arising out of the same occurrence, or by the payment as aforesaid of the balance of the maximum sum payable hereunder in *any* one Period of insurance should the same be less than either of the aforesaid amounts by reason of any payments made in connection with any previous claims together with the amount of any legal costs incurred prior to the time of such payment absolve itself from any further liability whatsoever arising out of or in connection with such occurrences and if the sum payable in respect of any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this Policy the Insured shall pay the excess and shall also pay such proportion of the law costs payable to any claimants and/or incurred in the defence of any claim or claims in respect of such occurrence as such excess bears to the total sum payable in respect of such occurrence.

CONDITIONS AND EXCLUSIONS APPLICABLE TO ALL SECTIONS
GENERAL CONDITIONS

1. ALARM PROTECTIONS MAINTENANCE CLAUSE

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

- A. In respect of any Alarm System installed at the Premises.
- i) a maintenance contract is maintained in force during the currency of this insurance with the installing company or other such company approved by Underwriters.
 - ii) the Premises are not left unattended unless.
 - a) the Alarm System is tested and set in its entirety and, where the equipment permits, any central station to which the Alarm System is connected has acknowledged the setting signal.
 - b) as far as the Insured or his representative is aware, the Alarm System is in full and efficient working order.
 - c) the agreement of Underwriters is obtained in writing before replacing, extending or otherwise altering the Alarm System.
 - iii) Underwriters are notified immediately and in writing if,
 - a) the Insured receives written notification from a Police Authority that they may be withdrawing response to alarm calls or
 - b) the Insured is required to abate a nuisance under Code of Practice on Noise from Audible Intruder Alarms 1983 or by Force policy issued by the Chief Constable.
- B. whenever the Premises are left unattended
- i) all locks and other protective devices are in full operation.
 - ii) all keys (including those relating to any part of the Alarm System) are
 - a) removed from the Premises or
 - b) placed within a locked safe or strongroom, the keys to which are themselves removed from the Premises.

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

2. FIRE APPLIANCE MAINTENANCE CLAUSE

It is understood and agreed that

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

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

3. NON-CONTRIBUTION

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

4. DUE DILIGENCE

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

5. CLAIMS NOTIFICATIONS

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

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

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

6. HANDLING OF CLAIMS

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

7. ALTERATIONS

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

8. WARRANTIES

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

9. PREMIUM ADJUSTMENT

Where the premium is calculated on the statements and estimates furnished by the Insured the Insured shall keep an accurate record of all relevant particulars and shall at any reasonable time allow the Underwriters to inspect such record and shall within one month of the expiry of each Period of Insurance furnish to the Underwriters such information as the Underwriters require

For such expired period and the premium for such period shall thereupon be adjusted by the Underwriters and the difference be paid or allowed to the Insured as the case may be subject to any agreed minimum premium.

10. DUTIES OF THE INSURED

The Insured shall

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

11. SALVAGE

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

12. FRAUDULENT CLAIMS

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

13. CANCELLATION

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

14. AUTOMATIC REINSTATEMENT OF LOSS

Upon the occurrence of a loss hereunder, the Sum Insured shall be immediately and automatically

reinstated, and the Assured undertake to pay the Additional Premium on the amount of loss at the rate applicable pro-rata from the date of the loss to the expiration of this Certificate

GENERAL EXCLUSIONS

1. PROPERTY EXCLUDED

This Insurance does not cover loss, destruction or Damage:

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

2. INVALID PAYMENTS

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

3. CONSEQUENTIAL LOSS

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

4. WAR

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

5. RADIOACTIVE CONTAMINATION

This Certificate does not cover

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

6. SONIC BANG

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

7. TERRITORIAL LIMITS

This Insurance does not cover any Loss, Damage or Liability occurring outside the limits of The United Kingdom unless otherwise stated herein to the contrary.

8. NORTHERN IRELAND OVERRIDER CLAUSE

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

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

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

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

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

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

SPECIAL CLAUSES/WARRANTIES APPLYING TO THIS POLICY

BURNING AND WELDING CONDITIONS

It is a condition of this Insurance that the Assured shall take all steps to ensure the following precautions are complied with on each occasion where the Assured is using any oxyacetylene or electric welding or cutting plant or any blow lamp or blow torch away from his own premises;

- (i) the immediate area in which the operation is to be carried out must be segregated to the greatest practicable extent by the use of screens made of metal and/or fire retardant material,
- (ii) the whole of this segregated area must be adequately cleaned and free from combustible material before operations commence,
- (iii) combustible floors/substances in or surround this segregated area must be liberally covered with sand or protected by overlapping sheets of incombustible material,
- (iv) where work is being carried out in any enclosed area an additional employee of the Assured or an employee of the occupier shall be present at all times to guard against an outbreak of fire,
- (v) no work should be carried out unless specifically authorised by the occupier who should also be asked to approve the safety arrangement,
- (vi) the following must be kept available for immediate use near the scene of operations;
 - a. suitable fire extinguishers and/or
 - b. hoses connected up in readiness for immediate use and tested prior to the commencement of the work,
- (vii) a thorough examination must be made in the vicinity of the work approximately one hour after the termination of each operation. In the event that it is not practicable for such examination to be carried out by the Assured's own employee then appropriate arrangements must be made with the occupier,
- (viii) before "burning off" metal work built into or projecting through walls or partitions an examination should be made to confirm that the other end of the metal is not in a hazardous proximity to combustible material which may be ignited by the condition of heat.

Furthermore, where the Assured burns debris away from his premises the following precautions shall be taken on each occasion:-

- a. Fire to be in a cleared area and at a distance of at least ten yards from any property.
- b. Fire not to be left unattended at any time.
- c. A suitable fire extinguisher to be kept available for immediate use.
- d. Fire to be extinguished at least one hour prior to leaving site at the end of each working day.

Daily Waste Warranty

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

Portable Heating Warranty

It is a condition precedent to the liability of the Underwriters that there will be no use of or storage on the premises of any form of portable heating unless specifically agreed.

Minimum Protections Warranty

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

Millennium Clause (Named Perils)

UK MILLENNIUM ENDORSEMENT **COMMERCIAL NAMED PERILS**

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

- i) correctly to recognise any date as its true calendar date
- ii) to capture, save or retain and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- iii) to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data on or after any date but this shall not exclude:
 - (a) any ensuing physical loss or damage to property insured;
 - (i) resulting from a peril insured under this Insurance and
 - (ii) which is not otherwise excluded;
 - or
 - (b) any consequential loss, as covered under this Insurance, which may arise from such ensuing physical loss or damage.

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

Millennium Clause (All Risks)

UK MILLENNIUM ENDORSEMENT COMMERCIAL ALL RISKS

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

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

but this shall not exclude:

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

Listed Perils

1. Fire and/or Lightning
2. Explosion
3. Aircraft or other aerial devices or articles dropped therefrom
4. Impact by road vehicles or animals
5. Riot or civil commotion
6. Strikers, locked-out workers, or persons taking part in labour disturbances
7. Malicious persons
8. Earthquake
9. Storm
10. Flood
11. Escape of water from any tank apparatus or pipe
12. Theft

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

Provided that nothing in this endorsement or any other provision or extension of this Insurance shall be construed to extend the liability of the Insurers to cover any costs and expenses, whether preventative, remedial or otherwise arising out of or relating to change, alteration or modification of any computer

system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the property of the Insured or not.

WAR AND TERRORISM EXCLUSION CLAUSE

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

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority, or
- (2) any act of terrorism.

For the purpose of this insurance an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This insurance also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

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

RADIOACTIVE EXCLUSION CLAUSE

Unless specifically agreed for an insured loss involving nuclear material under determined circumstances, this insurance does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear or nuclear component thereof
3. any weapon or device employing atomic or nuclear fission and/or fusion
or other like reaction or radioactive force or matter.

T & D Lines exclusion clause

This insurance does not cover any loss of destruction of or damage to any kinds of above or below ground conductors (e.g. transmission and distribution lines) including wires, cables, poles, scaffolding, pylons and masts or any property forming a part thereof or connected therewith and including substations and transformer stations unless such conductors for which the insured carries the risk are located no further than 500 feet from an insured plant of this insured. This exclusion also applies to any consequential losses, time element losses or business interruption losses resulting therefrom including but not limited to increased cost of working.

This exclusion includes but is not limited to conductors for the transmission or distribution of electrical energy, telephone or telegraphic signals, and all communication signals whether audio or visual.

CONTAMINATION AND POLLUTION EXCLUSION CLAUSE

1. This insurance shall not cover any loss or damage due to contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease including but not limited to foot and mouth disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health.

SPECIAL CLAUSES/WARRANTIES

THESE ARE OPERATIVE ONLY IF SHOWN IN THE SCHEDULE OR IN AN ENDORSEMENT FORMING PART OF THE SCHEDULE

CL2 - Pipe and Tank Lagging Warranty

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

CL3 - Deep Fat Frying Warranty

It is warranted that :-

All frying and other cooking ranges, equipment, flues and exhaust ducting are securely fixed and free from contact with combustible material.

All extraction hoods, canopies, filters and grease traps are cleaned every two weeks.

All extraction ducts are cleaned at least every six months.

Frying equipment is fitted with a thermostat designed to prevent the temperature of cooking oils and fat from rising above 205 C.

Multi purpose fire extinguishers or other materials suitable for extinguishing oil and fat fires are maintained and close to the installation ready for immediate use.

The pans to be fitted with metal lids which can be shut down in the event of fire

(with larger installations closing to be automatic and the system to be linked to the ventilation system so that this is also shut down in the event of a fire).

CL4 - Kitchen Duct Warranty

Warranted cooking fume extraction canopies and ductwork be cleaned at least every six months by independent contractors and that filters, traps or other grease removal devices therein be cleaned at least fortnightly

CL5 - Roof Maintenance Warranty

It is a Condition precedent to liability in respect of damage by storm, tempest that any flat felted roof portion of the within described premises shall be inspected at least once every two years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.

CL6 - Electrical Clause

It is understood and agreed that the Underwriters shall not be liable for any loss, destruction of or damage to electrical apparatus or appliances caused by self-ignition. However, this exclusion shall

apply solely to the part of the said apparatus or appliance in which self-ignition occurs.

CL8 - Frost Stat Warranty

Warranted that the heating system incorporates Frost stat controls to ensure that a minimum temperature of at least 4 degrees centigrade is automatically maintained between the months of October and May inclusive.

CL9 - Waste Warranty

Warranted combustible storage/waste in the open to be at least 20 ft from building when premises are closed for business.

CL10 - Flammables Warranty

It is a condition precedent to the liability of the Underwriters that all flammables are kept in metal lidded containers when not in use.

CL11 - Bulk Flammables Warranty

Warranted bulk supplies of flammables kept within a separate locked store and only one days supply permitted out on the premises.

CL12 - Gutter Warranty

Warranted valley gutters cleared and downpipes are rodded at least twice per annum.

CL13 - Alarm Protected Area Warranty

Warranted all stock/contents within alarm protected area.

CL14 - Cooking In Rooms Warranty

Warranted no cooking in rooms other than in designated kitchen areas.

CL15 - Renovation/Refurbishment Exclusion

Excluding losses arising from building works, renovation or refurbishment

CL16 - Stillage Warranty

It is warranted that all property stored in the premises is stored on racks, shelves and stillages not less than 6" (six inches) above floor level.

CL17 - Paint Spraying Warranty

It is warranted that:

all paint spraying to be conducted in booths of non-combustible material and positioned against an external wall. All doors to be self-closing and kept closed during spraying. Any glazing should be wired glass.

all electrical fittings in booths to be flamed proof and earthed.

all wiring should confirm to Institute of Electrical Engineers' wiring regulations. A current Institute of Electrical Engineers Certificate to be held and reissued every three years.

all paints residue to be cleaned off at least weekly.

each booth to have a separate ventilation fan and duct discharging direct to the open air.

motors not to be located in ducts.

CL18 - Auditorium Warranty

Warranted that the Assured carry out a thorough examination of the premises insured hereunder for smouldering matches, tobacco or other material at the close of business each day and for signed reports to be made thereon daily by the employee, or employees, detailed to make the examination

and for such reports to be checked at least weekly by the Management. It is further warranted that all ashtrays and the like to be emptied into a lidded metal bin and the bin is removed from the buildings at the close of each day.

CL19 – Un-occupancy Conditions

Notwithstanding anything contained herewith it is hereby understood and agreed that coverage herein is limited to fire, lightning, explosion, aircraft only.

Warranted all mains services disconnected and all water pipes/tanks drained down.

Warranted premises secured against illegal entry. All windows and doors shall be boarded or bricked up at ground level and other accessible windows so as to prevent un-authorized entry and firmly secured at other levels.

Warranted all letterboxes shall be sealed to prevent insertion of material.

Warranted premises shall be kept clear of all loose combustible materials

Warranted assured and/or his agent to visit premises once per week and carry out any work necessary to maintain security. A record of these visits is to be kept and produced to underwriters on demand

Warranted any defects following the aforementioned visit are rectified immediately

Warranted the contractors remove from the premises at the close of business all combustible waste materials

Warranted that contractors do not burn waste on the premises or within 100 metres of the premises

CL21 - Electrical Circuit Warranty

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

CL22 - Sprinkler and Fire Extinguishing Appliances Maintenance Clause

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

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

CL23 - Restricted Perils Clause

Notwithstanding anything contained herein to the contrary the Insured perils granted by this certificate are limited to Fire, Lightning, Full Explosion and aircraft only.
The Excess under Section A is increased to £1,000.00

CL 24 - Co Insurance Clause

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

CL 26 - Business Interruption – Theft cover

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

CL30 – Theft limitation Clause

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

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