

PROFESSIONAL INDEMNITY INSURANCE

DESIGN AND PROFESSIONAL SERVICES OF CONTRACTORS

***“THIS POLICY IS ON A CLAIMS MADE
AND CIRCUMSTANCE NOTIFIED BASIS”***

The Policy, Schedule and any Endorsements should be read as if they were one document and if they do not meet your needs please return them to Square Mile Underwriting.

POLICY NUMBER: 20-PI-SMU,00

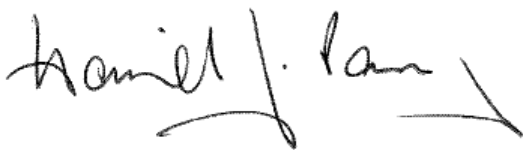
This is to certify that, in consideration of the payment of the premium in the schedule, insurers are bound to insure in accordance with the terms and conditions contained or endorsed, in the policy.

If the insured makes any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy will become void and any claim will be forfeited.

This policy has been signed for and on behalf of the Insurer.

Please read this Policy carefully

Authorised Signatory



.....
David Parry/David Fogarty/Jack Baker
For and on behalf of Square Mile Underwriting

Written for and on behalf of:
Syndicates 1225 and 1414 at Lloyd's,
Under Binding Contract No: B1309LM2017536537

Date: 29 May 2020

All enquiries should be addressed to:
Square Mile Underwriting 6 Lloyd's Avenue London EC3N 3AX

SCHEDULE

- Policy Number:** 20-PI-SMU,00
- 1) **Insured:**
Principal Address:
- 2) **Business Description:**
- 3) **Period of insurance:** **From:**
To:
 Both days inclusive, local standard time, at the address of the Insured
- 4) **Limit of Indemnity:** £ Any One Claim, Costs & Expenses in Addition/In the Aggregate,
 including Costs & Expenses
- 5) **Excess:** £ Each and Every Claim, applying to Costs & Expenses
- 6) **Premium:** £
Plus 12% IPT: £
Total Premium: £
- 7) **Area of Activities:** Worldwide excluding USA/Canada/UK; ROI: C.Isles; IOM; EU
- 8) **Jurisdiction:** Worldwide excluding USA/Canada/UK; ROI: C.Isles; IOM; EU
- 9) **Retroactive Date:**
- 10) **Proposal Form Dated:**
- 11) **Declaration Dated:**
- 12) **Conditions: Policy Terms and Conditions plus**
 Endorsement No: 1 - Premium Payment Warranty
- 13) **Claims Notifications to:** Square Mile Underwriting
 6 Lloyd's Avenue
 London
 EC3N 3AX
 claims@smu.uk.com
 Telephone: 020 7265 7490
 Fax: 020 7265 7491

Attaching to and forming part of Policy No: 20-PI-SMU,00

In the name of

Endorsement No: 1

PREMIUM PAYMENT WARRANTY

The premium in respect of this risk is to be paid to the placing broker within fourteen (14) days of the inception date of the insurance contract. For this purpose alone the placing broker will be deemed to be insurers' agent.

In the event that payment is not made within this period, all cover under this insurance will automatically be cancelled ab initio and be deemed to have never been in effect.

Upon cancellation of this insurance, the insured will deliver immediately to the placing broker any policy of insurance or other policy document or evidence confirming the existence of this insurance, for onward transmission to insurers and will advise to any person who had been notified of its existence, of the cancellation of this insurance.

All Other Terms and Conditions Remain Unaltered

In consideration of the insured having paid the premium shown in the schedule, coverage provided by this insurance is subject to the following terms, conditions, exclusions and definitions, and is based on information contained in a written proposal, bearing the date stated in the schedule, together with any other details provided, insurers:-

1.1 Negligence

agree to indemnify the insured, for the amount of any claim including claimant's costs and expenses up to the indemnity limit, first made against the insured and notified to insurers during the policy period in respect of any legal liability, which arises out of any negligent act, error or omission, in consequence of the exercise and conduct of the business by the insured and/or by others acting on behalf of the insured.

1.2 Costs and Expenses of Mitigation

agree to indemnify the insured for all costs and expenses incurred, prior to hand-over of the contract works, in taking any necessary action for the sole purpose of mitigating a claim under 1.1 or in seeking to avoid or mitigate such a claim, arising out of any circumstance discovered during the policy period, provided that the insured can show, to insurers' satisfaction, that non-payment of such costs and expenses would provoke a claim under this insurance, greater than the costs of mitigating any loss.

1.3 Defence Costs

will also indemnify the insured for defence costs, where such costs have been incurred with insurers' prior written consent. Such defence costs are not in addition to the indemnity limit.

In the event that a settlement is made with any party in excess of the amount of the indemnity limit, insurers' liability in respect of defence costs will be in the same proportion that the indemnity limit bears to the total sum payable.

EXTENSIONS

The following extensions are granted as part of this insurance and are subject to observance of the conditions, exclusions and definitions, together with any other endorsed terms:-

2.1 Loss of or Damage to Documents or Data

In the event of physical loss of or damage to documents or the loss of or damage to electronic data, discovered to be lost, damaged or destroyed during the policy period, the insured is indemnified for any claim or reasonable and necessary costs and expenses incurred in replacing, restoring or reconstituting any documents or data, which are the property of the insured or in the insured's care, custody or control.

This extension is subject to an indemnity limit of £50,000 in the aggregate for such all losses and will not be payable in addition to the indemnity limit. An excess of £1,000 each and every claim will apply in respect of this extension.

2.2 Infringement of Intellectual Property

The insured is indemnified for reasonable professional or legal costs and expenses incurred with insurers' prior written consent (not to be unreasonably withheld), in the defence of any injunction and/or proceedings in respect of infringement or alleged infringement of any intellectual property rights, including but not limited to copyright or patents, including electronic format, vested in or otherwise enjoyed by the insured.

This extension is subject to an indemnity limit of £250,000 in the aggregate including defence costs and expenses, for all losses hereunder and will not be payable in addition to the indemnity limit.

Furthermore, this extension is subject to an excess of £1,000 each and every claim, applicable to defence costs and expenses, unless the excess shown in the schedule is greater than £1,000 each and every claim, in which event the excess shown in the schedule will apply, including defence costs and expenses.

2.3 Joint Venture/Consortium

The insured is indemnified against such sums as the insured, whether jointly or severally, may become legally liable to pay in respect of any claim made under clause 1.1, or for costs and expenses or defence costs, which the insured may incur in accordance with clauses 1.2 or 1.3, where the actual or potential claim, against the insured, arises directly from negligence in the conduct and exercise of the activities and duties, whilst the insured is operating jointly or severally in any joint venture and/or consortium, of which the insured is a member. Provided always that the indemnity is limited to the insured's share of the total liability of the joint venture or consortium. It being understood that: -

- 2.3.1 the insured will not, without the express agreement of insurers, waive any right of recovery against any joint venture or consortium partner or any claim to contribution, by such partner
- 2.3.2 insurers retain all rights, against the insured's joint venture or consortium partners, to which they may become subrogated.

2.4 Breach of Confidentiality

The insured is indemnified for any claim or for reasonable professional or legal costs and expenses, incurred with insurers' prior written consent (not to be unreasonably withheld), in the defence of any injunction and/or proceedings arising from any unintentional breach of confidential information.

This extension is subject to an excess of £1,000 each and every claim, unless the excess shown in the schedule is greater than £1,000 each and every claim, in which event the excess shown in the schedule will apply to this extension.

2.5 Self-employed Persons

The insured is indemnified for liability devolving upon them, arising out of the use of self-employed or contract-hire persons, in connection with the activities and duties, provided such persons are managed and supervised by the insured, as though they were employees.

The use of particular persons need not be disclosed to insurers but details of payments to such persons must be declared to insurers at renewal of this insurance and must be included in the overall income declared. For the purpose of this insurance, such persons will be deemed to be employees of the insured.

2.6 Vicarious Liability

The insured is indemnified for claims, resulting directly from negligence in the conduct and exercise of the activities and duties, by consultants or any other person or party, for whom the insured is responsible.

2.7 Prosecution Defence Costs

The insured is indemnified, in addition to the indemnity limit, for any defence costs incurred with the prior written consent of insurers, in the defence of any criminal proceedings against the insured, or any employee, for any alleged breach of any United Kingdom or Republic of Ireland statutory regulation, relating to building or construction works, where such alleged breach arises directly from negligence in the conduct and exercise of the activities and duties, in the United Kingdom or Republic of Ireland, by the insured and/or by others acting on behalf of the insured.

This extension is subject to the following provisions:-

- 2.7.1 the circumstances giving rise to the proceedings could otherwise give rise to indemnity under this insurance
- 2.7.2 in the reasonable belief of insurers, the defence of such proceedings would assist in the defence of any claim against the insured, arising from such circumstances
- 2.7.3 any subsequent or concurrent civil action, arising out of proceedings notified under this extension, will be subject to the claims conditions (see 4.2) and will be deemed to be a circumstance, under the terms of this insurance
- 2.7.4 any appeal against the outcome of any initial proceedings will be deemed to be "proceedings" for the purposes of this extension
- 2.7.5 insurers will not be liable, under this extension, for the payment of any fines, penalties, punitive, multiple or exemplary damages
- 2.7.6 the indemnity limit under this extension will be £100,000 in the aggregate for the policy period and will not be in addition to the indemnity limit
- 2.7.7 insurers will not be liable for the first £2,500 of costs and expenses incurred in respect of each prosecution.

EXCLUSIONS

This insurance will not indemnify the insured in respect of the following:-

3.1 Excess

The amount shown as such in the schedule, or in any extension, as applicable. Defence costs, referred to in clause 1.3, will be subject to the excess.

3.2 Liability involving Vehicles or Property Owned or Occupied by the Insured

Any claim against the insured arising solely or directly from the ownership, possession or use by or on behalf of the insured of any:-

- 3.2.1 aircraft, watercraft, hovercraft, motor vehicle or trailer, or
- 3.2.2 buildings, premises or land or civil engineering structure or that part of any building leased, occupied or rented by the insured, or
- 3.2.3 other property of the insured or in their care, custody or control.

This will not apply to any item described, which is owned, used or occupied by or in the possession of the insured, for the sole or dominant purpose of performing its obligations to any customer, client or third party or which forms part of any permanent or temporary works of any construction contract, in which the insured is involved.

3.3 Liability arising out of Employment

Any claim arising out of:-

- 3.3.1 injury, disease, illness (including mental stress) or death of any employee under a contract of service with the insured, or
- 3.3.2 any dispute between the insured and any present or former employee or any person who has been offered employment with the insured, being brought under or relating to the Employment Protection Act 1975 or equivalent legislation in countries other than England or subsequent re-enactment or legislation.

3.4 Fraud, Dishonesty or Criminal Acts

Any claim:-

- 3.4.1 directly or indirectly contributed to or caused by any act, error or omission of any partner, director or employee of the insured, which is dishonest, fraudulent, criminal or malicious, or
- 3.4.2 where any person has committed a dishonest, fraudulent, criminal or malicious act, after discovery by the insured of reasonable cause for suspicion that such act has been committed.

However, insurers will not seek to apply the “criminal” act of negligence of this exclusion in respect of any civil action, which may be preceded by or run concurrent with any criminal prosecution arising out of any breach of any United Kingdom or Republic of Ireland statutory regulation, relative to building or construction works, subject to the negligent act not being deliberate on the part of the insured.

3.5 Controlling Interest

Any claim made against the insured by either:-

- 3.5.1 an entity in which the insured exercises a controlling interest, or
- 3.5.2 an entity exercising a controlling interest over the insured, by virtue of them having a financial or executive interest in the operation of the insured, unless such claim is made against the insured for an indemnity or contribution in respect of a claim made by an independent party against the said entities, in which the insured exercises such a controlling interest or the said entities detailed in 3.5.1 or 3.5.2 and arises out of the conduct and exercise of the activities and duties.

3.6 Contractual Liability for Performance Warranties, Penalty Clauses, Collateral Warranties, Duty of Care Agreements

Any contractual liability arising from the following, unless the liability of the insured would have existed in the absence of the features listed in 3.6.1 - 3.6.5 below or insurers have expressly approved the contractual terms giving rise to the said liability:-

- 3.6.1 acceptance of or guarantee of fitness for purpose, where this appears as an express term
- 3.6.2 any express guarantee, including any relating to the period of a project
- 3.6.3 any express contractual penalty
- 3.6.4 any acceptance of liability for liquidated damages.

In addition to the features listed in 3.6.1 - 3.6.4 above, the following will apply in respect of collateral warranty and duty of care agreements:-

- 3.6.5 any assignment of a collateral warranty and duty of care agreement to more than one party, except in the case of a collateral warranty and duty of care agreement given to a funding party (not a purchaser or tenant), where a total of two assignments is permissible

Where such is given or accepted as part of the insured's contract, unless the liability of the insured would have existed in the absence of the features listed in 3.6.1-3.6.5 or insurers have expressly approved the terms of the contractual document, this exclusion will not apply to limit the liability of insurers subscribing to this insurance.

3.7 Tender at Less than Economic Terms

Any claim where the proximate cause arises directly from the deliberate decision by the insured to tender for a contract at less than economic terms, for commercial or goodwill reasons.

3.8 Construction Costs

Any claim arising out of estimates of probable construction costs being exceeded.

Provided that this exclusion will not apply to any claim arising directly from negligence of a quantity surveyor, employed by or appointed on behalf of the insured, to carry out those activities normally undertaken by a quantity surveyor in private practice.

3.9 Turnover Declared as Non-Professional

Any claim arising from the insured's activities where it is, has been or would be, declared as material facts, that the insured and/or their consultants or sub-contractors have no responsibilities for design or other professionally related activities.

3.10 Defamation, Libel & Slander

Any claim arising from or in direct consequence of any defamation, libel or slander uttered by the insured, in the exercise and conduct of the business.

3.11 Defective Workmanship or Materials

Any claim arising from defective workmanship or materials, relating to physical works of construction.

3.12 Failure to Arrange Insurance

Any claim for consequential loss arising from the failure of the insured to arrange and/or maintain insurance.

3.13 Profit and Finance Charges

Any profit element earned by the insured, or finance charges incurred by the insured in mitigating a claim or potential claim, as provided by clause 1.2.

- 3.14 Loss of Documents – Magnetic or Electrical Media**
Loss of or damage to documents, which are stored on magnetic or electrical media, unless such documents are duplicated on magnetic or electrical media, with the intention that, in the event of loss or damage, the duplicate can be used as the basis for restoring the documents to their original status.
- 3.15 Area of Activities**
Any claim or loss arising out of work or activities undertaken by the insured outside the geographical limits stated in the schedule.
- 3.16 Jurisdiction**
Any claim brought (or the enforcement of a judgement found against the insured) in courts outside the United Kingdom, the Channel Islands, the Isle of Man and Member Countries of the European Union.
- 3.17 Fines, Penalties, Punitive, Multiple or Exemplary Damages**
Civil or criminal fines, penalties, forfeitures, taxes, punitive, multiple or exemplary damages (other than in respect of defamation, libel or slander), or other monetary awards deemed uninsurable under applicable law, where such have been identified separately within an award of a court.
- 3.18 Nuclear Risks**
Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising, or any consequential loss or any legal liability of whatsoever nature, directly or indirectly caused by or contributed to, by or arising from:-
3.18.1 ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste, from the combustion of nuclear fuel
3.18.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or of any of its nuclear components.
- 3.19 War Risks**
Any consequence of war, including a terrorist act initiated by hostile parties, military or usurped power, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot or civil commotion.
- 3.20 Bodily Injury and/or Property Damage**
Any claim arising out of injury, disease, illness (including mental stress) or death of any person(s) or loss of or damage to property (except losses insured under extension 2.1), unless such claim arises directly out of negligent act, error or omission by the insured, in the course of their professional services.
- 3.21 Previous Claims**
Any claim or circumstance that may give rise to a claim, which has been notified to and accepted by insurers under any other insurance, attaching prior to the inception of this insurance or disclosed to insurers as material facts, which formed the basis of this contract, or any claim or circumstance the insured was or should have been aware of, prior to the inception of this insurance.
- 3.22 Pollution**
Any claim arising directly from pollution.

3.23 Asbestos & Toxic Mould

Any claim, loss or circumstance whatsoever, arising directly or indirectly out of or resulting from or in consequence of, or in any way involving:-

- 3.23.1 asbestos, or any materials containing asbestos in whatever form or quantity, or
- 3.23.2 the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind, or
- 3.23.3 any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind; such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins, or
- 3.23.4 any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind; such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins.

3.24 Other Insurance

Any claim where the insured are entitled to indemnity under any other insurance, except in respect of anything beyond the amount which would have been payable under such insurance, had it not been effected.

3.25 Directors' and Officers' Liability

Any claim made, from those liabilities arising from being a director, officer or trustee of the insured (as opposed to those duties and functions carried out in furtherance of the insured's activities and duties) or from the acceptance of any directorship or trusteeship in any other company, not forming part of the insured.

3.26 Trading Losses

Any claim arising out of any trading loss or trading liability incurred by any business managed or carried on by the insured, including loss of any client account or business.

3.27 Sanctions

Any claim, or provide any benefit, that would expose insurers, any parent company or any ultimate controlling entity, to any sanction, prohibition or restriction, under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America

3.28 Assumed Duty or Obligation

Any claim arising, directly or indirectly, out of, or in any way involving liability, duty or obligation incurred or assumed by the insured, which would not be incurred or assumed in the normal exercise and conduct of the insured's business.

3.29 Electronic Data Conformity

Any claim, loss, liability or costs and expenses either:-

- 3.29.1 caused by or contributed to, by or arising from or in connection with any computer system, whether or not the property of the insured, not meeting date conformity, or
- 3.29.2 caused by or contributed to or arising from or in connection with any or any attempted correction, conversion, renovation, rewriting or replacement of any computer system, related to not meeting date conformity.

CLAIMS CONDITIONS

The following claims conditions apply to this insurance:-

4.1 Conditions Precedent to Liability

All conditions contained in this section are deemed to be conditions precedent to liability.

4.2 Discovery of a Claim or Circumstance

If, during the policy period, the insured:-

- 4.2.1 receives notice of any claim, other than any claim provided for in 4.2.2 or 4.7.4, the insured will give notice (see 5.5) to insurers, as soon as practicable
- 4.2.2 receives a Letter of Claim, the insured will give early notice (see 5.5) to insurers but in any event within seven (7) working days from receipt of such Letter of Claim and not later than expiry of the policy period
- 4.2.3 becomes aware of any circumstance, other than any circumstance provided for in 4.7.4, the insured will give notice to insurers of such circumstance, as soon as practicable.

Insurers agree that any such circumstance notified to and accepted by them, during the policy period and which subsequently gives rise to a claim after expiry of this insurance, will be deemed to be a claim first made during the policy period

The insured will not incur any costs and/or expenses in connection with coverage provided under clause 1.2, without the prior written consent of insurers (not to be unreasonably withheld). The onus of proving a claim under clause 1.2 will be on the insured.

4.3 Notice

Notice to insurers under condition 4.2 will be deemed to have been properly made if received in writing by the persons shown in the schedule.

4.4 Admission of Liability

In the event of a claim or the discovery of any circumstance, the insured will not admit liability and no admission, offer, promise or payment will be made by the insured, without insurers' prior written consent.

4.5 Conduct of Claims

Following notification of a claim or of any circumstance, insurers will be entitled, if they so desire, to take over and conduct in the name of the insured the investigation, defence or settlement of any such matter. The insured will co-operate with and give all such assistance as insurers may reasonably require.

Notwithstanding the provisions of the preceding paragraph, if the insured and insurers cannot agree a common course of action with regard to the contesting of any legal proceedings (whether defence or prosecution), the dispute will be resolved by the operation of Condition 5.8.

4.6 Rights of Recovery

- 4.6.1 The insured will take all reasonable steps to preserve any rights of recovery, which it may have or acquire against any party, whether in contract or by operation of law. If insurers make any payment under the terms of this insurance, the insured will cede to insurers any rights of recovery which they may have, and will give insurers all reasonable assistance in effecting a recovery
- 4.6.2 Insurers waive any right of recovery against any current or former employee of the insured, unless liability has resulted in whole or part from a dishonest, fraudulent, malicious or criminal act or omission, on the part of such person. For the purposes of this clause, "criminal" will be construed as excluding contravention of, or non-compliance with, any statutory regulation relating to building or construction works.

4.7 Adjudication

If during the policy period the insured receives a notice as described in paragraph 4.7.4 and such notice is in accordance with any of:

- 4.7.1 The Scheme for Construction Contracts (England & Wales) 1998
- 4.7.2 The Scheme for Construction Contracts (Scotland) Regulations 1998
- 4.7.3 The Construction Contracts Act 2013 (Republic of Ireland or any Adjudication Clause or Rules contained in a Contract, provided that the terms of the Adjudication Clause are no more onerous to the insured than the terms contained within the regulations referred to in 4.7.1 and 4.7.3 above

Then the insured must:

- 4.7.4 notify Beale & Co within the policy period and within two (2) working days of receipt of any Notice of Intention to Adjudicate, Notice of Adjudication, Referral Notice or any Adjudication Notice pursuant to Contract. Receipt of notification by Beale & Co will be considered as notification to insurers. All other circumstances, claims and material facts must be notified to insurers in accordance with Condition 4.3
- 4.7.5 not agree to accept the decision of the Adjudicator as finally determining the dispute, without insurers' prior written consent
- 4.7.6 satisfy insurers that any liability incurred by them by virtue of an Adjudicator's decision and for which indemnity is being sought would otherwise be the subject of indemnity under this insurance.

The insured agrees that insurers will be entitled to pursue legal arbitration, or other proceedings in the name and on behalf of the insured, to challenge, appeal, open up or amend any decision, direction, award or the exercise of any power of the Adjudicator or stay the enforcement of any decision, direction, award or exercise of any power of the Adjudicator. The insured will give all such assistance as insurers may reasonably require in relation to such proceedings.

For the avoidance of doubt, this extension does not in any way limit insurers' right of subrogation.

Notification made under this Extension will be subject to all other policy terms and conditions, save to the extent that those terms and conditions are varied by this extension.

Contact details:

Square Mile Underwriting
c/o Beale & Co
Capital House
85 King William Street
London EC4N 7BL
email: SMUClaims@Beale-Law.com

4.8 Claim Settlements

- 4.8.1 Insurers may at any time pay to the insured, in connection with any claim or series of claims under this insurance, the indemnity limit (less any sums already paid) or any lesser sum for which such claims can be settled and, upon such payment, insurers will not be under any further liability in respect of such claims, except for costs and expenses incurred prior to such payment and with insurers' prior written consent. However, such payment will not exceed the indemnity limit, including costs and expenses
- 4.8.2 If a payment exceeding the indemnity limit has to be made to dispose of a claim, the liability of insurers for costs, fees and expenses in that connection will be limited to such proportion of the said costs, fees and expenses as the indemnity limit bears to the amount paid to dispose of the claim.

4.9 Fraudulent Claims

If the insured makes a claim fraudulently or in the knowledge that it is materially false, as regards amount or otherwise, insurers may declare this insurance void, from the date of such fraud or false representation, or, at their discretion, regard this insurance as remaining in force and of full effect, until expiry of the policy period. In either case, insurers will have no liability to provide any indemnity under this insurance, in respect of the particular claim and any related matter, forming the subject of such fraudulent preferment or false representation.

4.10 Several Liability

Insurers' obligations under insurances to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. Insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of their obligations.

GENERAL CONDITIONS

The following general conditions apply to this insurance:-

5.1 Retroactive Date

Where a retroactive date is specified in the schedule, insurers will not indemnify the insured for any liability, costs or expenses arising out of the insured's activities and duties, prior to the said retroactive date.

5.2 Contractual Terms, Collateral Warranties and Joint Ventures

Insurers will not require construction contracts, collateral warranties, duty of care or joint venture agreements, letters of engagement, or terms of appointment to be shown to, or agreed by, them. However, the limitations appearing in extensions 2.3, 2.5 and 2.6 and in exclusion 3.6 will apply in respect of liabilities incurred by the insured, in consequence of them signing such documents.

5.3 Disclaimer of Liability by Insurers

Insurers may at any time be entitled to avoid this insurance ab initio, by reason of any materially inaccurate or misleading information declared to them at any time during the negotiations leading to the inception of this insurance, or as a result of failure to disclose material facts before the conclusion of this insurance, or for any other reason at law. However, insurers may, at their election, instead of avoiding this insurance ab initio, give notice to the insured that they regard this insurance as of full force and effect but will exclude any claim which has arisen or which may arise and which is related to circumstances which ought to have been disclosed to insurers, or which arises out of materially inaccurate or misleading information given to insurers. This insurance will then continue as if the same had been specifically endorsed ab initio, excluding the particular or possible claim referred to in the said notice.

5.4 Imputation and Attribution

5.4.1 Except as specifically stated in 5.4.2, no presumption may be made under this insurance, that knowledge possessed or attained by any person or any act or omission of any such person is imputable or attributable to the corporate body, named as the insured in the schedule.

5.4.2 However, any such knowledge, act or omission will be regarded, for all purposes of this insurance, as imputable or attributable to said corporate body, if known to any member of the management of that corporate body or of any subsidiary or associated company or department or division, engaged in the provision of professional services in connection with the activities and duties of the insured.

5.5 Notice to Insurers

5.5.1 Any notification or notice, which the insured is required by any provision of this insurance to give to insurers, will be given in writing and sent by certified mail to the company specified in the schedule

5.5.2 Communications transmitted by telephone, facsimile or e-mail will not be regarded as notice, within the terms of this insurance, unless verified or tested or confirmed in the manner specified in 5.5.1.

5.6 Prohibition of Insurance of Excess

The insured will not effect insurance in respect of any excess, to which this insurance may be subject.

5.7 Specialist Designers and/or Consultants

It is an express requirement that:-

- 5.7.1 all specialist designers, professional sub-contractors and/or consultants, appointed by the insured, acting on the insured's behalf or for whom the insured are responsible, carry Professional Indemnity insurance for a limit not less than that shown in the schedule, during the period of this insurance, and
- 5.7.2 the insured have satisfied themselves of its existence and extent of cover. Any failure to comply with this warranty may entitle insurers to decline to provide indemnity under the terms of the insurance.

5.8 Law Applicable

Unless specifically agreed to the contrary this insurance shall be subject to English Law.

5.9 Insurance Disputes

Any dispute or difference between the insured and insurers arising from this insurance will be referred to Queen's Counsel of the English Bar, to be mutually agreed between insurers and the insured, or any other party as may be mutually agreed. In the event of disagreement regarding the appointment, the Chairman of the Bar Council will appoint a suitable party. The findings of the agreed or appointed party will be binding on insurers and the insured and the costs of such an exercise will be allocated by the agreed or appointed party on a fair and equitable basis.

However for insured firms domiciled in the Republic of Ireland this contract will be governed and construed in accordance with the laws of the Republic of Ireland.

Any dispute or difference between the insured and insurers arising from this insurance will be referred to arbitration before a sole arbitrator, to be mutually agreed between insurers and the insured, or any other party as may be mutually agreed. In the event of disagreement regarding the appointment, the Chairman for the time being of the Bar Council of Ireland will appoint a suitable party. The findings of the agreed or appointed party will be binding on insurers and the insured, and the cost of such an exercise will be allocated by the agreed or appointed party on a fair and equitable basis.

5.10 Cancellation

This policy may be cancelled at any time by insurers or the insured, by either party giving the other thirty (30) days notice in writing, to their last known address or registered office (if a company) and the premium will be adjusted on a pro rata basis.

5.11 Claim Settlements

Insurers may at any time pay to the insured in connection with any claims or series of claims under this insurance the indemnity limit (less any sums already paid) or any lesser sum for which such claims can be settled and upon such payment the insurers will not be under any further liability in respect of such claims except for costs and expenses incurred prior to such payments and with insurers' prior written consent.

If a payment exceeding the indemnity limit has to be made to dispose of a claim the liability of insurers to pay all costs fees and expenses in that connection will be limited to such of the said costs and expenses as the indemnity limit bears to the amount paid to dispose of a claim.

5.12 **Contracts (Rights of Third Parties) Act 1999**

Notwithstanding the provisions of the Contracts (Rights of Third Parties) Act 1999 or any equivalent legislation in the Republic of Ireland, and for the avoidance of doubt:

- 5.12.1 this insurance is not intended to confer any enforceable rights upon any third party, whether or not insurers acknowledge an interest of such third party
- 5.12.2 the parties to this insurance will be entitled to rescind or vary such without the consent of any third party, whether or not insurers acknowledge an interest of such third party
- 5.12.3 in the event of proceedings by a third party against insurers for the enforcement of a term of this insurance insurers will have available to them the option of any defence or set off, which would have been available if the proceedings had been brought by the insured.

5.13 **Policyholder Complaints**

Square Mile Underwriting aim to provide a first class professional service to its customers. Should you have any questions about your policy or the handling of a claim, you should, in the first instance, contact your broker.

Otherwise, if you wish to make a complaint concerning your policy, you may contact:

The Managing Director, Square Mile Underwriting, 6 Lloyd's Avenue, London EC3N 3AX

complaints@smu.uk.com

Telephone: 020 7265 7490

Fax: 020 7265 7491

To help us deal with correspondence quickly, please advise your policy number and the name of the policyholder:

If you are still not satisfied with the way a complaint has been dealt with, you may ask the Complaints Department at Lloyd's to review your case.

Policyholder and Market Assistance, Lloyd's Market Services, G6/86 One Lime Street, London EC3M 7HA

Telephone: 0207 327 5693

Fax: 0207 327 5225

Email: complaints@lloyds.com

Complaints that cannot be resolved may, if you are an eligible complainant, then be referred to:

The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR

Telephone: 0300 123 9123 or 0800 023 4567

Email: complaint.info@financial-ombudsman.org.uk

www.financial-ombudsman.org.uk

The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services

These complaints procedures do not affect your rights of recourse to legal action or to any other remedy available to you.

DEFINITIONS AND INTERPRETATIONS

Various words and phrases have a standard meaning within this insurance and such definitions and interpretations are set out below. Headings and notes are for information purposes only and are not to be construed as part of this insurance. The following words and phrases are used in this insurance. In certain instances, the words may be used in the plural or singular form. Wherever they appear, they are deemed to have the meaning set out below:-

6.1 Insured

Will mean the corporate body or bodies, named as the insured in the schedule, including any:-

- 6.1.1 predecessors in business
- 6.1.2 business, for which the insured is legally liable in consequence of the insured's acquisition of such business (whether partial or otherwise), prior to inception of this insurance, provided insurers have been notified in writing of the existence of such other business and have not refused to insure it
- 6.1.3 office or division of the insured as specified in 6.1.1 and 6.1.2, unless expressly stated otherwise.

6.2 Activities and Duties

Will mean the performance by professional staff, and/or their professional assistants of: -

- 6.2.1 design, specification, inspection and/or supervision, feasibility studies, surveying where appropriate to the professional duties of the professional staff, procurement and/or the provision of advice or technical information, or
- 6.2.2 such additional activities and duties declared to insurers. However, such activities and duties do not include supervision by the insured of its own or its sub-contractors' work, where such supervision is undertaken in their capacity as building or engineering contractor. For the purpose of clarification, the activities and duties of a clerk of works, or similar person carrying out supervision of construction, will not be deemed to fall within the activities and duties of a building or engineering contractor.

6.3 Professional Staff

Will mean those persons either qualified as architects, engineers or surveyors or having other professional qualifications appropriate to the activities and duties, or having a minimum level of experience of five years in undertaking the activities and duties as defined in 6.2.

6.4 Consultants

Will mean consultants, contractors, specialist designers or others appointed by the insured, in connection with their activities and duties.

6.5 Employee

Will mean any person employed by the insured under a contract of service or apprenticeship.

6.6 Indemnity Limit

Will mean the sum shown in the schedule, which is available to indemnify the insured in respect of each claim, provided that where more than one claim arises from the same original cause or source, all such claims will be deemed to be one claim and only one indemnity limit will be payable in respect of the aggregate of all such claims.

6.7 Defence Costs

Will mean all costs and expenses incurred in the investigation, defence or settlement of any claim or potential claim and/or the cost of representation at any enquiry or other proceedings, which have a direct or indirect relevance to the investigation, defence or settlement of any matter notified under this insurance but does not include the costs and expenses incurred by the insured in preparing and presenting any claim under this insurance or providing insurers with the necessary information to defend or mitigate any claim.

6.8 Data

Will mean information (including without limitation text, numbers, sounds and images) recorded in a form which can be processed by equipment operating automatically, in response to instruction given for that purpose.

6.9 Negligence

Will mean any negligent act, error or omission.

6.10 Excess

Will mean the first amount of each claim, which is payable by the insured. Where, however, a series of claims arises from a single original cause or source, only one single excess will apply in respect of all claims, resulting from that original cause or source. This amount is payable, before insurers make any payment.

6.11 Documents

Will mean project models or displays, deeds, wills, agreements, maps, plans, records, photographs or negatives, written or printed books, letters, certificates or written or printed documents and/or forms of any nature whatsoever and includes computer software and systems records (electronic data being deemed to be physical property for the purposes of this insurance). Documents exclude bearer bonds, coupons, bank or currency notes or other negotiable instruments.

6.12 Circumstance

Will mean information, or facts or matters of which the insured is aware, which may give rise to a claim against the insured, which the insured could become legally liable to pay and which arises out of the exercise and conduct of the business.

6.13 Co-operate

Will mean the insured must allow insurers and their duly appointed representatives the best possible defence of a claim, within the time constraints available. The insured should have adequate internal systems in place, which will allow ready access to material information.

It being understood that the insured will, at all times, and at their own cost, give to insurers or their duly appointed representatives all such information, assistance, signed statements or depositions, as may properly be required to facilitate compliance with all, and any, Civil Procedure Rules, Practice Directions and Pre-Action Protocols, as may be issued and approved, from time to time, by the Head of Civil Justice.

Furthermore, co-operate will mean that the insured will pay the excess on demand of insurers or their duly appointed representative, to comply with any settlement agreed by insurers.

6.14 Letter of Claim

Will mean the Letter of Claim, as detailed in any Pre-Action Protocols, as may be issued and approved, from time to time, in connection with Civil Procedure Rules, or equivalent legislation in countries other than England.

6.15 Collateral Warranties and Duty of Care Agreements

Will mean any contractual agreement, which acknowledges or accepts that the insured owes a duty of care to or is responsible for the losses of any party, other than the direct client of the insured, to whom services are being provided.

6.16 Geographical Limits

Will be limited to work undertaken in the United Kingdom, Channel Islands, Isle of Man and Member Countries of the European Union.

6.17 Proposal

Will mean all submissions made to insurers, by or on behalf of the insured in applying for this insurance, any similar insurance underwritten by insurers prior to the inception of this insurance, or any variation in the scope or terms of this insurance or any such prior insurance. Without limiting the generality of the foregoing, the proposal comprises: -

6.17.1 all proposal forms signed by the insured, and in particular those cited in the schedule

6.17.2 any documents attached, to such proposal forms or supplied at any time, in support

6.17.3 any application for extension or renewal of this insurance or any earlier insurance placed with insurers, together with any supporting documents in connection with such application

6.17.4 any other relevant material representations, written or oral, made by or on behalf of the insured

The proposal forms the basis of the contract between the insured and insurers, and will be deemed to be incorporated into this insurance.

6.18 Pollution

Will mean any one or a combination of a release, emission, discharge, dispersal, disposal or escape of any process of substances, which are capable of causing harm to any person or living organism, into or onto any water, land or air.

6.19 Harm

Will mean injury or impairment to the health of any living organism or interference with ecological systems, of which they form part and, in the case of persons, includes offence to any of their senses.

6.20 Air

Will include air within buildings or other natural or man-made structures, above or below ground.

6.21 Computer System

Will mean any computer, data processing equipment, media or any of their parts, or system of data storage and retrieval, or communications system, network, protocol or any of their parts, or storage device, microchip, integrated circuit, real-time clock system or similar device, or any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode.

6.22 Date Conformity

Will mean that neither performance nor functionality of the computer system is affected by any changes prior to, during and/or after, the year 2000. In particular:-

- 6.22.1 no value for current date will cause or give rise to any interruption in the operation of the computer system
- 6.22.2 date based functionality and performance must behave consistently for dates prior to, during and/or after, the year 2000
- 6.22.3 in all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules
- 6.22.4 the year 2000 must be recognised as a leap year
- 6.22.5 9 September 1999 (or any representation of that date) must be recognised as that date.

6.23 Insurers

Will mean certain underwriters at Lloyd's, each for their respective percentage participations, as shown in the attached schedule of security.

6.24 Schedule

Will mean the page of this insurance wording entitled Schedule (before the addition of any endorsements or memoranda), which will provide details relative to the current policy period.

SCHEDULE OF SECURITY

BINDING AUTHORITY NUMBER: B1309LM2017536537

Percentage

65%

35%

Insurer

Aegis Syndicate 1225

Ascot Syndicate 1414