



Novae Underwriting Limited
71 Fenchurch Street, London EC3M 4HH
www.novae.com

**ACCOUNTANTS PROFESSIONAL INDEMNITY INSURANCE
(NOVAEACC10)**

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

POLICY NUMBER:

This is to certify that, in consideration of the payment of the premium specified herein, the Insurer is hereby bound to insure in accordance with the terms and conditions contained herein or endorsed hereon.

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and any claim hereunder shall be forfeited.

In witness whereof this Policy has been signed for and on behalf of the Insurer.

Please read this Policy carefully.



Jonathan Butcher, Director

Active Underwriter Syndicate 2007 at Lloyd's

For and on behalf of Novae Underwriting Limited

Date:

All enquiries should be addressed to:

Novae Underwriting Limited
71 Fenchurch Street
London EC3M 4HH

Whereas the Insured have made to the Insurer a Proposal which it is hereby agreed is the basis of this policy and is to be considered as incorporated herein, the Insurer agrees to indemnify the Insured to the extent and in the manner hereinafter provided in consideration of the payment or the promise of payment of the Premium subject to the terms, conditions, exclusions and limitations of this policy:

INSURING CLAUSES

1.1 Civil Liability

The Insurer shall indemnify the Insured against any Claim or Claims first made against the Insured during the Period of Insurance in respect of any civil liability (including liability for Claimant's costs, expenses and disbursements) whatsoever or whensoever incurred arising out of and/or in connection with the conduct of any Professional Business carried on by, or on behalf of, the Insured.

1.2 Ombudsman Awards

The Insurer shall indemnify the Insured against:

- a) any amount paid and/or payable and/or
- b) the costs of taking any steps which the Insured is directed to take pursuant to or by the recommendation of any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000, the Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof to the same extent as the Insurer is obliged under this policy to indemnify the Insured in respect of any civil liability.

1.3 Dishonest and Fraudulent Acts

The Insurer shall indemnify the Insured for any loss (limited to the Insured's own losses) which, during the Period of Insurance, they shall first discover they have sustained by reason of any dishonest or fraudulent acts or omissions of any former or present partner, director, Member, employee, consultant or Alternate of the Firm. For the avoidance of doubt the indemnity provided hereunder is subject to condition 5.4.3.

1.4 Loss of Documents

1.4.1 The Insurer shall indemnify the Insured against any Claim first made against the Insured during the Period of Insurance in respect of third party liabilities as a consequence of any Document having been destroyed, damaged, lost or mislaid which is either the property of or entrusted, lodged or deposited with the Insured.

1.4.2 The Insurer shall also indemnify the Insured for reasonable and necessary costs incurred with the Insurer's prior written consent of repair, replacement or reconstitution of any Document which has been unintentionally destroyed, damaged, lost or mislaid (and which after diligent search cannot be found) the occurrence of which has been discovered and notified in writing to the Insurer during the Period of Insurance. However, the Insured will not be indemnified in relation to any Document which is kept in magnetic or electronic form unless such Document is duplicated and the duplicate is stored separately as a back-up off site or in a secure fire proof safe.

1.5 Data Protection

The Insurer shall indemnify the Insured for Defence Costs and Expenses resulting from any prosecution first brought against the Insured and notified in writing to the Insurer during the Period of

Insurance which arises out of the conduct of the Professional Business in respect of any offences or alleged offences under sections 21(1), 21(2), 22(6) or 47(1) of the Data Protection Act 1998, or any amendment or re-enactment thereof.

1.6 Compensation for Court Attendance

Where Defence Costs and Expenses are indemnifiable or payable under this policy, the Insurer will in addition pay the following sums to the Insured in respect of any person who is required to attend any court or tribunal for the purpose of the Claim :

For each partner, director or Member: GBP 200 for each day or part of a day

For each person under a contract of service with the Firm: GBP 100 for each day or part of a day

1.7 Disciplinary Investigation Costs

The Insurer shall indemnify the Insured for Defence Costs and Expenses incurred by the Insured with the Insurer's prior written and continuing consent in investigating and/or defending any and all disciplinary investigation(s) into the Insured by their professional body, providing the Insured first requests indemnity from the Insurer during the Period of Insurance.

1.8 Defence Costs and Expenses

The Insurer shall in addition indemnify the Insured in respect of all Defence Costs and Expenses, provided that if a payment in excess of the Limit of Indemnity available hereunder has to be made to dispose of any Claim or Claims against the Insured, the Insurer's liability for such Defence Costs and Expenses shall be only that proportion thereof as the Limit of Indemnity available hereunder bears to the amount which is required to be paid to dispose of such Claim or Claims. For the avoidance of doubt, the Limit of Indemnity specified in the Schedule is exclusive of Defence Costs and Expenses, and Defence Costs and Expenses shall be paid by the Insurer over and above and in addition to sums paid pursuant to clause 1.1 and/or clause 1.2 and/or 1.4.1,

2 LIMIT OF INDEMNITY

2.1 The Insurer's total liability to indemnify the Insured in any Period of Insurance (exclusive of Defence Costs and Expenses) under insuring clauses 1.1, 1.2 and 1.4.1 shall not exceed the Limit of Indemnity. Such liability shall not be varied or deemed varied by the number or type of Insureds or Claims under this policy.

2.2 All Claims and losses (under any or all of the insuring clauses) that arise directly or indirectly out of or are attributable to

- a) the same originating cause or source, or
- b) the same act, error or omission, or series of acts, errors or omissions that are in any way related are deemed to be one Claim for the purposes of the Limit of Indemnity provided always that this clause does not operate to provide cover under this policy for any Claims or losses that would not be covered by this policy but for this clause.

2.3 The Insurer's total liability under insuring clause 1.3 shall not exceed the Limit of Indemnity in the aggregate whether or not the Claim or loss also arises under any other insuring clause.

The Insurer's total liability under insuring clauses 1.4.2, 1.5, and 1.7 shall not exceed GBP 100,000 in the aggregate per clause, whether or not the Claim or loss also arises under any other insuring clause.

The Insurer's total liability under this policy shall not exceed the Limit of Indemnity in the aggregate for all Claims arising out of Regulated Business. For the avoidance of doubt this clause shall not increase the Insurer's liability that would otherwise exist in the absence of this clause.

- 2.4** Any indemnity provided under insuring clauses 1.3, 1.4.2, 1.5, 1.6, or 1.7 or an endorsement that is subject to an aggregate liability or in respect of Regulated Business arising out of or attributable to the same originating cause or source as any Claim, or arising out of any act, error or omission or series of acts, errors or omissions that are in any way related to any Claim, shall erode the Limit of Indemnity available in respect of that Claim.

3 EXCESS

- 3.1** The Excess shall be borne by the Insured at their own risk and the Insurer's liability to indemnify the Insured shall only be in excess of this amount. A separate Excess shall apply to each and every Claim and each and every loss, other than in respect of Regulated Business where a separate Excess shall apply to each and every Claim, each and every loss and each and every claimant.
- 3.2** The amount of the applicable Excess shall be the sum stated in item 4 of the Schedule except that the Excess applicable to insuring clause 1.4.2 shall be GBP 2500 each and every Claim and each and every loss.
- 3.3** Notwithstanding the amount of the Excess the maximum amount borne by the Insured at their own risk during the Period of Insurance shall not exceed the maximum calculated in accordance with the relevant provisions of the Professional Indemnity Insurance Regulations of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable in force at the date of the inception or renewal of this policy.
- 3.4** The Excess shall not apply to Defence Costs and Expenses except in respect of insuring clause 1.5 and in respect of Regulated Business.

4 EXCLUSIONS

This policy shall not indemnify the Insured against any Claim or for any loss:

4.1 Circumstances Notified Under Other Insurance

Arising out of any circumstance or occurrence which has been notified under any other policy of insurance attaching prior to the inception of this policy.

4.2 Death or Bodily Injury

- 4.2.1** Arising directly or indirectly from bodily injury, psychological injury, emotional distress or anguish, shock, sickness, disease or death sustained by any Insured person and/or any dispute between the Insured and any person who is or has been under a contract of service with the Insured arising out of or in the course of his or her employment or for any breach of duty owed to any such person or any person who has made an application for employment under a contract of service with the Insured.
- 4.2.2** For death of or bodily injury to or psychological injury, emotional distress or anguish, shock, sickness or disease of any person (not being an Insured person), save that this exclusion will not apply to any loss or to any Claim for psychological injury, emotional distress or anguish or shock which arises from any actual or alleged breach of duty in the performance of (or failure to perform) Professional Business.

4.3 Property Damage

Save in respect of insuring clause 1.4, for physical loss of or damage to property, save that this exclusion will not apply to any Claim for loss of or damage to property which arises from any actual or alleged breach of duty in the performance of (or failure to perform) Professional Business.

4.4 Trading Losses

Arising out of or in connection with any trading losses or trading liabilities incurred by any business managed by or carried on by the Insured, but this exclusion does not apply to any Claims made against the Insured for negligence in the normal course of their conduct of any receivership or procedures under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 or in the Republic of Ireland any receivership or insolvency procedures under the Companies Acts 1963 to 2005 or the Bankruptcy Act 1988 or any amendment or re-enactment thereof.

4.5 Fines and Penalties

For any fine or penalty or any multiple damages, exemplary or punitive damages or aggravated damages, save that:

- a) this exclusion will not apply to any Claim relating to any actual or alleged defamation arising out of the conduct of Professional Business carried on by, or on behalf of the Insured; and
- b) this exclusion will not operate to exclude or limit (or be construed as excluding or limiting) the scope of the indemnity afforded by clause 1.2.

4.6 Fraud and Dishonesty

In respect of dishonest or fraudulent acts or omissions committed by any person after discovery of reasonable cause for suspicion of fraud or dishonesty on the part of that person.

4.7 Claims by Insurers

Made against the Insured by any Underwriter or Insurance Company arising out of the Insured's activities as their Insurance Agent unless the Underwriter or Insurance Company has obtained a judgment in any court against the Insured notwithstanding anything to the contrary contained in conditions 5.2 and 5.3 of this policy.

4.8 Company Secretary, Registrar or Director

Arising out of any Insured acting as Company Secretary or Registrar or Director unless the Claim or loss is in respect of the performance (or non-performance) of Services.

4.9 Nuclear and War

Directly or indirectly caused by, or contributed to by, or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof or from war, invasions, 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.

4.10 Terrorism

Arising from any Claim made against an Insured directly or indirectly caused by, resulting from or in any way connected with Terrorism. Provided that any such exclusion does not exclude or limit any liability of Insurers to indemnify any Insured against civil liability or Defence Costs arising from any actual or alleged breach of duty in the performance (or failure to perform) Professional Business. In the event that any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4.11 Pollution, Contamination Asbestos and Fungi

Arising out of or relating directly or indirectly to or in consequence of a) seepage, pollution or contamination of any kind b) Fungi c) asbestos or any product or material containing asbestos in whatever form or quantity; save that this exclusion will not apply to any loss or any Claim which arises from a breach of duty in the performance (or failure to perform) Professional Business.

4.12 Land and Vehicles

Arising directly or indirectly from the ownership, possession or use by the Insured of land, buildings, aircraft, watercraft, vessels or by mechanically propelled vehicles.

4.13 USA/Canada

4.13.1 Which is the subject of proceedings brought in the United States of America, or Canada; or

4.13.2 Arising from Professional Business carried out from any office of the Insured situated in the United States of America or Canada.

4.14 Warranties and Guarantees

4.14.1 Arising out of the giving of any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments.

4.14.2 Arising directly from any liability assumed by the Insured under any express warranty or guarantee unless such liability would have attached to the Insured notwithstanding such express warranty, or guarantee.

4.15 Insured V's Insured

Save for the purposes of condition 5.4.1(a) and (d), by one Insured against another Insured.

4.16 Goods and Software

Arising directly from goods sold, supplied, repaired, altered, manufactured, constructed, installed or maintained by the Insured or any person, acting for or on behalf of the Insured. For the avoidance of doubt, the term "goods" as referred to above shall apply to Packaged Software, but shall not apply to any other computer software or any amendments or adaptations of Packaged Software.

For the avoidance of doubt, this exclusion shall not apply to any claim arising from amendments or adaptations made to Packaged Software by or on behalf of the Insured.

4.17 Retroactive Date

Arising out of the conduct of Professional Business prior to the Retroactive Date specified in part 6 of the Schedule.

5 CONDITIONS

5.1 Notification

5.1.1 The Insured shall give to the Insurer notice in writing as soon as reasonably practicable and in any event not later than 7 days after the end of the Period of Insurance:

- a) Of any Claim;
- b) Of the receipt by the Insured during the Period of Insurance of any notice from any person of an intention to make a Claim. Any Claim arising therefrom and/or in connection therewith shall be deemed to have first been made during the Period of Insurance;
- c) of any loss suffered by them or any of them
- d) Of the discovery during the Period of Insurance of reasonable cause for suspicion of dishonesty or fraud on the part of any former or present partner, director, Member, employee, consultant, sub-contractor or Alternate of the Firm(s), whether giving rise to a loss or Claim hereunder or not; or
- e) Of the discovery during the Period of Insurance that any Document needs to be repaired or replaced.

5.1.2 If the Insured shall become aware during the Period of Insurance of any circumstance which may give rise to a loss or Claim, the Insured shall give notice in writing of such circumstance to the Insurer as soon as reasonably practicable and in any event no later than the last day of the Period of Insurance, supplying full details of the act, error, omission, event, transaction or loss likely to give rise to an entitlement to indemnity. Such notice having been given:

- a) Any Claim arising from such circumstance shall be deemed to have first been made against the Insured during the Period of Insurance;
- b) Any loss which the Insured may subsequently discover they have sustained, being a loss arising out of the circumstance notified, shall be deemed to have been first discovered by the Insured during the Period of Insurance.

5.2 No settlement without the Insurer's Consent/Duty to Co-operate

5.2.1 The Insured shall:

- a) not admit liability for, or settle any Claim without the written consent of the Insurer (such consent not to be unreasonably withheld or unreasonably delayed); and
- b) not incur any costs or expenses in connection with any Claim or circumstance without the written consent of the Insurer (such consent not to be unreasonably withheld or unreasonably delayed).

5.2.2 The Insurer shall be entitled at its own expense at any time to take over and conduct in the name of the Insured or the Firm as the case may be the defence, investigation or settlement of any such Claim or loss and to conduct an investigation into circumstances notified under clause 5.1.2 which may give rise to a Claim or loss and to receive at all times the full co-operation of the Insured for this purpose. The Insured shall be entitled to any and all information and/or documentation regarding the defence, investigation or settlement of any Claim and/or the investigation into any circumstances as they may reasonably request from the Insurer.

5.2.3 Compliance by the Insured with any rules, requirements, directions or guidance of any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000, the Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof will not constitute a breach of any clause of this policy.

5.3 Insurer and Insured entitled to Defend

Neither the Insured nor the Insurer shall be required to contest any legal proceedings unless a Queen's Counsel or in the Republic of Ireland a Senior Counsel (to be mutually agreed upon by the Insured and the Insurer or failing agreement to be appointed by the President of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable) shall advise that, taking due account of the interests of both the Insurer and Insured, such proceedings should be contested.

5.4 Dishonest/Fraudulent Claims

5.4.1 In respect of any such Claim or loss (ie as referred to in clause 5.4.3):

- a) the Insured shall at the request and expense of the Insurer take all reasonable steps to obtain reimbursement from any such person committing or condoning any such dishonest or fraudulent act or omission or from their estates or legal representatives;
- b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons (i.e. the persons committing or condoning any such dishonest or fraudulent act or omission) from the Insured or any monies of such persons held by the Insured shall be deducted from any amount payable hereunder;
- c) no indemnity in respect of such loss or Claim shall be afforded hereunder to any former or present Partner, Director, Member, or employee, consultant, sub-contractor or Alternate of the Firm(s) committing or condoning such dishonest or fraudulent act or omission;
- d) nothing in this clause 5.4 herein shall preclude the Insurer from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.

5.4.2 If any Insured shall make a claim for indemnity under this policy knowing the same to be false or fraudulent as regards amount or otherwise, this policy shall, in respect of that Insured only, be avoided ab initio. The policy shall continue in full force and effect for the benefit of all other Insureds as if such false or fraudulent claim had not been made.

5.4.3 Subject to clause 5.12, in the event that the Insured should suffer any loss or incur any liability of the type insured under this policy by reason of the dishonest or fraudulent act or omission of any former or present partner, director, Member or employee, consultant, sub-contractor or Alternate of the Firm(s), no indemnity shall be afforded hereunder in respect of such Claim to any person committing or condoning such dishonest or fraudulent act or omission. The sums payable hereunder shall be only for the balance of any civil liability in excess of the amounts recoverable from the person or persons committing or condoning dishonest or fraudulent acts or omissions as aforesaid or their estates or legal representatives.

5.4.4 Notwithstanding the provisions of clause 5.4.3, an indemnity shall be afforded hereunder to each and every person who has neither committed nor condoned any such dishonest or fraudulent act or omission.

5.5 No avoidance by the Insurer

5.5.1 The Insurer will not avoid this policy, or claim to be discharged from any liability to provide any indemnity under this policy, on the grounds of any alleged non-disclosure or misrepresentation of facts or alleged untrue statements in the proposal form or in any other information which may have been supplied by or on behalf of the Insured to the Insurer, provided always that the Insured shall establish to the Insurer's reasonable satisfaction that such alleged non-disclosure, misrepresentation of fact or untrue statement was free of any fraudulent conduct or intent to deceive.

5.5.2 In the event that any circumstance is notified to the Insurer and the Insured had knowledge prior to the Period of Insurance of such circumstance and the Insured should have notified it under any previous insurance (whether with other insurers or not), the indemnity hereunder shall be limited to either the indemnity which would have been available under the earliest such previous policy if such circumstance had been properly notified or the indemnity provided by this policy, whichever is the least favourable to the Insured.

Where the Insured should have notified such circumstance under this policy prior to obtaining any increase in the Limit of Indemnity or other variation of the terms hereof, the indemnity hereunder shall be limited to the indemnity which would have been available prior to such increase in cover or variation of the terms hereof.

5.5.3 In the event any material non-disclosure, misrepresentation or untrue statement is made in the Proposal, then the Insurer shall be entitled at its sole discretion to charge an additional premium, the amount of which shall also be at its sole discretion.

5.6 Breach of Condition

Where the Insured's breach of or non-compliance with any condition of this policy has resulted in prejudice to the Insurer:

- a) in the handling or settlement of any Claim against the Insured, or
- b) in the amount of any loss sustained by the Insured, or
- c) in the obtaining of reimbursement from any dishonest or fraudulent person as referred to in condition 5.4.1

the indemnity afforded hereunder (including liability for Claimants' costs, expenses and disbursements) shall be reduced to such sum as in the Insurer's reasonable opinion would have been payable by them in the absence of such prejudice. For the avoidance of doubt this clause shall not affect the Insurer's remedy where there has been a breach of a condition precedent.

5.7 Compliance with Minimum Terms

This clause 5.7 shall only be applicable to registered members of the Institute of Chartered Accountants in England and Wales (The "ICAEW"), The Institute of Chartered Accountants of Scotland ("ICAS") or The Institute of Chartered Accountants in Ireland ("ICAI")

5.7.1 The cover provided by this policy shall, notwithstanding any policy wording to the contrary, be, in each and every respect and in respect of each and every Claim and in the aggregate, no less favourable and provide no less protection to the Insured than the Approved Minimum Wording as defined in the Professional Indemnity Insurance Regulations from time to time issued by the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered

Accountants in Ireland (the "ICAI") (as applicable) in force at the date of the inception of the policy and on any renewal of the policy at the date of such renewal.

- 5.7.2** If the insurance offered by this policy exceeds that provided by the Approved Minimum Wording then, notwithstanding any policy wording to the contrary, the limit of indemnity in respect of that additional indemnity shall be in addition to the limit of indemnity provided by the Approved Minimum Wording. However the additional indemnity will only operate when any insurance excess of the primary insurance has been exhausted by reason of claims.
- 5.7.3** In any dispute as to whether the cover under this policy is in any respect or in the aggregate less favourable or gives less protection to the Insured than the Approved Minimum Wording would do, an arbitrator who shall be agreed between the Insurer and the Insured, or failing such agreement shall be selected at the request of either Insurer or Insured by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the "ICAI") (as applicable), shall be appointed to resolve the dispute. The arbitrator shall base his decision on the general intention of the Insurer and Insured as stated under condition 5.7.1 above and insofar as is possible on general principles of justice and equity. The arbitrator's decision shall be binding on both Insurer and Insured.
- 5.7.4** In the event of any dispute concerning liability to indemnify the Insured (including without limitation a dispute as to the policy year under which any Claim or circumstance might fall to be dealt with between a) the Insurer and b) any insurer(s) subscribing to the policy corresponding to this policy in respect of a previous period of insurance), the Insured and the Insurer agree that the Insurer will advance Defence Costs and Expenses and indemnify the Insured in accordance with insuring clauses 1.1, 1.2, 1.4.1 and 1.7 and Condition 5.12 pending resolution of any such dispute.

5.8 Contracts (Rights of Third Parties) Act 1999 and Company Authorisation

A person who is not a party to this policy has no rights under the Contracts (Rights of Third Parties) Act 1999 or any equivalent legislation in the Republic of Ireland or any amendment or re-enactment thereof to enforce any terms of this policy. This condition does not affect any right or remedy of a third party which exists or is available other than by virtue of the Contracts (Rights of Third Parties) Act 1999.

5.9 Data Protection Act 1998

It is agreed by the Insured that any information provided to the Insurer regarding the Insured will be processed by the Insurer, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

5.10 Non cancellation

If the Insured is a Member of the Institutes listed at 5.10 b this policy may not be cancelled except if the Insured and the Insurer agree mutually in writing to cancel the policy.

In the event of such agreement, the Insurer shall within 7 days of the date upon which such agreement in writing is reached, write to:

- a) the Insured at the address shown in the Schedule notifying the Insured that the policy will be cancelled with effect from a date not less than 30 days after the date of such agreement;

b) the relevant Institute, being The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or The Institute of Chartered Accountants in Ireland notifying it of the agreement, the effective date of the cancellation and the name of the Insured.

5.11 General Subrogation Rights

The Insurer shall not exercise any right of subrogation in the name of any Insured against any other Insured except:

- a) against a person who is an Insured within the definition clause 10.11(e) and the Firm has not notified such person to the Insurer or previous insurers; and/or
- b) as provided in condition 5.4.1(d).

5.12 Advancement of Defence Costs and Expenses

Notwithstanding the provisions of condition 5.4, and subject to clause 3.4 and condition 5.7.4, the Insurer will indemnify the Insured in respect of Defence Costs and Expenses as and when they are incurred, including Defence Costs and Expenses incurred on behalf of an Insured who is alleged to have committed or condoned a dishonest or fraudulent act or omission, provided that the Insurer shall not be liable for Defence Costs and Expenses incurred on behalf of such Insured after the earlier of:

- a) the Insured admitting to the Insurer the commission or condoning of such dishonest or fraudulent act or omission;
- b) a court or other judicial body finding that the Insured was in fact guilty of such dishonest or fraudulent act or omission.

Each Insured who admits to the Insurer the commission or condoning of such dishonest or fraudulent act or omission, or against whom there is a finding of a court or other judicial body that such Insured was in fact guilty of such dishonest or fraudulent act or omission shall reimburse the Insurer in respect of Defence Costs and Expenses advanced on that Insured's behalf.

5.13 Other Insurance

The liability of the Insurer under this policy is not reduced or excluded by reason of the existence or availability of any other insurance. This clause does not affect any right of the Insurer to claim contribution from any other insurer which is also liable to indemnify any Insured.

5.14 No set-off

Any amount payable by Insurers by way of indemnity under this policy in respect of the Insured's civil liability to a Claimant will be paid only to the Claimant, or at the Claimant's direction. Insurers are not entitled to set off against any sums which are payable under this policy any payment due to them from any Insured including, without limitation, any payment of premium or any payment due to Insurers by way of reimbursement. Notwithstanding the provisions of this clause 5.14, Insurers shall only be obliged to pay any amount payable by way of indemnity in excess of the Excess and as provided in clause 3.

6 GOVERNING LAW AND DISPUTES

- 6.1** Any dispute or disagreement between the Insured and the Insurer arising out of or in connection with this policy shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon by the Insured and the Insurer or, failing agreement, to be appointed by the President of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland (as applicable) whose decision shall be final and binding on both parties.
- 6.2** Furthermore, in the event of any dispute between any insurers concerning this policy such dispute shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon or failing agreement to be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the "ICAI") (as applicable) whose decision shall be binding on both parties.
- 6.3** This policy shall be governed by and construed in accordance with the laws of England and Wales/Scotland/Ireland (as applicable).
- 6.4** To the extent that any of the provisions of clauses 5.7.4 and 6.1 may fail and/or for the purposes of any application under the Arbitration Act 1996, the courts of England and Wales/Scotland/Ireland (as applicable) shall have exclusive jurisdiction to hear and determine any disputes, suits, actions or proceedings that may arise out of or in connection with this policy.

7 INTERPRETATION

In this policy:

- a) reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this policy;
- b) if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
- c) the headings herein are for reference only and shall not be considered when determining the meaning of this policy.

8 SEVERAL LIABILITY

The obligations of each insurance company and Lloyd's syndicate (including the underwriters thereof) shall be several and not joint and shall be solely to the extent of that company's or syndicate's individual subscription. No such company or syndicate shall be responsible for the subscription of any other such company or syndicate who for any reason does not satisfy all or part of its obligations hereunder.

9 POLICYHOLDER COMPLAINTS

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 following the above procedure your complaint has not been resolved you should write to:

The Chief Executive Novae Underwriting Limited 71 Fenchurch Street London EC3M 4HH

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 without prejudice to your rights in law.

The address is:

Policyholder and Market Assistance Lloyd's One Lime Street London EC3M 7HA.

10 DEFINITIONS

- 10.1** "ALTERNATE" means any individual practitioner, partnership, limited liability partnership, Isle of Man limited liability company or company who or which is acting in connection with the arrangements to cover the incapacity or death of a sole practitioner.
- 10.2** "CLAIM(S)" mean(s) any written or oral demand(s) (including Claimants' costs) for compensation or damages from, or the assertion(s) of a right or rights against, any Insured and shall be deemed to include any complaint(s) or reference(s) to any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof ("the Ombudsman") which arises out of the conduct of Professional Business carried on by, or on behalf of, the Insured.
- 10.3** "CLAIMANT" means any person or entity which has made or may make a Claim including (without limitation) for contribution or indemnity and is deemed to include a complainant to the Ombudsman.
- 10.4** "COMPUTER SYSTEM" means any computer data processing equipment media or part thereof, or system of data storage and retrieval, or communications system, network, protocol or part thereof, 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.
- 10.5** "DEFENCE COSTS AND EXPENSES" means any costs, disbursements and expenses incurred by or on behalf of the Insured with the written consent of the Insurer (such consent not to be unreasonably withheld) in:
- a) defending any Claim or any proceedings relating to any Claim;
 - b) conducting any proceedings for an indemnity, contribution, damages or other recovery relating to a Claim;
 - c) investigating, reducing, avoiding or settling any actual or potential Claim;
 - d) investigating any circumstance which is notified to the Insurer in accordance with the terms of the policy; or
 - e) investigating and/or defending any and all disciplinary investigation(s) into the Insured by their professional body as indemnified under clause 1.7 .

It does not include the Insured's own costs and expenses.

- 10.6** "DIRECTOR" shall have the meaning given by section 1173 of the Companies Act 2006, section 2 of the Companies Act 1963 of the Republic of Ireland or section 27 of the Companies Act 1990 of the Republic of Ireland (as appropriate) or any amendment or re-enactment thereof.

- 10.7** "DOCUMENT" means all forms of documents of whatsoever nature including computer system records, but excluding bearer bonds, coupons, bank notes, currency notes and negotiable instruments.
- 10.8** "EXCESS" means amount payable by the Insured (the Insurer shall only be liable to the extent that any liability exceeds the Excess).
- 10.9** "FIRM(S)": wherever the word "Firm(s)" appears herein the same is deemed to read "the firm(s) (ie partnership(s)) or sole practitioner(s) or company(ies) (limited or otherwise) or limited liability partnership(s) or Isle of Man limited liability company(ies) (or any other entity(ies) named in the Schedule, and, save for the purposes of Clause 3.3, it includes the predecessors in business of the said Firm(s)).
- 10.10** "FUNGI" means any fungus or mycota, including but not limited to mould, mildew, mycotoxins, spores, yeast or any biogenic aerosols.
- 10.11** "INSURED" means each and all of the following persons, each of whom shall be severally insured hereunder:
- a) Any Firm(s);
 - b) Partners or directors or Members of the Firm(s) (or an individual named as the principal where, although the trading style of the Insured is such that it appears to be a Firm, in fact the Insured is a sole practitioner) and any other person who may at any time during the Period of Insurance become a partner or director or Member in the Firm(s);
 - c) Any former partner or director or Member of the Firm(s) including any such former partner or director or Member whilst acting as a consultant to the Firm(s);
 - d) Any person who is or has been under a contract of service with the Firm(s);
 - e) Any person who is or has been under a contract for services with the Firm(s), save that such person shall only be an Insured for the purpose of this policy if and insofar as any Claim or Claims arise out of Professional Business carried on by such person for or on behalf of the Firm(s);
 - f) The estates and/or legal representatives of any Insured Person noted under (b), (c), (d) or (e) hereof in the event of death, incapacity, insolvency or bankruptcy;
 - g) Any company or limited liability partnership named in item 1 of the Schedule; or
 - h) Any person who is acting on behalf of the Firm(s) as an "Alternate".
- 10.12** "INSURED PERSON" means any natural person insured hereunder.
- 10.13** "INSURER" means Novae Underwriting Limited underwriting for certain underwriters at Lloyd's.
- 10.14** "LIMIT OF INDEMNITY" means the amount stated in item 3 of the Schedule being the maximum payable by the Insurer in respect of any one Claim or loss irrespective of the number of claimants and/or the number and type of Insureds.

- 10.15** "MEMBER" means any member of a limited liability partnership, including, without limitation, a designated member.
- 10.16** "PACKAGED SOFTWARE" means any software produced by a third party that is marketed for general distribution on a wholesale or retail basis.
- 10.17** "PARTNER" shall have the meaning given by the Partnership Act 1890.
- 10.18** "PERIOD OF INSURANCE" means the period of insurance and specified in item 2 of the Schedule.
- 10.19** "PREMIUM" means the amount stated in item 5 of the Schedule plus Insurance Premium Tax (or other appropriate tax) at the rate from time to time in force.
- 10.20** "PROFESSIONAL BUSINESS" means the advice given or services provided of whatsoever nature by or on behalf of the Insured to a third party, wherever or by whomsoever given or provided irrespective of whether or not a fee is charged, but provided that if a fee is charged in respect of such advice or service then that fee is taken into account in ascertaining the income of the Firm(s).
- The above definition of "Professional Business" is deemed to extend to any of the Insured whilst holding any individual personal appointment (including, but without prejudice to the generality of the foregoing, any appointment as a trustee or personal representative made or accepted in the course of the Insured's business), but whilst holding an appointment as Company Secretary or Registrar or Director of a company which is not a Firm, it only extends to the performance of Services (as defined in clause 10.24).
- 10.21** "PROPOSAL" means all the information supplied to the Insurer (whether by written, electronic or any other means) which it is hereby agreed is the basis of this policy.
- 10.22** "REGULATED BUSINESS" means all activities regulated under the Financial Services and Markets Act 2000 as set out in Section 22 of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 and regulations made thereunder.
- 10.23** "SCHEDULE" means the document entitled "Schedule" to this policy.
- 10.24** "SERVICES" provided whilst holding the appointment of Company Secretary, Registrar or Director as referred to in the definition of "Professional Business" in paragraph 10.20 shall mean all services performed or advice given by the Insured in connection with tax matters, secretarial work, share registration, financial advice to management, book-keeping, management accounting, financial investigation and reports, the negotiation and settlement of any financial claims, company formations, investment advice, insurance and pension scheme advice and computer consultancy.
- 10.25** "TERRORISM" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) 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.