

CHARTERED ACCOUNTANTS

Professional Indemnity Insurance Policy

CHARTERED ACCOUNTANTS PROFESSIONAL INDEMNITY INSURANCE POLICY

Whereas the Insured has submitted to the Insurer a signed proposal form or forms and, where requested, a declaration form containing particulars and statements which are the basis of this Policy and are incorporated herein.

SECTION 1 - INSURING CLAUSES

In consideration of the payment or the promise of payment to the Insurer of the Total Premium the Insurer, to the extent and in the manner hereinafter provided, hereby agrees:

1.1. Civil Liability

To indemnify the Insured against any Claim or Claims first made against the Insured during the Period of Insurance in respect of any civil liability whatsoever or whensoever arising, including liability for Claimants' costs, incurred in connection with the conduct of any Professional Business carried on by, or on behalf of, the Insured.

1.2 Fidelity

To indemnify the Insured for any loss which, during the Period of Insurance, the Insured shall first discover to have been sustained by reason of any dishonest or fraudulent act or omission of any former or present Partner, Director, Member or employee of the Firm and notify to the Insurer subject always to General Condition 3.7 hereof.

1.3 Ombudsman Awards

To indemnify the Insured against:

- (a) any amount paid and/or payable; and
- (b) the cost of taking any steps which the Insured is directed to take in relation to a Claimant, in accordance with any final and binding award or determination 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, including Claimant's costs, provided that the Claim giving rise to the award or determination of the Ombudsman was first made against the Insured during the Period of Insurance and that the Claim arose out of the conduct of Professional Business carried on by, or on behalf of, the Insured. Nothing in this Clause limits or restricts, or shall be construed as limiting or restricting, the scope of indemnity afforded by Insuring Clause 1.1.

1.4 Loss of Documents

To indemnify the Insured in respect of any reasonable costs and expenses incurred by the Insured with the prior written consent of the Insurer in replacing or restoring Documents owned by the Insured in the conduct of the Insured's Professional Business, which are discovered and notified to the Insurer during the Period of Insurance to be damaged, destroyed, lost or mislaid and which after diligent search cannot be found.

The maximum amount payable by the Insurer under this clause shall be £100,000 in respect of each loss or series of losses arising from the same cause or event and in the aggregate during the Period of Insurance. This sum is not additional to and shall not increase the Limit of Indemnity.

1.5 Costs of Legal Representation

To indemnify the Insured in respect of any reasonable costs and expenses incurred by the Insured with the prior written consent of the Insurer for legal representation of the Insured at any proceedings before any duly constituted court or tribunal of enquiry or similar forum having the like power to compel attendances of witnesses at which the Insured in the opinion of the Insurer should be

represented by reason of any conduct which might give rise to or has given rise to a claim under this Policy, provided always that:

- (a) this indemnity will only extend to Claims or Circumstances notified to the Insurer during the Period of Insurance; and
- (b) the Insurer shall not be liable to pay any penalty, fine or costs awarded against the Insured; and
- (c) the Insurer shall be entitled to nominate a barrister to represent the Insured.

SECTION 2 - DEFINITIONS

- 2.1 "Alternate"** shall mean any individual practitioner, partnership, limited liability partnership or company who is acting in connection with the arrangements to cover the incapacity or death of a sole practitioner.
- 2.2 "Circumstance"** shall mean an intimation to the Insured of a possible Claim or an awareness by the Insured of facts which are likely to give rise to a Claim.
- 2.3 "Claim"** shall mean a demand by a Claimant for compensation or damages from, or the assertion of a right against, any Insured and shall be deemed to include any complaint or reference to any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 and Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof which arises out of the conduct of Professional Business carried on by, or on behalf of, the Insured and **"Claimant"** shall be deemed to include a complainant to any such Ombudsman.
- 2.4 "Computer"** shall mean any computer or other electronic data processing device, equipment or system, any hardware, software, program, instruction, data or component utilised or intended to be utilised therein or thereby, or any actual or intended function of or process performed by any of the foregoing.
- 2.5 "Director"** shall have the meaning given by section 741(1) of the Companies Act 1985, article 9 of the Companies (Northern Ireland) Order 1986, Section 2 of the Companies Act 1960 of the Republic of Ireland or Section 27 of the Companies Act 1990 of the Republic of Ireland as appropriate.
- 2.6 "Documents"** shall mean all forms of documents of whatsoever whether written printed or reproduced by any other method, including records stored on a Computer provided the Insured maintains duplicates of such records, and excludes bearer bonds, coupons, bank notes, currency notes and negotiable instruments.
- 2.7 "Excess"** shall mean any excess stated in the Schedule for which the Insurer will not indemnify the Insured in respect of each Claim.
- 2.8 "Finance Provider"** shall mean a third party who enters into an agreement with the Insured to enable the Insured to pay the Total Premium by instalments.
- 2.9 "Firm"** shall mean the firms stated in the Schedule and wherever the word "Firm" appears herein the same shall be deemed to read "the Firm or company or limited liability partnership named in the Schedule and save for the purposes of General Condition 3.6 includes the predecessors in business of the said Firm".
- 2.10 "Insured"** shall mean each and all of the following persons, each of whom shall be severally insured hereunder:
 - (a) those persons named in the proposal form or forms submitted to the Insurer as Partners or Directors or Members of the Firm, or named as the principal where the Firm 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 of the Firm; and

- (b) any past Partner or Director or Member of the Firm including any such past Partner or Director or Member whilst acting as a consultant to the Firm; and
- (c) those persons named in the proposal form or forms submitted to the Insurer as consultants; and
- (d) any past or present employee of the Firm; and
- (e) any past or present employee of a Member 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; and
- (f) the estates and/or legal representatives of any Insured Person noted under (a), (b), (c) or (d) hereof in the event of death, incapacity, insolvency or bankruptcy; and
- (g) any company or limited liability partnership stated in the Schedule; and
- (h) any person who is acting on behalf of the firm as an Alternate; and
- (i) any Sub-Contractor.

2.11 "Insured Person" shall mean any natural person insured hereunder.

2.12 "Insurer" shall mean the insurer as stated in the Schedule.

2.13 "Limit of Indemnity" shall mean the limit of indemnity stated in the Schedule which is available to indemnify the Insured in respect of each Claim save as otherwise expressly limited.

Any Claim resulting from:

- (a) one and the same act, error or omission; or
- (b) a series of acts, errors or omissions arising out of the same proximate cause; or
- (c) acts, errors or omissions of one person or persons acting together or in which such person or persons are concerned or implicated,

shall for the purpose of the Limit of Indemnity and the Excess be treated as one Claim save that for the purpose of the Excess any Claim in respect of or affecting more than one audit or other service or advice provided by the Insured shall be treated as one Claim in respect of each audit or other service or advice.

2.14 "Member" shall mean any member of a limited liability partnership including, without limitation, a designated member save that such a member shall only be an Insured for the purposes of this Policy if and insofar as any Claim arises out of Professional Business carried on by the member for or on behalf of the Firm.

2.15 "Partner" shall have the meaning given by the Partnership Act 1890.

2.16 "Period of Insurance" shall mean the period of insurance stated in the Schedule unless the Policy is terminated.

2.17 "Professional Business" shall mean advice given or services performed of whatsoever nature by or on behalf of the Insured, wherever or by whomsoever given or performed 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. "Professional Business" shall be 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, only in relation to the performance of Services.

- 2.18 "Services"** shall mean services performed whilst holding the appointment of company secretary, registrar or Director as referred to in the definition of "Professional Business" and 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 financial claims, company formations, investment advice, insurance and pension scheme advice and computer consultancy.
- 2.19 "Sub Contractor"** shall mean;
- (a) any person named in the proposal form or forms submitted to the Insurer as a sub-contractor of the Insured; or
 - (b) any person who, during the Period of Insurance, is notified to the Insurer as a sub-contractor of the Insured.
- 2.20 "Total Premium"** shall mean the amount stated in the Schedule payable by the Insured to the Insurer.

SECTION 3 - GENERAL CONDITIONS

3.1 Payment of Total Premium

- 3.1.1 Unless otherwise agreed in writing between the Insurer and the Insured, it is a condition precedent to the Insurer's liability under this Policy that the Insured shall pay the Total Premium to the Insurer within 14 days of inception of the Policy and that time is of the essence. If the Total Premium is not paid to the Insurer within 14 days of inception, the Policy is terminated immediately with effect from inception and the Insurer will have no liability under the Policy.
- 3.1.2 Where the Insurer and the Insured have agreed in writing that a Finance Provider will pay the Total Premium on behalf of the Insured to the Insurer it is a condition precedent to the Insurer's liability under this Policy that the Insured shall pay to the Finance Provider each of the instalments due to the Finance Provider on the dates that they are due and that time is of the essence and that the Insured shall not breach any of the terms and conditions of the agreement between the Finance Provider and the Insured. Unless all of the instalments are paid by the due date, the Policy is terminated:
- (a) with effect from inception if no instalment has been paid and the Insurer will have no liability under the Policy; or
 - (b) with effect from the date that the instalment which has not been paid was due if one or more instalments have been paid and the Insurer will have no liability after that date.
- 3.1.3 It is also a condition precedent to the Insurer's liability under the Policy that the Finance Provider does not, pursuant to the agreement between the Finance Provider and the Insured, instruct the Insurer to cancel the Policy. If the Finance Provider instructs the Insurer to cancel the Policy it is terminated in accordance with General Condition 3.1.2 (a) or (b) above or, in any other circumstances, with effect from the date of the instruction from the Finance Provider to the Insurer.
- 3.1.4 Where the Insurer and the Insured have agreed in writing that the Insured shall pay the Total Premium to the Insurer by instalments it is a condition precedent to the Insurer's liability under this Policy that the Insured shall pay to the Insurer each of the instalments due to the Insurer on

the date that they are due. Unless all of the instalments are paid by the due date, the Policy is terminated:

- (a) with effect from inception if no instalment has been paid and the Insurer will have no liability under the Policy; or
- (b) with effect from the date that the instalment which has not been paid was due if one or more instalments have been paid and the Insurer will have no liability after that date.

3.2 Limit of Indemnity

The total liability of the Insurer in any Period of Insurance shall not exceed the Limit of Indemnity.

3.3 Joint Insureds

The Limit of Indemnity shall not be varied or deemed varied by the number or type of Insureds under this Policy.

3.4 Defence Costs

Notwithstanding General Condition 3.2, the Insurer shall in addition indemnify the Insured in respect of all costs and expenses incurred with its written consent, such consent not to be unreasonably withheld or unreasonably delayed, in:

- (a) the defence, investigation or settlement of any Claim which falls to be dealt with hereunder; or
- (b) the investigation of any Circumstances notified to the Insurer under General Condition 3.11.2 which may give rise to a Claim and which falls to be dealt with hereunder,

provided that if a payment in excess of the amount of indemnity available hereunder has to be made to dispose of any Claim or number of Claims against the Insured, the Insurer's liability for such costs and expenses shall be such proportion thereof as the amount of indemnity available hereunder bears to the amount required to dispose of such Claim or Claims.

3.5 Excess

Any Excess stated in the Schedule shall be borne by the Insured. The Insurer's liability shall only be in excess of this amount. Any Excess shall not be applicable to costs and expenses incurred with the Insurer's consent as provided for in General Condition 3.4.

3.6 Minimum Terms Excess

Notwithstanding the Excess the maximum amount borne by the Insured during the Period of Insurance shall not exceed the maximum amount 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 or Ireland as applicable in force at the date of the inception or renewal of this Policy.

3.7 Dishonesty or Fraud

3.7.1 Should the Insured suffer any loss or incur any liability of the type insured under the Policy by reason of the dishonest or fraudulent act or omission of any past or present Partner, Director, Member, employee, consultant, Sub-Contractor or Alternate of the Firm, no indemnity shall be afforded hereunder in respect of such loss or liability to any person committing or condoning such dishonest or fraudulent act or omission and the sums payable hereunder shall be only for the balance of liability in excess of the amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives.

3.7.2 Where a loss or Claim against the Insured involves the dishonest or fraudulent act or omission of any past or present Partner, Director, Member, employee, consultant, Sub-Contractor or Alternate of the Firm;

- (a) the Insured shall at the request and expense of the Insurer take all reasonable steps to obtain reimbursement from such person; and
- (b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from the Insured or any monies of such persons held by the Insured shall be deducted from any amount payable hereunder; and
- (c) no indemnity in respect of such loss or claim shall be afforded hereunder to any person committing or condoning such dishonest or fraudulent act or omission; and
- (d) nothing herein shall preclude the Insurer from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.

3.8 No Admission of Liability

The Insured shall as a condition precedent to the Insured's right to be indemnified hereunder not admit liability for or settle any Claim without the written consent of the Insurer.

3.9 Claims Control & Co-Operation

- 3.9.1 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 and to conduct an investigation into Circumstances notified under General Condition 3.11 which may give rise to a Claim and to receive at all times the full co-operation of the Insured for this purpose. Subject thereto and subject to General Conditions 3.8, 3.9.2 and 3.11, 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 Condition of this Policy.
- 3.9.2 The Insured shall not incur any costs or expenses in connection with any Claim or any Circumstances notified to the Insurer under General Condition 3.11 which may give rise to a Claim without the written consent of the Insurer, such consent not to be unreasonably withheld or unreasonably delayed.

3.10 Settlement

Neither the Insured nor the Insurer shall be required to contest any legal proceedings unless a Queen's Counsel or the equivalent in the Republic of Ireland, 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 or in Ireland as applicable, shall advise that, taking due account of the interests of both Insurer and Insured, such proceedings should be contested.

3.11 Notification

- 3.11.1 The Insured shall as a condition precedent to the Insured's right to be indemnified hereunder give to the Insurer notice in writing as soon as practicable:
 - (a) of any Claim made against the Insured; or
 - (b) of the receipt of notice from any party of an intention to make a Claim against the Insured; or
 - (c) of any loss suffered by the Insured; or
 - (d) of the discovery of reasonable cause for suspicion of dishonesty or fraud on the part of any present or past Partner, Director, Member, employee, consultant, Sub-Contractor or Alternate of the Firm whether giving rise to a loss or Claim hereunder or not.

3.11.2 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 to the Insurer as soon as practicable. Such notice having been given;

- (a) any Claim which may subsequently be made against the Insured arising out of that Circumstance shall be deemed to have first been made against the Insured during the Period of Insurance; or
- (b) any loss which the Insured may subsequently discover to have sustained, being a loss arising out of that Circumstance, shall be deemed to have been first discovered by the Insured during the Period of Insurance.

3.12 False or Fraudulent Claims

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

3.13 Disputes or Disagreements

Save as provided in General Conditions 3.8, 3.9 and 3.10, 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 or in Ireland as applicable whose decision shall be final and binding on both parties.

3.14 Choice of Law

This Policy shall be governed by and construed in accordance with the laws of England and Wales, Scotland or Ireland as applicable.

3.15 Jurisdiction

The Courts of England and Wales, Scotland or Ireland as applicable shall have exclusive jurisdiction to hear and determine any suits, actions or proceedings and to settle any disputes that may arise out of or in connection with this Policy.

3.16 Subrogated Rights

If the Institute of Chartered Accountants in England and Wales, of Scotland or in Ireland become subrogated to the Insured's rights under this Policy arising from their making a payment to a third party from the Institute Compensation Fund, the Institute shall be deemed hereby to rank as a preferential creditor and its claim shall have priority over any other party who may also become subrogated to the Insured's rights hereunder.

3.17 Cancellation

This Policy may not be cancelled except if the Insured and the Insurer agree mutually in writing to cancel the Policy in which case this Policy may be cancelled by the Insurer by mailing a written notice of cancellation to the Insured at the address shown in the Schedule stating when such cancellation shall be effective being a date not less than seven days thereafter.

In the event of cancellation the Insurer will immediately notify The Institute of Chartered Accountants in England and Wales, of Scotland or in Ireland of the cancellation and the name of the Insured.

3.18 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof to enforce any term of this Policy. This General 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 or any equivalent legislation in the Republic of Ireland.

3.19 Tax

The Insured will pay any tax due on the premium in accordance with current legislation.

SECTION 4 - SPECIAL CONDITIONS

4.1 Non-disclosure or Misrepresentation

4.1.1 The Insurer will not exercise its right to avoid this Policy or any contract of insurance herein or claim to be discharged from any liability hereunder, on the grounds of any alleged non-disclosure or misrepresentation of facts or alleged untrue statements in the proposal form or forms and, where requested, a declaration form or in any other information which may have been supplied, provided always that the Insured shall establish to Insurer's reasonable satisfaction that such alleged non-disclosure, misrepresentation or untrue statement was free of any fraudulent conduct or intent to deceive.

4.1.2 However, if such alleged non-disclosure, misrepresentation or untrue statement consists of or includes a failure to inform the Insurer of any Circumstance of which the Insured was aware which might give rise to a loss or Claim against the Insured the indemnity hereunder in respect of that loss or Claim shall be limited as follows:

- (a) where the Insured should have notified such Circumstance under any previous insurance, whether with other insurers or not, the indemnity hereunder shall be limited to the indemnity which would have been available under the earliest such previous insurance if such Circumstance had been properly notified; or
- (b) where the Insured should have notified such Circumstance under this Policy prior to obtaining any increase in the Limit of Indemnity hereunder 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.

4.2 Prejudice to the Insurer

Where the Insured's breach of or non-compliance with any General 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 General Condition 3.7,

the indemnity afforded hereunder including liability for Claimant's costs shall be reduced to such sum as in the Insurer's reasonable opinion would have been payable by it in the absence of such prejudice.

SECTION 5 - EXCLUSIONS

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

5.1 USA or Canada

- (a) If the action is brought in any Court of the United States of America or Canada; or

- (b) arising from Professional Business carried out from any office or other premises situated in the United States of America or Canada.

5.2 Employer's Liability

Arising directly or indirectly from:

- (a) bodily injury, mental injury, psychological injury, anguish, emotional distress, shock, sickness, disease or death sustained by any person who is or has been an employee of the Firm or any Member arising out of or in the course of his or her employment; and/or
- (b) any dispute between the Firm or any Member as an employer or potential employer and any person who is or who has made an application for employment with the Firm or any Member.

5.3 Liability Arising Out of Bodily Injury

For death of or bodily injury to or psychological injury, emotional distress or anguish, shock, sickness or disease of any person, not being a person who is or has been an employee of the Firm or any Member, save that this exclusion will not apply to any loss or 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.

5.4 Product Liability

Arising directly from goods sold, supplied, repaired, altered, manufactured, constructed, installed or maintained by the Insured or by 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 to packaged software. Packaged software shall mean any software produced by a third party that is marketed for general distribution on a wholesale or retail basis. For the avoidance of doubt, this exclusion shall not apply to any Claim or loss arising from amendments or adaptations made to packaged software by or on behalf of the Insured.

5.5 Contractual Liability

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.

5.6 Physical Damage

Save in respect of Insuring Clause 1.4, for physical loss of or damage to property.

5.7 Ownership, Possession or Use of Property

Save in respect of Insuring Clause 1.4, arising directly or indirectly from the ownership, possession or use by the Insured of land, buildings, aircraft, watercraft, vessels or mechanically propelled vehicles.

5.8 Other Insurance

In respect of which the Insured are entitled to indemnity under any other insurance except in respect of any excess beyond the amount which would have been payable under such insurance had this Policy not been effected.

5.9 Previous Circumstance or Claim

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

5.10 Dishonesty or Fraud

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

5.11 Underwriter or Insurance Company

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 judgement in any court against the Insured notwithstanding anything to the contrary contained in General Condition 3.8 of this Policy.

5.12 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 is not to 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.

5.13 Investment Advice

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.

5.14 Nuclear Risks

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.

5.15 War Risks

Directly or indirectly caused by, or contributed to by, or arising 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.

5.16 Claims Between Insureds

Save in respect of General Condition 3.7.2, by any person comprising the Insured against any other person comprising the Insured.

5.17 Fines, Penalties or Multiple or Exemplary or Punitive Damages

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 indemnity afforded by Insuring Clause 1.3.

5.18 Company Secretary, Registrar or Director

Save in respect of the performance or non-performance of Services, arising out of any Insured acting as company secretary or registrar or Director.

5.19 Terrorism Risks

Arising from any Claim made against the Insured directly or indirectly caused by or resulting from any act of terrorism.

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

This exclusion also excludes loss, damage, costs or expense of whatsoever nature arising from a Claim made against the Insured directly or indirectly caused by or resulting from any action taken in controlling, preventing or suppressing any act of terrorism.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

5.20 Pollution

Arising out of or relating directly or indirectly to or in consequence of seepage, pollution or contamination of any kind, save that this exclusion will not apply to any loss or any Claim which arises from any actual or alleged breach of duty in the performance of, or failure to perform, Professional Business.

5.21 Termination of Firm

Any Circumstance or Claim in respect of the exercise and conduct of the Insured's Professional Business on or after the date of:

- (a) a winding up order against the Firm where the Firm is a limited company; or
- (b) a bankruptcy order against the principal of the Firm or of all the Partners of the Firm; or
- (c) the death of the principal of the Firm or of all the Partners of the Firm; or
- (d) the Firm ceasing to trade for any other reason.

5.22 Retroactive Date

Where a Retroactive Date is stated in the Schedule, any conduct of the Insured's Professional Business prior to the Retroactive Date.