

LONDON THIRD PARTY GENERAL LIABILITY POLICY (OCCURRENCE)

(Not applicable to risks located in the United States of America, its Territories or Dependencies)

NOTICE: INDEMNITY IS AFFORDED ON AN ULTIMATE NET LOSS BASIS. THE LIMIT OF LIABILITY OF THIS POLICY SHALL BE REDUCED OR EXHAUSTED BY PAYMENTS OF CLAIMS EXPENSES AND/OR DAMAGES.

PAYMENTS OF CLAIMS EXPENSES AND/OR DAMAGES SHALL BE APPLIED AGAINST THE RETENTION AMOUNT. UNDERWRITERS SHALL ONLY MAKE PAYMENT FOR CLAIMS EXPENSES IN EXCESS OF THE RETENTION AMOUNT AND HAVE THE RIGHT TO ASSOCIATE IN THE DEFENCE OF ANY CLAIM. UNDERWRITERS DO NOT ASSUME ANY DUTY TO DEFEND.

TERMS IN BOLD PRINT ARE DEFINED WITHIN THIS POLICY OR STATED IN THE DECLARATIONS AND HAVE SPECIAL MEANING. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT, BROKER OR OTHER REPRESENTATIVE.

I. INSURING AGREEMENTS

In consideration of the payment of the premium set out in Item 7 of the Declarations, subject to the terms and conditions of this Policy and in reliance upon the statements made in the Application, Underwriters agree with the Named Insured as follows:

1. COVERAGE

To indemnify the Insured for Ultimate Net Loss by reason of liability:

- (a) imposed upon the Insured by law; or
- (b) assumed by the Insured under an Insured Contract for Damages in respect of Bodily Injury or Property Damage caused by an Occurrence, provided always that:
 - (i) the Occurrence arises out of an Insured Operation; and
 - (ii) the Occurrence first commences on an identified specific date during the Policy Period.

2. DEFENCE AND SETTLEMENT

Underwriters do not assume the duty to defend any Claim under this Policy; however, Underwriters shall have the right to associate with the Insured in the defence of any such Claim. The Insured shall not admit liability or settle any action without Underwriters' written consent.

3. RETENTION AMOUNT

The Insured is responsible for the Retention Amount stated in Item 5 of the Declarations. The Retention Amount shall apply to each and every Occurrence as a condition precedent to any payment by Underwriters. The Retention Amount shall only be eroded by Ultimate Net Loss. The

Retention Amount shall apply without aggregate limitation regardless of the number of **Occurrences** that may be covered by this **Policy**. The **Insured** shall make direct payments for **Ultimate Net Loss** within the **Retention Amount** to appropriate other parties approved by Underwriters. Thereafter Underwriters shall advance the payment of **Ultimate Net Loss** in excess of the **Retention Amount**, subject to the **Limit of Liability**. In the event Underwriters advance payments for **Ultimate Net Loss** within the **Retention Amount**, the **Insured** shall reimburse Underwriters for such sums advanced within the **Retention Amount**.

4. **LIMIT OF LIABILITY**

The **Limit of Liability** stated in Item 6(a) of the Declarations is the limit of Underwriters' liability for all **Ultimate Net Loss** resulting from each **Occurrence**, regardless of the number of **Insureds**, **Claims** or claimants.

The aggregate **Limit of Liability** stated in Item 6(b) of the Declarations is the maximum limit of Underwriters' liability for all **Ultimate Net Loss** covered by this **Policy**.

The **Limit of Liability** shall be reduced and may be exhausted by all **Ultimate Net Loss** payments. Underwriters shall not be obligated to make any **Ultimate Net Loss** payment once the **Limit of Liability** is exhausted, or the available **Limit of Liability** is deposited in a court of competent jurisdiction.

5. **JOINT VENTURES**

As regards any liability of the **Insured** covered by this **Policy** and arising in any manner whatsoever out of the operations or existence of any **Joint Venture** in which the **Insured** has an interest:

- (a) the **Retention Amount**; and
- (b) the **Limit of Liability**

shall be limited to the product of:

- (i) the percentage interest of the **Insured** in said **Joint Venture** or such percentage as takes account of any acceptance by Underwriters as set out in Definition 9(d); and
- (ii) the **Retention Amount** and the **Limit of Liability**; respectively.

Where the percentage interest of the **Insured** is not set forth in writing, the percentage to be applied shall be that which would be imposed by law at the inception of the **Joint Venture**. Such percentage shall not be increased by the insolvency, bankruptcy or receivership of any members of said **Joint Venture** or any other party. Nothing contained in this clause shall make this **Policy** subject to the terms of any other insurance.

II. **DEFINITIONS**

This **Policy** is subject to the following definitions:

- 1. "**Aircraft**" shall mean any aircraft, aeroplane or helicopter that is designed to fly in the air or atmosphere.

2. **“Application”** shall mean all applications for insurance, including all attachments and other materials submitted with the applications or incorporated in them and any other documents provided by the **Insured** to the Underwriters in connection with the underwriting of this **Policy** or any change or endorsement to it.
3. **“Automobile”** shall mean any land motor vehicle, motorcycle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
4. **“Bodily Injury”** shall mean physical injury, sickness, disease or death sustained by any person, and shall also mean mental injury or mental anguish to that person resulting directly from such physical injury, sickness or disease.
5. **“Claim”** shall mean that part of any written demand received by the **Insured** for **Damages** covered by this **Policy**.
6. **“Claims Expenses”** shall mean reasonable legal costs and related expenses incurred by or on behalf of the **Insured** in the defence of any **Claim**, including attorney's fees and disbursements, investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, excluding salaries, wages and benefits of the **Insured's** employees and the **Insured's** administrative expenses.
7. **“Completed Operations Liability”** shall mean liability for **Bodily Injury** and/or **Property Damage** arising out of the **Insured's** operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** and/or **Property Damage** happens after such operations have been completed or abandoned and happens away from the premises owned, leased, rented or occupied by the **Insured**.

Operations include materials, parts or equipment furnished in connection therewith.

Operations shall be deemed to be completed at the earliest of the following times:

- (a) when all operations to be performed by or on behalf of the **Insured** under the relevant contract have been completed; or
- (b) when all operations to be performed by or on behalf of the **Insured** at the site of the operations have been completed; or
- (c) when that portion of the work out of which the **Bodily Injury** and/or **Property Damage** arises has been put to its intended use by any person or entity other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.

Operations which may need service, maintenance, correction, repair or replacement, but which are otherwise complete, shall be deemed as completed.

Completed Operations Liability does not include liability for **Bodily Injury** and/or **Property Damage** arising out of:

- (i) operations in connection with the transportation of property, unless the **Bodily Injury** and/or **Property Damage** arises out of a condition in or on an **Automobile** created by the loading and or unloading thereof; or
 - (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.
- 8. **“Damages”** shall mean sums that the **Insured** is legally obligated to pay under a monetary judgement or award in order to compensate a **Third Party** for actual loss arising from an **Occurrence** covered by this **Policy**.
- 9. **“Insured”** shall mean only the following:
 - (a) the **Named Insured**, as set forth in Item 1 of the Declarations; and
 - (b) the **Named Insured’s** subsidiary, owned or controlled companies which have been declared to and accepted by Underwriters; and
 - (c) the **Insured’s** employees but only for acts within the scope of their employment; and
 - (d) the additional percentage of any **Joint Venture** where the **Insured** is obligated by written contract to purchase insurance for any other partner in said **Joint Venture** and which has been declared to and accepted by Underwriters of this **Policy** prior to any relevant **Occurrence**.
- 10. **“Insured Contract”** shall mean any written contract entered into by the **Insured** prior to any relevant **Occurrence** where the **Insured** assumes the tort liability of another party to pay for **Bodily Injury** or **Property Damage** to which this **Policy** applies to a **Third Party**. Tort liability means a liability that would have been imposed by law in the absence of any written contract. Written contract includes any written indemnity agreement entered into by the **Insured** with a **Third Party**.
- 11. **“Insured Operation”** shall mean any operation stated in Item 3 of the Declarations.
- 12. **“Insured’s Products”** shall mean goods or products manufactured, sold, handled or distributed by the **Insured** or by others trading under the name of the **Insured** including any packaging thereof.
- 13. **“Joint Venture”** shall mean any joint venture, co-venture, joint lease, joint operating agreement or partnership.
- 14. **“Mobile Equipment”** shall mean all bulldozers, farm machinery, forklifts, power cranes, power shovels, power loaders, power drills, power diggers, road construction or resurfacing equipment.
- 15. **“Occurrence”** shall mean an accident, including continuous and repeated exposure to substantially the same general harmful conditions, which results in **Bodily Injury** and/or **Property Damage** to which this **Policy** applies, none of which was expected or intended.
- 16. **“Policy”** shall mean this contract of insurance, all amendments and endorsements thereto, and the representations made in the **Application**.

17. “**Products Liability**” shall mean liability for **Bodily Injury** and/or **Property Damage** arising out of the **Insured’s Products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** and/or **Property Damage** occurs after physical possession of such products has been relinquished to others and occurs away from premises owned, leased, rented or occupied by the **Insured**.
18. “**Professional Services**” shall mean the performance of legal, accounting, auditing, architectural, design, engineering, surveying, data processing, supervisory, inspection, consulting or investment advisory services.
19. “**Property Damage**” shall mean physical loss of, physical damage to or physical destruction of tangible property of a **Third Party**, including loss of use of the tangible property so lost, damaged or destroyed.
20. “**Third Party**” shall mean any company, entity or person other than an **Insured**.
21. “**Ultimate Net Loss**” shall mean the total sum the **Insured** is obligated to pay as **Damages** resulting from a **Claim** and includes all **Claims Expenses** resulting from said **Claim**.
22. “**Watercraft**” shall mean any craft designed to float or travel on, in or under the water and shall include hovercraft.

III. EXCLUSIONS

This **Policy** shall not indemnify for any actual or alleged liability:

1. for **Bodily Injury** or **Property Damage** intended or expected or which reasonably could have been expected; however this exclusion shall not apply to the liability of the **Insured** for **Bodily Injury** directly resulting from the use of reasonable force by the **Insured** to protect persons or property;
2. arising out of breach of contract;
3.
 - (a) for **Bodily Injury** to an employee of the **Insured** arising out of and in the course of employment or performing duties related to the conduct of the **Insured’s** business; or
 - (b) arising from a **Claim** made by any spouse, child, parent, brother, sister, or any other relative or dependant of an employee identified in (a) above; or
 - (c) under any workers' compensation, unemployment compensation or disability laws, statutes or regulations; or
 - (d) for employers' liability; or
 - (e) arising out of any obligation of the **Insured** to share **Damages** with or to defend, reimburse or indemnify a **Third Party** for any **Claim** arising from **Bodily Injury** to an employee identified in (a) above;

This exclusion shall apply whether the **Insured** may be liable as an employer or in any other capacity;

4.
 - (a) for wrongful termination of employment, failure to employ or promote, wrongful demotion or wrongful discipline; or
 - (b) for discrimination on the basis of race, colour, national origin, religion, age, sex, disability, pregnancy, sexual orientation or marital status; or
 - (c) for sexual harassment;
5. from any act, error or omission of the **Insured**, or any other person or entity for whose acts, errors or omissions the **Insured** assumes liability, in respect of the **Insured's** employee benefits plan or programme;
6. arising out of the ownership, maintenance, use or entrustment to others of any **Automobile, Watercraft or Aircraft** owned or operated or chartered by or rented or loaned to any **Insured**; however this exclusion shall not apply to any liability of the **Insured** for **Bodily Injury** and/or **Property Damage** arising out of the operation of **Mobile Equipment** in the course of the **Insured Operation**;
7. for any **Property Damage** to property:
 - (a) owned, occupied, leased, rented, chartered or hired by the **Insured**;
or
 - (b) in the care, custody or control of the **Insured**;
8. for any **Property Damage** to the **Insured's Products** arising therefrom or from any part thereof;
9. for **Property Damage** to property worked on by or on behalf of the **Insured** arising out of such work or any portion thereof, or out of any material, parts or equipment furnished in connection therewith;
10. arising from the withdrawal, recall, return, inspection, repair, replacement, or loss of use of the **Insured's Products** or work completed by or for the **Insured** or for any property of which such **Insured's Products** or work form a part;
11. for **Products Liability**;
12. for **Completed Operations Liability**;
13.
 - (a) for any fines and/or penalties;
 - (b) for any punitive damages, exemplary damages or any additional damages resulting from the multiplication of compensatory damages;
14. directly or indirectly caused by or arising out of seepage, pollution or contamination however caused whenever or wherever happening;

This exclusion shall not apply where all of the following conditions are shown by the **Insured** to have been met:

- (a) the seepage, pollution or contamination was caused by an **Occurrence**; and
- (b) the **Occurrence** first commenced on an identified specific date during the **Policy Period** set out in Item 4 of the Declarations; and

- (c) the **Occurrence** was first discovered by the **Insured** within seven (7) days of first commencement; and
- (d) written notification of the **Occurrence** was first received from the **Insured** by Underwriters within thirty (30) days of the **Insured's** first discovery of the **Occurrence**; and
- (e) the **Occurrence** did not result from the **Insured's** intentional violation of any statute, rule, ordinance or regulation.

Even if the above conditions (a) to (e) are satisfied, this **Policy** shall not indemnify for any actual or alleged liability:

- (i) to abate or investigate any threat of seepage onto or pollution or contamination of the property of a **Third Party**;
 - (ii) for seepage, pollution or contamination of property which is or was, at any time, owned, leased, rented or occupied by any **Insured**, or which is or was, at any time, in the care, custody or control of any **Insured** (including the soil, minerals, water or any other substance on, in or under such owned, leased, rented, occupied or controlled property or property in such care, custody or control);
 - (iii) in respect of any seepage, pollution or contamination which is directly caused by or arises out of the drilling of, production from, servicing of, operation of or participation in wells or holes;
15. arising out of the **Insured's** failure to perform or failure to supply or arising out of fluctuations in the supply of any oil, gas, electricity, chemicals, products, materials or services;
16. for any act, error or omission, malpractice or mistake arising out of **Professional Services**; however this exclusion shall not apply to the liability of the **Insured** for **Bodily Injury** and/or **Property Damage** resulting directly from any such **Professional Services**;
17. arising out of:
- (a) an **Insured's** capacity, duty or responsibility as an officer, director or trustee of a business by reason of any breach of fiduciary duty or improper conduct or conflict of interest in the performance of an **Insured's** duties, responsibilities or accountability as an officer, director or trustee;
 - (b) any violation of any national, federal, state or local law regulating, controlling or governing stock, bonds or securities of any type or nature;
 - (c) any shareholder derivative action;
 - (d) any violation of any national, federal, state or local law regulating, controlling or governing antitrust or the prohibition of monopolies, activities in the restraint of trade, unfair methods of competition or deceptive acts and practices or conspiracies in trade and commerce;
 - (e) or contributed to by the dishonesty, infidelity or fraud of any **Insured**;

18. directly or indirectly arising out of any one or more of the following:
 - (a) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, revolution, rebellion, military or usurped power, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - (b) confiscation or expropriation or nationalisation or requisition or deliberate destruction of or deliberate damage to property;
 - (c) capture, seizure, arrest, restraint or detention and any consequences thereof or any attempt threat;
 - (d) piracy;
 - (e) any act of terrorism or of any person(s) acting maliciously or from a political motive;
19. directly or indirectly arising out of: asbestos; tobacco; coal dust; mould; polychlorinated biphenyls; methyl tertiary butyl ethyl/ether; silica; benzene; lead; talc; dioxin; pesticides or herbicides; electromagnetic fields; pharmaceutical or medical drugs/products/substances/devices; or any substance containing such material or any derivative thereof;
20. arising out of conditions or injuries in the nature of, caused by, associated with or related to: the human immunodeficiency syndrome (HIV) or Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC) or any syndrome or condition of a similar kind howsoever it may be named; cumulative trauma disorder; repetitive motion or strain injury; carpal tunnel syndrome;
21. arising out of handling, processing, treatment, storage, disposal or dumping of any waste materials or waste substances; or arising out of such waste materials or waste substances during transportation;
22. for **Property Damage** resulting from subsidence caused by the sub-surface operations of the **Insured**;
23. to any partner of the **Insured** in any **Joint Venture** with respect to such **Joint Venture**.

Nothing contained in the above exclusions shall extend the **Policy** to cover any liability which would not have been covered had these exclusions not been incorporated herein.

IV. **CONDITIONS**

This **Policy** is subject to the following conditions:

1. **APPLICATION OF RECOVERIES**

All recoveries or payments recovered or received subsequent to a loss settlement under this **Policy**, after deduction of all recovery expenses, shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the **Insured** and Underwriters.

2. ASSISTANCE AND CO-OPERATION OF THE INSURED

Underwriters shall have the right to make any investigation they deem necessary, including, without limitation, any investigation with respect to coverage or the statements made in the **Insured's Application**. The **Insured** shall co-operate with Underwriters in all investigations, including investigations regarding the **Application** and coverage under this **Policy** and, upon Underwriters' request, assist in making settlements, in conducting suits and in enforcing any right of contribution or indemnity against any person or organisation. The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

The **Insured** shall not, except at its own cost, admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgement or award or otherwise dispose of any **Claim** without Underwriters' written consent. If the **Insured** shall refuse to consent to any settlement recommended by Underwriters and acceptable to the claimant and elects to contest or continue any legal proceedings in connection with such **Claim**, then Underwriters' liability for **Ultimate Net Loss**, subject to the **Limit of Liability**, shall not exceed the amount for which the **Claim** would have been settled plus the **Claims Expenses** incurred with Underwriters' consent up to the date of such refusal.

3. CANCELLATION

Either the **Named Insured** or Underwriters may cancel this **Policy** upon written notification to the other party via certified or registered mail. Such notice shall state when, not less than thirty (30) days thereafter, the cancellation shall be effective.

In the event of cancellation of this **Policy**, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable thereafter, but payment or tender of unearned premium is not a condition of cancellation.

4. GOVERNING LAW

This **Policy** and all terms and conditions thereof shall be interpreted in accordance with the laws of England and Wales.

5. INSOLVENCY

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the **Insured** and/or any other insurer shall not operate to:

- (a) deplete the **Retention Amount**;
- (b) increase Underwriters' limits of liability under this **Policy**;
- (c) increase any Underwriter's share of liability under this **Policy**;
- (d) relieve Underwriters from the payment of **Ultimate Net Loss** under this **Policy**.

6. **INSPECTION AND INVESTIGATION**

Underwriters may, at any time, audit and examine the books and records of the **Insured** as they relate to this **Policy** at any time during the **Policy Period** and for up to three years after the expiration or termination of this **Policy**.

Underwriters have the right, but are not obligated, to inspect the premises and operations of the **Insured** at any time. The inspections are not safety inspections. They relate only to the insurability of the premises and operations and the premiums to be charged. Underwriters may give the **Insured** reports on the conditions found. They may also recommend changes. Whilst they may help reduce losses, Underwriters do not undertake to perform the duty of any person or organisation to provide for the health or safety of the **Insured's** employees or the public. Underwriters do not warrant that the premises or operations of the **Insured** are safe or healthful or that they comply with laws, regulations, codes or standards.

Underwriters shall be permitted to investigate any **Occurrence** notified to Underwriters or **Claim** made against the **Insured**.

7. **LOSS PAYABLE**

Any amount for which Underwriters are liable under this **Policy** shall be due and payable to the entity stated in Item 9 of the Declarations. Such amount shall be paid within thirty (30) days after it is agreed by Underwriters.

8. **NOTICE TO UNDERWRITERS**

In the event of an **Occurrence**, the **Insured** shall provide written notice to Underwriters through the person or firm named in Item 8 of the Declarations as soon as is practicable after the **Insured** first becomes aware of the **Occurrence** stating the following:

- (a) the specific **Occurrence**; and
- (b) the **Bodily Injury** and/or **Property Damage** which may result or has resulted from the **Occurrence**; and
- (c) the circumstance by which the **Insured** first became aware of the **Occurrence**.

The temporal discovery and notification conditions of exclusion 14 for **Claims** caused by or arising out of seepage, pollution or contamination remain paramount.

If any **Insured** shall make any demand for indemnity under this **Policy** that is false or fraudulent, as regards amount or otherwise, this **Policy** shall become null and void, and all coverage hereunder shall be forfeited with no return of premium to the **Insured**.

9. **OTHER INSURANCE**

This **Policy** shall apply in excess of any other valid and collectible insurance available to any **Insured**, unless such other insurance is written only as specific excess insurance over the **Limit of Liability** of this **Policy**.

10. **PREVENTION OF FURTHER OCCURRENCES**

As soon as the **Insured** becomes aware of an **Occurrence**, the **Insured** shall promptly, and at its own expense, take all reasonable steps to prevent further **Bodily Injury** and/or **Property Damage** resulting from the same **Occurrence** (or conditions which may give rise to a similar **Occurrence**).

11. **SUBROGATION**

Where an amount is paid by Underwriters under this **Policy**, the **Insured's** rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the **Insured** will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The **Insured** shall do nothing to prejudice such rights.

12. **TRANSFER OF RIGHTS AND DUTIES**

The rights and duties of the **Insured** under this **Policy** may not be transferred without prior written consent of Underwriters.

13. **WAIVER OR CHANGE**

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver of or change in any part of this **Policy**. This **Policy** can only be changed by a written endorsement that becomes part of this **Policy** and is signed by or on behalf of Underwriters.

DECLARATIONS

1. NAMED INSURED:
2. ADDRESS:
3. INSURED OPERATION:
4. POLICY PERIOD:
5. RETENTION AMOUNT:
6. LIMIT OF LIABILITY:
 - (a) USD _____ (100%) EACH OCCURRENCE WHICH IS ALWAYS SUBJECT TO (b) BELOW;
 - (b) USD _____ IN THE AGGREGATE IN RESPECT OF ALL OCCURRENCES DURING THE POLICY PERIOD.
7. PREMIUM:
8. NOTICE OF OCCURRENCE TO:
9. LOSS PAYEE: