PLEASE READ THIS POLICY (AND THE POLICY SCHEDULE WHICH FORMS AN INTEGRAL PART OF THIS POLICY) TO ENSURE THAT IT MEETS YOUR REQUIREMENTS

CHARITY TRUSTEE ASSURANCE POLICY

In consideration of the payment of the premium Royal & Sun Alliance Insurance plc (herein called the Insurer) and the Insured agree that:

This Policy, the Policy Schedule (including any Policy Schedule issued in substitution) and the Proposal shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

The Proposal shall form the basis of and be incorporated into this Policy. The Insured shall not conceal or misrepresent any material fact when completing the Proposal.

The Insurer shall provide the insurance described in this Policy subject to the terms and conditions for the Policy Period shown in the Policy Schedule.

Provided that this Policy shall not be in force unless it has been signed by an authorised official of the Insurer.

Signed
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I. DEFINITIONS

When used in the Policy:

A. **Agent** means any person, firm or other entity directly appointed by the Charity to act on their behalf and for whose acts the Charity is legally liable.

B. **Charity** means the charity or charities specified in Item 2. of the Policy Schedule (and shall be deemed to include any other charity named or identified in the Proposal and any Subsidiary wholly or mainly engaged within or in furtherance of the charitable purposes of the charity).

C. **Circumstance** means any incident, occurrence, fact, matter, act, error or omission of which the Insured becomes aware which is likely to give rise to a Claim against them.

D. **Claim** means:

1. a Claim Form, Counterclaim, Other Additional Claim, Application Notice, Notice of Appeal, Witness Summons or similar legal document including an application for any related injunction served upon any Insured in respect of a Wrongful Act;
2. any arbitration proceeding or request to nominate an arbitrator served upon any Insured in respect of a Wrongful Act;
3. any written communication (including electronic communications), whether or not containing a demand for compensation or damages, received by any Insured threatening commencement of proceedings in respect of a Wrongful Act, and any written demand against any Insured for monetary damages, reinstatement or other non-monetary relief;
4. any criminal prosecution of any Insured resulting from a Wrongful Act; or
5. any notice of an Investigation commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document:
   (a) into the affairs of the Charity and where a Trustee is required to attend and/or give evidence; or
   (b) involving a Wrongful Act alleged to have been committed by a Trustee or in respect of which a Trustee is required to attend and/or give evidence by reason of his acting in the capacity of a Trustee;

provided that it is first made against, or received by, any Trustee during the Policy Period.

E. **Corporate Trustee** means a company incorporated for the purpose of administering the Charity or of acting as a Trustee of the Charity.

F. **Defence Costs** means that part of Loss consisting of reasonable and necessary costs, charges, fees (including but not limited to lawyers’ and agents’ fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the Trustee or Employee) incurred by the Insurer or (with the Insurer’s prior written consent) the Insured, in defending, investigating or settling Claims or assisting the Insurer in investigating, defending or settling Claims (including the premiums paid for any insurance instruments or bonds which may be required in certain jurisdictions to institute an appeal or enter an appearance but without any obligation to apply for or furnish any such bonds). For the purposes of Standard Extension of Cover IV.H only, Defence Costs shall include those incurred:

1. in respect of the attendance and/or giving of evidence by any Trustee at an Investigation into the affairs of the Charity; or
2. in respect of any Investigation involving a Wrongful Act alleged to have been committed by a Trustee or in respect of which a Trustee is required to attend and/or give evidence by reason of his acting in the capacity of a Trustee.

G. **Director** means any natural person who was, is, or becomes:

1. a director of the Charity and/or the Corporate Trustee including a de facto or shadow director (as defined under section 741(2) of the Companies Act 1985 or any equivalent provision in the jurisdiction in which the Charity or the Corporate Trustee is incorporated); or
2. a shadow director of any company directly as a result of his activities as a Trustee of the Charity or as a Director of the Corporate Trustee.

For the avoidance of doubt, the Policy covers a Director solely in relation to his activities for and on behalf of the Charity and not in relation to any other activities.
H. Discovery means when a Trustee (not in collusion with a dishonest Trustee or Employee or any other person) first becomes aware of facts which would cause a reasonable person to believe that a Fidelity Loss covered by the Policy has been or is likely to be incurred, regardless of when the act or acts causing or contributing to such Fidelity Loss occurred, even though the exact amount or details of such Fidelity Loss may not then be known, and Discovered shall be construed accordingly.

I. Discovery Period means the period following the expiry of the Policy Period during which the Policyholder may continue to notify Claims, Circumstance or Discovery of Fidelity Loss but only in relation to Wrongful Acts committed or Fidelity Losses occurring prior to the expiry of the Policy Period. Any Claim made, or Fidelity Loss Discovered during the Discovery Period shall be deemed to have been made or Discovered during the immediately preceding Policy Period.

J. Documents means:
   1. documents (excluding bearer bonds, coupons, bank or currency notes or other negotiable instruments); or
   2. computer systems records
the property of the Insured or for which the Insured is legally responsible.

K. Employee means a natural person:
   1. whilst employed under a contract of service or apprenticeship with the Charity in the ordinary course of its business whether temporary, permanent, full-time, part-time or seasonal;
   2. who personally performs duties or services under the control of the Charity in the ordinary course of its business whilst:
      (a) serving an apprenticeship;
      (b) being trained under a Government approved training scheme;
      (c) directly engaged by the Charity to work with or without payment; or
      (d) provided to the Charity by an agency on a permanent or temporary basis.

For the purposes of Employee Fidelity Loss only, the definition stated above includes the first sixty days following termination of employment or engagement with the Charity.

L. Employee Fidelity Loss means direct loss of Property, Money or Securities belonging to the Charity or for which the Charity is legally responsible, such loss caused by a Fraudulent Act (not committed or occurring prior to the Inception Date specified in Item 8. of the Policy Schedule) committed by any Employee whilst resident within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

M. Employment Wrongful Act means any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by any one or more Trustees in their capacities as such against any past, present or prospective Employee or Trustee, in connection with any actual or alleged violation of employment discrimination laws (including but not limited to sexual or other workplace harassment and discrimination on the grounds of racial or national origin, sex, sexual orientation, religion, maternity, pregnancy, age and disability).

N. European Union means the member states of the European Union and shall be extended to include the Channel Islands and the Isle of Man.

O. Fidelity Loss means Trustee Fidelity Loss and shall extend to include Employee Fidelity Loss where such cover is noted as purchased in Item 6. (a) of the Policy Schedule.

P. Fraudulent Act means any act, or series of related acts, of fraud or dishonesty committed alone or in collusion with others with the clear intent of making improper personal financial gain for themselves or for any other person or organisation intended by such person(s) to receive such gain.

“improper personal financial gain” shall not include salary, commissions, fees, bonuses, promotions, awards, profit sharing pensions or other emoluments or benefits earned in the normal course of employment.

Q. Full Annual Premium means the annual premium payable by the Policyholder, including any additional premium which becomes payable subsequent to renewal pursuant to the provisions of the Policy, immediately prior to the expiry of the policy period in question.

R. Inception Date means the date from which Employee Fidelity Loss cover (if purchased) commences under the Policy as specified in Item 8. of the Policy Schedule.
S. **Insured** means:
   1. the Charity, and
   2. the Trustees.

For the avoidance of doubt, the **Insured** shall not include any **Agent** of the **Insured**, any sub-consultant or any joint venture partner of the **Insured**.

T. **Insurer** means Royal & Sun Alliance Insurance plc.

U. **Investigation** means any formal or official investigation (other than the Charity’s own internal investigation), examination or other proceedings made or commenced during the **Policy Period** by a governmental body, professional body or other institution duly authorised to carry out such investigation, including, without limitation, any such proceedings initiated by the Charity Commissioners, the Board of the Inland Revenue and the Commission for Racial Equality or similar body or institution at which the affairs of the Charity are being investigated.

V. **Limit of Liability** means the aggregate limit specified in Item 5. (a) of the **Policy Schedule**.

W. **Loss** means:
   1. damages, compensation, contributions, judgments or (if concluded with the **Insurer’s** prior written consent) settlements;
   2. claimant’s legal costs and expenses;
   3. exemplary damages awarded in respect of libel, slander or defamation to the extent only that such damages are insurable by law;
   4. all other costs and expenses ordered by a court or other legally authorised tribunal, or incurred with the **Insurer’s** prior written consent, and
   5. Defence Costs.

   The **Insurer** shall advance Defence Costs in accordance with the provisions of section VIII.A.2.(b)

   **Loss** shall not include taxes, fines, penalties and/or any other form of loss which is uninsurable under the law of the state or country to which the **Claim** is subject or the multiple portion of any multiplied damage award.

X. **Merger** means the occurrence of any of the following events:
   1. the **Policyholder** consolidating with or merging into or selling all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert; or
   2. any person or entity, whether individually or together with any other person or entity, acquiring an amount of share capital representing more than fifty per cent (50%) of the voting power for the election of **Trustees** of the **Policyholder**, or acquiring the voting rights for such an amount of the shares.

Y. **Money** means currency, coins and bullion, or monetary balances held at a financial institution to the credit of the Charity.

Z. **North America** means the United States of America and Canada and in each case its territories and possessions and any state or political sub-division thereof.

AA. **Officer** means any natural person who was, is, or becomes:
   1. an officer of the Charity, other than its external auditor, liquidator, administrator, receiver or solicitor;
   2. any **Employee** of the Charity whilst acting in a managerial or supervisory capacity;
   3. any **Employee** of the Charity who is named as a co-defendant in respect of a **Claim** made against an officer acting as **Trustee**; and
   4. any **Employee** of the Charity in respect of an **Employment Wrongful Act**.

BB. **Original Inception Date** means the date from which **Trustee Fidelity** cover commences as specified in Item 8. of the **Policy Schedule**.

CC. **Policy** means, collectively, the **Proposal**, the Terms and Conditions of the Policy (including any memoranda and endorsements thereto) and the **Policy Schedule**.

DD. **Policyholder** means the Charity designated in Item 1. of the **Policy Schedule**.

EE. **Policy Period** means the period of time stated in Item 3. of the **Policy Schedule**.

FF. **Policy Schedule** means the schedule attached to the **Policy**.

GG. **Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a country, state, county, municipality or locality counterpart thereof. Such substances
shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odour, waste water, oil or oil products, infectious or medical waste, biological contaminants, asbestos or asbestos products, electric or magnetic or electromagnetic fields and noise, any ionising radiations or contamination by radioactivity.

HH. **Pollution** means the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere.

II. **Premium** means the initial premium specified in the **Policy Schedule** together with any additional or return premium due in respect of the **Policy**.

JJ. **Professional Indemnity Wrongful Act** means any act or omission actually or allegedly committed arising out of the provision of **Professional Services**.

KK. **Professional Services** means the services specified in Item 6.(b) of the **Policy Schedule** when performed within or in furtherance of the charitable purposes of the **Charity**, other than by a trust corporation or by a **Trustee** in the course of carrying on his profession.

LL. **Property** means tangible property other than **Money** or **Securities**.

MM. **Proposal** means the signed proposal form and declaration completed in respect of the **Policy** including any renewal declaration and any information supplied by or on behalf of the **Insured** in addition to or in connection with or in substitution therefor.

NN. **Related Claims** means all **Claims** based on, arising out of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.

OO. **Retention** means that part of each and every **Claim** or **Fidelity Loss**, as applicable, which is payable by the **Insured**, the amount of which is specified in Item 5.(b) of the **Policy Schedule**. The **Retention** does not form part of the **Limit of Liability** and it shall be payable by the **Insured** before the application of the **Limit of Liability**.

PP. **Securities** means negotiable and non-negotiable instruments representing either **Money** or **Property** but not including **Money** or **Property**.

QQ. **Spouse** means a lawful spouse, civil partner or any person deriving similar status by reason of the common law.

RR. **Subsidiary** means any body corporate wholly or mainly engaged within or in furtherance of the charitable purposes of the **Charity**, which within the meaning of Section 736 of the Companies Act 1985 or any amendment or re-enactment thereof:

1. is a subsidiary of the **Charity** at the date of the commencement of the **Policy Period**; or
2. becomes a subsidiary of the **Charity** within the **Policy Period** and is so notified to the **Insurer** which has received such additional information relating to the **Subsidiary** and such additional premium as it may require and has agreed to extend this insurance accordingly.

SS. **System** means computers, other computing and electronic equipment linked to computer hardware, electronic data, processing equipment, microchips and anything which relies on a microchip for any part of its operation and includes for the avoidance of doubt any computer installation.

TT. **Terrorism** means any act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any government de jure or de facto.

UU. **Trustee** means any natural person who was, is, or becomes:

1. a trustee of the **Charity**, or the **Employee** thereof to whom any duty of such trustee is delegated;
2. a trustee of any trust other than a trust corporation or a pension fund trust which was, is, or may hereafter be or be deemed to be the **Charity** or wholly or mainly engaged within or in furtherance of the charitable purposes of the **Charity**;
3. a **Director** or **Officer** of the **Charity** and/or the **Corporate Trustee** other than its external auditor, liquidator, administrator, receiver or solicitor; and
4. an officer or member of the committee of management of any unincorporated association which was, is or may hereafter be or be deemed to be the **Charity** or wholly or mainly engaged within or in furtherance of the charitable purposes of the **Charity**.
V. **Trustee Fidelity Loss** means direct loss of Property, Money or Securities belonging to the Charity or for which the Charity is legally responsible, such loss caused by a Fraudulent Act (not committed or occurring prior to the Original Inception Date specified in Item 8. of the Policy Schedule) committed by any Trustee whilst:

1. acting in that capacity or in the first 60 days following ceasing to act in that capacity; and
2. resident within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

WW. **Virus** means programming code or series of instructions designed to achieve an unexpected, unauthorised and/or undesirable effect or operation when loaded onto a System, transmitted between Systems by transfer between computer systems via networks, extranets, internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not.

XX. **Wrongful Act** means any actual or alleged error, misstatement, misleading statement, omission, neglect, breach of statutory law, breach of trust, libel, slander, breach of contract, breach of warranty of authority, Wrongful Trading, Employment Wrongful Act or other wrongful act actually or allegedly committed or attempted by a Trustee solely by reason of his serving in that capacity; or any matter claimed against a Trustee solely by reason of his serving in that capacity.

YY. **Wrongful Trading** shall bear the meaning set out in Section 214 of the Insolvency Act 1986 (or analogous legislation in any jurisdiction in which the Charity is incorporated).

II. **INTERPRETATION**

In this Policy the singular includes the plural and vice versa. The male gender includes the female and neutral genders. Person includes bodies corporate.

A reference in this Policy to any statute, statutory provision or subordinate legislation (whether of the United Kingdom or elsewhere) shall be construed as including a reference to any such enactment which that enactment has directly or indirectly replaced (whether with or without modification) and that enactment as re-enacted, replaced or modified from time to time.

The titles and headings to the various parts, sections, sub-sections and endorsements of the Policy are included solely for ease of reference and do not in any way limit or expand or otherwise affect the provisions of such parts, sections, sub-sections or endorsements.

III. **INSURING CLAUSES**

A. **Trustee Liability Cover**

The Insurer shall pay, on behalf of the Trustee, Loss arising from Claims first made during the Policy Period or any applicable Discovery Period for which the Charity has not provided indemnity.

B. **Charity Reimbursement Cover**

The Insurer shall pay, on behalf of the Charity, Loss arising from Claims first made during the Policy Period or any applicable Discovery Period if and to the extent that the Charity is required or permitted to indemnify the Trustee for such Loss.

C. **Trustee Fidelity Cover**

The Insurer shall indemnify the Charity for Trustee Fidelity Loss first Discovered during the Policy Period or any applicable Discovery Period to the extent that such loss is not reasonably recoverable from the said Trustee subject to a maximum aggregate limit as noted in Item 5.(c) of the Policy Schedule (such limit being part of and not in addition to the Limit of Liability).

D. **Loss of or damage to Documents**

The Insurer shall pay, on behalf of the Charity and/or the Trustee, all costs and expenses reasonably incurred by the Charity and/or the Trustee in replacing or restoring Documents subject to a maximum aggregate limit as noted in Item 5.(d) of the Policy Schedule (such limit being part of and not in addition to the Limit of Liability) provided that:

1. such loss of or damage to Documents is first Discovered during the Policy Period or any applicable Discovery Period;
2. where the Documents are in electronic format, the Insured can demonstrate to the reasonable satisfaction of the Insurer that sufficient and proper procedures were in place for the security and daily back-up of the Documents; and
3. the Insurer shall not be liable for any costs or expenses in respect of loss of or damage to Documents directly based on, arising out of or in any way involving:

(a) the transmission or impact of any Virus; and/or
(b) unauthorised access to a System.

IV. STANDARD EXTENSIONS OF COVER

A. Pollution

The Insurer shall pay the Trustees, that part of the Loss arising from Claims first made during the Policy Period which relates to Defence Costs only, subject to a maximum aggregate limit as noted in Item 5.(e) of the Policy Schedule (such limit being part of and not in addition to the Limit of Liability) incurred by the Trustees in defending themselves against criminal or regulatory proceedings in respect of Pollution of any kind which results from a Wrongful Act except where there is a conviction for a criminal offence or such a conviction is upheld on final appeal.

B. Retired Trustees

Any Trustee who retired or retires at any time prior to the expiry of the Policy Period shall be entitled to a free Discovery Period of 72 months after the date of such expiry, provided always that this extension shall not apply where:

1. the Policyholder renews or replaces the Policy (whether with the Insurer or any other insurer); or
2. a Merger takes place.

C. Legal Representatives

This Policy shall afford cover for Claims made against Trustees which are pursued against the estates, heirs, executors or other legal representatives of such Trustees who are deceased, against the legal representatives or trustees in bankruptcy of such Trustees who are incompetent, incapacitated or bankrupt to the extent that in the absence of such death, incompetence, incapacity or bankruptcy, such Claims would have been covered by this Policy.

D. Spouses

If a Claim against a Trustee includes a claim against the Trustee's Spouse solely by reason of (i) such Spouse's legal status as a spouse of the Trustee, or (ii) such Spouse's ownership interest in property which the claimant seeks as recovery for Claims made against the Trustee, all loss which such Spouse becomes legally liable to pay by reason of such Claim shall be treated for the purposes of this Policy as Loss which the Trustee becomes legally liable to pay on account of the Claims made against the Trustee. All terms and conditions of this Policy, including without limitation the Retention applicable to Loss incurred by such Trustee in the Claim shall also apply to such spousal loss. This cover extension does not apply to the extent the Claim alleges any wrongful act, error or omission by the Trustee's Spouse.

E. Retention Reimbursement

Any Retention borne by the Insured in respect of any Claim shall be reimbursed by the Insurer if final judgment or adjudication is given in favour of the Insured by a court or tribunal of competent jurisdiction. For the purposes of this sub-section, final judgment or adjudication shall only be deemed to have been given when all rights of appeal to higher tribunals have been foregone or exhausted.

F. Acquisitions

1. Subject to sub-section IV.F.2. below, if any Charity creates or acquires, during the Policy Period, a new Subsidiary, either directly or indirectly, that new Subsidiary shall be automatically covered under the Policy in relation to:-

(a) Wrongful Acts committed or alleged to have been committed after the date the new Subsidiary was created or acquired by the Charity;
(b) Fidelity Loss first occurring after the date the new Subsidiary was created or acquired by the Charity; and
(c) loss of or damage to Documents first occurring after the date the new Subsidiary was created or acquired by the Charity.

The Charity shall not have to provide the Insurer with any particulars of the new Subsidiary so created or acquired until the next renewal date.
2. Automatic cover pursuant to sub-section IV.F.1. above shall not apply where a new Subsidiary created or acquired by the Charity has:

(a) any of its assets in North America; or
(b) any of its Securities listed on any exchange in North America; or
(c) its registered office outside the European Union; or
(d) gross consolidated assets that increase the gross consolidated assets of the Charity by more than twenty five percent (25%) (by reference to the Charity’s most recent consolidated annual accounts).

3. If any Charity acquires or creates a Subsidiary that falls within the parameters specified in sub-section IV.F.2. above, then cover shall be extended to such new Subsidiary in relation to the Wrongful Acts committed or alleged to have been committed after the date the new Subsidiary was created or acquired by the Charity; Fidelity Loss first occurring after the date the new Subsidiary was created or acquired by the Charity and loss of or damage to Documents first occurring after the date the new Subsidiary was created or acquired by the Charity, provided that, and as a condition precedent to such cover being provided, the Policyholder:

(a) gives the Insurer written notice of any such creation or acquisition as soon as practicable, together with any such additional information as the Insurer may require;
(b) accepts any notified alteration in the terms of the Policy; and
(c) pays any additional premium required by the Insurer.

Subject to these conditions precedent having been met and the Insurer agreeing, the Insurer shall include the new Subsidiary within the scope of the Policy by way of endorsement.

4. In addition, the Insurer shall consider the provision of retroactive cover for any new Subsidiary in respect of Wrongful Acts committed, or alleged to have been committed, and Fidelity Loss first occurring prior to the date of any such acquisition or creation, upon specific request. If the Insurer agrees to provide such cover it shall be recorded by way of endorsement.

G. Discovery Period

1. If the Insurer declines to offer any terms for renewal of the Policy and the Policyholder does not replace the Policy with a similar policy with any other insurer, the Policyholder shall be entitled to elect a Discovery Period on the terms set out below. The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute the Insurer declining to renew.

2. The terms of the Discovery Period shall be 12 months for fifty per cent (50%) of that part of the Full Annual Premium payable in respect of the Policy.

3. The application to elect any Discovery Period must be received by the Insurer within 15 days from the expiry of the Policy Period, and payment of the premium must be made within 30 days of the same date (such premium being non-refundable). For the avoidance of doubt, any time delay between the expiry of the Policy Period and the election of any Discovery Period shall be part of and not in addition to the Discovery Period elected.

4. If a Merger takes place, the Policyholder shall not be entitled to purchase a Discovery Period on the terms set out above. However the Policyholder shall have the right within 15 days of the expiry of the Policy Period to request an offer from the Insurer of a Discovery Period of up to 72 months. The Insurer shall offer a Discovery Period on such terms as it may reasonably consider appropriate.

5. During the 15 day application period referred to above and during any Discovery Period and without prejudice to sub-section VII.D.1.(a) and sub section VII.D.2.(a) the Policyholder may continue to notify:

(a) Claims but only in respect of Wrongful Acts committed prior to the expiry of the Policy Period;
(b) Fidelity Loss committed prior to the expiry of the Policy Period; and
(c) loss of or damage to Documents occurring prior to the expiry of the Policy Period.

H. Defence Costs

The Insurer shall provide cover in respect of Defence Costs only incurred in respect of any criminal proceedings, including those for corporate killing or manslaughter (or other similar criminal offence in any jurisdiction in which the Charity operates) resulting from a Wrongful Act or Investigation except where there is a conviction for a criminal offence or such a conviction is upheld on final appeal.
V. OPTIONAL EXTENSIONS OF COVER

The following extensions of cover are operative only if they are noted as purchased in Item 6. of the Policy Schedule:

A. Employee Fidelity Cover

The Insurer shall indemnify the Charity for Employee Fidelity Loss first Discovered during the Policy Period or any applicable Discovery Period subject to a maximum aggregate limit as noted in Item 5. (c) of the Policy Schedule (such limit being part of and not in addition to the Limit of Liability).

B. Professional Services

The Insurer shall pay, on behalf of the Charity, the Trustee and/or (at the request of the Charity) the Employee, Loss resulting from Claims first made against the Charity, the Trustee and/or the Employee during the Policy Period or any applicable Discovery Period in respect of any civil liability for Professional Indemnity Wrongful Acts.

VI. EXCLUSIONS

A. Exclusions Applicable to both Loss and Fidelity Loss

The Insurer shall not be liable for Loss and/or Fidelity Loss:

1. directly or indirectly based on, arising out of, or in any way involving any fact, matter or situation or deriving from the same matter, fact or situation:
   (a) which has been or should have been the subject of any written notice given under any policy of which the Policy is a direct or indirect renewal or replacement; or
   (b) alleged in, relating to or underlying any written demand for monetary damages or other relief or any civil, criminal or administrative or regulatory proceeding (including arbitration) commenced or issued or otherwise began on or prior to the date of the commencement of the Policy Period;

2. directly or indirectly based on, arising out of, or in any way involving:
   (a) ionising radiations or contamination by radioactivity, from any nuclear fuel, from any nuclear waste, or from the combustion of nuclear fuel; or
   (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

3. directly or indirectly based on, arising out of, or in any way involving any contractual liability, where such liability would not arise but for such contract. This Exclusion VI.A. 3 shall not apply to Professional Services where such cover is noted as purchased in Item 6. (b) of the Policy Schedule.

4. directly or indirectly based on, arising out of, or in any way involving declared or undeclared war, civil war, insurrection, Terrorism, riot, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalisation.

B. Additional Exclusions only Applicable to Loss

The Insurer shall not be liable for Loss:

1. directly or indirectly based on, arising out of, or in any way involving a Trustee found by way of judgment or other final adjudication:
   (a) to have gained any profit or advantage to which he was not legally entitled; or
   (b) to have received any remuneration to which he was not legally entitled; or
   (c) to be guilty of dishonesty, fraud, or wilful or reckless conduct.

2. sustained by the Charity and directly or indirectly based on, arising out of, or in any way involving a Wrongful Act committed or attempted by the Trustee when he:
   (a) knew, or must be assumed to have known, that it was not in the best interests of the Charity; or
   (b) did not care whether or not it was in the best interests of the Charity.

3. directly or indirectly based on, arising out of, or in any way involving bodily injury, mental anguish or emotional distress, damage to reputation, illness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof, save that this exclusion shall not apply:
(a) in relation to any actual or alleged mental anguish or emotional distress by a past, present or prospective Employee of the Charity for any Employment Wrongful Act;

(b) insofar as such Loss is covered by Standard Extension of Cover IV.H.;

(c) where Optional Extension of Cover V.B. is noted as purchased in Item 6 of the Policy Schedule and is so indemnifiable by reason of advice, design specification or omission in the performance of Professional Services.

4. directly or indirectly based on, arising out of, or in any way involving the trusteeship or administration by an Insured of any pension, profit share or other employee benefit programme or an Insured acting in a fiduciary capacity in respect thereof, including any obligation incurred under the Pensions Act 1995 or for any actual or similar law or regulation;

5. directly or indirectly based on, arising out of, or in any way involving:

(a) Pollution;

(b) any direction or request that the Charity and/or the Trustees test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants, or any voluntary decision to do so, including without limitation any Claim for financial loss to the Charity or its creditors based on, arising out of, or in any way involving the matters described in sub-sections (a) or (b) of this sub-section VI.B.6. provided that this exclusion shall not apply insofar as such Loss is covered by sub-section IV.A. above;

6. where legal action is brought or commenced in a court of law or other tribunal outside the European Union, or is brought outside those territories to enforce a judgment or award in those territories whether by reciprocal agreement or otherwise;

7. in relation to unfair or wrongful dismissal and other employment disputes, other than relating to Employment Wrongful Acts;

8. directly or indirectly based on, arising out of, or in any way involving any failure or omission by the Charity and/or the Trustees to effect and maintain insurance for them and on their behalf;

9. arising out of any claim made against a Trustee based upon or alleging or originating from breach of any professional duty owed to the claimant except where cover for Professional Services is purchased;

10. directly or indirectly based on, arising out of, or in any way involving any goods or products sold, supplied, recalled, repaired, altered, manufactured, installed or maintained by the Charity or by any Agent of the Charity; or

11. directly or indirectly based on, arising out of, or in any way involving taxes, fines, punitive damages, penalties and/or any other form of loss which is uninsurable under the law of the state or country to which the Claim is subject or the multiple portion of any multiplied damage award.

C. Additional Exclusions only Applicable to Fidelity Loss

The Insurer shall not be liable for Fidelity Loss:

1. or any part of any Fidelity Loss which is dependent solely upon (a) a profit and loss computation or comparison or (b) a comparison of inventory records with an actual physical count, provided, however, that where the Charity establishes wholly apart from such comparison that it has sustained loss covered under the Policy caused by an identified Employee or Trustee then it may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;

2. caused by an Employee or Trustee which is sustained after Discovery by another Trustee of any fraud, or dishonesty committed by such Employee or Trustee; or

3. sustained by one Insured or one part of an Insured to the advantage of any other Insured or other part of an Insured.

4. directly or indirectly based on, arising out of, or in any way involving taxes, fines or other penalties, punitive or exemplary damages or any multiplied portion of damages.

5. which amounts to indirect or consequential loss of any kind, including but not limited to interest, profits, dividends or other income.

D. Exclusions Applicable to Professional Services where such cover is noted as purchased in Item 6. (b) of the Policy Schedule

The Insurer shall not be liable for Loss directly or indirectly based on, arising out of or in any way involving:

1. any trading losses or trading liabilities incurred in connection with any business managed or carried on by the Charity including loss of any client account or business; or
2. the ownership, use, occupation or leasing of mobile or immobile goods or property by or on behalf of the Charity.

3. arising from the contractual agreement in respect of:
   (a) any express guarantee given by the Insured; or
   (b) any express contractual penalty made between the Insured and a third party; or
   (c) any acceptance by the Insured of liability for liquidated damages

in so far as liability assumed by the Insured exceeds the amount of the Insured’s liability in the absence of such agreement.

E. Severability of Exclusions

No fact pertaining to or knowledge possessed by any Trustee shall be imputed to any other Trustee for the purposes of applying the exclusions set forth in this section VI.

VII. GENERAL CONDITIONS

A. PROPOSAL, REPRESENTATIONS AND SEVERABILITY

1. In granting cover under this Policy, the Insurer has relied upon the statements and representations in the Proposal and it is agreed that the Proposal shall form the basis of and is incorporated into the Policy. The Insured shall not conceal or misrepresent any material fact or circumstance when completing the Proposal.

2. The Proposal shall be construed as a separate application for cover by each of the Insured with respect to the declarations and statements contained therein. Other than with respect to sub-section A.3 below, no fact relating to, or statement of, or knowledge possessed by, any Insured shall be imputed to any other Insured for the purpose of determining the availability of cover.

3. The Insured agree that in the event that any statements or representations made in the Proposal are inaccurate or incomplete, the Insurer shall be entitled to avoid the Policy with respect to any of the following Insured:
   (a) any Trustee who knew the facts that were not fully and accurately disclosed in the Proposal;
   (b) the Charity, to the extent it indemnifies any Trustee referenced in sub-section A.3 (a) above.

B. AUTHORISATION CLAUSE

It is a condition of this Policy that the Policyholder shall act on behalf of all Insured with respect to the giving and receiving of notice of any Claim, Circumstance or Fidelity Loss, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the negotiation, agreement to and payment of Claims and/or Fidelity Loss, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Policy (except the giving of notice to apply for the Discovery Period), and the Insured agree that the Policyholder shall so act on their behalf.

C. ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy which is signed by an authorised signatory of the Insurer.

D. INSURER’S WAIVER OF RIGHTS

1. Save where the circumstances set out in sub-section VII.D.2. below apply, in the event of the Insurer being entitled to avoid this Policy from inception or from the time of any variation in cover (including at renewal) the Insurer may at its discretion maintain this insurance in full force but exclude the consequences of any matter which ought to have been disclosed at inception or at the time of any variation in cover (including at renewal).

2. In the event of non-disclosure or misrepresentation at any renewal the Insurer shall waive its rights to avoid this Policy provided that:
   (a) the Insured is able to establish to the satisfaction of the Insurer that such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive;
   (b) the premium and terms shall be adjusted at the discretion of the Insurer to those which would have applied had such circumstances been disclosed; and
where the Policyholder should have notified during a preceding policy period a Claim, Circumstance or Fidelity Loss, and the indemnity or cover to which the Insured would have been entitled was in any way more restricted than that provided at the date of notification, the Insurer shall be liable only to the extent applicable during such preceding policy period.

E. PARTIAL INVALIDITY

Should any provision of this Policy be, or become, invalid or unenforceable pursuant to the law to which this Policy is subject, such provision shall be deemed to be deleted and all other terms and conditions of this Policy shall remain in full force and effect.

F. THIRD PARTY RIGHTS

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

G. LAW APPLICABLE

Unless the parties have agreed otherwise in writing any dispute concerning the interpretation of the Policy shall be governed and construed in accordance with English law and shall be resolved within the non-exclusive jurisdiction of the courts of England and Wales.

H. ACQUISITIONS PRIOR TO THE POLICY PERIOD

If a new Subsidiary has been acquired by the Charity prior to the Policy Period, such Subsidiary shall be covered under the Policy in relation only to:

1. Wrongful Acts committed or alleged to have been committed; or
2. Fidelity Loss first occurring;

after the date on which such Subsidiary was acquired by the Charity unless agreed in writing by the Insurer and endorsed to the Policy.

I. CESSATION OF SUBSIDIARIES

If during the Policy Period an organisation ceases to be a Subsidiary, cover with respect to such Subsidiary shall continue in full force and effect until the expiry of the Policy Period but only with respect to:

1. Wrongful Acts committed or alleged to have been committed;
2. Fidelity Loss first occurring; and
3. loss of or damage to Documents first occurring

prior to the date such organisation ceased to be a Subsidiary.

Any claim arising pursuant to this section VIII.I. may be notified during the Policy Period and any applicable Discovery Period.

J. TAKEOVERS & MERGERS

If during the Policy Period a Merger takes place, cover shall continue in full force and effect until the expiry of the Policy Period but only with respect to:

1. Wrongful Acts committed or alleged to have been committed;
2. Fidelity Loss committed; and
3. loss of or damage to Documents first occurring

prior to the date of such Merger.

Any claim arising pursuant to this section VII.J. may be notified during the Policy Period and any applicable Discovery Period.

K. LIMITS OF LIABILITY

A. Aggregate Liability

Subject to the sub-limits noted in the Policy Schedule the amount stated at Item 5. (a) of the Policy Schedule shall be the maximum aggregate liability of the Insurer for all Fidelity Loss first Discovered and all loss of Documents first discovered during the Policy Period and all Loss resulting from all Claims first made during the Policy Period regardless of the number of Insured the Insurer is liable to indemnify.
B. Discovery Period
Any applicable Discovery Period shall not increase or reinstate the Limit of Liability which shall be the Insurer’s maximum liability for the Policy Period and Discovery Period, combined.

C. Defence Costs
Defence Costs incurred by the Insurer, or by the Insured with the prior written consent of the Insurer, are part of and not in addition to the Limit of Liability and the payment by the Insurer of Defence Costs reduces the Limit of Liability.

D. Loss
All Loss of any kind sustained as a result of one occurrence, act, omission or event or a series of acts, omissions or events shall be deemed to be one Loss for the purpose of the calculation of the Limit of Liability and Retention regardless of when during the Policy Period or prior thereto, such acts occurred or the number of Insureds who sustained such Loss.

L. FIDELITY LOSS
1. All Fidelity Loss of any kind shall be subject to a maximum aggregate limit as noted in Item 5.(c) of the Policy Schedule such limit being part of and not in addition to the Limit of Liability.
2. All Fidelity Loss of any kind sustained as a result of any act, or series of related acts, of fraud or dishonesty committed alone or in collusion with others shall be deemed to be one Fidelity Loss for the purpose of the calculation of the Limit of Liability and Retention regardless of the number of Insureds who sustained such Fidelity Loss.
3. All acts committed by any Employee or Trustee or in which such Employee or Trustee is concerned or implicated shall be considered as one occurrence or event.
4. Regardless of the number of years the Policy remains in effect and the total premiums due or paid, the Limit of Liability shall not be cumulative from year to year or from policy period to policy period.

M. DATA PROTECTION ACT
Royal & SunAlliance will treat your personal data in the following way:
All personal information supplied by you will be treated in confidence by the Royal & Sun Alliance Insurance Group of companies and will not be disclosed to any third parties except where your consent has been received or where permitted by law. In order to provide you with products and services this information will be held in data systems of the Royal & Sun Alliance Insurance Group of companies or our agents or subcontractors.
The Royal & Sun Alliance Insurance Group of companies may pass your personal data to other companies for processing on its behalf. Some of these companies may be based outside Europe in countries which may not have laws to protect your personal data, but in all cases the Group will ensure that it is kept securely and only used for the purposes for which you provided it. Details of the companies and countries involved can be provided to you on request.

VIII. CLAIMS CONDITIONS
A. DEFENCE AND COOPERATION
1. The Insurer shall have the right but is not obliged to conduct in the name of the Insured the defence and settlement of any Claim covered by this Policy, and to appoint lawyers or other representatives for this purpose even if any of the allegations are groundless, false or fraudulent. The Insurer’s right to defend shall cease upon exhaustion of the Limit of Liability.
2. With respect to any Claim or Circumstance notified:
   (a) the Insured shall execute all papers required and shall do everything necessary to defend such Claim and provide the Insurer with all information, documentation, assistance and co-operation as the Insurer reasonably requests; and
   (b) the Insurer shall advance Defence Costs excess of any applicable Retention, provided that if and to the extent it is finally established that any such Defence Costs are not covered under this Policy, the Insured, severally according to their interests, hereby agree to repay the Insurer such non-covered Defence Costs.
3. The Insured shall not settle or offer to settle any Claim, incur any Defence Costs or otherwise assume any contractual obligation or admit any liability with respect to any Claim, without the Insurer’s prior written consent. The Insurer shall not be liable for, and any applicable Retention shall not be depleted or exhausted by, any settlement, Loss or Defence Costs, assumed obligation or admission to which it has not consented.

4. The Insurer shall not unreasonably withhold any consent referred to in this section.

The Insured agrees that in the event of a Claim the Insured shall do nothing that shall prejudice the Insurer’s position or its potential or actual rights of recovery. The Insured shall at all times use reasonable endeavours to do, and concur in doing, all such things as are reasonably practicable to avoid or diminish any Loss and to assist with the defence and/or settlement of any Claim. The Insurer may make any investigation it deems necessary.

B. NOTICE

1. Claims

(a) The Policyholder shall, as a condition precedent to its rights under this Policy, give to the Insurer written notice as soon as practicable after receipt of notice of any Claim or after the Policyholder becomes aware of any Circumstance and in any event notice shall be given to the Insurer:

(i) during the Policy Period or any applicable Discovery Period; or
(ii) (in respect of any Claim) within 60 days after the end of the Policy Period or any applicable Discovery Period.

(b) Notification of any Claim and/or Circumstance must be sent to the Insurer at the Claims Department, Professional & Financial Risks, PO Box 509, Horsham, West Sussex, RH12 1WS, for the attention of the Professional & Financial Risks Claims Manager. Each notification shall so far as practicable provide full details of the Claim or Circumstance including, but not limited to:

(i) the identity of the claimant or potential claimant;
(ii) the nature of the Claim;
(iii) the likely quantum of the Claim; and
(iv) the Policyholder’s preliminary views (if any) on the merits of such Claim and the Policyholder shall provide the Insurer with such further information and documentation as it may reasonably require.

(c) Any Claim arising from any notification of a Circumstance shall be deemed to have been made in the Policy Period (including any applicable Discovery Period) in which the Circumstance was first notified to the Insurer.

(d) Subject to the provisions of sub-section VII.D.2. above, the Insurer shall not avoid any Claim on the grounds of the breach of this section but where in the opinion of the Insurer the Policyholder has prejudiced the handling or settlement of any Claim the amount payable in respect of such Claim (including costs and expenses) shall be reduced to such sum as in the Insurer’s opinion would have been payable in the absence of such prejudice.

2. Fidelity Loss

(a) It shall be a condition precedent to the obligations of the Insurer under this Policy that the Policyholder shall give the Insurer written notice as soon as practicable after Discovery of a Fidelity Loss, and in any event no later than 60 days after such Discovery. Such notice shall be sent to the Insurer at the address set out in section VIII.B.1.(b) above.

(b) Within 6 months after Discovery of any such Fidelity Loss, the Policyholder shall furnish to the Insurer, at the address set out in section VIII.B.1.(b) above proof of loss with full particulars including all relevant information in their possession in relation to the Fidelity Loss and such further information as may be required by the Insurer.

(c) Legal proceedings for the recovery of any Fidelity Loss hereunder shall not be brought prior to the expiration of 60 days after proof of loss is filed with the Insurer or after the expiry of 24 months from Discovery of such Fidelity Loss.
C. RELATED CLAIMS

All Related Claims shall be deemed one Claim, and such Claim shall be deemed to be first made on the date the earliest of such Claims is first made, regardless of whether such date is before or during the Policy Period or the Discovery Period.

D. SUBROGATION AND RECOVERIES

1. In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the Insured’s rights of recovery. The Insured shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable the Insurer effectively to bring proceedings in the name of the Insured.

2. Provided however that in no event shall the Insurer exercise its rights of subrogation against an Insured except where such Insured has been fraudulent, committed a criminal act or obtained any profit or advantage to which he was not legally entitled. This exception shall not apply to Fidelity Loss.

3. All recoveries obtained by the Insured from other parties shall be allocated, after the settlement of any claim under the Policy as follows:

   (a) firstly, to the benefit of the Insured to reduce or extinguish the amount of the Insured’s Loss or Fidelity Loss to the extent that it would have been paid under the Policy but for the fact that such Loss or Fidelity Loss exceeds the Limit of Liability together with any Retention where applicable;

   (b) secondly, to the benefit of the Insurer for all sums paid in settlement of Loss arising under the Policy;

   (c) thirdly, to the benefit of the Insured for the amount of the Retention under the Policy.

All recoveries shall be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under the Policy shall be held for the benefit of the Insurer and applied as stated herein after settlement if any is made.

E. OTHER INSURANCE

This Policy shall be specifically excess of any other valid and collectible insurance (including but not limited to any insurance which is stated to be primary, contributory, excess, contingent or otherwise), unless such other insurance is specifically excess of this Policy.

For the avoidance of doubt, a Loss or a Fidelity Loss which is covered partly by this Policy and partly by another policy (including policies of which this is a renewal) issued by the Insurer to the Insured for which any previous applicable discovery period has not expired, shall be limited to the larger amount of cover under the previous policy or this Policy and shall on no account be cumulative.

F. ARBITRATION

Any dispute arising out of or in connection with this Policy shall be referred to a sole arbitrator, who shall be a Queen’s Counsel specialising in insurance law. The sole arbitrator shall be appointed by agreement between the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council. The arbitration shall be held in London and in the English language.

G. DISPUTES AS TO CONTESTING LEGAL PROCEEDINGS

1. Subject to the provisions of sub-section G.2. below, in the event of a disagreement arising between the Insurer and the Insured as to whether or not to contest or settle legal proceedings or proceed with appeals, the issue shall be remitted to a Queen’s Counsel whose decision on the probability of successfully defending the Claim or the acceptability of the proposed terms of settlement or the probability of succeeding on appeal shall be final. The identity of such Queen’s Counsel shall be agreed by the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council.

2. In the event that Queen’s Counsel or Junior Counsel is instructed in connection with the defence of a Claim, the parties shall remit any issue between them to the said Counsel as to whether or not to contest or settle legal proceedings or proceed with appeals.

3. Any appointment under the provisions of this section shall be as expert and not as arbitrator.

4. The costs of the said expert determination shall be deemed to form part of the Defence Costs.

5. All references to Queen’s Counsel in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status.

6. Reference to the Chairman for the time being of the Bar Council in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a similar appointee.
H. **VALUATION**

The **Insurer** shall not be liable for more than:

1. the actual market value of **Securities** at the close of business on the business day immediately preceding the day on which the **Fidelity Loss** was **Discovered** or the actual cost of replacing **Securities** whichever is less plus the cost of posting any required lost instrument bond (which cost shall be paid by the **Insurer** on behalf of the **Insured**);

2. the value of a foreign currency calculated in pounds sterling at the rate of exchange published as the Financial Times closing mid point rate on the date of **Discovery**;

3. the actual cash value of **Property** at the time of the loss or the actual cost of repairing or replacing the **Property** with property of similar quality or value whichever is less.
We aim to provide you with a first class service. If we have not delivered the service that you expect or you are concerned with the service provided, we would like the opportunity to put things right.

Our complaints process

Initially please raise your concerns with your usual business contact.

If your complaint is not resolved or you are not happy with our response and the course of action proposed, you can progress your complaint to our Customer Relations Office.

A separate investigation will then be carried out in an attempt to resolve your complaint and a final decision issued. However, if resolution is not possible, they will issue a response within 8 weeks of your original complaint.

Customer Relations Contact Details
Customer Relations Manager
Royal & Sun Alliance Insurance plc
Bowling Mill
Dean Clough Industrial Park
Halifax
HX3 5WA

Telephone: 0800 1076160
Fax: 01422 325146
Email: halifax.customerrelationsoffice@uk.royalsun.com

What to do if you are still not satisfied

If you are still not satisfied, Royal & Sun Alliance is regulated by the Financial Services Authority whose arbitration service is the Financial Ombudsman Service, and you may be able to refer your complaint to them.

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0845 0801800
Website: www.financial-ombudsman.org.uk

Your rights

Your rights as a customer to take legal action remain unaffected by the existence or use of any complaint procedures referred to above. However, the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.