



LIBERTY INTERNATIONAL UNDERWRITERS
(a member company of Liberty Mutual Insurance Group)

Combined General & Products Liability Schedule

1. **POLICY NUMBER:** **BN-CAS-11-400778/BN-CAS-11-410079**

2. **INSURED:** Harness Racing Australia Inc., State Controlling Bodies (excluding New South Wales), Tabaret Management Pty Ltd, Harness Racing Victoria including Victorian Harness Racing Sports Club Inc, Junction Tabaret Management Pty Ltd, Tabcorp Holdings Limited (in respect of their involvement with harness racing clubs only) for their respective rights and liabilities, Racing and Wagering Western Australia; Western Australian Trotting Association; Mundijong Thoroughbred and Standardbred Trainers Association (Inc) in respect to standardbred training activities only, Australian Pacing Gold Ltd, Harness Racing Tasmania, Tasracing, Racing Services Tasmania (in respect of their involvement with harness racing only), Racing Queensland Limited , (in respect of their involvement with harness racing only), Harness Racing Queensland, Harness Racing SA Limited, Cooper City Horse Training Society Inc, Registered Clubs and Associations, licensed drivers, licensed trainers, stablehands, stewards and veterinarian contractors in respect of advice given to registered clubs of the Harness Racing Australia only at race meetings, affiliated bodies, together with experienced personnel whilst licensed by the appropriate licensing authority, JLT (Australian Harness Racing Council) Discretionary Trust and nominated clubs and associations:

Nominated Harness Racing Australia Registered Clubs & Associations

Victoria – Clubs (including Trialing Tracks)

Ararat Harness Racing Club Inc.
Bacchus Marsh Harness Racing Club Inc.
Ballarat & District Trotting Club Inc.
Bendigo Harness Racing Club Inc.
Birchip Harness Racing Club Inc.
Boort Trotting Club Inc.
Charlton Harness Racing Club Inc.
Cobram Harness Racing Club Inc.

Cranbourne Harness Racing Club Inc.
Diamond Valley Harness Racing Assoc Inc.
Donald Light Harness Club Inc.
Echuca Harness Racing Club Inc.
Elmore Light Harness Club Inc.
Geelong Harness Racing Club Inc.
Gunbower Harness Racing Club Inc.
Hamilton Harness Racing Club Inc.
Horsham & District Harness Racing Club Inc.
HRV Management Ltd (Limited by Guarantee)
Kilmore Racing Incorporated.
Kyabram Trotting Club Inc.
Maryborough Harness Racing Club Inc.
Melton Entertainment Trust
Mildura Harness Racing Club Inc.
Mooroopna Harness Club Inc.
Nyah District Harness Racing Club Inc.
Ouyen Harness Racing Club Inc.
Racing Information Services Enterprise Pty Ltd
Robinvale & District Harness Racing Assoc. Inc.
St Arnaud Harness Racing Club Inc.
Sebastian Harness Racing Club Inc.
Shepparton Harness Racing Club Inc.
Stawell Harness Racing Club Inc.
Terang Harness Racing Club Inc.
Victorian Harness Racing Sports Club
Wangaratta Harness Racing Club Inc.
Warragul Harness Racing Club Inc.
Warragul Light Harness Racing Club Inc.
Warrnambool Harness Racing Club Inc.
Wedderburn & District Harness racing Club Inc.
Yarra Valley Racing.

Victoria – Training & Trialing Tracks

Ballan Harness Racing Club Inc.
Campbells Creek Trotting Club Inc.
Colac & District Light Harness Club Inc.
Croydon Light Harness Club Inc.
Inglewood & District Harness Racing Club Inc.
Kerang Harness Racing Club Inc.
Kyneton Trotting Association Inc.
Lancefield Light Harness Club Inc.
Marong Light Harness Club Inc.
Portland Light Harness racing Club Inc.
Southern Speedways Light Harness Club Inc.
Yarrowong & District Harness Racing Club Inc.

Victoria – Mini Trotting Clubs

Pony Trots Victoria

Harness Racing Victoria – additional entities

Racing Information Services Enterprise Pty Ltd
Harness Racing Victoria Management Ltd

HRV Management Ltd (Limited by Guarantee)
Melton Entertainment Trust

Western Australia – Clubs

Albany Harness Racing Club
Bridgetown Harness Racing Club
Bunbury Trotting Club
Busselton Trotting Club
Central Wheatbelt Harness Racing Club (Kellerberrin)
Collie Harness Racing Club
Gloucester Park Harness Racing (formerly Fremantle Harness Racing Club and WA Trotting Association)
Golden Mile Trotting Club (Kalgoorlie)
Harvey Trotting Club
Narrogin Harness Racing Club
Northam Harness Racing Club Inc.
Pinjarra Trotting Club
Wagin Trotting Club
Williams Trotting Club
York Harness Racing Club

Western Australia - Training & Trialing Tracks

Byford Trotting Training Complex
Cunderdin Trotting Club Inc.
Dunbarton Racetrack Inc.
Geraldton Harness Racing Club
Guildford Pacing Trainers Club
Jandakot Trotting Training Centre
South Suburban Trotting Training Centre
Wanneroo Trotting Training Centre

Western Australia – Mini Trotting Clubs

WATA Be Active Pony Trots
Albany Pony Trots
Bunbury Pony Trots
Busselton Pony Trots
Narrogin Pony Trots

Tasmania – Clubs

Burnie Harness Racing Club
New Norfolk Pacing Club
Carrick Park Pacing Club
North Eastern Pacing Club
Devonport Pacing Club
St Marys Pacing Club
King Island Racing Club
Tasmanian Pacing Club
Launceston Pacing Club

Tasmania – Trailing Associations

Light Harness Tasmania
North West Tasmanian Light Harness Association
Northern Tasmanian Light Harness Association
King Island Light Harness Association

Tasmania – Training & Trailing Tracks

Beaconsfield
Railton
Brighton
Westbury
Kempton
Tapeta Park

Tasmania – Mini Trotting Clubs

Tasmanian Pacing Club
Carrick Park Pacing Club

Queensland – Clubs

Albion Park Harness Racing Club
Darling Downs Harness Racing Club (Toowoomba)
Gold Coast Harness Racing Club
Redcliffe Peninsula Harness Racing
Wide Bay Harness Racing Club (Maryborough)
Marburg Pacing Association Inc (Marburg)

Queensland - Training & Trialing Tracks

Rockhampton Harness Racing Club
Mackay Harness Racing Club Inc
Australian Mini Trotting clubs including all members, instructors, officials, volunteers and the like.

Queensland – Mini Trotting Clubs

Queensland Junior Harness Racing Assoc Inc
Queensland Mini Trotting Sporting Assoc Inc

South Australia – Clubs

Port Pirie
Strathalbyn
Whyalla
York Peninsula (at Kadina) – 1 race at Port Pirie and 1 trial at Kadina
Mount Gambier
Kapunda
Franklin Harbour (at Whyalla)
Gawler (at Globe Derby)
SA Harness Racing Club (Globe Derby)
Victor Harbour HRC Inc.
Port Augusta (at Port Pirie)

South Australia – Training & Trailing Tracks

Gawler
Weigall Oval
Copper City Horse Training Society Inc. (at Kadina)
SA Squaretrotters Association Inc. (at Globe Derby)
Two Wells
Port Augusta (now including Upper North Botra)
Murray Bridge
Port Pirie Harness Racing Club
Victor Harbour
Kadina

South Australia – Mini Trotting Clubs

SA Pony Association

- 3. BUSINESS DESCRIPTION:** Principally management of the Australian Harness Racing Industry, including Racing, Trialling and Training of Harness Racing Standard Bred horses by licensed Drivers, Trainers and Stablehands, State Controlling Bodies, Registered Club's operations in respect of any Harness Racing business including, but not limited to:
- Operators of Raceways; Managers, Promoters and Organisers of Harness Racing in Australia; Property Owners; Totalisator Operations; Yearling Sales, and including all associated activities undertaken by the Insured. The inclusion of coverage for Property Owners activities extends only to Registered Clubs, Associations and Nominated Registered Tracks as noted on the Policy Schedule. **The Policy does not provide coverage for Licensed Trainers, Drivers or Stablehands in respect of their own personal liability as a Property Owner.**
- 4. PERIOD OF INSURANCE:** From: 1st September 2011 at 4pm local standard time
To: 1st September 2012 at 4pm local standard time
- 5. LIMIT OF INDEMNITY:** AUD50,000,000 any one Occurrence in respect of public liability and in the aggregate during the Period of Insurance in respect of Product liability.
- Sub-Limits:-
- 1) Errors and Omissions – AUD2,000,000 any one claim and in the aggregate during the Period of Insurance.
 - 2) Property in the Insured's care, custody or control – AUD2,000,000 each and every Occurrence and in the aggregate during the Period of Insurance.
 - 3) Ambulance Officers Medical Services Liability – AUD5,000,000 any one Claim and in the aggregate during the Period of Insurance.

6. **AGGREGATE DEDUCTIBLE:** \$250,000 in the aggregate which is covered by a financial product under a JLT Discretionary Trust (JDT) arrangement recognised under the Corporations Act as an unregistered managed investment scheme, which has two distinct components – a trust and an insurance product to protect the trust.

The effective date of the aggregate deductible under a JLT Discretionary Trust (JDT) is from the 1st September 2011 to 1st September 2012.**7.**

RETROACTIVE DATE: 2nd March 2009 – Ambulance Officers Medical Services Liability (Endorsement 18).30th June 2002 – Errors and Omissions (Endorsement 1).30th September 2004 – Warragul Light Harness Racing Club Inc. (Endorsement 14)

7. **DEDUCTIBLE:**

Maintenance Deductibles:

- 1) AUD1,000 each and every occurrence (costs inclusive) in respect of claims arising out of a licensed driver's harness racing activities.
- 2) AUD1,000 each and every occurrence (costs inclusive) in respect to claims against any trainer.
- 3) AUD30,000 each and every occurrence (costs inclusive) in respect of driver versus driver claims where the claimant driver(s) is (are) entitled to claim workers' compensation benefits arising out of the accident (whether the workers' compensation benefits have been claimed or not).
- 4) AUD25,000 each and every occurrence (costs inclusive) in respect of claims arising out of the use of club premises as public markets and the like.
- 5) AUD10,000 each and every claim (costs inclusive) in respect of the errors and omissions cover.
- 6) AUD10,000 each and every occurrence (costs inclusive) arising out of harness racing activities in relation to Warragul Light Harness Racing Club Inc.
- 7) AUD25,000 each and every occurrence (costs inclusive) arising out of all other activities in relation to Warragul Light Harness Racing Club Inc.
- 8) AUD15,000 each and every occurrence (costs inclusive) arising out of standard bred horse sales/auctions arranged by:

- a. Australian Pacing Gold Ltd.
 - b. Harness Racing South Australia - Annual Yearling Sales
- 9) AUD10,000 any one Claim (costs inclusive) arising out of Ambulance Officers Medical Services Liability Claims.
- 10) AUD10,000 each and every occurrence (costs inclusive) in respect of all other claims.
- 11) AUD1,000 each and every occurrence (costs inclusive) in respect of mini/pony trotting claims.

and in addition:

Self-Insured Retention

Self-Insured Retention of \$250,000 for the period 1st September 2011 to 1st September 2012 in the aggregate. Only amounts above the eleven (11) Maintenance Deductibles as set out above shall contribute to the exhaustion of the aggregate Self-Insured Retention of \$250,000. If the annual aggregate Self-Insured Retention of \$250,000 is exhausted the eleven (11) Maintenance Deductibles as set out above shall remain in place.

8. **PREMIUM:** As agreed.
9. **POLICY WORDING:** As per Liberty International Underwriters CGL03.02 plus endorsements as detailed below.

This Schedule attaches to and forms part of LIU Combined General & Products Liability Policy Form CGL 03.02 and is valid only if it is signed and dated below by a duly authorised representative of Liberty International Underwriters.



For and on behalf of
Liberty International Underwriters

2nd January 2012

Date

LIBERTY INTERNATIONAL UNDERWRITERS
(a member company of Liberty Mutual Insurance Group)

**Endorsements attaching to and forming part of Policy Number BN-CAS-11-400778/
BN-CAS-11-410079**

Insured: Harness Racing Australia Inc. and others as per Schedule

Endorsements effective from: 1st September 2011

Endorsement 1

ERRORS AND OMISSIONS

1. NOTICE TO THE INSURED

The terms and conditions of this Endorsement provide that:

- 1.1 A Claim (as defined within this Endorsement) must be made against the Insured during the Period of Insurance for this Policy to apply; and
- 1.2 The Insured must immediately notify LIU in writing of such Claim(s). Such notification must be given to LIU during the Period of Insurance for this Policy to apply.

If any circumstances or facts come to the attention of the Insured during the Period of Insurance which are likely to give rise to a Claim(s) to be made against the Insured or which the Insured should reasonably expect to give rise to a Claim(s) to be made against this Insured, the terms and conditions of this Endorsement provide the Insured with an option as to whether or not to notify LIU. However, failure to notify LIU may affect Policy indemnity, i.e. all or part of any subsequent Claim(s) may not be covered. Assuming the option to notify LIU is chosen, such notification must be given in writing during the Period of Insurance for this Policy to apply.

The time of the happening of the negligence, whether by act, error or omission which gives rise to a Claim(s), is not of relevance provided they occur after the Retroactive Date specified below.

Upon expiry of the Period of Insurance, no further Claim(s) can be made under this Policy and, therefore, the maintenance of insurance provided by this Endorsement is essential.

2. ERRORS AND OMISSIONS OPERATIVE CLAUSE

LIU, to the extent and in the manner hereinafter provided, hereby agrees to pay to or on behalf of the Insured up to the Limit of Indemnity of AUD2,000,000 against all sums which the Insured shall become legally liable to pay as compensation as a result of a Claim or Claim(s) first made against the Insured and reported to LIU during the Period of Insurance arising out of any negligence, whether by act, error or omission (which expression shall include any non-deliberate breach of Section 52 of the Trade Practices Act 1994 or mirroring provisions of any

State Fair Trading Act or similar statute) committed or alleged to have been committed by or on behalf of the Insured in connection with the Insured's Products or services.

Provided that in respect to veterinary contractors only, indemnity is limited to the extent provided by Endorsement 2 below.

LIU hereby agrees to pay all Defence Costs (including claims handling expenses) for which indemnity is available under this Endorsement provided that LIU's total aggregate liability (including Defence Costs) shall not exceed in all the Limit of Indemnity specified above notwithstanding the number of Claims made.

3. For the purposes of this Endorsement only, Exclusion 7.12 is deleted.
4. EXCLUSIONS APPLICABLE TO ERRORS & OMISSIONS COVER

This Endorsement does not cover liability:-

- 4.1 Arising out of any negligence, whether by acts, errors or omissions which occurred or allegedly occurred prior to 30th June, 2002.
- 4.2 Arising out of any facts or circumstances which the Insured was aware of prior to the commencement of the Period of Insurance or which a reasonable person in the Insured's position would have considered may give rise to a Claim.
- 4.3 Arising out of or attributable to any failure or omission on the part of the Insured to effect or maintain insurance.
- 4.4 Which is more specifically insured against in any other section of this Policy.
- 4.5 Arising out of the repair, reconditioning, replacement, making good or recall of any product or faulty or inadequate workmanship performed by or on behalf of the Insured.
- 4.6 Assumed under contract or agreement unless such liability would have attached in the absence of such contract or agreement.
- 4.7 Arising from an Occurrence which is inevitable having regard to:
 - 4.7.1 The circumstances and nature of the work undertaken, or
 - 4.7.2 The Insured's Products or services supplied.
- 4.8 Arising from or in connection with advice, design, consultancy, specification, formulae or supervision given or undertaken by the Insured:
 - 4.8.1 Not in relation to the Insured's Products or services, or
 - 4.8.2 For a fee.
- 4.9 Arising out of conspiracy, conversion, deceit, inducement, breach of contract or injurious falsehood.
- 4.10 For punitive, exemplary, aggravated, multiple or liquidated damages, fines or penalties.

- 4.11 Arising in the USA and/or Canada or in respect of any Claims which would be subject to the jurisdiction of the Courts of the USA and/or Canada
- 4.12 Incurred by or caused by a Director or Officer of the Insured whilst acting within the scope of their duties in such capacity.

5. DEFINITION

“Claim” or “Claims” means:

- 5.1 Any writ, statement of claim, summons, application or other originating legal or arbitral process, cross claim, counterclaim or third or similar party notice issued against or served upon the Insured; or
- 5.2 The receipt by the Insured of any written or verbal notice of demand for compensation made by a third party against the Insured.

6. CONDITIONS APPLICABLE TO ERRORS & OMISSIONS COVER

- 6.1 The Insured shall, as a condition precedent to their right to be indemnified under this section, give to LIU as soon as practicable notice in writing during the Period of Insurance:
 - 6.1.1 Of any Claim(s) made against them;
 - 6.1.2 Of the receipt of notice from any person of an intention to make a Claim against them.
- 6.2 The Insured shall give to LIU as soon as practicable notice in writing during the Period of Insurance of any circumstance of which they shall become aware during the Period of Insurance likely to give rise to a Claim against them.

If, during the Period of Insurance, the Insured shall become aware of any circumstance which might subsequently give rise to a Claim under this Endorsement and elect, during the Period of Insurance, to give written notice to LIU of such circumstances, than any such Claim which might subsequently arise out of such circumstances will be deemed to have been made during the Period of Insurance.

Endorsement 2

It is hereby declared and agreed that in respect to Endorsement 1 above only, Endorsement 1 is extended to indemnify veterinary contractors in respect of advice given to the harness racing authorities and nominated harness racing clubs only, and no coverage is provided by this Endorsement 2 where a fee income is received for treatment to horses or any other animals by the veterinary contractor(s).

It is a condition precedent to indemnity under this Policy that each veterinary contractor provides a current certificate of currency to the relevant harness racing authority and/or nominated harness racing club in respect to their professional indemnity insurance before operating at a harness racing meeting.

It is understood and agreed that the indemnity provided by this Endorsement 2 will operate as an excess layer protection above the indemnity provided by the professional indemnity insurance provided by the veterinary contractor.

It is further declared that in respect to Endorsement 1 above only, Endorsement 1 is extended to indemnify retired qualified veterinary persons in respect of advice given to the harness racing authorities and nominated harness racing clubs only irrespective of whether a fee income is received where such persons do not have indemnity provided under any current professional indemnity insurance by virtue of their retirement from veterinary practice.

Endorsement 3

This policy does not cover liability directly or indirectly caused by, arising out of or in any way connected with show racing at showgrounds or any other non-registered tracks other than as provided under Endorsement 16 in relation to mini-trotting at Agricultural Shows.

Endorsement 4

The following Condition is added to this Policy: -

- 8.11 Licensed drivers and trainers are required to wear helmets and protective vests at all times whilst in control of a sulky in official races, official trials and on registered training tracks as specified by the Australian Rules of Harness Racing and adopted by each State Jurisdiction.

Endorsement 5

It is agreed General Condition 8.7 is deleted and replaced by the following: -

- 8.7 The Insured must:
 - 8.7.1 Exercise reasonable care that only competent Workers and/or employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition;
 - 8.7.2 Take all reasonable precautions to:
 - 8.7.2.1 Prevent Injury and Damage;
 - 8.7.2.2 Prevent the manufacture, sale or supply of defective Products;
 - 8.7.2.3 Comply, and ensure that its Workers, servants and agents comply with all statutory obligations, by laws or regulations imposed by any public authority for the safety of persons or property;
 - 8.7.3 At its own expense take reasonable action to trace, recall or modify any Products containing any defect or deficiency which defect or deficiency the Insured has knowledge of or has reason to suspect.
 - 8.7.4 Conform with the Australian Rules of Harness Racing at all times.

The amount of any benefit under this Policy for any liability arising from Injury and/or Damage caused or contributed to by the lack of such precautions, measures and compliances shall be reduced by the amount that fairly represents the extent to which LIU's interests have been prejudiced thereby.

Endorsement 6

Clause 3 of this Policy is deleted and replaced by the following:

3. Indemnity to Others

The indemnity granted by this Policy will extend to:

- 3.1 Any principal in respect of the liability of such principal to third parties arising out of the performance by the Insured of any written contract or agreement with the Insured for the performance of work for such principal but this Policy shall only indemnify the principal to the extent that the Insured is required to insure such liability pursuant to such written contract or agreement, but subject always to the terms of this Policy.
- 3.2 Any director, executive officer or Worker of the Insured or, where the Insured is a partnership, any partner of the Insured, but only while acting within the scope of their duties in such capacity.
- 3.3 The officers, committee and members of the Insured's canteen, social, sports, first aid/medical, fire fighting and employee welfare organisations in their respective capacity as such.
- 3.4 The legal personal representative of any person entitled to indemnity under this Clause 3 in circumstances giving rise to indemnity under this Policy.
- 3.5 Any volunteer whilst acting for the Insured including stablehands, but only whilst such volunteer and/or stablehands are licensed by the appropriate licensing authority.
- 3.6 Work experience students whilst undertaking work experience but only whilst such student is licensed by the appropriate licensing authority.

Provided always that all such persons or parties shall, whilst not being a party to this contract, observe, fulfil and be subject to the terms of this Policy (insofar as they can apply) as though they were the Insured.

Endorsement 7

The driver -v- driver cover provided by this Policy only applies to registered drivers at official race meetings and/or official trials, and always in accordance with the Australian Rules of Harness Racing.

Endorsement 8

It is agreed that the harness racing clubs and associations covered by this Policy must be incorporated entities. If, as a result of historical precedent or commercial rationale, this is unable to be actioned, the club or association in question must seek continuing annual approval from the Insured in order to remain covered under this Policy.

Endorsement 9

This Policy does not cover liability directly or indirectly caused by, arising out of or in any way connected with celebrity or other non-official races or non-official trials that do not conform with the Australian Rules of Harness Racing.

Endorsement 10

The following Condition is added to this Policy: -

8.12 It is agreed that the State Controlling Bodies shall be liable for payment of Deductibles and therefore State Controlling Bodies shall be responsible for collection of Deductibles from their Members. Deductibles must be paid within thirty (30) days of request by LIU.

Endorsement 11

This Policy does not provide indemnity to a licensed driver or trainer for liability directly or indirectly caused by, arising out of or in any way connected with any Injury or Damage where such driver or trainer, while in control of a sulky on a racetrack, was found to be under the influence of or impaired by any drug or intoxicating liquor as determined under the Australian Rules of Harness Racing and current policies as adopted by the relevant State Jurisdiction(s).

Endorsement 12

This Policy does not provide indemnity to a licensed driver or trainer for liability directly or indirectly caused by, arising out of or in any way connected with the usage by the driver or trainer of wooden shafted sulkies and separate wooden shafts in races, official trials, qualifying trials, club and unofficial trials and run-arounds on all club registered tracks and training tracks.

Endorsement 13

This Policy is extended to cover licensed drivers only whilst they are driving trackwork for trainers, provided the drivers are not employed by the trainer and/or are entitled to workers compensation.

Endorsement 14

This Policy is extended to include Warragul Light Harness Racing Club Inc. with effect from 30th September 2004 and no cover has been afforded under this Policy for Warragul Light Harness Racing Club Inc. prior to 30th September 2004.

Endorsement 15

Sub-Exclusion 7.2.4.2 is deleted and replaced by the following:-

7.2.4.2 LIU's Limit of Indemnity under this Clause 7.2.4 does not exceed AUD2,000,000 each and every Occurrence and in the aggregate for any one Period of Insurance.

Endorsement 16

This policy does not cover liability directly or indirectly caused by, arising out of or in any way connected with mini-trotting, racing or trials at showgrounds or any other non-registered tracks other than racing at Agricultural Shows, subject to being administered and supervised by Mini Trotters State Association).

Endorsement 17

It is hereby declared and agreed that in respect to Endorsement 1 above only, Endorsement 1 is not extended to indemnify Australian Pacing Gold Ltd & Harness Racing South Australia – Annual Yearling Sales.

Endorsement 18

Ambulance Officers Medical Services Liability

1. Notice to the Insured

This endorsement provides cover on a **Claims made and notified basis**.

1.1 A Claim must be made against the Insured during the Period of Insurance; and

1.2 The Insured must notify LIU in writing of such Claim during the Period of Insurance.

2. Insuring Clause

Subject to the terms and conditions of the Policy and this endorsement, LIU will pay to or on behalf of the Insured all sums which the Insured shall become legally liable to pay by way of compensation as a result of a Claim for Injury both first made against the Insured and notified to LIU during the Period of Insurance arising out of any negligence, whether by act, error or omission, committed or alleged to have been committed by any Ambulance Officer in the course of providing medical services in connection with the Insured's Business.

3. Definitions

3.1 "Ambulance Officer" means any individual registered or licensed as a ambulance officer under the relevant state or territory law and employed by the Insured.

3.2 "Claim" means:

3.2.1 Any writ, statement of claim, summons, application or other originating legal or arbitral process, cross claim, counterclaim or third or similar party notice issued against or served upon the Insured; or

3.2.2 The receipt by the Insured of any written or verbal notice of demand for compensation made by a third party against the Insured.

4. Limit of Indemnity

LIU's liability to pay compensation under this endorsement shall not exceed \$5,000,000 any one Claim and in the aggregate during the Period of Insurance.

Further, all payments made under this endorsement will also contribute towards the exhaustion of the aggregate Limit of Indemnity in respect of Products liability.

All claims of a series consequent on or attributable to one source or original cause shall be deemed one Claim.

The Deductible shown in the Schedule applies each and every Claim (costs inclusive) and shall be borne by the Insured at their own risk and LIU's liability shall only be in excess of this amount.

5. Defence Costs

LIU agrees to pay all legal costs and expenses incurred with LIU's prior written consent in connection with any Claim for which indemnity is available under this endorsement, provided

that such legal costs and expenses are included within the Limit of Indemnity applicable to this endorsement.

Provided that LIU shall not be liable for legal costs and/or expenses where indemnity is not provided by this endorsement.

In the event the Insured is a party to a demand, legal proceedings, inquiry or hearing which is covered only in part by this endorsement, the Insured and LIU will use their best efforts to agree upon a fair and proper allocation of legal costs and/or expenses or any other amount insured under this endorsement which relate solely to what is covered under this endorsement.

In the event that an agreement cannot be reached, a Senior Counsel (to be mutually agreed upon by LIU and the Insured) shall, as an expert and not an arbitrator, determine a fair and proper allocation. Until the Senior Counsel has made a determination LIU may, in its absolute discretion, pay such legal costs and/or expenses or any other amount insured under this endorsement as it considers appropriate.

6. Exclusions

For the purposes of this endorsement only:

- 6.1 Exclusion 7.12 of the Policy wording is deleted.
- 6.2 Section 4. Cross Liabilities of the Policy wording is deleted.
- 6.3 The following additional exclusions apply:
 - 6.3.1 Any act, error or omission which occurred or allegedly occurred prior to the Retroactive date in the Schedule.
 - 6.3.2 An occurrence which would otherwise be excluded under the public/products component of this Policy (and any endorsements attached thereto) to which this endorsement is attached.
 - 6.3.3 Any facts or circumstances of which the Insured was aware prior to the commencement of the Period of Insurance or which a reasonable person in the Insured's position would have considered may give rise to a Claim.
 - 6.3.4 Any Claim made prior to or existing at the inception of this Policy.
 - 6.3.5
 - 6.3.5.1 Any Claim; or
 - 6.3.5.2 Facts or circumstances that might give rise to a Claim,

Which have been notified or which could have been notified under any prior policy.
 - 6.3.6 Any failure or omission on the part of the Insured to effect or maintain insurance.
 - 6.3.7 Arising from or in connection with the rendering of or failure to render professional advice or service or any error or omission connected therewith given for a fee by the Insured or any person covered by Clause 3 of this Policy.

- 6.3.8 Any claim which is more specifically insured against in any other section of this Policy.
- 6.3.9 Conspiracy, conversion, deceit, inducement, breach of contract or injurious falsehood.
- 6.3.10 Claims made and actions instituted within the United States of America or Canada, their respective territories and protectorates and any other territory coming within the jurisdiction of the courts of the United States of America or Canada.
- 6.3.11 Claims and actions to which the laws of the United States of America or Canada and their respective territories and protectorates apply.
- 6.3.12 Any Claim incurred by or caused by a director or officer of the Insured whilst acting within the scope of their duties in such capacity.
- 6.3.13 Liability assumed under the terms of a contract, agreement or warranty unless the Insured would have been liable in the absence of such contract, agreement or warranty.
- 6.3.14 Liability assumed where the Insured may have been able to recover from another party but for an agreement between the Insured and such party where the Insured has waived, released or abandoned any right of recourse or recovery against any party

7. Conditions

- 7.1 In the event of a Claim, the Insured must give immediate notice in writing to LIU of such Claim and such information as LIU may require to reasonably investigate the Claim and to enable LIU to determine its liability under this Policy.
- 7.2 The Insured must take all reasonable precautions to prevent Financial Loss to any third party.

Endorsement 19

The following amendments are made to this Policy in respect of the Insured's Business and the Insured's Products exported by the Insured to the United States of America or Canada:

- 1. In respect to the Insured's Business in the United States of America or Canada only and Products exported to the United States of America or Canada, Exclusion 7.13 is deleted and replaced by the following:
 - 7.13 7.13.1 The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants;
 - 7.13.2 Any expenses for the prevention of the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants;
 - 7.13.3 Testing, monitoring, clean up, removal, containment, treatment, detoxifying or neutralising of Pollutants or their effect;

7.13.4 The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants caused by any Product that has been discarded, dumped, abandoned or thrown away by others.

Endorsement 20 Exclusion 7.21 is deleted.

Nothing contained in these Endorsements shall in any way serve to increase the Limit of Indemnity stated in the Schedule.

Other than as amended above, the terms of this Policy shall continue to apply.



2nd January 2012

For and on behalf of
Liberty International Underwriters

Date