

Introduction

Law and Jurisdiction This insurance is subject to English law and practice and to the exclusive jurisdiction of the English courts sitting in London.
In particular, there are rules of law in relation to disclosure and under-insurance.

Material Facts If at any time after inception of this insurance there is a substantial change in your business, you must advise Underwriters, who reserve the right to amend the rates, terms and conditions of this insurance.

If you are in any doubt as to whether this insurance meets your needs, you should seek independent advice from your insurance advisor.

Cancellation This insurance may be cancelled by Underwriters or the Insured giving 7 days' notice in writing to take effect from midnight on the date of issue.

Non-Contribution This insurance does not cover subject matter that is insured by or would, but for the existence of this insurance, be insured by any other existing policy or policies; except in respect of any additional sum beyond the amount which would have been payable under such policy or policies had this insurance not been effected.

Insurance Premium Tax Underwriters will calculate the tax liability of the Insured, who agrees to pay all amounts due.

Declaration The premium payable under this contract is provisional and subject to adjustment
At the end of each period of insurance the Insured shall declare to NMU the information specified in the Schedule as Declaration Information
The actual premium shall be calculated at the rates applicable on the amounts declared
If the actual premium differs from the provisional premium the Insured shall pay or NMU shall refund the difference subject to a minimum retention by NMU of any minimum retained premium referred to in the Schedule or 50% of the provisional premium whichever is the greater

Service Standards

Northern Marine Underwriters Limited

Faulkner House
Faulkner Street
Manchester
M1 4DY

0161 236 3380
(fax) 0161 236 0633

Northern Marine Underwriters Limited is authorised and regulated by the Financial Services Authority.

We aim to provide you with a high quality service. If you are dissatisfied in any way, then please write to or telephone the office which issued this Policy and we will do our best to resolve the problem.

If you are unhappy with the reply or explanation received, we ask that you contact our Compliance Manager, at the address shown left.

We will acknowledge your communication within 5 business days of receipt, letting you know who will be dealing with your problem and when you can expect a response.

We will let you have a formal response within 20 business days.

If that is not our final response, we will let you know the reason why and when you can expect to receive our final response.

Munich Re Underwriting Limited

St Helens
1 Undershaft
London
EC3A 8EE

020 7886 3900
(fax) 020 7886 3901

In issuing this insurance, Northern Marine Underwriters Limited acts as agent for Watkins Syndicate (WTK/457) at Lloyd's.

The Managing Agent for the Syndicate is Munich Re Underwriting Limited.

If we cannot resolve any problem to your satisfaction, you may contact the Compliance Director of Munich Re Underwriting Limited.

Lloyd's of London

One Lime Street
London
EC3M 7HA

020 7327 5693
(fax) 020 7327 5225

Lloyd's is regulated by the Financial Services Authority.

Lloyd's has strict guidelines as to how complaints should be dealt with. You may, if the matter is still not resolved to your satisfaction, or at any time, take your concerns to the Policyholder and Market Assistance team at Lloyd's.

Financial Ombudsman Service

Where appropriate, the Managing Agent and Lloyd's will also give you details of the independent arbitration scheme administered by the Financial Ombudsman Service.

However, the Financial Ombudsman Service will only consider referral of your complaint if you have given us the opportunity to resolve it and we have not, or if we do not resolve it within 40 working days (in which case you may contact them directly) **and you are**

- a private policyholder; or
- a business with a group annual turnover of less than £1million; or
- a charity with an annual income of less than £1million; or
- a trust with a net asset value of less than £1million.

Financial Services Authority

25 The North Colonnade
Canary Wharf
London
E14 5HS

020 7066 1000

The Financial Services Authority is an independent non-governmental body established to regulate the financial services industry, under statutory powers granted by the Financial Services and Markets Act 2000.

Further information about your rights as a policyholder and guidance about making complaints can be obtained by calling their helpline: 0845 606 1234, or from their website: www.fsa.gov.uk/consumer.

Claims Procedure

Instructions for Survey *In the event of any happening or event likely to give rise to a claim under this insurance, immediate notice must be given in writing with full particulars to the broker named herein.*

No survey is required for any claims unlikely to exceed £1,000 or the equivalent in other currencies.

Duty of the Insured The Insured shall take all reasonable precautions to prevent Damage

On the happening of any Damage the Insured shall

- i) notify NMU in writing immediately
- ii) inform the police immediately if the Damage is caused by thieves or malicious persons
- iii) provide NMU with full details of Damage by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances within seven days of its happening
- iv) send to NMU a written claim not later than thirty days or such further time as NMU may in writing allow after the Damage has happened providing at the Insured's own expense all the detailed particulars and evidence regarding the cause and amount of the claim as NMU may reasonably require together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith
- v) carry out and permit to be taken any action which may be reasonably practicable to diminish the Damage and to prevent further loss
- vi) permit NMU and every person authorised by NMU without thereby incurring any liability to enter any premises where the Damage has occurred and to take and keep possession of and deal with any salvage

Definitions

For the purposes of this insurance, these words and phrases shall always be taken as having the following meanings:

- Insured*** As stated in the **Schedule**, and any party to whom insurable interest in subject-matter insured hereunder passes under a contract of sale.
And **you** and **your** shall be construed accordingly.
- Excess*** The amount for which the Insured is responsible as the first part of each claim.
- Damage*** Deterioration or putrefaction of the Property caused by
a) a rise or fall in temperature within any Cold Store
b) the action of refrigerant fumes which have escaped from any Cold Store
- Property*** The stock in the Cold Store including stock which at the time of the happening of the Insured Event is elsewhere at the Situation but which would in the normal course be placed in the said Cold Store
- Situation*** As detailed in the Schedule
- Cold Store*** The cold store or other refrigeration facility described in the Schedule including plant and machinery used in connection therewith
- Incident*** Any occurrence or series of occurrences attributable to one proximate cause.
- Period*** As stated in the **Schedule**.
If notice of cancellation is given, then the end of the period will be midnight on the last day before cancellation becomes effective.
- Subsidiary Company*** As defined in section 736 of the Companies Act 1985 and any statutory amendments thereto.
- Territorial Limits*** Great Britain Northern Ireland the Isle of Man and the Channel Islands
- Failure of a System*** Failure of a System means the failure or inability of a System (whether or not owned by the Insured)
a) correctly to recognise or utilise any data concerning a date (whether a date in the Year 2000 or any other date) as being such calendar date as the data is intended to represent
b) to operate as a result of any command programmed in to the System utilising any date (whether a date in the Year 2000 or any other date)
- System*** System includes computers and other computing and electronic and mechanical equipment linked to a computer hardware software programs data electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation

Microchip includes integrated circuits and microcontrollers

Definitions

NMU Northern Marine Underwriters Limited, acting on behalf of MC Watkins and Others, Syndicate 457 at Lloyd's.

And **we, us** and **our** shall be construed accordingly.

- Reinstatement**
- a) Where any item of Property suffers Damage to the extent that it cannot be economically repaired replacement by equivalent Property of comparable performance and/or capacity or if such be impracticable replacement by comparable Property having the nearest comparable performance and/or capacity to the Property which has suffered Damage
 - b) Where any item of Property suffers other Damage the repair of the Damage and the restoration of the portion of Property suffering Damage to a working condition substantially the same as but not better or more extensive than its condition when new

Cover

Damage to Property In the event of Damage (other than Damage hereby excluded) to Property happening during the period of insurance NMU will pay to the Insured the value of the Property being the least of cost or net realisable value immediately prior to the time of its Damage or the value of the Damage

Measures taken in Avoidance of Damage In the event of the Insured taking necessary and reasonable measures to avoid or mitigate impending Damage (other than Damage hereby excluded) NMU will pay to the Insured the costs of such measures provided the costs do not exceed the amount which would have been incurred had Damage occurred

Limit of Liability The liability of NMU shall not exceed in respect of any one incident of Damage or series of incidents of Damage from a common cause in respect of each Cold Store the sum insured stated in the Schedule or the balance of such sum insured remaining after deduction for any other Damage occurring during the same period of insurance unless NMU shall have agreed to reinstate any such sum insured

In the event that the Insured consists of more than one party or legal entity the amount for which NMU would have been liable had such Damage been sustained by any one of the Insured

Extensions

***Automatic Restoration of
Sum Insured***

The sums insured stated in the Schedule will be automatically restored without additional premium from the date of occurrence of any Damage or liability of £10,000 or less

Special Provisions

- a) No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - i) unless Reinstatement commences and proceeds without unreasonable delay
 - ii) until Reinstatement has been carried out
 - iii) if the Property insured at the time of its Damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement
- b) If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property exceeds the sum insured thereon at the commencement of any Damage the liability of NMU shall not exceed that proportion of the amount of the Damage which the sum insured shall bear to the sum representing the cost of reinstating the whole of the Property at that time
- c) All terms exclusions and conditions of this contract shall apply
 - i) in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
 - ii) where claims are payable as if this memorandum had not been incorporated

Exclusions

THE INDEMNITY SHALL NOT APPLY TO

1. Pollution or Contamination Damage caused by pollution or contamination except Damage caused by

- a) pollution or contamination which itself results from any Damage insured
- b) any Damage insured which itself results from pollution or contamination

2. Fire Damage at the Situation caused by fire lightning explosion flood earthquake aircraft or other aerial devices or articles dropped therefrom or by leakage from a sprinkler installation

3. Data Recognition Direct or indirect Damage to any System or to any other Property insured caused by any Failure of any such System

4. Corrosion or Erosion Damage consisting of or caused by any form of corrosion or erosion howsoever the same may arise but this exclusion shall not apply to Damage to any other part of the Property free from any corrosion or erosion

5. Restriction of Electricity Supply Damage resulting from the deliberate act of any public electricity supply authority or exercise by any such authority of its power to withhold or restrict supply other than for the sole purpose of safeguarding life or the authoritys property

6. Wear and Tear Repairs to or replacement of Machinery necessitated by wear tear erosion corrosion or other gradual deterioration so far as it relates to that part of the Machinery affected but Damage to another part of the Machinery resulting therefrom is included

7. Insured's Contribution The excess stated in the Schedule being the first part of each and every claim to be borne by the Insured as ascertained after the application of all other terms and conditions of the insurance

8. Consequential Loss Financial loss loss of profits loss due to delay or any consequential loss of any kind whatsoever not specifically insured by this contract

9. Riot Strike and Civil Commotion Damage caused by riot strike lock-out or civil commotion

Exclusions

10. War etc Any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection civil strife military or usurped power confiscation commandeering nationalisation requisition or seizure or Damage to any property by or under the order of any government de jure or de facto or public municipal or local authority

11. Radioactive Contamination Damage to any property whatsoever or any loss or expense whatsoever resulting or arising from or any consequential loss directly or indirectly caused by or contributed to by or arising from

- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Market Conditions

Terrorism notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

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

Conditions

Special Precautions The Insured shall maintain the Cold Store in an efficient condition and fit for its purpose and shall ensure that any Cold Store requiring inspection or test under any statute or order or regulation shall be so inspected or tested

Condition Precedent Compliance by the Insured with each of the special Conditions is a condition precedent to the liability of NMU under this contract

Fraud If a claim is dishonest or fraudulent in any respect or if dishonest or fraudulent means are used by the Insured or by anyone acting on his behalf to obtain any benefit under this contract or if any Damage is caused by the wilful act or with the connivance of the Insured all benefit under this contract shall be forfeited

Alteration This contract shall be cancelled with respect to any item of the property in regard to which there is any alteration after the commencement of this insurance

a) whereby the risk of Damage is increased either temporarily or permanently

or

b) whereby the interest of the Insured ceases

unless agreed otherwise by NMU in writing

Arbitration If any difference shall arise as to the amount to be paid under this contract (liability being otherwise admitted) such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with the Statutory provisions in that respect for the time being in force Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against NMU

Right to Examine NMU representatives shall have the right to examine at all reasonable times any property

Subrogation Any claimant under this contract shall at the request and expense of NMU provide such information and co-operation as NMU may require and shall take and shall permit to be taken all steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by NMU

Underinsurance The sum insured stated in the Schedule is declared to be subject to average If the sum insured shall at the time of any loss or Damage be less than the value of stock contained in the Cold Store the amount payable by NMU in respect of such loss or Damage shall be proportionately reduced

Contract Voidable This contract shall be voidable in the event of misrepresentation misdescription or non- disclosure in any material particular