



Contaminated Products Insurance

Policy Wording



CONTAMINATED PRODUCTS INSURANCE POLICY

This Policy is issued / insured by Chartis, ABN 93 004 727 753 AFSL 381686, Level 12, 717 Bourke Street, Docklands VIC 3008

This document contains your Insurance Policy terms, Provisos, Exclusions and Conditions. It is important that you read and understand it and retain it in a safe place.

Schedule

Policy Number:

1. Insured	As noted on file and agreed by underwriters
2. Policy Period	From: 4.00pm To: 4.00pm
3. Limits of Liability	<p>A. Accidental Contamination, & B. Government Recall (combined): \$ in the aggregate during the Policy Period</p> <p>C. Malicious Product Tampering \$ in the aggregate during the Policy Period</p> <p>D. Intentionally Impaired Ingredients: \$ in the aggregate during the Policy Period</p> <p>E. Adverse Publicity \$ in the aggregate during the Policy Period</p> <p>F. Product Extortion \$ in the aggregate during the Policy Period</p>
4. Deductibles	<p>A. Accidental Contamination, & B. Government Recall \$ each and every Insured Event</p> <p>C. Malicious Product Tampering, D. Intentionally Impaired Ingredients & E. Adverse Publicity - \$ each and every Insured Event</p> <p>Deductible for Consultant and Advisor Costs and Product Extortion is Nil.</p>
5. Insured Products	
6. Premium	\$ plus Stamp Duty plus GST
7. Company	Chartis Australia Insurance Limited ABN 93 004 727 753 AFSL 381686

Words in bold have special meaning – see the Schedule and Policy Definitions section of the Policy.

Signed for **CHARTIS AUSTRALIA INSURANCE LIMITED**

Signature.....

Issue Date:

Contaminated Products Insurance Policy

Notice: Code of Practice

The **Company** is a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way that claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.

In consideration of the payment to the **Company** of the total premium specified in the Schedule and in reliance upon the **Application** the **Company** and the **Insured** agree as follows.

I. Insuring Clause

The **Company** will subject to this Policy, indemnify the **Insured** for **Loss** in excess of the **Deductible** specified in the Schedule but not exceeding the **Limits of Liability** specified in the Schedule which results directly from an **Insured Event** first discovered during the **Policy Period** and reported to the **Company** during the **Policy Period**, or up to thirty (30) days after expiry.

II. Policy Definitions

- A. **Accidental Contamination** means any accidental or unintentional contamination, impairment or **Mislabelling** of an **Insured Product(s)**, which occurs during or as a result of its production, preparation, manufacture, processing, blending, mixing, compounding, packaging or distribution; provided that the human use or consumption of such **Insured Product(s)** has resulted in or could result in:
- (i) **Bodily Injury** within three hundred and sixty (360) days following such use or consumption; or
 - (ii) **Property Damage**
- B. **Adverse Publicity** means the reporting of an actual or alleged **Accidental Contamination** and/or **Malicious Product Tampering** during the **Policy Period** where the **Insured Product** is specifically named.
- C. **Application** means the declarations and statements which are contained in or constitute the proposal form together with its attachments and the other information submitted by the **Insured** to the **Company**.
- D. **Bodily injury** means:
- (i) death;
 - (ii) clear, identifiable, internal or external visible physical symptoms of injury, sickness or disease sustained by a person, including death resulting from such injury, sickness or disease.
- Bodily Injury** does not include emotional distress or mental anguish unless due to physical injury, sickness or disease.
- E. **Business Interruption** means the **Loss of Gross Profit** and **Extra Expense** as a result of an **Insured Event**.

- F. **Company** means Chartis Australia Insurance Limited.
- G. **Consultant and Advisor Costs** means fees and costs of RQA Asia-Pacific and any other consultants hired with the **Company's** prior written consent to assist the **Insured** in responding to an **Insured Event**. The stated Policy **Deductible** will not apply to these fees and costs.
- H. **Extra Expense** means the excess of the total cost of conducting business activities during the period of time necessary to clean or repair the location (owned or operated by the **Insured**) where the **Insured Event** occurred for the sole purpose of reducing the **Loss**. This policy only covers those reasonable and necessary **Extra Expenses** which are over and above the cost of such activities
- I. **Fines and Penalties** means fines and penalties issued against the **Insured** by a government or regulatory authority as a result of a non-deliberate or non-intentional failure to take corrective action in respect of an **Insured Event**.
- The aggregate **Sublimit** of liability for all **Fines and Penalties** will be 1% of the **Limit of Liability** stated in the Schedule for the **Insured Event** from which the **Fines and Penalties** arises. This limitation does not increase the **Limit of Liability** as stated in the Schedule or impose any additional **Deductible** on the **Insured**.
- J. **Government Recall** means any accidental or unintentional contamination, impairment or **Mislabelling** of an **Insured Product(s)**, which occurs during or as a result of its production, preparation, manufacture, processing, blending, mixing, compounding, packaging, labelling or distribution that causes the **Insured Product(s)** to be injurious to health or unfit for human consumption and as a result:
- i) an official recall order has been issued by the competent authorities; or
 - ii) a recall order by the competent authorities is imminent
- in order to comply with regulations on food safety.
- K. **Indemnity Period** means the period beginning upon the first decrease in sales attributable to and caused directly by the **Insured Event** and ending not later than twelve (12) months thereafter during which the **Insured's** sales shall be affected in consequence of the **Insured Event**.
- L. **Insured** means the sole proprietorship, partnership, or corporation stated in Item 1 of the Schedule.
- M. **Insured Event** means any:
- A. **Accidental Contamination**; and
 - B. **Government Recall**; and
 - C. **Malicious Product Tampering**; and
 - D. **Intentionally Impaired Ingredients**; and
 - E. **Adverse Publicity**; and
 - F. **Product Extortion**.
- N. **Insured Product(s)** means:
- (i) All topical and ingestible products for human use or consumption, including any of their ingredients, components and/or packaging that are stated in Item 5 of the Policy Schedule, provided such products:
 - a. are in production; or
 - b. have been manufactured, handled or distributed by the **Insured**; or
 - c. manufactured by any contract manufacturer for the **Insured**; or
 - d. are being prepared for or are available for sale.

- (ii) Any new product(s) outside the existing product line(s) provided that:
 - a. written notice is given to the **Company** no less than ninety (90) days prior to its introduction for sale; and
 - b. the **Insured** did not know nor could reasonably have been expected to know as of the date of the written notice to the **Company** that an **Insured Event** affecting the new product(s) had occurred; and
 - c. the **Company** has given written acceptance of such new product(s). Such acceptance will not be unreasonably withheld and will be given or refused within thirty (30) days of receipt of written notice. At the option of the **Company**, such acceptance by the **Company** may be accompanied by changes in one or more of the terms, conditions or premium of the policy.
- O. **Intentionally Impaired Ingredients** means any contamination or impairment of an **Insured Product(s)** which occurs as a result of an ingredient supplied to the **Insured** by a third party where such contamination or impairment was intentional and wrongful, but not **Malicious** provided that contamination or impairment renders the **Insured Product** unfit or dangerous for its intended use or consumption.
- P. **Loss** means only the following reasonable and necessary expenses, costs, fines or penalties, incurred by the **Insured**, or the **Insured's** distributor in respect of **Recall Costs** and **Replacement Costs**, directly and solely as the result of a covered **Insured Event** and subject to the limits of each **Insured Event** as stated in the Schedule:
 - A. **Business Interruption**; and
 - B. **Rehabilitation Expense**; and
 - C. **Replacement Costs**; and
 - D. **Recall Costs**; and
 - E. **Third Party Recall Costs**; and
 - F. **Consultant and Advisors Costs**; and
 - G. **Product Extortion Costs** and
 - H. **Fines and Penalties**.

Except as otherwise provided with respect to **Business Interruption** and **Product Extortion Costs**, **Loss** is limited to expenses or costs incurred within twelve (12) months after the **Insured Event** first became known to the **Insured**. In no event will any amounts claimed and paid under one **Insured Event** be recoverable under another **Insured Event**. The expenses or costs of the **Insured** shall be the net amount of the cost or expense incurred by the **Insured** after subtracting the amount of any input tax credit to which the **Insured** is or shall become entitled to after incurring the cost or expense.

- Q. **Loss of Gross Profit** is calculated by:
 - (i) multiplying the "Rate of Gross Profit" by the decrease in "Revenue" during the **Indemnity Period** which decrease is caused solely and directly by an **Insured Event** as compared to the "Standard Revenue", and then
 - (ii) subtracting any sum saved during the **Indemnity Period** in respect of the charges and expenses payable out of "Gross Profit" as may cease or be reduced in consequence of the **Insured Event**

If during the **Indemnity Period** the **Loss of Gross Profit** of the **Insured Product(s)** is offset by increased sales of another **Insured Product(s)** within the same product line as the affected product(s) claimed in the **Loss** as a result of an **Insured Event**, such offset will reduce the actual **Loss** sustained.

"Rate of Gross Profit" means the rate of "Gross Profit" earned on the "Standard Revenue"

“Revenue” means the money paid or payable (net of any discounts) to the **Insured** for **Insured Product(s)** prior to any **Rehabilitation Expenses** being incurred by the **Insured**.

“Standard Revenue” means the “Revenue” during the period in the twelve (12) months immediately before the date of the **Insured Event**.

Adjustments to the “Rate of Gross Profit” and “Standard Revenue” shall be made as may be necessary to provide for the trend of the **Insured** and for variations in or special circumstances affecting the **Insured** either before or after the **Insured Event** or which would have affected the **Insured** had the **Insured Event** not occurred, so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Insured Event** would have been obtained during the relative period after the **Insured Event**.

“Gross Profit” is calculated by determining the amount by which:

The sum of the “Revenue” and the amounts of the Closing Stock and Work in Progress exceeds

The sum of the amounts of the Opening Stock and Work in Progress, plus all variable costs (including the cost of raw materials, bad debts, packaging materials and operating supplies).

The amounts of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the **Insured's** normal accountancy methods, due provision being made for depreciation.

- R. **Malicious** means done with a deliberate desire to inflict **Bodily Injury** or to inflict economic harm directed specifically at the **Insured Products** with the intent for it to become known by the **Insured** or the public.
- S. **Malicious Product Tampering** means any actual, alleged or threatened, **Malicious** alteration or contamination of the **Insured Product(s)** by any person, whether or not an employee of the **Insured**, which renders the **Insured Product(s)** **Unsafe** for its intended use or consumption or creates such impression to the public.
- T. **Mislabelling** means only:
- (i) the affixing or despatching of the wrong label, tag, printed packaging or other related documentation, including but not limited to brochures and product information inserts, to or with the **Insured Product**; or
 - (ii) errors or omissions in the text or format of any such material or any other literature.
- It does not include any intentionally misleading or deceptive conduct in connection with the **Insured Product**.
- U. **Policy Period** means the period set forth in the Schedule or any shorter period arising as a result of cancellation of the Policy.
- V. **Product Extortion** means the making of illegal threats either directly or indirectly to the **Insured** to commit **Malicious Product Tampering** by persons who demand **Product Extortion Monies** as a condition of not carrying out such threats.
- W. **Product Extortion Costs** means:
- (i) **Product Extortion Monies** paid by the **Insured** in direct response to a **Product Extortion** made and reported during the **Policy Period**; and
 - (ii) In transit/delivery loss due to the destruction, disappearance, confiscation or wrongful appropriation of **Product Extortion Monies** while being handled or conveyed by anyone who is authorised by the **Insured** to have custody thereof; provided, however, that the **Product Extortion** which gave rise to the delivery is covered hereunder; and
 - (iii) Reasonable and necessary extortion expenses or fees which are incurred and paid by the **Insured** solely as a direct result of a **Product Extortion**.

- X. **Product Extortion Monies** means any monies which the **Insured** has paid or that were lost in transit subsequent to a **Product Extortion**. For the purposes of this policy the term “monies” includes cash, monetary instruments, bullion, or the fair market value of any securities, tangible property or services.
- Y. **Property Damage** means physical damage to, loss of or destruction of tangible property.
- Z. **Recall Costs** means reasonable and necessary costs incurred by the **Insured**, or the **Insured’s** distributor, to inspect, withdraw or destroy such affected **Insured Product(s)** as a direct and necessary consequence of an **Insured Event**.
- AA. **Rehabilitation Expenses** mean:
- (i) Expenses actually incurred directly by the **Insured** during the **Indemnity Period**; or
 - (ii) Discounts, allowances or rebates instituted by the **Insured** during the **Indemnity Period**
- as a direct result of an **Insured Event** and in order to re-establish the **Insured Product(s)** to the reasonably projected level of sales or market share anticipated prior to the **Insured Event**.
- The **Sublimit** of liability for all such **Rehabilitation Expenses** will be 35% of the **Limit of Liability** stated in the Schedule for the **Insured Events**, whichever is applicable. This limitation does not increase the **Limit of Liability** as stated in the Schedule or impose any additional **Deductible** on the **Insured**.
- AB. **Replacement Costs** means costs incurred by the **Insured**, or the **Insured’s** distributor, to restore any affected **Insured Product(s)** to merchantable quality or replace any recalled **Insured Product(s)** that has been destroyed, are unfit for sale or for its original use, with product(s) of similar value. The amount the **Company** will pay the **Insured** for **Replacement Costs** incurred by the **Insured’s** distributor will not exceed the expenses the **Insured** would have incurred.
- AC. **Sublimit** means the maximum amount the **Insured** can collect under a specified section of the Policy.
- AD. **Third Party Recall Costs** means in the event that the **Insured Product(s)** becomes an ingredient or component part in a product manufactured or distributed by a customer of the **Insured**, coverage shall apply to **Recall Costs** for such products distributed by a customer of an **Insured** only if the **Insured** becomes obligated to reimburse the customer for such **Recall Costs**. The amount the **Company** will pay the **Insured** for **Third Party Recall Costs** will not exceed the expenses the **Insured** would have incurred in recalling the aforementioned customer’s products.
- AE. **Unsafe** means that the use or consumption of the **Insured Product(s)** could result in **Bodily Injury** or **Property Damage**.

III. Exclusions

The Policy does not apply to any **Loss** arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any change in customer tastes, competitive environment, economic conditions, population, or seasonal sales variations.
- B. Any competitor’s product that is similar to an **Insured Product**.
- C. Any claim or **Loss** arising out of or in connection with the use or consumption of the **Insured Product(s)** brought by any non **Insured** except as provided for in the Definition of **Third Party Recall Costs**. This includes any defence costs related to any such claim or **Loss**.
- D. Any:
 - (i) Intentional violation by the **Insured**, or the **Insured’s** distributor, of any governmental or regulatory requirements in connection with:
 - a) the testing, manufacturing, storage, distribution, or sale of any **Insured Product(s)**; or

- b) the use of any ingredients, components and/or packaging in the manufacturing process which have been previously banned or declared **Unsafe** by any governmental or regulatory body; or
 - c) failure to maintain adequate documentation of the manufacturing process in compliance with any existing governmental or regulatory standards; or
 - (ii) Illegal act(s) except for:
 - a) **Accidental Contamination, Government Recall, Malicious Product Tampering or Product Extortion** committed by employees of the **Insured** other than the **Insured's** directors, officers or trustees; or
 - b) **Accidental Contamination, Government Recall, Malicious Product Tampering or Product Extortion** committed by any non-**Insured**.
 - c) acts or omissions committed by any non-**Insured** that result in **Intentionally Impaired Ingredients**.
- E. Any deterioration, decomposition, or transformation of the chemical structure of any **Insured Product(s)**, including but not limited to any combination or interaction among ingredients, components or packaging. Notwithstanding, this exclusion will not apply if the deterioration, decomposition or transformation is a direct result of an **Insured Event**.
- F. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the **Insured Product(s)**, all whether controlled or uncontrolled, or resulting from any act or condition incident to any of the foregoing, whether such **Loss** be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by an **Insured Event** or otherwise.
- G. Any proximate or remote consequence, whether direct or indirect, of war, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot, civil commotion, or military or usurped power.
- H. Any **Accidental Contamination** or **Government Recall** arising out of:
 - (i) bioengineering, genetic engineering or genetic modification of any **Insured Product(s)**; or
 - (ii) hormone treatment of any **Insured Product(s)**; or
 - (iii) irradiation of any **Insured Product(s)**; or
 - (iv) Transmissible Spongiform Encephalopathy (TSE), including, but not limited to Bovine Spongiform Encephalopathy (BSE), Chronic Wasting Disease (CWD), Creutzfeldt-Jakob Disease, New Variant Creutzfeldt-Jakob Disease (nv-CJD), Scrapie or Transmissible Mink Encephalopathy; or
 - (v) foot and mouth disease; or
 - (vi) any form of all avian flu or bird influenza viruses including any other nomenclature, scientific or otherwise devised or used to describe the viruses regardless of any genetic features or differences, subtype or strain, and whether or not partnered with any neuraminidase surface proteins; and any progression, mutation or recombination thereof, including but not limited to progression, mutation or recombination of any subtype or strain, and/or any changes in the antigenic composition thereof; or
 - (vii) carcinogens, regardless of whether such carcinogens are shown to have other non-carcinogenic effects.
- I. Any costs associated with the expense to design or redesign, engineer or re-engineer any product.
- J. Any **Loss** or circumstances:
 - (i) which an **Insured**, employee, officer or director of the **Insured** had actual or constructive knowledge of prior to the Policy inception date and could reasonably have expected to produce a **Loss** under this Policy; or

- (ii) that occurs after the **Insured**, employee, officer or director of the **Insured** has knowledge of a defect or deviation in the production, preparation or manufacturing of **Insured Product(s)**, or circumstance(s) which have or are reasonably likely to result in such deviation or defect, and the **Insured** fails to take reasonable corrective action.
- K. Any:
- (i) punitive, aggravated or exemplary damages; or
 - (ii) the multiplied portion of multiplied damages; or
 - (iii) non-pecuniary damages; or
 - (iv) matters that may be deemed uninsurable under the law pursuant to which this Policy is construed or which the **Company** is prohibited from paying by law.
- L. Any **Loss** related to a product recall:
- (i) that is initiated due to any actual or alleged breach of warranty of fitness or quality, whether written or implied; or
 - (ii) that is initiated due to the expiration of the designated life of the **Insured Product**; or
 - (iii) of any **Insured Product** which has been banned from the market by any authorised governmental or regulatory body prior to the **Policy Period** or distributed or sold by the **Insured** subsequent to any governmental or regulatory ban.
- M. An actual or alleged act of terrorism.
- N. Arising out of any loss where the liability for such loss has been assumed by the **Insured** under any agreement or contract except to the extent that:
- (i) the liability would have been implied by law; or
 - (ii) the **Company** has given its written consent to the terms of any such agreement or contract prior to its execution.
- O. Any **Property Damage** to:
- (i) Property owned by, leased or rented to the **Insured**; or
 - (ii) Property belonging to the **Insured** or in the care, custody or control of the **Insured**; or
 - (iii) an **Insured Product**.

IV. Policy Conditions

A. Assignment

This Policy and any rights hereunder cannot be assigned without the prior written approval of an authorised representative of the **Company**.

B. Assistance and Co-operation of the **Insured**

The **Insured** shall co-operate with the **Company** in all matters relating to this insurance. This may include, but is not limited to, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

The **Insured** shall use due diligence and do and concur in doing all things reasonably practicable to avoid or to diminish any **Loss** hereunder, and shall immediately give all such information and assistance to the **Company** as it may reasonably require to enable it to investigate and to defend the claim and/or to enable the **Company** to determine its liability under this Policy.

C. Cancellation

The **Insured** may cancel this policy by providing written notice to the **Company** in which case the **Company** shall retain the pro-rata proportion of the premium. The **Company** may cancel this policy as and in the manner permitted by law and shall be entitled to retain the pro-rata proportion of the premium.

D. Changes

This Policy contains all the agreements between the **Insured** and the **Company** concerning this insurance. Notice to any of the **Company's** representatives or knowledge possessed by any the **Company's** representative(s) or by any other person will not effect a waiver or a change in any part of the Policy or estop the **Company** from asserting any right under the terms of this Policy, nor can the terms of this Policy be waived or changed unless agreed to in writing by the **Company** or the **Company's** authorised representative.

E. Confidentiality

The **Insured** must not disclose the existence of this Policy to any person unless required by law to do so.

F. Consolidation or Merger

The **Insured** will give the **Company** written notice within ninety (90) days of any additional exposure arising from:

- (i) consolidation or merger with; or
- (ii) acquisition of the majority stock ownership of; or
- (iii) acquisition of the assets of any other entity whose revenues are in excess of 10% of the gross revenue of the **Insured** as of the date of consolidation, merger or acquisition.

The **Company** may elect to accept or reject such additional exposure. If the additional exposure is rejected, it will remain covered only until the **Insured** is notified in writing of the rejection. If the **Company** accepts the additional exposure, the **Insured** will pay the **Company** additional premium as may be required, computed from the date of consolidation, merger or acquisition to the end of the current policy period unless otherwise specifically requested.

No **Loss** arising out of the additional exposure will be covered unless the **Insured**, at the time it gave notice thereof to the **Company**, did not know nor could reasonably have been expected to know of the **Insured Event** giving rise to the **Loss**.

G. Currency

All premiums and claims (if any) are payable at the place and in the currency of the country where the Policy was issued, unless otherwise agreed in writing by an authorised representative of the **Company**.

H. Deductible

The **Deductible(s)** stated in Item 4. of the Schedule will apply separately to each and every **Insured Event**. The **Deductible(s)** is to be borne by the **Insured** and remain uninsured.

I. Examination under Oath

The **Insured**, as often as may be reasonably be required, shall exhibit to any person designated by the **Company** all affected **Insured Product(s)**, whether salvageable or otherwise, and shall submit to examinations under oath by any person named by the **Company**, and subscribe the same; and, as often as may be reasonably be required, shall produce for examination all books of account, vouchers, bills, invoices, schedules, accounting information, and any documentation relating to the **Insured's** calculation of its **Loss**, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the **Company** or its representative, and shall permit extracts and copies thereof to be made.

J. Limits of Liability

The **Company's** liability hereunder will be limited to the amounts stated in Item 3. of the Schedule.

The **Limit of Liability** is the total aggregate limit of the **Company's** liability for all losses of all **Insureds** under this Policy combined discovered and reported during the **Policy Period** in accordance with the terms herein.

Additionally, **Losses** reported up to thirty (30) days after expiry of the Policy will also be considered reported during the **Policy Period** and will also be subject to the aggregate **Limit of Liability**. **Sublimits** of liability and all fees, costs and expenses howsoever described are part of and are not payable in addition to the **Limit of Liability** stated in the Schedule.

In no event will:

- (i) any **Loss** claimed and paid under one **Insured Event** be recoverable under another **Insured Event**; or
- (ii) the **Company** be liable for any loss whatsoever in excess of the **Limit of Liability** for each **Insured Event** stated in the Schedule.

K. Non-Accumulation of Liability

Regardless of the number of years this Policy shall continue in force, and the number of premiums which shall be payable or paid or regardless of any other circumstances whatsoever, the liability of the **Company** under this Policy with respect to any **Loss** or **Losses** shall not be cumulative from year to year or period to period. When there is more than one **Insured**, the aggregate **Limit of Liability** of the **Company** for **Loss** or **Losses** sustained by any or all of them as set out in the Schedule shall not exceed the amount for which the **Company** would be liable if all **Losses** were sustained by any one of them.

L. Notice and Authority

It is agreed that the first **Insured** listed on the Schedule acts on behalf of all **Insureds** with respect to the exercise of all their rights and the discharge of all their duties in respect of this Policy, including but not limited to:

- (i) negotiating the terms and conditions of cover; and
- (ii) binding cover; and
- (iii) the notification of a claim or **Loss**; and
- (iv) the giving and receiving of any notice of cancellation; and
- (v) the payment of premium and the receipt of any refund of premium that may become due; and
- (vi) the payment of the **Deductible**; and
- (vii) the negotiation and receipt of any endorsement; and
- (viii) the appointment of lawyers to defend a claim or **Loss**; and
- (ix) the receipt of amounts payable by the **Company** under this Policy.

M. Notice of Loss

When an **Insured Event** has occurred, or is believed to have occurred, the **Insured** must:

- (i) notify the **Company** and RQA Asia - Pacific and provide all information required as soon as possible; and
- (ii) if it appears to be in the best interest of the **Insured** or to be required by law, notify law enforcement authorities or any other government agencies having jurisdiction over the matter as soon as possible; and
- (iii) act prudently at all times and do all things reasonably practicable to avoid or diminish any covered **Loss**.

All notifications must be in writing and properly addressed to the **Company** at the following address:

Attention: Claims Manager
 Chartis Insurance Company
 Level 19, 2 Park St,
 Sydney NSW 2000
 Telephone: 1300 030 886
 Facsimile: 1300 634 940

N. Proper Law of the Policy

This insurance shall be governed by the law of the territory, state or country where the Policy was issued whose Court shall have jurisdiction in any dispute arising hereunder. For the purpose of this paragraph, the place of issue of the Policy by the **Company** shall be conclusive evidence of the applicable law.

O. Salvage

Any salvage or other recovery, after expenses incurred in salvage or recovery are deducted, will accrue entirely to the benefit of the **Company** until the sum paid by the **Company** has been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the **Insured**, the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by the **Insured**. The goodwill and public image of the **Insured** will be considered in determining whether any **Insured Product(s)** should be involved in salvage recovery. The **Company's** right to salvage will not be unreasonably restricted by the **Insured**. The **Insured** will have full right to the possession of all goods involved in any **Loss** under this Policy and will retain control of all damaged goods. There can be no abandonment of any property to the **Company**.

P. Severability, Construction and Conformance to Statute.

If any provision contained in this Policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is hereby deemed to be severed and to have no effect on any other valid, legal and enforceable provision of this Policy.

Q. Subrogation

In the event of any payment under this Policy, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery in accordance with this paragraph. In such case the **Insured** shall execute all documents required and shall do everything necessary to secure and preserve such right including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the **Insured**.

R. Titles of Paragraphs

Titles of paragraphs are inserted solely for the convenience of reference and will not limit, expand, or otherwise affect the provisions to which they relate. Words and expressions in the singular include the plural and vice-versa. Words in bold have special meaning – see the Schedule and Definitions section of the Policy. Words that are specifically defined in this Policy have the normal meaning attributed to them.

S. Valuation Clause

In determining the amount of "Gross Profit" and other covered **Loss**, due consideration will be given to the experience of the business before the **Insured Event** and the probable experience thereafter, had the **Insured Event** not occurred. The probable level of sales and experience of the business had the **Loss** not occurred must be demonstrated with reasonable certainty by the **Insured**.

T. Sanctions

The **Company** is not liable to make any payment for liability under this policy where doing so would violate applicable laws, regulations, or any other form of economic or trade sanctions. Further, no benefits or payments will be made to the **Insured** or any beneficiary (ies) who is/are declared unable to receive economic benefits under the laws or regulations governing this policy and/or the **Company**.

This Policy has been signed on behalf of the **Company**, but it shall not be binding upon the **Company** unless countersigned on the Schedule by an authorised representative of the **Company**.

Signed for **CHARTIS AUSTRALIA INSURANCE LIMITED**

Signature.....

Date of Issue:

APPENDIX I - Notification Procedures & Consultants

WHAT TO DO IN A CRISIS

In the event of an incident, situation or occurrence which may give rise to or constitute an **Insured Event**, then as part of the Policy coverage and under a special arrangement with the **Company**, we will:

- (a) make available on a priority basis, specialist crisis management and/or crisis communications consultants nominated by the **Company** or, if requested by an **Insured**, consultants of an **Insured's** choice who we provide our prior written consent to use, to advise, inform and assist an **Insured**; and
- (b) pay the reasonable and necessary fees and expenses of the said consultant/s.

<u>INTERNATIONAL ACCESS CODE</u>	<u>COUNTRY CODE</u>	<u>AREA CODE</u>	<u>LOCAL NUMBER</u>
FROM AUSTRALIA - 0011	1	713	260 5500

The number above is a dedicated crisis response contact and should only be used for notification of an incident, situation or occurrence which may give rise to or constitute an **Insured Event**. Callers will speak directly to or receive an immediate call back from our experienced consultants who are available to nominate specialist external crisis management or crisis communications consultants or consider any request (to be confirmed in writing) by an **Insured** concerning the use of an **Insured's** preferred consultants. Following notification of an incident, situation or occurrence which may give rise to an **Insured Event**, the consultants will be available to be with the **Insured** as soon as travel time permits.

It is understood and agreed that:

- (a) the consultants have no authority on behalf of the **Company** to make any admissions which may prejudice our rights or to deal with matters concerning policy coverage or the application of any facts and circumstances of any crisis incident, situation or occurrence which has been notified and which may give rise to or constitute an **Insured Event** to the policy terms, conditions and exclusions;
- (b) the provision and/or the use of these services is not, is not intended to be and shall not be regarded as an admission of or an acceptance by the **Company** of any liability to indemnify an **Insured** under the Policy and is without prejudice to all of our rights under the terms, conditions and exclusions of the Policy;
- (c) notification to the dedicated crisis response contact number of an incident, situation or occurrence which may give rise to an **Insured Event** does not constitute a notification under the Policy and an **Insured** must comply with the policy terms and conditions.
- (d) upon notification to the **Insured** by the **Company** that liability to indemnify is not accepted, we will no longer have any liability under this endorsement and we will not pay any fees or expenses of the said consultant/s which are incurred after such notification is given.



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