

Intellectual Property Insurance



**The Coverholder: Composite Legal Expenses
Suffolk House, Trade Street, Cardiff, CF10 5DT**

**Underwritten by Groupama Insurance Company Limited,
Groupama House, 24 – 26 Minories, London EC3N 1DE**

Important Notice

All potential claims must be reported in writing to the Coverholder.
Intellectual Property Claims Department, Composite Legal Expenses Ltd.
Suffolk House, Trade Street, Cardiff CF10 5DT.

This is a 'Claims Made' Policy. It only covers claims notified to the coverholder during the Period of Insurance. You must notify us within 30 days of any circumstance which may give rise to any claim. Failure to do so could lead us to decline a claim for indemnity arising from such circumstances.

Consideration and insurance

The Insured named in the schedule ('the Insured') having made to the Coverholder the proposal and declaration which shall be the basis of this contract and be deemed to be incorporated in this policy and having paid or agreed to pay the premium stated in the schedule the Insurer will, subject to the terms, limits and conditions of the policy (compliance with such conditions being deemed a condition precedent to the liability of the Insurer), indemnify the Insured up to the limit of indemnity in respect of any Insured Event occurring within the Territorial Limits set out in the schedule during the period of insurance in connection with the business and in respect of which legal proceedings are conducted within the Territorial Limits. The sections which apply to this policy are those specified as being operative in the schedule.

1 DEFINITIONS AND INTERPRETATION

- 1.1 This Policy is inclusive of the Schedule and any endorsement, extension or condition agreed between the parties, and any other document expressed to be incorporated by reference into the Policy, which documents shall be read together.
- 1.2 In this Policy, words importing the singular number shall also import the plural and vice versa and words importing any gender shall also include any other gender.
- 1.3 Where any word or phrase is used in the Policy or in the Schedule which is defined in the Rules of the Supreme Court Act 1965 (as amended or superseded), it shall have that meaning where it shall appear.
- 1.4 The following expressions in the Policy shall each have the meaning given.

Agreement

Any licence or confidentiality agreement, which has been declared to the Coverholder, either on the Proposal Form or on the Renewal Proposal Form or during the Period of Insurance, and which the Coverholder has accepted and listed in the Schedule or Endorsement.

Appointed Representative

A solicitor, barrister, patent or trade mark agent, or other appropriately qualified professional person selected by the insured and approved by the Coverholder, such Appointed Representative agreeing to abide by the terms of acting laid down by the Coverholder and acting in a professional capacity in accordance with the terms of this Policy, and in accordance with the Coverholder's rules for participation.

Claim

A claim made under this Policy in order to seek legal remedy through legal or dispute resolution proceedings including appeals.

Any one claim

All Claims consequent upon the same original cause event or circumstance shall be regarded as one claim.

Court

Any legally recognised and official court or tribunal with authority to deliver legally-binding judgements, awards or orders in intellectual property or contractual or tortious disputes, or any formal mediation conducted by an independent professional mediator and agreed in advance of the process by the Coverholder, such agreement not to be unreasonably withheld.

Damages

Any sum payable or paid by way of compensation for loss, but not including own party costs and third party costs (inclusive of interest on the same) awarded by a court. Where damages are awarded in jurisdictions that include costs in the award of damages, such proportion will be deemed as costs for the purposes of the Coverholder rights of recovery and subrogation.

This Policy does not provide cover for damages.

Declared

Notified to the Coverholder in writing by the Insured in relation to this insurance and accepted for cover by the Coverholder in relation to this Policy.

Excess

The amount specified in the Schedule that the Insured must bear in respect of Any One Claim under this Policy before the Insurer shall be liable to provide indemnity.

Co-Insurance

The proportion specified in the Schedule of legal expenses the Insured must bear in respect of Any One Claim over and above the Excess, such proportion remaining uninsured.

Coverholder

Composite Legal Expenses Ltd.

Employee

Any person under a contract of service or apprenticeship with the Insured or under going training under any government approved training scheme under the Insured's control in connection with the Insured's declared business.

Insured

The individual person, company, partner, firm or organisation (and any subsidiary company or other associated organisation) named in the Schedule and all directors, partners and employees of the Insured, who are acting on the Insured's behalf in that capacity.

Insurer

Groupama Insurance Company Limited

Intellectual Property

The following of which have been declared and accepted by the Coverholder:

(i) Patent

Any patent, petty patent or utility model granted to or applied for by the Insured or of which the Insured is an exclusive licensee or recorded assignee and for which the Insured has produced written documentation of proof.

Such further application as one made during the Period of Insurance which have been declared to and accepted by the Coverholder. Where such further application is accepted, the Insurer reserves the right to charge additional premium.

(ii) Copyright

Any copyright subsisting in a work capable of protection by copyright and owned by the Insured or of which the Insured is an exclusive licensee, and has produced written documentation of proof to the Coverholder.

Such further copyrights as are created during the Period of Insurance which have been declared to and accepted by the Coverholder. Where such further copyrights are accepted, the Insurer reserves the right to charge additional premium.

(iii) Design

Any unregistered or registered design owned by or applied for by the Insured or of which the Insured is an exclusive licensee, and has produced written documentation of proof to the Coverholder.

Such further unregistered or registered designs created or applied for during the Period of Insurance which have been declared and accepted by the Coverholder. Where such further designs are accepted, the Insurer reserves the right to charge additional premium.

(iv) Mark

Any unregistered or registered trade mark, brand name, logo, device or get-up owned by or applied for by the Insured or of which the Insured is an exclusive licensee and has produced written documentation of proof to the Coverholder.

Such further Marks created or applied for during the Period of Insurance which have been declared and accepted by the Coverholder. Where such further Marks are accepted, the Insurer reserves the right to charge additional premium.

(v) Confidential Information

Any confidential information of the Insured and which has been declared in full by the Insured.
Such further confidential information arising or created during the Period of Insurance which have been declared and accepted by the Coverholder. Where such further information is accepted, the Insurer reserves the right to charge additional premium.

Legal Expenses (except VAT recoverable by the Insured)

(A) Own Party Costs

(i) Fees

Fees and disbursements reasonably incurred or charged by the Appointed Representative and which have been approved by the Coverholder in a claim under this Policy in accordance with the terms and conditions.

(ii) Disbursements

Expert witness costs and fees, Counsel's fees and brief fees reasonably incurred by the Appointed Representative and which have been approved by the Coverholder in a claim under this policy in accordance with the terms and conditions.

The above will include any costs incurred by the Coverholder in investigating and/or reviewing the claim at any stage during the proceedings.

(B) Third Party Costs

Any costs which the Insured becomes liable for under a settlement made with another party with the Coverholder's prior written consent or awarded by a court in accordance with the Policy terms and conditions.

Limit of Indemnity

The limit of indemnity set out in the schedule for any one claim for legal expenses.

Aggregate Limit of Indemnity

The limit set out in the schedule for total claims made for legal expenses.

Period of Insurance

The period of time for which cover is provided by this Policy as specified in the Schedule.

Schedule

The current Schedule attached to and forming part of this Policy.

Territory

The areas specified in the Schedule.

2

COVER

(The Option menu from which the Insured selects cover.)

The Insurer hereby agree to pay on behalf of the Insured legal expenses which arise from a valid claim brought under the Policy and which have been incurred with the Coverholder written consent in respect of any claim made, brought or commenced by or

against the Insured during the Period of Insurance, and notified to the Coverholder within 30 days within the Territorial limits and which relate to the following provisions in accordance with the sections of cover shown within the Schedule and subject at all times to the terms and conditions of the Policy, in respect of declared intellectual property rights.

Note however that the Policy does not cover any VAT element which is recoverable by the Insured.

(A) Patents

The pursuit of any claim or legal proceedings arising from:

- (i) infringement of a patent;
- (ii) unwarranted threats of patent infringement;
- (iii) declaration of non-infringement of patent;
- (iv) an action in respect of a written allegation of groundless threats of proceedings made against the Insured for infringement of any third party patent by the Patent.
- (v) action in respect of defence of opposition proceedings

The defence of any claim or legal proceedings arising from:

- (i) an unwarranted allegation that the Insured is infringing any intellectual property rights of a third party by use of the Insured's product(s) to which the patents (or IPRs) in the Schedule apply;
- (ii) an application for revocation of the patent;
- (iii) a post-grant entitlement action relating to the patent;
- (iv) a claim by an employee or ex-employee for compensation under section 40 of the Patents Act 1977 or equivalent;
- (v) an application for declaration of non-infringement of patent;

(B) Copyright and Design

The pursuit of any claim or legal proceedings arising from:

- (i) infringement of Copyright or Design;
- (ii) unwarranted threats of infringement of registered design;
- (iii) declaration of non-infringement of Copyright or Design or unregistered design rights;
- (iv) an action in respect of a written allegation of groundless threats of proceedings made against the Insured for infringement of any third party registered design by the registered design;

The defence of any claim or legal proceedings arising from:

- (i) an unwarranted allegation that the Insured is infringing any intellectual property rights of a third party by use of the Insured's copyright or design;
- (ii) an application for rectification or cancellation of design;
- (iii) an application for declaration of non-infringement of copyright or design;

(C) Mark

The pursuit of any claim or legal proceedings arising from:

- (i) infringement of the Mark;
- (ii) unwarranted threats of infringement of registered trade mark;
- (iii) an action in respect of a written allegation of groundless threats of proceedings made against the Insured for infringement of any third party registered trade mark by the registered trade mark;

The defence of any claim or legal proceedings arising from:

- (i) an unwarranted allegation that the Insured is infringing any intellectual property rights by the use of the mark;
- (ii) an application for rectification, invalidity, correction or alteration of any Trade Mark Register in respect of the Mark;
- (iii) an application for a declaration of non-infringement of the Mark;

(D) Confidential Information

The pursuit or defence of any claim or legal proceedings arising from the breach of confidential information relating to intellectual property provided the Policy terms and conditions are complied with and;

- 1) The confidential information has been declared to and accepted by the Coverholder;
- 2) The Insured has taken all reasonable steps to protect the same;
- 3) The confidential information has only been disclosed to parties who have signed a written agreement or written undertaking not to disclose or prejudice the confidential information (except professional advisors, where appropriate) and proof of such documentation has been provided to the Coverholder.

(E) Passing Off

The pursuit or defence of any claim or legal proceedings which arises out of a claim or allegation of passing off by or against the Insured in relation to declared intellectual property rights.

(F) Unfair Competition

The pursuit or defence of any claim or legal proceedings which arises out of a claim or allegation of unfair competition by or against the Insured in relation to a declared Mark.

(G) Licence Protection

The pursuit or defence of any claim or legal proceedings arising out of any dispute with regard to intellectual property rights with respect to a licensee or licensor of intellectual property rights owned by or licensed to the Insured arising from or relating to the licence declared on the Proposal Form or Renewal Proposal Form and a copy of which licence has been supplied to the Coverholder and accepted for cover by them. Additional licences must be disclosed to the Coverholder and accepted by them subject to copies being provided to the Coverholder. Where such further licences are accepted, the Insurer reserves the right to charge additional premium.

3 LIMIT AND EXCESS

The maximum liability of the Coverholder under this Policy during the Period of Insurance in respect of:

- 1(a) Any one claim;
- (b) The aggregate amount payable for all claims or legal proceedings covered by this Policy;
- 2) the Insurer shall not be liable to pay that part of the claim which constitutes the excess specified in the Schedule.

4. EXCLUSIONS

The Insurer shall not be liable to make any payment in respect of:

- 1) the defence of the Insured against any claim or legal proceedings made or brought against the Insured arising from:
 - (a) bodily injury, illness, disease or death;
 - (b) loss, destruction or damage to property;
 - (c) alleged breach of any professional duty;
 - (d) alleged breach of any duty owed as a director or officer of the Insured;
- 2) any claim or legal proceedings in respect of which the Insured is, or but for the existence of this Policy would be, entitled to indemnify under any other policy or certificate;
- 3) any claim or legal proceedings made or brought outside the territorial limits or relating to intellectual property outside the jurisdiction specified in the Territorial Limits;
- 4) any claim or legal proceedings made or brought in respect of high risk territories specified in the schedule as being excluded from cover, or high risk business activities specified in the schedule as being excluded from cover.

- 5) Legal Expenses incurred before the Coverholder's written consent to a claim has been given in accordance with the Policy terms and conditions.
- 6) any claim relating to any intellectual property or agreement which has not been declared.
- 7) (a) fines or other penalties imposed by a court or awards of damages.
(b) Any VAT element of the claim, to which the client is entitled to seek recovery or exemption, or such other tax that may so be reclaimed or for which the insured obtains or is entitled to exemption.
- 8) any costs which the Insured is ordered to pay by a Court of criminal jurisdiction;
- 9) any claim arising out of the deliberate, conscious or intentional disregard by the Insured of the requirement to avoid prevent and mitigate claims;
- 10) any claim arising out of the deliberate, conscious or intentional infringement by the Insured of another party's intellectual property to include any fraudulent or wilful act whether or not criminal;
- 11) any claim arising out of action taken by any government, trade regulator or other such body with legal authority, for breach or alleged breach of any anti-trust or competition legislation;
- 12) any matters such as the creation, preparation or maintenance of intellectual property rights, or the mere policing of the same, and activities outside the scope of a claim;
- 13) any act, omission or dispute or alleged act, omission or dispute occurring prior to or existing at inception of this Policy and which the Insured knew or ought reasonably to have known was likely to give rise to a claim or legal proceedings being made by or brought against the Insured;
- 14) any sum which may need to be advanced:
 - (i) in respect of any security for costs; or
 - (ii) in support of any cross-undertaking in damages; or
 - (iii) in respect of any bond posted;
- 15) any claim directly or indirectly caused by or contributed to by or arising from or costs and expenses arising in relation to the failure of any computer or other equipment or system for processing storing or retrieving data, whether the property of the Insured or not, and whether occurring before, during or after the year 2000.
 - (i) correctly to recognise any date as it's true calendar date;
 - (ii) to capture save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than at it's true calendar date;
 - (iii) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date.
- 16) any legal expenses, costs, disbursements as have or may be incurred as a result of any request or demand by the Insured to conduct the claim or legal proceedings in a manner deemed to be unreasonable.
- 17) the pursuit or defence of any action alleging libel or slander or trade libel or malicious falsehood.
- 18) any expense, consequential loss, legal liability or any loss or damage to property directly or indirectly caused by or contributed to by:

- (i) ionising radiation or contamination by radioactivity from any nuclear fuel; or
- (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

5 GENERAL CONDITIONS

1) Premiums

The premium payable here under is deemed earned at inception of the Policy and must be remitted at that point to The Coverholder save where it is payable by instalments, but in such circumstances as submission of a claim any outstanding balance is payable immediately as a condition precedent to acceptance of any claim made by the Insured subject as always to the terms and conditions of the Policy.

2) Cancellation

We hope you are happy with the cover this policy provides. However, You have the right to cancel it within 14 days of inception of the policy, without giving any reasons. Cancellation must be in writing to us at Composite Legal Expenses, Suffolk House, Trade Street, Cardiff CF10 5DT. The Insurer may cancel the policy at any time by sending 30 days written notice by recorded delivery post and in such event the Insured shall be entitled to a return of a proportionate part of the premium corresponding to the unexpired Period of Insurance.

Such cancellations shall not prejudice the rights of the Insured, or any other person insured by this policy, in respect of any claim occurring prior to the date of cancellation.

No return of any premium will be made where a claim or potential claim has been notified during that Period of Insurance.

3) Compliance

It shall be a condition precedent to any liability of the Insurer to make any payment under this Policy that the Insured observe and comply in full with the terms, provisions, exclusions and conditions of this Policy.

4) Notification of claims

It is a condition precedent to the Insurer's liability that The Coverholder are notified within 30 days in writing of any circumstance, act, alleged act, omission or dispute or other event giving rise to or that may give rise to a claim, or legal proceedings as soon as such becomes known to the Insured. In the event that the Insured fails to notify The Coverholder immediately of such circumstance, act, alleged act, omission or dispute or other event during the Period of Insurance then such circumstance, act, alleged act, omission or dispute or other event may not be admitted. For the sake of clarity such notification should include full details of the date of knowledge or awareness, parties involved, circumstances, intellectual property in question together with every letter, demand, writ, summons or other notice or process received.

Where such notification has been received, the Coverholder agree to treat any subsequent claim or legal proceedings in respect of the circumstances notified as though the claim or legal proceedings had been made or brought during the Period of Insurance.

The Coverholder will forward to the Insured a claim form which must be completed and returned immediately.

5) Arbitration

Except where there is a dispute as to the withdrawal of cover, any dispute between the Insured and the Coverholder will be referred to a single arbitrator who will be a solicitor or barrister who has been agreed between the parties, failing which within 15 days of the submission of the election to arbitrate, by one party, in the absence of such agreement the President of the Law Society of England and Wales will be requested to make such selection.

The unsuccessful party in the arbitration will bear all costs including their own, the other party's and those of the arbitrator and any associated disbursements and where such an award is

made against the Insured it shall not be a recoverable item under the terms of the Policy. Where the outcome may not be clearly defined as successful for either party the arbitrator shall have power to apportion costs as deemed appropriate.

The place of Arbitration will be London and the language of the Arbitration will be English.

6) Assignment

The Insured's rights under this Policy may not be assigned without the Insurer's prior written agreement, such agreement not to be unreasonably withheld.

7) Notices

Notices under this Policy shall be deemed duly given:

- (i) to the Insurer if sent by first class prepaid post to The Coverholder at the address specified in the Schedule or to such other address as has been notified to the Insured for this purpose from time to time;
- (ii) to the Insured or any other person if sent by post to his last known address.

6. CLAIMS CONDITIONS

As specified claims must be notified strictly in accordance with General Condition 4., as it is a condition precedent to the Insurer's liability that the circumstance, act alleged act, omission or dispute or other event giving rise to or that may give rise to a claim or legal proceedings are notified within 30 days in writing to The Coverholder, once the Insured becomes aware, provided such notification is made during the period of insurance.

It is a condition precedent to the Insurer's liability that the Insured comply strictly with the terms, conditions, limitations, and exclusions of the Policy.

Once the claim has been admitted, should it subsequently be discovered that the Insured knew before the beginning of the Period of Insurance of the threat or risk of a claim, the Coverholder shall be entitled to withdraw consent for cover and reclaim from the Insured all sums incurred by the Insurer in the claim thus far, and any liabilities how so ever arising shall thence forth become the responsibility of the Insured. At the Insurer's option they shall be entitled to void the Policy, ab initio, and nothing in the above shall be deemed to prejudice that right.

1) Coverholder' Consent

It is a condition precedent to the Insurer's liability that the Coverholder's prior consent to pay any Legal Expenses be given in writing, and any such legal expenses incurred prior to the granting of consent will not be the Insurer's responsibility, but must be met by the client or such other party as may be appropriate.

Consent may only be given subject to the following, but in any event in accordance with all the terms and conditions of the Policy:

- a) there are reasonable prospects of success in pursuing or defending the claim or legal proceedings and that there are reasonable prospects of recovery of damages or other remedy;
- b) it is reasonable for legal expenses to be provided in the particular case, to include, but not exclusively in that consideration;
 - The economics of pursuing the case or defending the same;
 - Any other means by which the matter may be resolved;
 - Whether the Insured would adopt such a course of action as that proposed were he not insured;
 - The reasonableness and efficiency of the Appointed Representatives' proposed course of action.

In order that the Coverholder may reach such decision, the Insured shall provide at his own expense;

- (a) a fully completed claim form;
- (b) a full report of the circumstances and merits of the claim from the Insured's Appointed Representative together with their budget and litigation plan. Where this remains inconclusive Counsel's opinion may be required from an approved Counsel.

If there remains any dispute as to the merits of a claim then the papers will be submitted by the Appointed representative to a senior Counsel who is a member of the Patent Bar, and his decision will be binding on both the Insurer and the Insured, and such costs charged by Counsel and the Appointed Representative shall be borne by the party against whom the decision is made by Counsel. Where the decision is inconclusive, or subject to further information, Counsel may make such order as he sees fit for costs, or hold over his final decision until he may conclusively advise whether or not the claim should proceed.

Should the decision of Counsel be against providing cover for the claim but the Insured continues none the less at his own expense and is successful in all respects of his claim then the Insurer will pay legal expenses as if the required consent had been obtained at the outset.

2) Minimising claims or legal proceedings

The Insured is under a duty to minimise the costs incurred or budgeted for in conducting the claim. Where the case can be transferred to a more suitable and more economic forum the Insured must give such instructions to his Appointed Representative, but subject always to Coverholder's consent. Where the matter or case is settled or a court award made in the Insured's favour then the insured shall be under a duty to take such necessary steps as to ensure the proper recovery of such sums as may reasonably be expected from the appropriate third party by way of reimbursement of the Legal Expenses incurred or authorised or for which the Insurer are deemed liable. Such recovery shall include obtaining any necessary order and enforcement thereof, and the Insured shall immediately return or authorise the return of such sums to the Insurer. Further to the above, recovery shall include such element of an award of damages which represents costs.

3) Fraudulent claims

If the Insured makes any request for payment under this Policy knowing it to be fraudulent or false in any respect (or circumstances where it ought reasonably to be known) or where there is collusion between the parties to the dispute, this Policy shall become void and any premiums paid hereunder shall be forfeited.

4) Insolvency/Bankruptcy of the Insured

If the Insured becomes insolvent during the course of the claim or legal proceedings to which the Insurer's have given support, the Insurer shall immediately be entitled to withdraw that support. the Insured and Appointed Representative shall advise the Coverholder immediately of the Insured's insolvency.

5) Appeal Procedure

Where the Insured wishes to appeal against the decision of a Court or such other legally authorised decision making body (for which cover has been granted at first instance under this Policy), written reasons and grounds, including a skeleton argument from Counsel or in agreed circumstances the Appointed representative must be forwarded to the Coverholder, by post or facsimile at the earliest practical time. Any delay shall entitle the Coverholder to decline further assistance. If the required consent is given, the Insured must co-operate in the appeal process.

6) Conduct of Legal Proceedings

- (a) The Appointed Representative selected and agreed shall at all times be appointed in the name and on behalf of the Insured.

- (b) The Insured shall provide the Appointed Representative with a complete and absolutely truthful account of the circumstances and information relating to the claim. The insured will provide full documentation, or seek to procure such documents as are necessary for the review of the claim or as may be requested by the Appointed Representative. The Insured shall provide all assistance and co-operation and instructions as required by the Appointed Representative to include attending all meetings, conferences or visits so required and requested by the Appointed Representative or the Coverholder.
- (c) The Coverholder are entitled to obtain from the Appointed Representative direct or from the Insured who may then make request of the Appointed Representative any information, document or advice relating to the claim or legal proceedings or notification, covered by this Policy or submitted for cover under this Policy whether or not privileged. Failure to comply with such a request shall entitle the Coverholder within seven days of making such request or immediately upon refusal of the request to withdraw or refuse cover.
- (d) the Insured must not, without the Insurer's written consent, enter into any agreement with the Appointed Representative as to the payment of legal Expenses.
- (e) The Coverholder's consent to pay any Legal Expenses may be withdrawn in the following circumstances:
 - (i) Where the Insured receives advice that he no longer has a reasonable prospect of success in his claim, or that such other circumstances have changed such that it is no longer reasonable in all the circumstances to pursue the claim, but if the Insured does not agree with such conclusion then the matter will be referred to a specialist senior Counsel for his opinion.
 - (ii) Where the Appointed Representative or Counsel advises the Insured to make an offer of settlement of whatever sort or accept an offer of settlement of whatever sort and against such advice the Insured refuses then the Coverholder shall be under no further liability under the Policy and the Insured must bear all costs and Legal Expenses from thence forward.
 - (iii) The costs of the Appointed Representative for obtaining such Counsel's opinion, and those fees of Counsel, shall be borne, by the party against whom Counsel's decision is made, such that advice to continue the claim will be in the Insured's favour, and advice to cease the claim will be in the Insured's favour. Where the decision is inconclusive or subject to further information, Counsel may make such order as he sees fit for costs, or hold over his final decision until he may conclusively advise whether or not the claim should proceed. Where a claim for indemnity is rejected under this clause, should the Insured continue with the claim or legal proceedings and ultimately obtain an agreement to settle the claim or legal proceedings, where costs are agreed in the Insured's favour. The Insured shall be entitled to such costs, as after taxation or negotiation, that are due in their favour, from the Insurer.
- (f) All bills relating to any claim or legal proceedings covered under this Policy and which the Insured receives from the Appointed Representative should be forwarded immediately to the Coverholder in accordance with the Coverholder rules for participation. Notwithstanding any interim payments made by the Insured or the Insurer, or any statements made this Policy shall so ensure that such payments are made on account reserving all rights to taxation or other assessment as appropriate. If requested the insured shall required the Appointed Representative to submit the bill of costs for taxation or

- certification by the Law Society, court or other professional body as appropriate.
- (g) If in the course of any claim or legal proceedings covered by this Policy, the Appointed Representative wishes to instruct counsel, the Coverholder's prior written consent must be obtained. The Coverholder will require details of Counsel's name, details of chambers and where necessary details of experience, together with an explanation of the need for Counsel's input and counsel shall be instructed on the basis of and agree to act in accordance with the Coverholder rules for participation.
- (h) It is a condition precedent to the Insurer's continuing liability under the Policy that the Insured must immediately in writing (or where necessary by telephone) inform the Coverholder of any offer to settle a claim or legal proceedings for which cover has been granted under this Policy as soon as such offer is received. The Insured must not enter into any agreement to settle without the Coverholder's prior written consent.
- (i) Although the Insured is responsible for payment of all legal Expenses the Insurer will settle these direct, at their discretion, if requested provided that the bills are certified by the Insured to the effect that such charges have been properly incurred. The Insured must also confirm that the Insurer are authorised to discharge such bills.
- Such bill must comply with the Coverholder's rules for participation, and payment will be made reserving all the Coverholder's rights to taxation or otherwise.
- The Coverholder retains the right to refuse Legal Expenses that have unreasonably been incurred.
- (j) Where the Insured obtains any order for costs in his favour or in an agreement to settle the dispute (which has been agreed by the Coverholder in writing) costs are agreed in the Insured's favour. The Insurer shall be entitled to such recovery of costs as after taxation, or negotiation shall be due in their favour. The Insured shall take all necessary steps to obtain an order for costs, or agreement for costs, as though he were acting uninsured, and shall take all necessary steps to enforce such order or agreement or allow the Insurer to take over and conduct such procedures in his name.
- Where the case, or settlement occurs in a jurisdiction that does not award costs or does not divide costs from damages, the Insurer shall be entitled to such fair proportion of monies recovered or preserved as may fairly and reasonably be due to the Insurer.

7. SUBROGATION

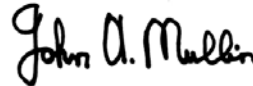
The Insurer reserves all rights of subrogation.

8. GOVERNING LAW

The interpretation of this Policy shall be governed and construed in accordance with the Laws of England and Wales.

9. RECOVERY AGAINST INSURED

In the event that the Insured makes a claim under the Policy knowing it to be fraudulent or in circumstances where he should have known it to be fraudulent or where it subsequently becomes apparent that the Insured did not disclose a material fact or circumstance for what ever reason then Insurer shall be entitled to full reimbursement of any costs paid or incurred as a result of the claim submitted to include Insurer's costs of investigation irrespective of the party to whom such costs or fees have been paid. Such reimbursement shall be due immediately whether formally requested or not.



Signed by: **Managing Director
Composite Legal Expenses Limited**

10. COMPLAINTS PROCEDURE

In the event of a complaint arising under this Insurance, you should in the first instance write to The Managing Director, Composite Legal Expenses Ltd, Suffolk House, Trade Street, Cardiff CF10 5DT.

If the matter remains unresolved thereafter you can then write to the Insurers at: Groupama Insurance Company Limited, Groupama House, 24-26 Minories, London EC3N 1DE quoting the policy number and where the insurance was purchased.

Finally, if the matter still remains unresolved once the above have been contacted, you can, subject to qualifying criteria, approach The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080180.

Groupama Insurance Company Limited is authorised and regulated by the Financial Services Authority and is a member of the Association of British Insurers (ABI).

You may be entitled to compensation from the Financial Services Compensation Scheme in the event that the insurer is unable to meet its liabilities.