

INDIVIDUAL REGULATORY CERTIFICATE OF

INSURANCE INSURING CLAUSE

This is to certify that in accordance with the authorisation granted to the undersigned under the Agreement number(s) stated in the Schedule by certain insurers, as detailed in the Schedule(s) (hereafter Underwriters) which will be supplied on application, the Assured having made a Proposal to Underwriters which shall be the basis of and be incorporated in this contract and in consideration of the Premium having been paid to Underwriters, Underwriters agree subject to the terms, limitations, exclusions and conditions of this Certificate to pay on the Assured's behalf and as incurred by the Assured:

- (a) Costs and Expenses and Regulator's Costs in respect of an Investigation; and
- (b) Costs and Expenses in respect of an Internal Investigation

and notified to Underwriters during the Period of Insurance or Discovery Period, as applicable.

DEFINITIONS

"Appointed Representative" shall mean a lawyer or other suitably qualified person appointed to act for You.

"Arbitration" shall mean a method of settling a dispute by asking an independent lawyer to consider it. He or she will be chosen by the Assured and Underwriters jointly or (if we cannot agree) by the President of The Law Society. Whoever loses the arbitration must usually pay the costs of the arbitration. If the Assured loses, these costs are not covered by this insurance.

"Assured/You/Your/Yours" shall mean

- i) The person named in the Schedule or
- ii) the Assured's lawful spouse, if named as a co-defendant solely because of their spousal relationship; or estates, heirs, legal representatives or assigns, if the Assured is deceased or declared incompetent, insolvent or bankrupt

"Approved Person" shall mean any natural person (not a corporate entity or partnership) who is employed by an Employer to perform a Control Function on behalf of said Employer and who is approved by the Regulator to perform a Controlled Function.

"Employer" shall mean a corporate entity or partnership authorised to carry out their business activity by the Regulator.

"Control Function" shall mean any function or activity specified by the Regulator and which is performed by an Approved Person on behalf of the Employer.

"Computer" shall mean any computer or other electronic data processing device, equipment or system, any hardware, software, programme, instruction data or component utilised or intended to be utilised in or by any such item, or any actual or intended function of or process performed by any of them.

“Costs and Expenses” shall mean

- (i) irrecoverable reasonable and necessary legal fees, costs and other expenses incurred on behalf of the Assured with Underwriters’ written consent (which shall not be unreasonably withheld) by the Appointed Representative resulting solely from and during the course of
 - (a) the Investigation or the making or defending of an appeal with Underwriters’ consent or
 - (b) an Internal Investigation

excluding any legal fees, costs and other expenses incurred on behalf of the Assured for the purposes of preventing either the commencement of or the Assured’s participation in an Investigation or an Internal Investigation

and/or

- (ii) compensation for any Assured or person appearing on behalf of the Assured for their attendance as a witness at any Investigation provided always that
 - (a) such attendance is on the advice of the Appointed Representative and is reasonable and necessary, and
 - (b) such compensation shall be paid at a maximum rate of GBP100 per witness per day of attendance or part thereof and is limited in respect of any Investigation up to a total of GBP1,000 for all such witnesses.

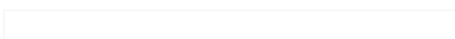
“Extradition Proceeding” shall mean a proceeding commenced in the United Kingdom pursuant to the Extradition Acts 1965 to 2003 by the service upon an Assured of an arrest warrant in respect of an offence allegedly committed in the United States of America. Provided always that the said offence shall also have been committed and/or allegedly committed by the Assured in the course of the Assured’s employment by the Employer declared to Underwriters in the Proposal Form or other subsequent Employer subject to the terms of Condition 11).

“Internal Investigation” shall mean an internal investigation commissioned by the Assured’s Employer in respect of alleged regulatory breaches which the Assured reasonably anticipates will lead to an Investigation by an Approved Person who is employed by the Assured’s employers and who is a direct report to the Assured, and in respect of which both the Approved Person and the Assured have been either suspended or dismissed.

“Investigation” shall mean:

- (a) A formal administrative or regulatory proceeding commenced against the Assured by the filing of a memorandum of appointment of investigators or equivalent document by a Regulator in respect of the performance of a ControlFunction;
- (b) Any investigative inquiry or disciplinary proceedings against the Assured brought or conducted by a Regulator, UK governmental body or other institution which is established or empowered by UK statute to investigate the affairs of the Approved Person.

“Limit of Liability” shall mean the Underwriters’ total aggregate liability as stated in the Schedule under this Certificate for all Investigations or circumstances notified during the Period of Insurance, and Discovery Period (as defined in Condition 9) if applicable, in respect of all Costs and Expenses and Regulator’s Costs irrespective of the number of claimants, claims, individuals, entities or other multiple elements involved.



“Our/Underwriters/We” shall mean the Underwriters stated in the Schedule attached to this Certificate.

“Period of Insurance” shall mean the period stated in the Schedule

“Premium” shall mean the amount stated in the Schedule and appropriate tax.

“Proposal” shall mean all information supplied to Underwriters by You or on Your behalf (whether by written, electronic or any other means) for the purpose of effecting this contract of insurance.

“Regulator” shall mean any Self-Regulating Organisation established under the Financial Services Act 1986 or any subsequent amendments or re-enactments thereof (including but not limited to the Financial Services and Markets Act 2000), including the Financial Conduct Authority (FCA) and/or other regulators established by the Financial Conduct Authority or the Department of Trade and Industry (DTI).

“Regulator’s Costs” shall mean any fees, costs and expenses incurred by the Regulator resulting from an Investigation brought by the Regulator against the Assured where the Regulator makes an award or order for the Assured to pay such fees, costs and expenses.

“Retroactive Date” means the retroactive date (if any) specified in the Schedule

“Territory” shall mean the United Kingdom including Northern Ireland, the Channel Islands, the Isle of Man and the Republic of Ireland.

EXCLUSIONS

(The heading of each exclusion is for ease of identification only)

Underwriters shall not be liable to pay Costs and Expenses or Regulator's Costs: -

(a) Other Insurance

in respect of which You are entitled to payment or indemnity (or would be but for this insurance) from any other source.

(b) Territory

in respect of any Investigation made, brought or commenced anywhere other than within the Territory. (c)

Dishonest, Fraudulent Or Malicious Conduct

which arise directly or indirectly from Your actual or alleged dishonest, fraudulent or malicious conduct unless an Investigation is brought against You which is dismissed, successfully defended or in which it is found that You did nothing dishonest, fraudulent or malicious.

(d) Disputes Between Approved Persons

arising from a dispute between any two or more Approved Persons in relation to Your common defence during an Investigation.

(e) Bodily Injury, Property Damage

(i) resultant upon any civil claim or legal proceedings brought in respect of Your actual or alleged legal liability for loss, destruction or loss of use of or damage to any property, or

(ii) resultant upon any civil claim or legal proceedings brought in respect of Your actual or alleged legal liability for, or for any compensatory award made against You in respect of, bodily injury, mental injury, emotional distress, shock, sickness, disease or death sustained by any person.

(f) Dispute Over Insurance

resulting from any dispute about this insurance, or between You and Underwriters or any other insurer about the way in which any insurance claim should be settled or the amount of the settlement.

(g) Defamation And Intellectual Property Rights

arising from actual or alleged defamation, malicious falsehood or infringement of any intellectual property rights unless forming part of an Investigation by the Regulator.

(h) Fines And Penalties

to the extent of any

(i) fine, penalty or damages

(ii) costs awarded against You in a criminal prosecution other than the Regulators' Costs.

(i) Prosecution By The Police

in respect of any legal costs attributed to any investigation by the police. (j)

Circumstances Known At Inception

- a) arising from or in consequence of any Investigation, Internal Investigation, or circumstance which might reasonably give rise to an Investigation or Internal Investigation, known to You prior to the inception of this Certificate, or if written notice of any Investigation or Internal Investigation or circumstance has been given under any other certificate or policy prior to the inception of this Certificate; or
- b) arising from, or in consequence of any writ, demand, suit or other proceeding pending, or order, decree or judgement entered against You on or prior to the inception of this Certificate or the same or any substantially similar fact, circumstance or situation underlying or alleged in said pending or prior proceeding(s) known to you

(k) Computer Date Recognition

brought about by or contributed to by or consequent upon any failure of any Computer (by whomsoever owned or operated) to recognise or respond to, correctly and effectively, any particular date or period of time (continuous or otherwise).

(l) PIA [Note: general regulatory review exclusion below]

Arising from any Investigation by the Personal Investment Authority (PIA) relating to Life and Pension transfer/adviser functions (previous Control Function 24 as described in the Proposal Form) established under the Financial Services Act 1986 or any subsequent amendments or re-enactments thereof including but not limited to the Financial Services and Markets Act 2000.

(m) Radioactive Contamination Or Explosive Nuclear Assemblies

Brought about by or contributed to by or consequent upon

- (i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (ii) any legal liability of whatsoever nature

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.

(n) Acts Prior To Retroactive Date

In respect of any Investigation relating to any acts committed by You or alleged to be have been committed by You prior to the Retroactive Date.

(o) Control Functions

In respect of any acts relating to control functions 12B (Lloyds actuary function), previous functions 18 (Significant Management (Underwriting) function), 24 (Pension transfer specialist function) and 25 (Adviser to syndicates at Lloyd's function), as described in the proposal form.

(p) Regulatory Reviews Exclusion

We shall not be liable to pay or indemnify You against Loss arising from any Claim whether directly or indirectly based upon, arising out of, resulting from or in consequence of any

- (i) Split Capital Investment
- (ii) review under the terms of the Statement of Policy on Pension transfers and Opt-outs issues by the FSA on 25 October 1994
- (iii) review under the terms of the policy statement for the review of specific categories of FSAVC business issued by the FSA on 28 February 2000; or
- (iv) scheme order made pursuant to Financial Services and Markets Act 2000 section 404

including, but not limited to, their promotion, management and sale, any advice given in respect of them and the Arranging of any transaction in them.

DEFINITION

For the purpose of this endorsement:

"Arranging" shall mean making arrangements for another person (whether as principal or agent) to buy, sell, subscribe for or underwrite a particular investment or exercise any right in connection with a particular investment.

"Split Capital Investment" shall mean the purchase of shares in a public limited company, which is a closed-ended investment company as defined by the UK Listing Authority, wherever in the world it is incorporated or listed, with more than one share class, which may or may not qualify as an investment trust under s842 Income & Corporation Taxes Act 1988.

Reference in this endorsement to the singular includes a reference to the plural and vice versa, reference to any gender includes a reference to all other genders.

(q) Employment Disputes

In respect of advice that relates solely to the Assured's employment rights.

CONDITION

(The heading of each condition is for ease of identification only)

1. Claims Notification

- (a) As a condition precedent to Your right to payment under this Certificate You shall give to Underwriters as soon as practically possible immediate notice in writing (and in any event, where You wish to appeal against any decision given in any Investigation, before the deadline for lodging such appeal) during the Period of Insurance of
- (i) any Investigation or Internal Investigation of which You became aware, or
 - (ii) any circumstances of which You became aware which might reasonably be expected to give rise to an Investigation or Internal Investigation or You seeking payment under this Certificate, giving reasons for the anticipation of an Investigation or Internal Investigation, or request for payment, together with full particulars as to dates and persons involved.

Such notice having been given as required by (ii) above, any subsequent related or causally connected Investigation, Internal Investigation or request for payment shall be deemed to have arisen or to have been made during the Period of Insurance.

- (b) Underwriters must have confirmed coverage of the claim in writing in respect of the Investigation before any Costs and Expenses will be paid by Underwriters.
- (c) Underwriters will only confirm coverage of a claim if they are satisfied that
- (i) they have all the information they need for that purpose, and
 - (ii) it is reasonable for Costs and Expenses to be incurred taking into account whether the Assured will have a reasonable prospect of achieving what is in Underwriters unfettered opinion a worthwhile result.
- (d) As a condition precedent to Your right to payment under this Certificate You shall
- (i) give Underwriters, as soon as practically possible, all the information, documents and assistance We may reasonably require,
 - (ii) make every effort to
 1. limit the effect of anything that might lead to an Investigation or to You seeking payment under this Certificate
 2. limit the amount of payment under the Certificate,
 - (iii) take no action which might prejudice Underwriters.

2. Claims Handling

- (a) Underwriters will provide You with their recommended Appointed Representative.

If the suggested Appointed Representative is acceptable to You, You must appoint such person to act in Your name. If the Appointed Representative is not acceptable You may suggest an alternative suitably experienced and skilled person. If Underwriters do not feel this person has the necessary experience or skills then Arbitration shall be used to settle an appointment.

You shall give to the Appointed Representative full details of the Investigation and all information that they ask for and ensure that the Appointed Representative keeps Underwriters fully up to date with the progress of the Investigation and lets Underwriters see any papers if requested.

You shall not make any arrangement with the Appointed Representative about the Costs and Expenses unless Underwriters have given You their written permission.

You shall give Underwriters all the Appointed Representative's bills as soon as You receive them and, if requested, shall

- (i) confirm that any bill for Costs and Expenses is correct, or
 - (ii) instruct the Appointed Representative to have such bill taxed by the appropriate authority.
- (b) You shall notify Underwriters as soon as You receive any offer to settle or resolve an Investigation or Internal Investigation and not discuss, make, accept or reject such offer without Our prior written agreement.
- (c) We may cease dealing with any claim under this Certificate and stop providing any payment if You no longer have in Our unfettered opinion both a reasonable case and a reasonable chance of a worthwhile result. In which case We will pay for all amounts You were entitled to up to the date of such cessation.
- (d) If You decide to proceed in the defence of an Investigation or Internal Investigation either
- (i) before Underwriters have give consent on the basis of condition 1.b, or
 - (ii) after Underwriters have withdrawn consent in accordance with condition 2 c.

and if You are ultimately successful in the defence of the Investigation or Internal Investigation after all possible appeals have been exhausted or abandoned, Underwriters will pay all amounts You are entitled to as if Underwriters had given consent at the outset or not withdrawn consent under condition 2 c.

3. Fraudulent Claims

If a claim for any payment under this Certificate is false or fraudulent in any way, this Certificate shall (unless We agree otherwise) be void and You will not be entitled to any payment under this insurance for that claim or for any other claim.

4. Recoveries

You must do everything possible to recover all Costs and Expenses incurred and any payment made by Underwriters to You for Your attendance as a witness at any court, tribunal, arbitration or hearing. Any recoveries will be applied in the following sequence

- (a) any Costs and Expenses and Regulator's Costs incurred by You over and above the relevant Limit of Liability which would otherwise have fallen within the terms and conditions of this Certificate,
- (b) the total Costs and Expenses and Regulator's Costs,

The total amount recovered is to be applied, as far as it will go, to items (a) and (b) in that order, and You and We are to make whatever settlement is necessary between us to reflect this.

5. Notice

Notice under this Certificate shall be deemed duly given

- (a) to Underwriters
 - (i) in respect of any claim, if made in writing to Underwriters, or to such other person or address as has been notified to You for this purpose from time to time, or
 - (ii) in respect of all other notifications, if sent by email or first class prepaid post to Underwriters at the addresses specified in the Notice To The Assured or to such other address as has been notified to You for this purpose from time to time;
- (b) to You if sent by post to Your last known email or postal address notified to Us.

6. Payment Of Premium Warranty

It is a warranty of this Certificate that the Assured shall have paid the Premium due under the Certificate within thirty days of the beginning of the Period of Insurance stated in the Schedule(s). If the Premium due has not been so paid the Certificate shall automatically be cancelled with effect from the end of the thirty days and the Underwriters shall have no liability thereafter. The Underwriters shall be entitled to the amount of the Premium earned during the period up to cancellation.

For the purpose of this warranty, payment of the Premiums due to the Underwriters shall be deemed to include payment by the Assured to any person authorised by the Underwriters to receive such Premium on their behalf.

7. Arbitration

If the Assured and Underwriters both agree, Arbitration can be used to settle any unresolved dispute about anything said in this Certificate or anything to do with a claim. If Arbitration is used, the Assured may still take that dispute to court or try to settle in another way.

8. Jurisdiction and applicable law

The contract for this insurance is governed by English law, and, save for express reference to Arbitration, is subject to the exclusive jurisdiction of the English courts.

9. Extended Discovery Period (2 Years)

If this Certificate is not renewed with Underwriters or a similar insurance is not effected with another insurer or underwriter on or after the expiry of this Certificate, (including but not limited to reasons of Your retirement or departure from a FCA regulated industry) this Certificate shall provide a Discovery Period. Such Discovery Period shall expire two years after expiry of the Period of Insurance and shall only be available in respect to an Investigation by a Regulator relating to acts committed by You after the Retroactive Date and prior to the expiry of the Period of Insurance stated in the Schedule.

Underwriters' liability under this Discovery Period shall form part of and not be in addition to the Limit of Liability stated in the Schedule.

10. Contracts (Rights Of Third Parties) Act 1999

A person who is not a party to this contract has no rights under the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof to enforce any term of this contract but this does not effect any right or remedy of a third party which exists or is available other than by virtue of this Act.

11. Changes in Exposure

If during the Period of Insurance:

- (a) You change Your Employer declared to Underwriters in the Proposal Form for cover hereunder or
- (b) You are promoted to or undertake a Control Function not declared in the Proposal Form for cover hereunder

this Certificate shall remain unaltered and in force for the Period of Insurance.

**NOTICE TO THE
ASSURED**

Blackmore Borley Limited is authorised and regulated by the Financial Conduct Authority (“FCA”) to sell general insurance products. Our FCA register number is 311926 and you can check this on the FCA’s register by visiting the FCA’s website www.fca.org.uk/register) or by contacting the FCA on 0845 606 1234.

If you wish to register a complaint please contact

us: In writing: Blackmore Borley Limited
Boundary House
7-17 Jewry Street
London
EC2N 2HP

By email: info@blackmoreborley.com

By phone: (020) 7929 4616

If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service.

Blackmore Borley Limited are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Insurance, advising and arranging is covered for 90% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS.