



TO WHOM IT MAY CONCERN

Date: 27 February 2020

Dear Sir/Madam,

Aon UK Limited are the insurance brokers for SSE plc, who have requested that we issue this letter on their behalf for information purposes only.

We confirm we have placed contracts of insurance on behalf of SSE plc which include the contract(s) described below ("the Insurances"):

THIRD PARTY LIABILITY COVER NOTE:

Risk Number: GBCGP2000256

Project: The Council of the City of Newcastle upon Tyne and the Council of the Borough of North Tyneside Street Lighting PFI Project

Class of Business: PUBLIC AND PRODUCTS LIABILITY AND PROFESSIONAL INDEMNITY

COMBINED LIABILITY COVER SPECIFICATION

CLASS OF BUSINESS: THIRD PARTY LIABILITY

POLICY WORDING: AXA XL

INSURED:

- (a) The Service Provider /Borrower
- (b) The Authority
- (c) The Operating Sub-Contractor,
- (d) The Finance Parties
- (e) SSE Plc and its Subsidiaries
- (f) SSE Plc's Group Companies each

for their respective rights and interests

PRINCIPAL ADDRESS: SSE Plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ

INSURED PROJECT: The design, Installation, operation, and maintenance of street lighting within the Borough as more specifically detailed in the Project Agreement

PERIOD:

- a) From: 1 March 2020 to 28 February 2021 both days inclusive
- b) Any subsequent period for which the Insured shall pay and the

Insurers shall agree to accept the premium required

- INTEREST:** To indemnify the Insured in respect of all sums that they may become legally liable to pay (including claimant's costs and expenses) as damages in respect of accidental:
- (a) death, bodily injury, illness or disease contracted by any person;
 - (b) loss or damage to property;

interference to property or any easement right of air, light, water or way or the enjoyment or use thereof by obstruction, trespass, nuisance, loss of amenities, or any like cause,

happening during the period of insurance and arising out of or in connection with the Project and the provision of the Service.
- TERRITORIAL LIMITS:** United Kingdom (and elsewhere in the world in respect of non-manual visits)
- LIMIT(S) OF INDEMNITY:** **Public and Products Liability**
- £40,000,000 in respect of any one occurrence (irrespective of the number of claims arising therefrom) and unlimited in amount during the period of insurance except that in respect of:
- claims arising from Products and Pollution Liability
- the limit of indemnity shall be the maximum amount payable for such damages including interest thereon in the aggregate during the period of insurance.
- Professional Indemnity**
- £25,000,000 in respect of any one occurrence and in the annual aggregate during the period of insurance.
- MAXIMUM DEDUCTIBLE :** £ 10,000 each and every occurrence
- CHOICE OF LAW AND JURISDICTION:**
- a) Choice of Law: This policy shall be governed by and construed in accordance with the law of Scotland
 - b) Jurisdiction: Any dispute between the Insured and Insurers over the terms of this policy shall be subject to the exclusive jurisdiction of the Courts of Scotland
- In respect of claims the Jurisdiction is UK (and elsewhere in the world in respect of non-manual visits)
- CONDITIONS:** All as contained in Policy Wording identified above including:

- Definition of Business to include the activities of the Insured as stated herein and as follows:

provision and management of canteens, sports, social and welfare organisations for the benefit of the Insured's employees

, fire, first aid, medical, ambulance and security services,

Employment of subcontractors for performance of work on behalf of the Insured.

COVER FEATURES & EXTENSIONS •

Munitions of War

- Cross Liability clause
- Contingent motor
- Legal defence costs
- Contractual Liability
- Authority Endorsements

PRINCIPAL EXCLUSIONS:

- Death, illness, disease or bodily injury sustained by employees of the Insured
- Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by legislation in respect of such vehicle.
- Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the insured.
- liability in respect of loss or damage to property in the care , custody and control of the insured but this exclusion is not to apply to all property belonging to the Authority which is in the care , custody and control of another insured party.
- liability arising out of technical or professional advice (given for a fee) other than in respect of death or bodily injury to persons or damages to third party property
- liability arising from the ownership , possession or use of any aircraft or marine vessel
- liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence
- Cyber risks

BASIS OF AGREEMENT TO CONTRACT CHANGES:

1. Subject to clause 2 below, all amendments, alterations, special agreements, endorsements, deletions, additions, attachments, Schedules, adjustments, cancellations, extensions and additional or return premiums to be agreed by the Lead Insurer and all other Insurers subscribing hereto.
2. The Insurers agree to delegate authority to agree the policy wording to those Insurers, if any, identified under "DOCUMENT PRODUCTION" below. If no Insurers are so identified, the policy wording is to be agreed by all Insurers.

BASIS OF CLAIMS AGREEMENT: As per Policy Wording identified herein

PART 2

ENDORSEMENTS

Unless the context otherwise requires defined terms set out in the following endorsements shall have the meaning set out in this Contract.

ENDORSEMENT 1: CANCELLATION

- 1.1 This policy shall not be cancelled or terminated before the original expiry date is to take effect except in respect of non-payment of premium.
- 1.2 The insurer shall by written notice advise the Service Provider:
 - 1.2.1 at least thirty (30) days before any such cancellation or termination is to take effect;
 - 1.2.2 at least thirty (30) days before any reduction in limits or coverage or any increase in deductibles is to take effect; and
 - 1.2.3 of any act or omission or any event of which the insurer has knowledge and which might invalidate or render unenforceable in whole or in part this policy.

3. ENDORSEMENT 2: MULTIPLE INSURED/NON-VITIATION CLAUSE

- 3.1 Each of the parties comprising the insured shall for the purpose of this policy be considered a separate co-insured entity, insured on a composite basis, with the words "the insured" applying to each as if they were separately and individually insured provided that the total liability of the insurers under each section of this policy to the insured collectively shall not (unless the policy specifically permits otherwise) exceed the limit of indemnity or amount stated to be insured under that section or policy. Accordingly, the liability of the insurers under this policy to any one insured shall not be conditional upon the due observance and fulfilment by any other insured party of the terms and conditions of this policy or of any duties imposed upon that insured party relating thereto, and shall not be affected by any failure in such observance or fulfilment by any such other insured party.
- 3.2 It is understood and agreed that any payment or payments by insurers to any one or more of the insureds shall reduce, to the extent of that payment, insurers' liability to all such parties arising from any one event giving rise to a claim under this policy and (if applicable) in the aggregate.
- 3.3 Insurers shall be entitled to avoid liability to or (as may be appropriate) claim damages from any insured party in circumstances of fraud misrepresentation non-disclosure or material breach of warranty or condition of this policy (each referred to as a "**Vitiating Act**") committed by that insured party save where such misrepresentation non-disclosure or breach of warranty or condition was committed innocently and in good faith.
- 3.4 For the avoidance of doubt it is however agreed that a Vitiating Act committed by one insured party shall not prejudice the right to indemnity of any other insured who has an insurable interest and who has not committed the Vitiating Act.
- 3.5 Insurers hereby agree to waive all rights of subrogation and/or recourse which they may have or acquire against any insured party (together with their employees and agents) except where the rights of subrogation or recourse are acquired in consequence of a Vitiating Act in which

circumstances insurers may enforce such rights against the insured responsible for the Vitiating Act notwithstanding the continuing or former status of the vitiating party as an insured.

- 3.6 Notwithstanding any other provision of this policy or any other document or any act and/or omission by any insured party insurers agree that:
- 3.6.1 no party other than the Authority has any authority to make any warranty, disclosure or representation in connection with this policy on behalf of the Authority;
 - 3.6.2 where any warranty, disclosure or representation is required from the Authority in connection with this policy insurers will contact the Authority in writing (in accordance with Endorsement 3 to this Contract) and set out expressly the warranty, disclosure and/or representation required within a reasonable period of time from the Authority (regarding itself); and
 - 3.6.3 save as set out in a request from insurers to the Authority in accordance with paragraph 2.6.2 above, the Authority shall have no duty to disclose any fact or matter to insurers in connection with this policy save to the extent that for the Authority not to disclose a fact or matter would constitute fraudulent misrepresentation and/or fraudulent non-disclosure.

4. ENDORSEMENT 3: COMMUNICATIONS

- 4.1 All notices or other communications under or in connection with this policy shall be given to each insured (and the Authority) in writing or by facsimile. Any such notice will be deemed to be given as follows:
- 4.1.1 if in writing, when delivered;
 - 4.1.2 if by facsimile, when transmitted but only if, immediately after transmission, the sender's facsimile machine records a successful transmission has occurred.
- 4.2 The address and facsimile number of the Authority for all notices under or in connection with this policy are those notified from time to time by the Authority for this purpose to the Service Provider at the relevant time. The initial address and facsimile number of the Authority are as follows:

The Authority: The Council of the City of Newcastle upon Tyne and the Council of the Borough of North Tyneside

It is further agreed that a notice of claim given by the Authority or any other insured shall in the absence of any manifest error be accepted by the insurer as a valid notification of a claim on behalf of all insureds.

5. ENDORSEMENT 4

Not Used.

6. ENDORSEMENT 5: PRIMARY INSURANCE

It is expressly understood and agreed that this policy provides primary cover for the insured parties and that in the event of loss destruction damage or liability covered by this policy which is covered either in

whole or in part under any other policy or policies of insurance effected by or on behalf of any of the insured parties the insurers will indemnify the insured parties as if such other policy or policies of insurance were not in force and the insurers waive their rights of recourse if any against the insurers of such other policy or policies of insurance.

7. ENDORSEMENT 6: RINGFENCING

Save for any products and pollution claims, the level of any indemnity available to an insured party under this policy in relation to any claim(s) concerning the Project shall not be affected and/or reduced by any claim(s) unrelated to the Project.

The Insurances are in force as at the date of this letter.

This letter is not to be understood as providing advice of any kind. You are responsible for any assumptions you may make regarding the cover afforded by the Insurances, which are subject to the terms, conditions and exclusions of each policy. The issue of this letter does not make the person or organisation to whom/which it is sent an additional insured or loss payee, nor does it modify the Insurances in any way.

We are not acting as the agent of insurers in providing this letter.

We accept no obligation to update this letter should any of the Insurances be cancelled, assigned, not renewed or changed in such a manner as to affect the accuracy of this document.

This letter is provided on the strict understanding that we do not owe or assume any duty, liability or responsibility whether in contract, tort or otherwise to anyone other than SSE plc. To the fullest extent permitted by law, we shall not be liable for any loss arising directly or indirectly from any use of this document by anyone other than SSE plc.

This document is governed by the laws of England & Wales.

If you do not accept the basis on which this letter is provided, including the exclusions of liability set out above, please return the letter to us immediately.

Yours faithfully



Carlina Berger
Client Service Advisor
For and on behalf of Aon UK Limited