

ESSA BOND

TO COMPLETE WORK ABANDONED BY A BANKRUPT MEMBER

The Event Supplier and Services Association Ltd guarantees that if any Member Company's contractual undertaking cannot be completed by that Member by reasons of bankruptcy, the Association will undertake to provide contract completion, subject to the following provisions and limitations:

Definitions of Expressions used in this Guarantee

- 1.1 "bankruptcy" means in the case of an individual the committing of an act of bankruptcy or making of any composition or arrangement with his creditors, and, in the case of an incorporated company means having had a winding-up order made by the Court or (except for the purposes of reconstruction) the passing of an effective resolution for creditors or voluntary winding-up or the appointment of a Receiver for the management of the Company's affairs. Such bankruptcy to occur within the time limit of seven days prior to and during the build-up dates of an exhibition and resulting in the non-completion of a contract.

The Contract should be in writing by Member holding ESSA Certificate

- 1.2 "contract" means a contract which is in writing or is in the opinion of the ESSA Board sufficiently evidenced by writing and for which the tender of such Member was accompanied by a valid certificate of the Association purporting to be issued for the purpose of this guarantee in respect of that Member. Said contract to be in accordance with the recommended General Terms of Business of the Event Supplier and Services Association Ltd.
- 1.3 "contract sum" means the sum, sums or price payable by reference to the contract for its performance without variations or additions thereto (except those agreed in writing as to work time and price before the determination or frustration) and without deductions in respect of damages liquidated or otherwise.
- 1.4 "customer" in relation to any contract means the party with whom the Association Member is directly in contract.
- 1.5 "original tender price" means the price submitted by the bankrupt Member, which shall in the opinion of the ESSA Board be at a realistic market price.
- 1.6 "guarantee period" means the build-up period of an exhibition and seven days prior to the commencement of such build-up period.

This guarantee shall be subject to the following over-riding limitations and restrictions:

Territorial Limits

- 2.1 Cover is restricted to contracts within Great Britain, Northern Ireland and Channel Islands

Member's tender to have been accepted within 60 days

- 2.2 It shall not apply where an order has been placed and accepted so that a contract takes effect more than 60 days after the date of the relevant tender submitted by the bankrupt Member.

Bankruptcy must not have been caused by client

- 2.3 This guarantee shall not apply where the Member's bankruptcy is in the opinion of the ESSA Board wholly or partly caused by the customer withholding payment of monies certified or otherwise due for payment under the contract to the Member for work done or materials delivered to site, nor where the customer is indemnified under another contract of insurance (however described) and if the contract is not in accordance with clause 1.2.

Limit of Guarantee

- 2.4 The guarantee shall only apply to bankruptcy occurring in the guarantee period resulting in the non-completion of a contract. The limitation of guarantee shall be an aggregate figure of £300,000 per the Policy year, and shall be subject to compliance with clauses 1.5, 2.2 and 2.3 to £60,000 per individual Member Company subject to a limitation per contract equal to 100% of the contract price up to a maximum contract price of £30,000. If claims exceed the limits of the guarantee then they will be settled on a pro-rata basis.

Claim to be made in writing and all necessary details supplied

- 2.5 Any claim under this guarantee shall be made in writing addressed to the Director of the Association who shall thereupon be entitled to require to be furnished with all reasonable information concerning the contract in question as a condition precedent to the Association's liability, and as required by the ESSA Board.

New contractor to be appointed by ESSA

- 2.6 The Association reserve the right to nominate the new contractor to complete the contract in place of the bankrupt Member.
- 2.7 In consideration of this guarantee the customer will automatically and legally assign to the Association any right or benefit arising out of the customer's contract with the bankrupt Member, in so far as that right or benefit relates to the withdrawal of the bankrupt Member from the Contract.

Definition of Member covered by Bond

- 2.8 A Member of the Event Supplier and Services Association Ltd, in possession of a membership certificate for a full members with Bond, issued by the Association in the current calendar year.

Association's Liability

- 2.9 The Association's guarantee is underwritten by an authorised United Kingdom Insurance Company.

The Association's liability shall not exceed the amount it is entitled to recover under the guarantee bond it has arranged.

This bond may be inspected at:-

Company Name: Event Supplier and Services Association Ltd

**Address: 119 High Street
Berkhamsted
Hertfordshire
HP4 2DJ**

Tel: 0845 1221 880

FAX: 01442 875 551