MODEL INDEMNITY AGREEMENT

<u>THIS DEED</u> is made the day of month year

<u>BETWEEN</u> [Name of Organising Institution] ("The Museum")

AND HER MAJESTY THE QUEEN in right of New Zealand acting through the MINISTER OF FINANCE ("the Crown") pursuant to section 59 of the Public Finance Act 1989.

BACKGROUND

A The owner(s) of the items described in the Schedule has/have agreed to make them available on loan for public exhibition at

[names of exhibiting venues]

- B The Museum has accepted responsibility for the exhibition of the items, and for their packing, security, transport, unpacking and exhibition at (each of) the exhibiting venue(s) and for their ultimate return to the owners ("the Lenders").
- C The Museum has also agreed to be responsible to the Lenders for the consequences of loss or destruction of, or damage to, any of the items from the time they are handed over by the Lenders to the control of the Museum and until they have been returned to the Lenders at the conclusion of the exhibition.
- D The Crown has, subject to the following terms and conditions, agreed to indemnify the Museum against any liability incurred by the Museum in respect of the consequences of such loss, destruction or damage.

THIS DEED PROVIDES as follows:

1. Interpretation

In this Deed:

- (a) "Chief Executive" means the Chief Executive of the Ministry for Culture and Heritage.
- (b) "the Loan Agreement" means the loan agreement(s) made between the Museum and the owner(s) of the items in respect of which this indemnity is given.
- (c) "the relevant period" in relation to each item means the period commencing on the completion of the condition report provided for in clause 5(1)(a) and expiring when the unpacking and examination of that item by the conservator provided for in clause 5(1)(f) have been completed and that conservator has advised the Lender and the Museum of the item's condition.

(d) references to clauses and to schedules are to clauses in, and schedules to, this Deed.

Period of Exhibition and Transport and Packing

- (1) The items are to be put on display at the exhibiting venue(s) within the approximate dates of [to be separately listed for each venue].
- The items shall be transported to or from New Zealand, or within New Zealand in consignments the value of which shall not exceed NZ\$50 million in any one aircraft, vessel or vehicle. The Museum shall supply to the Chief Executive the value of each consignment in NZ dollars and in the currency of the lender with the exchange rate stated.
- (3) The Museum shall supply each transport schedule, and any variation to a transport schedule, to the Chief Executive.
- (4) No item shall be transported until the transport schedules and consignment values have been provided to the Chief Executive.

3. Value of the Items

Each of the items shall for the purposes of this Deed, have the value set opposite its description in the Schedule. That value is expressed in the currency or currencies specified by the Lender or Lenders and shall remain fixed for the relevant period and should be kept confidential to the parties and the relevant Lenders. The Museum shall certify in writing to the Chief Executive that the values accurately reflect current international market values.

4. Environmental Conditions

The Museum shall ensure that the environmental conditions specified in the Loan Agreement are complied with at all times.

[Any additional requirements of the Chief Executive will be specified for each exhibition.]

5. Condition Reporting

- (1) The Museum shall ensure that:
 - (a) each item is, immediately prior to its packaging for transport to New Zealand, the subject of a detailed condition report which shall be prepared by a senior conservator nominated by its Lender and shall include a high definition photograph that accurately records the physical appearance of the item.

- (b) on unpacking after arrival at each exhibiting venue each item shall be condition reported by a senior conservator nominated by the Museum.
- (c) immediately prior to packing at each exhibiting venue before departure each item shall be condition reported by a senior conservator nominated by the Museum.
- (d) immediately prior to packing before departure and return to the relevant Lender each item shall be condition reported by a senior conservator nominated by the Museum.
- (e) the photograph and each condition report shall accompany the item to which it refers or shall be dispatched promptly to the next exhibiting venue. The Museum shall not unpack any item unless the photograph and condition report relating to that item are in the possession of the Museum.
- (f) upon its return to its Lender and immediately following an appropriate acclimatisation period each item shall be unpacked and condition reported by a senior conservator nominated by that Lender who shall advise that Lender and the Museum in writing of his or her findings in this regard.
- The Museum shall provide the Chief Executive with regular written progress reports on the return of the items to the Lenders, and shall advise the Chief Executive in writing immediately it is advised that the last indemnified item has been returned to its Lender and has been examined in accordance with subclause (1)(f).

6. Security

Each consignment shall be accompanied by an experienced (1) courier appointed or approved by the Museum. The courier shall ensure that adequate precautions are taken to protect the items from theft, loss or damage in transit. In particular, the courier shall ensure that no item is unloaded from an aircraft, vessel or vehicle (except in circumstances previously approved by the Museum) before reaching the destination to which it has been consigned or is exposed to hazardous conditions. The courier shall not leave the consignment unattended in the course of travel unless this is necessary by reason of the physical dimensions of the items in question or the requirements of the transport company on whose aircraft, vessel or vehicle the consignment is being transported to or from or within New Zealand. If any of the items is unloaded before reaching the destination to which it has been consigned or is exposed to hazardous conditions the courier shall ensure that this is reported immediately to the Museum who shall then advise the Chief Executive and the relevant Lender without delay.

(2) Each item shall be placed in a secure area on arrival at each exhibiting venue and after dismantling of the exhibition and before its departure.

[Further security conditions may be specified to suit circumstances of exhibition.]

- The Museum shall consult with and take and act on advice from senior officers of the Police of New Zealand as to appropriate security measures relating to the items while in New Zealand or in transit to and from New Zealand. If a consignment is valued above NZ\$15 million the Museum shall consult with Police National Headquarters to ascertain whether a security escort is required.
- (4) The Museum shall provide to the Chief Executive written confirmation from the Police that the security measures meet with Police approval.

7. Emergencies

If any of the items is removed from the exhibition to a place of safekeeping in an emergency, the Museum shall immediately notify each Lender and the Chief Executive.

8. Publicity

- (1) The news media are on no account to be given information concerning the value(s) of the exhibition items either individually or in total, or the approximate value, or details of transport of any of the items. Nor are they to be invited to witness their arrival or departure in or from New Zealand or at or from any of the exhibiting venues.
- An acknowledgement of the role of the New Zealand Government in supporting and facilitating the exhibition of the items shall be included in any publicity material in all media including the exhibition catalogue relating to the items. Unless the Chief Executive and the Museum agree otherwise, the acknowledgement shall be as follows:

"Indemnified by the New Zealand Government"

9. Insurance

(1) The Museum shall arrange, and pay the premiums for, insurance cover to a level of NZ dollars [see Part A, section 4] in respect of any one event, unlimited in the aggregate against loss or destruction of, or damage to, the items. This insurance cover shall be in place for the relevant period.

- (2) The Museum shall supply to the Chief Executive evidence that the necessary insurance policy has been effected prior to any of the items being handed over by any of the Lenders to the Museum.
- (3) The Museum shall vigorously pursue any claim on its insurer.

10. Damage and Conservation

- (1) Any accidental or deliberate damage to any of the items or any deterioration of any of the items during the relevant period shall be reported to the Chief Executive and to the relevant Lender not more than 24 hours after either:
 - (a) the occurrence of such damage, or deterioration; or
 - (b) where the damage or deterioration is ascertainable by visual examination of the items, the damage or deterioration is first noticed by a conservator on the staff of the exhibiting venue.
 - (c) If the extent of the damage or deterioration is such that the Crown is likely to be called on to make a payment under this Deed, the Museum must promptly notify the Chief Executive and supply full details.
- (2) No conservation work shall be undertaken without the consent and in accordance with the instructions of the relevant Lender; PROVIDED <u>THAT</u> in a case of extreme emergency where this is necessary to prevent further damage or deterioration reasonable preventive conservation may be undertaken before the consent of the Lender is available <u>AND PROVIDED FURTHER THAT</u> such preventive conservation shall be no more than is necessary to halt the damage or deterioration.

11. Indemnity Against Loss or Destruction of or Damage to an Item

(1) If any item is lost or destroyed during the relevant period, the Museum shall be liable to indemnify the Lender of that item to the extent of its value as shown in the Schedule in the currency specified by the Lender.

This applies regardless of however or wherever the loss or destruction arises <u>EXCEPT THAT</u> the Museum shall not be liable with respect to any loss or destruction caused by the Lender of the item in question.

(2) Subject to subclause (5) where the Museum's liability exceeds the amount of insurance cover referred to in clause 9 the excess of that liability shall be underwritten by the Crown and payments in respect of any such indemnity shall be made by the New Zealand Government to the Museum PROVIDED THAT if the Museum other than for reasons that are established to be beyond its control

is in breach of any of its obligations under this Deed and if such breach has caused or has contributed to the loss or destruction the Museum shall in addition to any sums payable to the Lender reimburse the Crown any sum paid by the Crown under this clause.

- (3) For the purpose of subclause (2) breaches of any of the Museum's obligations shall be deemed to be beyond the Museum's control if damage, loss or destruction to any item or items is directly or indirectly caused by any of the following:
 - (a) any negligence, wrongful act, omission or fault of any employee of the Museum, provided that the Museum has fully complied with this Deed and has taken all reasonable steps to avoid such negligence, act, omission or fault (including, but not limited to, care in the selection, training and supervision of such employee);
 - (b) any accident, provided that the Museum has fully complied with this Deed and has taken all reasonable steps to avoid any such accident occurring;
 - (c) defective premises or equipment, provided that the Museum has fully complied with this Deed and has taken all reasonable steps to avoid such defects, and that such defects were not or would not have been apparent on reasonable examination;
 - (d) any other event, if the parties mutually so agree.
- On receiving payment from the Crown, the Museum shall promptly settle all claims by Lenders.
- (5) The Crown shall have no liability to make any payment under this Deed unless the Museum has fully complied with all of its obligations under this Deed including, but not limited to, its obligations to supply to the Chief Executive:
 - (a) copies of the executed Loan Agreements
 - (b) written verification of the valuations of all items
 - (c) evidence that commercial first-risk insurance has been taken out
 - (d) details of the transport schedules and consignment values
 - (e) evidence that the New Zealand Police have approved the security arrangements for the travel and exhibition of all the items.

12. Indemnity Against Damage to an Item

(1) The provisions of clause 11 shall apply with necessary amendments in the case of damage not amounting to destruction to any of the items as ascertained by condition reports. The extent of any such damage and the cost of making good shall be settled by negotiation between the Museum and the relevant Lender and the Crown. If repair is considered impractical or will result in a reduced value for the item in question, the reduced

value of that item shall be settled by negotiation between the Museum and the relevant Lender and the Crown.

13. Recovery of Lost or Stolen Items

- (1) If any of the items is lost or stolen and is subsequently recovered that item shall be returned to the relevant Lender by the Museum at its sole expense. The Lender shall thereupon refund to the Museum any compensation that it has been paid less any amount to which the Lender may be entitled in respect of damage to the items as in clause 12.
- (2) If the Crown has made any payment to the Museum in respect of any such item, the Museum shall thereupon pay to the Crown the amount that has been refunded to it by the Lender less any sum that may be repayable to the Museum's insurer.

14. Subrogation

If the Crown becomes liable to make any payment under this Deed, it shall have the right to be subrogated for the Museum in respect of any claim against a third party.

15. Loan Agreements

- (1) The Museum shall ensure that the provisions of this Deed are, as far as possible, reflected in each of the agreements that it makes with the Lenders and, specifically, shall include the following clauses in each loan agreement:
 - (a) The Lender shall give written notice to the Museum and to the Chief Executive of the New Zealand Ministry for Culture and Heritage of the Lender's intention to make any claim for compensation in respect of loss or damage or destruction of any item within one calendar month of the damage, loss, or destruction being discovered or ascertained.
 - (b) The Lender shall lodge such claim within three calendar months of the damage, loss or destruction being discovered or ascertained.
 - (c) The Museum shall not be liable with respect to any loss or destruction caused by the Lender of the item in question.
 - (d) If any of the items is lost or stolen and is subsequently recovered that item shall be returned to the relevant Lender by the Museum at its sole expense. The Lender shall thereupon refund to the Museum any compensation that it has been paid less any amount to which the Lender may be entitled in respect of damage to the items as agreed between the Lender and the Museum.

- (e) If the Crown in right of New Zealand is required to indemnify the Lender in respect of any claiming rising out of the loan agreement, then the Crown shall have the right to be subrogated for the Lender in respect of any claim against a third party.
- (f) Any dispute between the Lender and the Museum in respect of subclause (e) shall be referred to arbitration under the New Zealand Arbitration Act 1996 or any Act passed in amendment or substitution for it.
- (2) If the Museum is unable to comply with subclause (1), it shall notify the Chief Executive immediately.
- (3) The Museum shall supply to the Chief Executive copies of all Loan Agreements as signed by the Museum and each Lender.

16. Report on Exhibition

The Museum shall, within two months of the end of the relevant period provide the Chief Executive with a report on the exhibition. This report shall include information on the income of the exhibition and visitor numbers at each exhibiting venue. Copies of posters, flyers or other publicity material not previously supplied shall be included in their final format.

17. Arbitration

Any dispute between the Museum and the Crown as to the interpretation or operation of this Deed shall be referred to arbitration under the Arbitration Act 1996 or any Act passed in substitution for it.

18. Costs

The Museum shall reimburse the Crown for the administrative costs of indemnifying the exhibition.

IN WITNESS of which this Deed has been executed.

SIGNED by	
In the presence of:	
SIGNED by	
In the presence of:	
•	

[Schedule of indemnified items to be attached.]