



INSURANCE POLICY

Directors and Officers

Please read this document carefully.
Should you have any questions, please contact your insurance agent.

Policy Information

This Policy has been prepared in accordance with Your instructions. Please read it carefully to ensure that it meets Your requirements.

This Policy consists of

1. the introduction which explains the basis on which cover is provided
2. the Schedule which shows details of the Policyholder, Period of Insurance, the Business being covered, the Property or Events insured, Limits of Liability and certain amounts You will be responsible for and details of which Sections are operative
3. the Statement of Fact which is a record of the information that You provided to Your insurance agent about You and Your Business upon which Your insurance quotation is based
4. Policy Definitions and Conditions
5. the Sections of the Policy which give details of the cover
6. Any Endorsements or Warranties which might apply to the Policy or individual Sections and which incorporate cover amendments, extensions, limitations and the like

Immediate notice should be given to Us of any changes which may affect the insurance provided by this Policy.

Alterations in the cover required after the issue of the Policy will be confirmed by a separate Endorsement and/or Schedule and/or Statement of Fact which You should file with Your Policy. You should refer to the Schedule and Statement of Fact and Endorsement(s) and the Policy to ascertain precise details of cover currently in force.

Our Promise to You

Our goal is to provide excellent customer service to all Our customers but we recognise that sometimes things may go wrong We take complaints seriously and aim to resolve all of Our customers problems promptly

If this cover does not meet with Your requirements please return all of Your documents and any Employers Liability Certificate(s) to Your insurance agent who has arranged the cover within 14 days of receipt We will return any premium paid in full

If You wish to terminate the cover at any other time please contact Your insurance agent who arranged it and any return premium will be at the discretion of Arista Insurance

Making a Claim

To report or make a claim follow the instructions provided in the General Conditions – Claims Procedure

To register a claim You should email Hiscox Claims using hisliability.claims@hiscox.com who provide Our claims service and are authorised to handle and settle claims on Our behalf If You have a need to seek additional assistance please contact Your insurance agent

Crisis Containment Costs contact details

24 hour crisis line Tel 020 7939 7999

Main contacts – Terrance Fane-Saunders/James Darley

Chelgate can also be contacted at: No 1 Tanner Street, London, SE1 3LE

Tel: 020 7939 7939

Fax: 020 7939 7938

Email; hiscox@chelgate.com

www.chelgate.com

You will be asked to provide Your policy number and to confirm that a Claim has been notified to Us

How to Complain

If You have any enquiry or complaint arising from Your Policy please contact Your insurance agent who arranged the Policy for You or the local Arista Insurance office quoting the Policy number in all cases

If You are not satisfied with the way in which a complaint has been dealt with please write to

The Chief Executive
Arista Insurance Limited
23 Austin Friars
London EC2N 2QP

After this action if You are still not satisfied with the way a complaint has been dealt with You should do the following

If Your Underwriter is at Lloyd's You may ask the Complaints Department at Lloyd's to review Your case (this would not affect Your rights to take legal action if necessary) The address is

Policyholder and Market Assistance
Lloyd's Market Services
One Lime Street
London EC3M 7HA

Telephone: 020 7327 5693
Fax: 020 7327 5225
Email: complaints@lloyds.com

Having followed this procedure for Lloyd's Underwriters or if Your Underwriter is not at Lloyd's Your complaint may also be referred to the Financial Ombudsman Service (FOS) The address is

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0845 080 1800

Financial Services Compensation Scheme

The Underwriters are members of the Financial Services Compensation Scheme (FSCS) and you may be entitled to compensation from the scheme if we are unable to meet our liabilities under this insurance. This depends on the type of business and the circumstances of the claim. The first £2,000 of a claim is protected in full and 90% of the remainder of the claim will be met. For compulsory classes of insurance the claim will be met in full. Further information about the compensation scheme arrangements is available from the FSCS. Information can be obtained on request or by visiting the FSCS website at www.fscs.org.uk

Important Information

Data Protection

We may use the details You have given to provide You with a quotation deal with Your Policy to search credit reference agencies who may keep a record of the search to support the development of Our business by including Your details in customer surveys and for market research and compliance business reviews

We share Your details with those companies who are underwriting Your Policy with approved organisations for fraud prevention purposes and with companies where We are legally obliged to do so

We may also share Your details with third parties so that we may tell You of products and services which we think may interest You by telephone email or post If You do not want to know about these products or services please write to Arista Insurance Limited 23 Austin Friars London EC2V 2QP

Under the Data Protection Act We can only discuss the details given with You If You would like anyone else to act on Your behalf please let Us know Your details will not be kept longer than is necessary

Under the terms of the Data Protection Act 1998 You are entitled to a copy of all information Arista Insurance holds about You

Your personal details may be transferred to countries outside the EEA They will at all times be held securely and handled with the utmost care in accordance with all principles of UK law

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The Contract of Insurance and the Underwriters

This Policy is underwritten by certain Underwriters at Lloyd's and other insurance companies (hereinafter called the 'Underwriters') and is administered by Arista Insurance Limited in accordance with the authority granted under binding authority agreement(s)

In consideration of payment of the premium the Underwriters set out above are bound severally and not jointly to indemnify You within the limits terms conditions and exceptions of this Policy against the events set out in the sections operative and occurring in connection with the Business during the Period of Insurance and any subsequent period for which You pay and the Underwriters agree to accept a premium

Where the Underwriters are a Lloyd's syndicate they are made up of Lloyd's Underwriters Each Underwriter is only liable for their own share of the risk and not for any others share You can ask us for the names of the Lloyd's Underwriters and the share of the risk each has taken on

Each Underwriter is only liable in respect of the cover provided under the Section(s) of this Policy shown against them below and not any other section

Directors and Officers

Hiscox Insurance Company Limited

The Underwriters are authorised and regulated by the Financial Services Authority

You have provided information to Us which includes but is not limited to the information detailed in the Statement of Fact You agree that all information provided to Us is true and is incorporated in and forms the basis of this Policy



Signed for and on behalf of the Underwriters

Charles Earle Chief Executive Arista Insurance Limited

Arista Insurance is Registered in England No 5938669

Registered Office: Library House New Road Brentwood Essex CM14 4GD

This Policy is a legal contract You must tell Us about any facts or changes which affect Your insurance which have occurred either since Your Policy started or since the last renewal date

If You are not sure whether certain facts are relevant please ask Your insurance agent or the local Arista Insurance branch If You do not tell Us of relevant changes Your Policy may not be valid or the Policy may not cover You fully

You should keep a written record (including copies of letters) of any information You give Us or Your insurance agent when You renew this Policy

Arista Insurance Limited are appointed representatives of

Canopus Managing Agents Limited FSA Register Number 204847

Equity Syndicate Management Limited FSA Register Number 204851

HSB Engineering Insurance Limited FSA Register Number 202738

ARAG plc FSA Register Number 452369

Hiscox Insurance Company Limited FSA Register Number 113849

You can check this information on The Financial Services Authority register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the Financial Services Authority on 0845 606 1234

General Definitions

Each time We use one of the words or phrases listed below it will have the same meaning wherever it appears in Your Policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the Policy except for headings and titles.

Each Section of the Policy contains definitions which apply to that particular Section and they must be read in conjunction with the following General Definitions.

We/Us/Our

The Underwriters as set out in the section of the Policy headed The Contract of Insurance and the Underwriters.

You/Your/Policyholder

The person(s) or Company shown in the Schedule as the Policyholder.

Business

Activities directly connected with the Business described in the Statement of Fact and specified in the Schedule.

Policy

This Policy Schedule Statement of Fact Employers Liability Certificate and any Endorsements or Warranties attached or issued.

Asbestos

crocidolite amosite chrysotile fibrous actinolite fibrous anthophyllite or fibrous tremolite or any mixture containing any of those materials fibres or particles of Asbestos or any material containing Asbestos or Asbestos dust.

Damage

Accidental loss destruction or damage.

Employee

Any person working under Your control in connection with the Business who is

1. under a contract of service or apprenticeship with You
2. a person under a contract of service or apprenticeship with some other employer and who is hired to or borrowed by You
3. a labour master or person supplied by him
4. a person engaged by a labour only sub-contractor
5. a self-employed person working on a labour only basis under Your control or supervision
6. a driver or operator of hired-in plant
7. a trainee or person undergoing work experience
8. a voluntary helper
9. persons working under the Community Offenders Act 1978 the Community Offenders (Scotland) Act 1978 or similar legislation
10. at Your request outworkers or home workers employed under contracts to execute personally any work in connection with the Business

Excess

The first amount of each and every claim for which you shall be responsible as shown in the Schedule and where applicable as more particularly defined in the relevant sub section of this Policy.

Geographical Limits

Worldwide excluding USA/Canada

Limit of Liability

The Limit of Liability stated in the Schedule

Period of Insurance

The period shown in the Schedule for which We accept Your Premium

Schedule

The Schedule for the time being in force showing the cover which applies

Statement of Fact

This is a record of the information that You provided to Your insurance agent upon which Your insurance quotation is based

Subsidiary

Any entity in which You

1. own directly or through one or more of Your subsidiaries more than 50% of the share capital or a majority of the voting rights or have the right to appoint or remove a majority of the entity's board of directors or
2. control a majority of its voting rights under a written agreement with other shareholders or members

If an entity ceases to be a Subsidiary during the Period of Insurance cover will continue but only for a Claim against You or an Insured Person arising from a Wrongful Act or Employment Practice Wrongful Act committed before it ceased to be a Subsidiary

General Conditions

Each Section of the Policy contains conditions and must be read in conjunction with the following General Conditions which apply to all Sections unless otherwise stated

Aggregation limit

Where this Policy specifies an aggregate limit this means our maximum payment for all relevant Claims or Losses covered under the Policy during the Period of Insurance

If the Period of Insurance is continuous the aggregate limit will apply to all relevant Claims or Losses covered under the policy during the 12 months from the date the continuous cover starts Each aggregate limit will be reinstated to the level shown in the Schedule at each anniversary

Cancellation

We may cancel the Policy by sending You 30 days written notice to Your last known address We will refund a proportionate part of the premium paid for the unexpired period

If the premium has not been paid or if there has been a default under an instalment or linked credit agreement this insurance will cease immediately and We will not refund any instalment paid

Choice of Law and Jurisdiction

In the absence of agreement to the contrary this Policy shall be governed by and construed in accordance with the laws of England and Wales Any dispute relating to limits terms conditions and exceptions or validity of this Policy shall be subject to the jurisdiction of the courts of England and Wales

Claims Procedure

The following claims conditions apply to the whole of this Policy Any other claims conditions and procedures are shown in the section to which they apply

If in relation to any claim You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim

We will not make any payment under this Policy unless You

1. give Us prompt notice of anything which is likely to give rise to a claim under this Policy in accordance with the terms of each section
2. give Us at Your expense any information which We may reasonably require and cooperate fully in the investigation of any claim under this Policy
3. make every reasonable effort to minimise any loss damage or liability and take appropriate emergency measures immediately if they are required to reduce any claim
4. give Us all assistance which We may reasonably require to pursue recovery of amounts We may become liable to pay under this Policy in Your name but at Our expense

Change of Risk

We shall not indemnify You under this Policy if

1. there has been any material change to the risk after the commencement of this insurance whereby the risk of a claim is increased or
2. Your interest ceases (unless the cessation is brought about by will or operation of law)
3. the Business does any of the following
 - a. making a composition or arrangement with creditors
 - b. have a proposal for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986
 - c. have an application made under the Insolvency Act 1986 to the court for the appointment of an administrator

- d. have a winding up order made or (except for the purposes of amalgamation or reconstruction) a resolution for voluntary winding up passed or have a provisional liquidator receiver or receiver and manager of the business or undertaking duly appointed
 - e. have an administrative receiver as defined in the Insolvency Act 1986 appointed or having possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge
- unless agreed by Us in writing

Contribution

This Policy does not cover any loss or claim where you would be entitled to be paid under any other insurance if this policy did not exist

Contracts (Rights of Third Parties) Act 1999

A person or company who was not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

Duty of disclosure

At each anniversary date if any of the following no longer apply You must inform Us immediately so that We can reassess Your Policy terms and conditions

1. Your statutory accounts for the last year show a profit
2. You have not and are not intending to make any private or public offering of Your share capital
3. Your business activities have not changed
4. You have not been sold and the ownership remains unchanged
5. You are not aware of any Claim and or circumstance which may give rise to a Claim

All other provisions of this insurance shall continue to apply

Statement of Fact

This is a record of the information that You provided to Your insurance agent upon which Your insurance quotation is based

Subrogation

Anyone making a claim under this Policy must at Our request and expense do everything We reasonably require to enforce a right or remedy or obtain relief or indemnity from other parties to which We will become entitled or subrogated because of a claim

Directors and Officers' Liability Including Company Reimbursement Section

This Section is only operative if specified in the Schedule

Definitions

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in this Section they should also be read in conjunction with the General Definitions at the start of the Policy

Bail Costs

Costs incurred with Our prior written agreement to pay for a bond or other financial instrument to guarantee an Insured Person's bail or equivalent in any other jurisdiction

Claim

Any written demand or civil criminal regulatory or arbitration proceeding first made against an Insured Person during the Period of Insurance seeking monetary damages or other legal relief or penalty alleging a Wrongful Act

Any Extradition Proceeding made against an Insured Person during the Period of Insurance

Crisis Containment Costs

Costs incurred in utilising the services of Chelgate Limited following a Claim to prevent, limit or mitigate the actual or anticipated adverse or negative publicity or media attention of You or any Insured Person

Defence Costs

Costs incurred with Our prior written agreement (not to be unreasonably withheld) to investigate settle or defend any Claim made against an Insured Person or to fund an appeal (including any premium paid for an appeal bond or similar bond obtained in relation to it) arising from any judgment decision or award in relation to any Claim

Employment Claim

A Claim by any Employee for any actual or alleged wrongful unfair or constructive dismissal discharge or termination of employment breach of written or implied contract employment related misrepresentation wrongful deprivation of a career opportunity failure to grant tenure negligent employee evaluation harassment unlawful discrimination failure to provide adequate employee procedures and policies invasion of privacy or any other Claim as a result of the employment or non-employment by You of any current former or potential Employee

Extradition Proceeding

Any proceeding commenced under the provisions of the United Kingdom Extradition Act 2003 or its equivalent in any other jurisdiction including any associated appeals

Geographical Limits

Worldwide excluding USA/Canada

Health and Safety/Manslaughter Claim

Any Claim against any Insured Person alleging involuntary constructive or gross negligence manslaughter or any Claim under the provisions of the Health & Safety at Work etc. Act 1974 or its equivalent in any other jurisdiction

Insured Person

1. Any natural person who was is or during the Period of Insurance becomes a director or officer of You
2. Any de facto director of You whilst acting in such capacity for You

3. Any shadow director as defined under Section 741(2) of the Companies Act 1985 or equivalent legislation in any other jurisdiction
4. Any Employee of You
5. Any trustee of any pension or employee benefit scheme or trust fund operated or administered by You
6. The lawful spouse civil or unmarried partner of any person above solely because of their spousal civil or unmarried relationship following a Claim against that person
7. The estates heirs or legal representatives of any person above who has died or become incapacitated insolvent or bankrupt but only for a Claim against that person

Investigation

An official examination official enquiry or official investigation into Your business activities conducted by any Regulator Government Department or other body legally empowered

Investigation does not include routine regulatory supervision enquiry or compliance review any internal investigation or any investigation into the business activities of Your industry which is not solely related to Your or any Insured Person's conduct

Legal Representation Costs

Reasonable and necessary legal costs fees charges and expenses for which any Insured Person is legally liable incurred with Our prior written consent (not including remuneration of any Insured Person or other additional costs of Yours) for legal representation directly in relation to an investigation

Loss

The amount any Insured Person becomes legally liable to pay in respect of a Claim including Defence Costs Legal Representation Costs awards of damages (including punitive and exemplary damages where legally permissible) awards of costs settlements with Our prior written agreement (which shall not be unreasonably withheld) Loss does not include any civil regulatory or criminal fines or penalties taxes remuneration or employment related benefits punitive and exemplary damages in relation to an Employment Claim or the multiplied portion of any damages award unless awarded for defamation

Outside Entity

Any organisation other than You

1. that is tax exempt and not for profit
2. in which You hold any issued share

Pollutant

Any contaminant irritant or other substance including but not limited to asbestos lead smoke vapour water oil oil products dust fibres soot fumes acids alkalis chemicals waste (including materials that have been or are intended to be recycled reconditioned or reclaimed)

Pollution

Actual alleged or threatened discharge seepage treatment removal disposal dispersal emission release or escape of any Pollutant or any regulatory order direction or request to test for monitor remove contain treat detoxify or neutralise any Pollutant

Securities

Any debt or equity interest in You

Wrongful Act

Any actual or alleged act error or omission committed or attempted by an Insured Person arising from the performance of the Insured Person's duties in their capacity as Your director officer or Employee including

1. breach of any duty including fiduciary or statutory duty
2. breach of trust

3. negligence negligent misstatement misleading statement or negligent misrepresentation
4. defamation
5. wrongful trading under section 214 of the Insolvency Act 1986 (or equivalent legislation)
6. breach of warranty of authority
7. any other act error or omission attempted or allegedly committed or attempted by an Insured Person solely because of their status as a director officer or Employee of You

You/Your

Also includes

1. any Subsidiary and any Subsidiary created or acquired during the Period of Insurance provided that the newly created or acquired Subsidiary
 - a. is not domiciled in the United States of America
 - b. does not trade any of its Securities on any United States of America exchange
2. any pension or employee benefit scheme or trust fund

but only for a Claim against an Insured Person arising from a Wrongful Act committed after the date of creation or acquisition of such Subsidiary

If You require cover for any newly created or acquired Subsidiaries which do not fall within the above parameters We will consider providing cover subject to You providing all appropriate information We shall be entitled to amend the terms and conditions of this section during the Period of Insurance and may charge a reasonable additional premium

Cover

Claims against an Insured Person

We will pay on behalf of any Insured Person the Loss arising from a Claim against any Insured Person for any Wrongful Act within the Geographical Limits

Company Reimbursement

We will pay on Your behalf the Loss which You are legally obliged or permitted to pay on behalf of an Insured Person arising from a Claim against an Insured Person for a Wrongful Act within the Geographical Limits You must pay the relevant Excess (if any) shown in the Schedule

If You are permitted or obliged to provide such payment but fail to do so for any reason other than Your insolvency We will pay the amount of the Claim less the relevant Excess regardless of whether You advanced payment or indemnified an Insured Person for such Loss

Health and Safety/Manslaughter

We will pay on Your behalf Loss which you are legally obliged or permitted to pay on behalf of an Insured Person arising from a Health and Safety/Manslaughter Claim (or equivalent legislation in any other jurisdiction) against an Insured Person for a Wrongful Act within the Geographical Limits. You must pay the relevant Excess shown in the Schedule This cover will only apply excess of any other insurance and indemnification available from any other source

Extradition Proceedings

We will pay on your behalf the loss arising from any Extradition Proceeding against any Insured Person during the Period of Insurance

Employment Claims

We will pay on Your behalf loss arising from an Employment Claim during the Period of Insurance brought by a current former or potential Employee of Yours

Outside Entity Cover

We will also indemnify the Insured Person against the sums that person has to pay as Loss for a Claim arising directly from any Wrongful Act the Insured Person commits in their capacity as a director or officer of an Outside Entity provided that the Insured Person acts in that capacity at Your specific written request and the Claim does not arise from a

Wrongful Act committed after the Insured Person ceased to act in this capacity However We will only pay in excess of any indemnity provided by the Outside Entity to its directors or officers and any other insurance available to its directors and officers

Pension/Employee Benefit Schemes Claims

We will pay on Your behalf Loss in respect of a Claim arising from an Insured Person's operation or administration of any pension or employee benefit scheme or trust fund

Pollution Claims

We will pay on Your behalf Loss in respect of a Claim arising from Pollution

Representation Costs

1. We will pay on behalf of any Insured Person the Legal Representation Costs arising from an Investigation first notified as being required during the Period of Insurance
2. We will pay on Your behalf the Legal Representation Costs arising from an Investigation against an Insured Person which You are legally obliged or permitted to pay on behalf of the Insured Person first notified as being required during the Period of Insurance

Bail Costs

We will pay on behalf of any Insured Person Bail Costs arising from a Claim against an Insured Person for a Wrongful Act within the Geographical Limits.

The limit provided under this cover shall be 10% of the total limit shown on the Schedule or £250,000 whichever is the lesser This limit shall form part of the total aggregate limit for this section shown in the Schedule

Crisis Containment Costs

We will pay on behalf of any Insured Person the Crisis Containment Costs arising from a Claim

The limit provided under this cover shall be limited to a maximum of £25,000 per policy This limit shall be in addition to the total aggregate limit for this Section shown in the Schedule

For the avoidance of doubt should the Corporate Legal Liability Section of this Policy is also be affected only one Crisis Containment Costs limit shall apply

Exceptions

We will not make any payments for any Claim Loss or Investigation

1. Deliberate or dishonest acts

Based upon attributable to or arising out of

- a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation committed by any Insured Person
- b. an act intended to secure or which does secure a personal profit or advantage to which any Insured Person was not legally entitled
- c. an act intended to secure or which does secure a profit for any other company where an Insured Person is a director officer or Employee of such company

This exception will only apply after a judgment or other final adjudication or an admission by an Insured Person that such act did occur

This exception will not apply to a Claim by any of Your shareholders including any shareholder derivative proceedings in Your name without Your or any Insured Person's voluntary solicitation assistance or participation

2. Prior Claims Investigations and circumstances

Based upon attributable to or arising out of any Claim Investigation or circumstance which You were aware of or that has been reported under any policy existing or expired prior to the start of the Period of Insurance

3. Prior litigation

Based upon attributable to or arising out of any prior or pending litigation or proceedings (including allegations deriving from the same or essentially the same facts) involving an Insured Person You or an Outside Entity initiated prior to the date shown under the prior and pending litigation date in the Schedule

4. Defined Benefit Pension Schemes

Based upon attributable to or arising out of an Insured Person's operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities

5. RICO/SEC/ERISA

Based upon attributable to or arising out of the following legislation in the United States of America

1. any breach of the Racketeer Influenced and Corrupt Organisations Act 18 USC Sections 1961 et seq any amendments to this Act or any rules or regulations made under it
2. any breach of the Securities Act of 1933 or the Securities Exchange Act of 1934 both as amended the rules or regulations of the Securities Exchange Commission under either or both acts similar securities laws or regulations of any state or any laws of any state relating to any transaction arising out of involving or relating to the sale of securities
3. any breach of the Employment Retirement Income Security Act of 1974 as amended or any rules or regulations made under it or similar provisions of any federal state or local law

6. Bodily injury or property damage

For mental or emotional distress (except an Employment Claim) sickness disease bodily injury or death suffered by anyone or the loss damage or destruction of any tangible property including loss of use of such property

This exception shall not apply to any Health and Safety/Manslaughter Claim This cover will only apply excess of any other insurance and indemnification available from any other source

7. Claims brought by a related party in the United States of America

Based upon attributable to or arising out of any claim brought or maintained by You an Outside Entity or an Insured Person within or subject to the laws of the United States of America however this exception will not apply to

1. Defence Costs
2. any shareholder derivative proceedings in Your name without Your or any Insured Person's solicitation assistance or participation
3. any Claim brought by Your liquidator receiver or administrative receiver or similar body
4. any Employment Claim
5. any Claim made by a past Insured Person of You
6. any claim seeking a contribution or indemnity if such claim is otherwise covered by this section

8. Breach of professional duty

Based upon attributable to or arising out of any Claim relating to a breach of or failure to provide professional duties or services

This exception will not apply to a Claim by any of Your shareholders including any shareholder derivative proceedings in Your name without Your or any Insured Person's voluntary solicitation, assistance or participation arising from any actual or alleged failure to supervise the performance of any professional services

9. Major shareholders

Brought by or on behalf of anyone holding 40% or more of Your issued share capital

10. Takeovers and mergers

Based upon attributable to or arising out of any Claim for a Wrongful Act committed by an Insured Person after You merge or consolidate with another company or any party acquires more than 50% of your issued share capital

In the event of a Subsidiary ceasing during the Period of Insurance to be a Subsidiary cover under this section shall be amended to apply solely to Loss arising out of any Claim for a Wrongful Act committed by an Insured Person prior to the effective date of sale or dissolution

11. Share offerings

Based upon attributable to or arising out of any Claim for a Wrongful Act committed by an Insured Person in relation to any actual public offering of Your share capital unless We have given Our prior written agreement and You have paid any additional premium and accepted any amendments We may require to the terms and conditions of this section

Conditions Precedent

General Conditions Claims Procedure and Reasonable Care and the conditions shown in each section under the heading Your Obligations are all conditions precedent to Our liability We will not make any payment under this insurance unless You comply with all the requirements of those conditions.

Special Conditions

The General Definitions General Conditions and General Exceptions set out in the Policy all apply equally to each Insured Person and to You

You agree to act on behalf of all the Insured Persons as regards paying the premium and giving or receiving notice of all matters relevant to this section

General Condition Information Disclosure paragraph 2 and General Condition Claims Procedure shall not apply to this section Under this section only We waive Our right to rescind the Policy on the grounds of non-disclosure or misrepresentation or fraud

The Cancellation General Condition shall only apply to this section at the end of the period of insurance or anniversary date whichever comes first

How much We will pay

The most We will pay for the total of all Claims and their Defence Costs and all Legal Representation Costs is the Limit of Indemnity shown in the Schedule irrespective of the number of Claims made

The amount We will pay for Claims and their Defence Costs includes any amount We pay on an Insured Person's behalf as a director of an Outside Entity and on Your behalf and for Claims against an Insured Person's spouse civil or unmarried partner

You must pay the relevant Excess shown in the Schedule

Additional defence costs

In the event that the Limit of Indemnity is exhausted We will provide an additional Limit of Indemnity of £100,000 in the aggregate provided that the Insured Person has previously not been the subject of a Claim for a Wrongful Act or series of Wrongful Acts that led to the exhaustion of the Limit of Indemnity

This limit applies to the payment of Defence Costs only

Information provided by an insured person

All information which any Insured Person provided before We agreed to insure You will be considered as a separate application for each Insured Person and as such the knowledge of or any statement made by an Insured Person will not be imputed to any other Insured Person for the purposes of determining whether cover is available for any Claim against such other Insured Person

Extended notification period

If We or You refuse to renew this section of the Policy for any reason other than non-payment of premium You may purchase an extended notification period of 12 months upon payment of 50% of the full annual premium If You do so the first paragraph of item 1 under Your Obligations will then be amended to

We will not make any payment under this section unless You notify Us promptly of the following within the Period of Insurance or at the latest within 12 months after it expires

This extended notification period is only available if

1. We receive Your written notice of purchase and Your premium within 30 days following the end of the Period of Insurance and
2. this section of the Policy is not replaced or succeeded by any other policy providing directors' and officers' liability cover and
3. at the end of the Period of Insurance You have not merged or consolidated with another company nor has any party acquired 50% or more of Your issued share capital

If We offer renewal terms conditions limits of liability or premium different from those of the expiring Policy this does not constitute a refusal to renew

The entire premium for this section is considered fully earned at the beginning of the extended notification period We will not refund any premium to You if You cancel the extended notification period before it ends

The Limit of Indemnity for the extended notification period will be part of and not in addition to the Limit of Indemnity shown in the Schedule

You will not have the right to purchase an extended notification period if You merge or consolidate with another company or any party acquires more than 50% of Your issued share capital or if cover under this section is continued solely as a result of the Retired Directors Special Condition

Excess waiver

The Excess as shown in the Schedule shall not apply in the event of

1. a determination of no liability made in any Insured Person favour
2. a dismissal or stipulation to dismiss any Claim without prejudice

Management buy-out's

If during the Period of Insurance the existing management conduct a management buy-out We agree to provide cover to the same level and terms of this Policy for the new company for a period of 30 days from the buy-out date for any Wrongful Act committed by any individual Insured Person subsequent to the buy-out

This cover will only apply excess of any other insurance and indemnification available from any other source

Takeovers and mergers extended notification period

In the event that You merge or consolidate with another company or any party acquires more than 50% of your issued share capital during the Period of Insurance We may extend this section to continue in force for a period of up to 72 months from the expiry date of the current Period of Insurance provided that such extension shall only apply to claims arising from any Wrongful Act committed or alleged prior to the date of such takeover or merger

The Extended Notification Period and Retired Directors special conditions shall not apply to any such extension

Retired directors

In the event that You do not renew or replace this section of the Policy and only in respect of any Insured Person who retires prior to the date of non-renewal for reasons other than disqualification from holding such a position this section shall continue in force for a period of 72 months from the date of non renewal (the "Run-Off Period") provided that

1. this section shall only apply to Claims arising from any Wrongful Act committed or alleged prior to the date of retirement of the Insured Person
2. the run-off period shall run concurrently with any Extended Notification Period
3. no similar insurance is effected elsewhere

Your Obligations

Notification

1. We will not make any payment under this section unless You notify Us promptly of the following within the Period of Insurance or at the latest within 45 days after it expires
 - a. The Insured Person's first awareness of any Wrongful Act or any shortcoming in performing their duties which is likely to lead to a Claim against them
If We accept the Insured Person's notification We will regard any subsequent Claim as notified to this insurance
 - b. Any Claim or threatened Claim against the Insured Person or the Insured Person's lawful spouse or civil or unmarried partner
 - c. Any Investigation into You
 - d. The start of any disqualification proceedings against any Insured Person
 - e. Any threat to start proceedings against any Insured Person for Pollution
2. You may notify Us of any circumstance You reasonably expect to give rise to a Claim giving reasons for such expectation and including full particulars as to the dates and persons involved
3. If an Insured Person prior to the Period of Insurance had knowledge of a material misstatement in or omission from the information provided to Us upon which We agreed to insure You that Insured Person will have no cover under this section

Control of defence and payment of a claim

You and any Insured Person must give Us the information and co-operation which We may reasonably require and take all reasonable steps to defend any Claim. You and the Insured Person should not do anything which may prejudice Our position.

Any Insured Person may with Our prior written approval appoint legal representation. However where a Claim is made against more than one Insured Person the same legal representative should be used unless there is a material conflict of interest between Insured Persons.

If it is not possible to obtain Our consent prior to incurring Defence Costs we will give retrospective consent provided our consent is obtained within 14 days of first incurrence of such Defence Costs.

We shall have the right to participate fully in the defence of any Claim including negotiation of any settlement. We shall have the right to defend any Claim brought by You.

Where there is a dispute between Us and You and/or any Insured Person over cover proposed settlement or continuing the defence of a Claim You or We may request the obtainment of an opinion from a mutually agreed Queens Counsel or equivalent in a different jurisdiction. Such opinion shall be binding on Us and You and any Insured Person and will establish whether policy cover exists, defence of said Claim will continue or settlement will be agreed. The costs of such opinion shall be met by Us.

We shall pay Defence Costs above any Excess and covered by this section on an ongoing basis prior to the final resolution of any Claim. You and/or any Insured Person must reimburse Us for any Defence Costs paid where it is determined there is no entitlement under this section.

If a Claim is made which is not wholly covered by this section and/or is also made against You and any other person who is not You or an Insured Person We You and the Insured Person shall use our best endeavours to agree a fair allocation between Loss that is covered and Loss not covered by this section



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