



**INSURANCE POLICY**

# **Management Liability Portfolio**

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 [hiscoxliability.claims@hiscox.com](mailto:hiscoxliability.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](mailto:hiscox@chelgate.com)

[www.chelgate.com](http://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](mailto: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](http://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 EC2N 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, Employment Practices      Hiscox Insurance Company Limited  
Liability and Corporate Legal Liability

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](http://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

## 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

#### **Fraud**

If a claim made by You or anyone acting on Your behalf to obtain a benefit under this Policy is in any respect fraudulent or uses fraudulent means or devices or intentionally exaggerates or a false declaration or statement is made in support of a claim all benefit under this Policy shall be forfeited

#### **Information Disclosure**

All information which You or anyone on Your behalf provided before We agreed to insure You is incorporated into and forms the basis of this Policy

All facts and matters which might be relevant to Our consideration of Your proposal must be disclosed and all Material representations made to Us must be true otherwise We are entitled to treat this insurance as if it never existed

#### **Multiple Insureds**

The most We will pay is the relevant amount shown in the Schedule

If more than one insured is named in the Schedule the total amount We will pay will not exceed the amount We would be liable to pay to any one of You

You agree that the insured named in the Schedule or if there is more than one insured named in the Schedule the first of them is authorised to receive all notices and agree any amendments to the Policy

#### **Premium Payment**

We will not make any payment under this Policy unless You have paid the premium

#### **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

1. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation committed by any Insured Person
2. an act intended to secure or which does secure a personal profit or advantage to which any Insured Person was not legally entitled
3. 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

#### **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 Change in circumstances Claims Procedure 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 £250,000 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 120 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 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

# Employment Practices Liability

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

### Benefits

Any compensation awarded to an Employee other than basic remuneration including but not limited to health benefits amounts due in respect of employee benefit or pension scheme share or stock options incentives or deferred compensation

### Claim

Any written demand or civil criminal regulatory or arbitration proceeding made against You or an Insured Person seeking monetary damages or other legal relief alleging an Employment Practice Wrongful Act

### Defence Costs

Costs incurred with Our prior written agreement (not to be unreasonably withheld) to investigate settle or defend any Claim made against You or 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 Practice Wrongful Act

Any actual or alleged act error or omission committed or attempted by you or an insured person or by any third party where you are held vicariously liable relating to 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 employee procedures and policies retaliation defamation invasion of privacy or any other claim arising solely as a result of the employment or non-employment by you of any current former or prospective Employee

### Insured Person

1. Any natural person who was is or during the Period of Insurance becomes a director partner member 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. 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
6. 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
7. Any person that is seconded to You

### 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 You and/or any Insured Person becomes legally liable to pay in respect of a Claim including Defence Costs Legal Representation Costs awards of damages 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 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

### **Retaliation**

Any Claim brought against You relating to any actual or alleged action taken by such Employee exercising or attempting to exercise their rights under law

### **You / Your**

Also includes

1. any Subsidiary
2. any Subsidiary created or acquired during the Period of Insurance within the United Kingdom but only for a Claim against You or an Insured Person arising from an Employment Practice Wrongful Act committed after the date of acquisition.

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 by employees**

We will pay on Your behalf the Loss arising from a Claim by an Employee first made during the Period of Insurance against You or an Insured Person for an Employment Practice Wrongful Act

You must pay the relevant Excess (if any) shown in the Schedule The Excess shall apply to Loss and Defence Costs

This Excess shall not apply to any Claim brought solely against an Insured Person

### **Claims by others**

We will pay on Your behalf the Loss arising from a Claim by anyone other than an Employee first made during the Period of Insurance against You for an Employment Practice Wrongful Act

You must pay the relevant Excess (if any) shown in the schedule The Excess shall apply to Loss and Defence Costs

### **Representation costs**

We will pay on behalf of You or any Insured Person the Legal Representation Costs arising from an Investigation first notified as being required during the Period of Insurance

You must pay the relevant Excess (if any) shown in the Schedule This Excess shall not apply to any Investigation solely involving an Insured Person

## Exceptions

### A. We will not make any payment for any Claim Loss or Investigation

#### 1. Specific activities

- a. Based upon attributable to or arising out of
  - i. membership or non-membership of any trade union or equivalent labour organisation or any involvement in trade union activities
  - ii. Your failure to act in accordance with any collective bargaining agreement

The above shall not apply to any Claim for Retaliation

- b. Based upon attributable to or arising out of any responsibility duty or obligation imposed by law in relation to health & safety unemployment social security retirement or disability benefits or any similar law whether statutory or common law

The above shall not apply to Retaliation

#### 2. Matters insurable elsewhere

For the death or any bodily or mental injury or emotional distress suffered by anyone or the loss damage or destruction of any tangible property other than emotional distress directly arising from any Employment Practice Wrongful Act

#### 3. 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

#### 4. Claims in the United States of America

Based upon attributable to or arising out of any Employment Practice Wrongful Act brought or maintained in the United States of America

#### 5. 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

#### 6. Fraudulent or dishonest acts

Based upon attributable to or arising out of a dishonest or fraudulent act or omission or committed by any Insured Person

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

In applying the above the actions of any Insured Person shall 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

### B. We will not make any payment other than Defence Costs or Legal Representation Costs

#### 1. Specific activities

- a. Based upon attributable to or arising out of Your failure to pay any amount You are contractually committed to pay to an Employee including but not limited to any payments for contractual or statutory notice periods or breach of any obligation pursuant to any minimum wage legislation or Benefits payable
- b. Based upon attributable to or arising out of the loss of any right or benefit under any pension scheme private health insurance or other employee benefit scheme or the operation or administration of any pension or employee benefit scheme or trust fund or Your breach of any legislation or regulation related to these activities
- c. Based upon attributable to or arising out of Your failure to pay taxes

## **2. Non-compensatory payments**

- a. Based upon attributable to or arising out of anyone else's liability which You are legally obliged to assume under any contract or agreement This does not apply to any Claim that would have resulted in the absence of such contract or agreement
- b. Based upon attributable to or arising out any non-pecuniary or injunctive relief
- c. Based upon attributable to or arising out of any amount in respect of the costs of complying or refusing to comply with a court or other order for the reinstatement of an Employee however this shall not apply to basic remuneration from the original date of dismissal to the date of court or other order

## **Special Conditions**

The General Definitions General Conditions and General Claims Procedures all apply equally to to each Insured Person and to You except for the Premium Payment General Condition which apply only to You

General Condition Information Disclosure paragraph 2 and General Condition Fraud shall only apply to You

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

### **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's favour
- 2. a dismissal or stipulation to dismiss any Claim without prejudice

### **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

- 1. 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

- a. We receive Your written notice of purchase and Your premium within 45 days following the end of the Period of Insurance and
- b. this Section of the Policy is not replaced or succeeded by any other policy providing employment practices liability cover and
- c. 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

We will not make any payment for a Claim due to an Employment Practice Wrongful Act committed or alleged to have been committed after the end of the original Period of Insurance

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

#### **Outside entity cover**

This section is extended to include any Claim in respect of an Employment Practice Wrongful Act committed by an Insured Person in their capacity as an Employee 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 Employment Practice 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 Employees and any other insurance available to its Employees

#### **Management buy-outs**

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 subsequent to the buy-out

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

#### **Takeovers and acquisitions**

If during the Period of Insurance you acquire or create a Subsidiary where the number of employees exceeds 20% of the total number already employed by You then this Section will cover that Subsidiary for 30 days after its acquisition or creation Cover will not extend beyond this period unless We have received written notice containing full details of such acquisition or creation and We have agreed by written endorsement to provide cover and You have paid any additional premium We will not provide any cover for any Claim arising from an Employment Practice Wrongful Act occurring prior to the acquisition or creation unless We specifically agree to do so

No cover will be available under this Section for claims based on any Employment Practice Wrongful Act occurring after the date of

1. Your acquisition by or Your merger or consolidation with another entity so that You are not the surviving entity
  2. the acquisition at any time during the Period of Insurance of 50% or more of Your share capital
- unless We have received prior written notice and We have agreed by written endorsement to provide cover and You have paid any additional premium

## **How much will We 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

Each Claim shall be treated as first made when We receive notice of the first Claim Legal Representation Costs shall be treated as first made when attendance of an Insured Person is first notified as being required at an Investigation

You must pay the relevant Excess shown in the Schedule The Excess shall not apply to any Claim or Investigation made solely against an Insured Person

### **Paying out the limit of indemnity**

At any stage of a Claim We can pay the Insured Person the applicable Limit of Indemnity or what remains after any earlier payment from that Limit We will then have no further liability for any Claim or Loss

## **Your obligations**

### **Notification**

If a problem arises

We will not make any payment under this Section

1. unless You notify Us promptly of the following within the Period of Insurance or at the latest within 45 days after it expires
  - a. Your first awareness of any Employment Practice Wrongful Act  
If We accept Your notification We will regard any subsequent Claim as notified to this insurance
  - b. any Claim or threatened Claim against You
2. if when dealing with an Employee or a third party You admit that You are liable for what has happened or make any offer deal or payment without Our prior written agreement You must also not reveal the amount of cover available under this insurance

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

### **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

We shall have the right to participate fully in the defence of any Claim including negotiation of any settlement

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 obtain an opinion from a Queens Council or equivalent in a different jurisdiction and such opinion shall be binding on Us and You and any Insured Person

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 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

# Corporate Legal Liability

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

### Claim

Any written demand or civil or arbitration proceeding seeking monetary damages first made against You during the Period of Insurance alleging a Wrongful Act

Any criminal or regulatory proceeding first made against You during the Period of Insurance alleging a Wrongful Act

### 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

### Defence Costs

Costs incurred with Our prior written agreement (not to be unreasonably withheld) to investigate settle or defend any Claim made against You 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

Any 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 retaliation defamation invasion of privacy or any other Claim arising solely as a result of the employment by You of any current former or prospective Employee

### Health and Safety/Corporate Manslaughter Claim

Any Claim under the provisions of the Corporate Manslaughter and Homicide Act 2007 or the Health & Safety at Work etc Act 1974 or its equivalent in any other jurisdiction

### Identity crime

An agreement entered into by any third party representing themselves as You

### Insured Person

1. Any natural person who was is or during the Period of Insurance becomes a director partner member 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 in 1 2 3 or 4 above of this definition 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 in 1 2 3 4 or 5 above of this definition 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 first commenced during the Period of Insurance conducted by any Regulator Government Department or other body legally empowered into Your business activities under the Health & Safety at Work etc Act 1974 or Corporate Manslaughter & Homicide Act 2007

It does not include routine regulatory supervision enquiry or compliance review any internal investigation or any investigation into the business activities of Your industry rather than Your conduct

**Legal representation costs**

Reasonable and necessary legal costs fees charges and expenses for which You are 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 You become legally liable to pay to any claimant 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)

It does not include any civil regulatory or criminal fines or penalties taxes or the multiplied portion of any damages award

**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 You including any breach of any duty including fiduciary or statutory duty breach of trust negligence negligent misstatement misleading statement or negligent misrepresentation breach of warranty of authority

**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 exchangebut only for a Claim against You 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 Subsidiary 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 policy terms and conditions during the Period of Insurance including but not limited to the charging of a reasonable additional premium

2. Any pension or employee benefit scheme or trust fund

## Cover

### Claims by others

We will pay on behalf of You the Loss arising from a Claim for any Wrongful Act within the Geographical Limits  
You must pay the relevant Excess shown in the Schedule The Excess shall apply to Loss and Defence Costs

### Health and Safety/Corporate Manslaughter Claims

We will pay on Your behalf Loss arising from a Health and Safety/Corporate Manslaughter Claim (or equivalent legislation in any other jurisdiction) for a Wrongful Act within the Geographical Limits  
You must pay the relevant Excess shown in the Schedule The Excess shall apply to Loss and Defence Costs  
This cover will only apply excess of any other insurance and indemnification available from any other source

### Identity Crime

We will pay on behalf of You the Loss arising from a arising from Identity Crime  
You must pay the relevant Excess shown in the Schedule The Excess shall apply to Loss and Defence Costs

### Breach of Data Protection

We will pay on behalf of You the Loss arising from a Claim arising from a breach of the Data Protection Act 1998 or its equivalent in any other jurisdiction  
You must pay the relevant Excess shown in the Schedule The Excess shall apply to Loss and Defence Costs

### Pension/Employee Benefit Schemes Claims

We will pay on Your behalf Loss in respect of a Claim arising from Your operation or administration of any pension or employee benefit scheme or trust fund.  
You must pay the relevant Excess (if any) shown in the Schedule The Excess shall apply to Loss and Defence Costs

### Pollution claims

We will pay on Your behalf Loss in respect of a Claim arising from Pollution  
You must pay the relevant Excess (if any) shown in the Schedule The excess shall apply to Loss and Defence Costs  
The limit provided under this cover shall be £100,000

This limit shall form part of the total Aggregate Limit for this Section shown in the Schedule

### Shareholder pollution claims

We will pay on Your behalf Loss in respect of a Claim arising from Pollution brought by any shareholder either directly or derivitively  
You must pay the relevant Excess (if any) shown in the Schedule The Excess shall apply to Loss and Defence Costs

### Representation costs

We will pay on behalf of You the Legal Representation Costs arising from an Investigation first made during the Period of Insurance  
You must pay the relevant Excess (if any) shown in the Schedule The Excess shall apply to Loss and Defence Costs

### Taxation Claims

We will pay on Your behalf Loss in respect of a Claim arising from Your failure to comply with taxation regulations including PAYE VAT and Customs

### Your own losses

We will pay your direct financial loss if during the Period of Insurance and in the performance of Your business activity You discover a Loss from the dishonesty of an Employee where there was a clear intention to cause You financial loss or damage and to obtain a personal financial gain over and above salary bonus or commission  
The limit provided under this cover shall be £100,000

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 You 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 Directors & Officers Liability Section of this policy also be effected only one Crisis Containment limit shall apply

## **Exceptions**

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

### **1. Deliberate or dishonest act**

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
- b. an act intended to secure or which does secure profit or advantage for which You are 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 shall only apply after a judgment or other final adjudication or an admission that such act did occur

### **2. Prior claims investigations and circumstances**

Based upon attributable to or arising out of any Claim Investigation or circumstance 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 Your operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities

### **5. Failure to fund pension schemes**

Based upon attributable to or arising out of Your failure to fund any pension employee benefit scheme or trust fund

### **6. Employment**

Based upon attributable to or arising out of any Employment Claim

### **7. Claims brought In the United States of America**

Based upon attributable to or arising out of any Wrongful Act brought or maintained in the United States of America

### **8. Bodily injury or property damage**

For mental or emotional distress sickness disease bodily injury or death suffered by anyone or the loss damage or destruction of any tangible property including loss of use thereof

This exception shall not apply to any Health and Safety/Corporate Manslaughter Claims

### **9. Products**

Based upon attributable to or arising out of the manufacture sale supply installation or maintenance of any product of Yours

**10. Breach of professional duty**

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

**11. Infringement of patent and copyright**

Based upon attributable to or arising out any Claim relating to the actual or alleged infringement of patent trade mark infringement of copyright intellectual property right registered design or any actual or alleged libel or slander

**12. Contractual liability**

Based upon attributable to or arising out any Claim in respect of a breach of contract whether actual or implied written or oral which is greater than the liability You would have at law without the contract

**13. Major shareholders**

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

**14. Takeovers and mergers**

Based upon attributable to or arising out 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 arising out any Claim for a Wrongful Act committed by an Insured Person prior to the effective date of sale or dissolution

**15. Share offerings**

Based upon attributable to or arising out any Claim for a Wrongful Act committed by You 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 and amendments to the terms and conditions of this Section as may be required

**16. Matters specific to your own losses**

Based upon attributable to or arising out of

1. any accounting or arithmetical error or omission or unexplained shortage
2. any default or non-payment of any loan or other credit arrangement
3. Your or any Insured Person's expenses incurred in establishing the amount of any financial loss to You
4. any loss of interest loss of profit or any consequential loss

## Special conditions

### General Terms

The General Definitions General Conditions and General Claims Conditions all apply equally to each Insured Person and to You except for General Condition General Condition Premium Payment which applies 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

### 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 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 45 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 corporate 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

We will not make any payment for a Claim due to a Wrongful Act committed or alleged to have been committed after the end of the original Period of Insurance

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 shall 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

#### **Management buy-outs**

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 subsequent to the buy-out

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

#### **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's favour
2. a dismissal or stipulation to dismiss any Claim without prejudice

## **How much will we 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

You must pay the relevant Excess shown in the Schedule

Each Claim shall be treated as first made when We receive notice of the first Claim Legal Representation Costs shall be treated as first made when attendance of an Insured Person is first notified as being required at an Investigation

#### **Paying out the limit of indemnity**

At any stage of a Claim We can pay You the applicable Limit of Indemnity or what remains after any earlier payment from that Limit We will then have no further liability for any Claim or Loss

## Your Obligations

### Notification

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

1. Your first awareness of any Wrongful Act

If We accept Your notification We will regard any subsequent Claim as notified to this insurance

2. Any Investigation into You

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

### Control of defence and payment of a claim

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

You 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 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 We and You 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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