

### Special definitions for this section

<b>Claim</b>	Any written demand or civil, criminal, regulatory or arbitration proceeding made against an <b>insured person</b> seeking monetary damages or other legal relief alleging a <b>wrongful act</b> .
<b>Corporate manslaughter</b>	The prosecution of an <b>insured person</b> for causing unlawful death, where death is caused by <b>you</b> either by accident or by an unlawful act.
<b>Defence costs</b>	Costs incurred with <b>our</b> prior written agreement (not to be unreasonably withheld) to investigate, settle or defend any <b>claim</b> made against an <b>insured person</b> 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 <b>claim</b> .
<b>Employee</b>	Any person under a contract of service with <b>you</b> .
<b>Employment claim</b>	A <b>claim</b> by any <b>employee</b> 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 <b>claim</b> as a result of the employment or non-employment by <b>you</b> of any current, former or potential <b>employee</b> .
<b>Insured person</b>	<ol style="list-style-type: none"> <li>1. any natural person who was, is or during the <b>period of insurance</b> becomes a director or officer of <b>you</b>;</li> <li>2. any de facto director whilst acting in such capacity for <b>you</b>;</li> <li>3. any shadow director as defined under Section 741(2) of the Companies Act 1985 or equivalent legislation in any other jurisdiction;</li> <li>4. any <b>employee</b> of <b>you</b>;</li> <li>5. the lawful spouse of any person within a, b, c and d of this definition solely because of their spousal relationship following a <b>claim</b> against that person;</li> <li>6. the estates, heirs or legal representatives of any person in a, b, c, d or e of this definition who has died or become incapacitated, insolvent or bankrupt but only for a <b>claim</b> against that person.</li> </ol> <p>Insured person does not include any person acting in their capacity as a liquidator, external or statutory auditor, receiver, administrator or administrative receiver.</p>
<b>Investigation</b>	<p>An official examination, official enquiry or official investigation into <b>your</b> business activities conducted by any Regulator, Government Department or other body legally empowered.</p> <p>Investigation does not include routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the business activities of <b>your</b> industry which is not solely related to <b>your</b> or any <b>insured person's</b> conduct.</p>
<b>Legal representation costs</b>	Reasonable and necessary legal costs, fees, charges and expenses for which any <b>insured person</b> is legally liable, incurred with <b>our</b> prior written consent (not including remuneration of any <b>insured person</b> or other additional costs of <b>yours</b> ) for legal representation directly in relation to an <b>investigation</b> .
<b>Loss</b>	<p>The amount any <b>insured person</b> becomes legally liable to pay in respect of a <b>claim</b> including <b>defence costs, legal representation costs</b>, awards of damages (including punitive and exemplary damages where legally permissible), awards of costs, settlements with <b>our</b> prior written agreement (which shall not be unreasonably withheld).</p> <p>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 <b>employment claim</b> or the multiplied portion of any damages award unless awarded for defamation.</p>
<b>Outside entity</b>	<p>Any organisation other than <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. that is tax exempt and not for profit;</li> <li>2. in which <b>you</b> hold any issued share.</li> </ol>



## Directors and Officers' Liability Including Company Reimbursement

<b>Pollutant</b>	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).
<b>Pollution</b>	Actual, alleged or threatened discharge, seepage, treatment, removal, disposal, dispersal, emission, release or escape of any <b>pollutant</b> or any regulatory order, direction or request to test for, monitor, remove, contain, treat, detoxify, or neutralise any <b>pollutant</b> .
<b>Securities</b>	Any debt or equity interest in <b>you</b> .
<b>Subsidiary</b>	<p>Any entity in which <b>you</b>:</p> <ol style="list-style-type: none"><li>own directly or through one or more of <b>your</b> 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</li><li>control a majority of its voting rights under a written agreement with other shareholders or members.</li></ol> <p>If an entity ceases to be a subsidiary during the period of insurance, cover will continue but only for a claim against an insured person arising from a wrongful act committed before it ceased to be a subsidiary.</p>
<b>Wrongful act</b>	<p>Any actual or alleged act, error or omission committed or attempted by an <b>insured person</b> arising from the performance of the <b>insured person's</b> duties in their capacity as <b>your</b> director, officer or <b>employee</b> including:</p> <ol style="list-style-type: none"><li>breach of any duty, including fiduciary or statutory duty;</li><li>breach of trust;</li><li>negligence, negligent misstatement, misleading statement or negligent misrepresentation;</li><li>defamation;</li><li>wrongful trading under section 214 of the Insolvency Act 1986 (or equivalent legislation);</li><li>breach of warranty of authority;</li><li>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.</li></ol>
<b>You / your</b>	<p>Also includes any <b>subsidiary</b>, and any <b>subsidiary</b> created or acquired during the <b>period of insurance</b> provided that the newly created or acquired <b>subsidiary</b>:</p> <ol style="list-style-type: none"><li>is not domiciled in the United States of America;</li><li>does not trade any of its <b>securities</b> on any United States of America exchange;</li><li>does not have assets which exceed 25% of <b>your</b> total gross assets as stated in <b>your</b> latest audited annual report and accounts;</li></ol> <p>but only for a <b>claim</b> against an <b>insured person</b> arising from a <b>wrongful act</b> committed after the date of creation or acquisition of such <b>subsidiary</b>.</p> <p>If <b>you</b> require cover for any newly created or acquired <b>subsidiaries</b> which do not fall within the above parameters, <b>we</b> will consider providing cover subject to <b>you</b> providing all appropriate information. <b>We</b> shall be entitled to amend the terms and conditions of this section during the <b>period of insurance</b> and may charge a reasonable additional premium.</p>

### What is covered

Claims against an insured person	<b>We will pay on behalf of any insured person the loss arising from a claim first made during the period of insurance against any insured person for any wrongful act within the geographical limits.</b>
Company reimbursement	<p><b>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 first made during the period of insurance against an insured person for a wrongful act within the geographical limits. You must pay the relevant excess (if any) shown in the schedule.</b></p> <p>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.</p>
Outside entity cover	<b>We will also indemnify the insured person against the sums that person has to pay as loss for a claim first made against them during the period of insurance 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.</b>
Employment claims	<p><b>We will pay on your behalf loss arising from an employment claim first made against any insured person during the period of insurance brought by a current, former or potential employee of yours.</b></p> <p>This cover does not apply if the insured person is covered under the Employment Practice Liability Section of this policy.</p>
Corporate manslaughter	<p><b>We will pay on your behalf loss arising from a claim for corporate manslaughter (or equivalent legislation in any other jurisdiction) first made during the period of insurance.</b></p> <p>This cover will only apply excess of any other insurance and indemnification available from any other source.</p>
Representation costs	<ol style="list-style-type: none"> <li>1. <b>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;</b></li> <li>2. <b>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.</b></li> </ol>

### What is not covered

Deliberate or dishonest acts	<p>A. We will not make any payment for any claim, loss or investigation:</p> <ol style="list-style-type: none"> <li>1. Based upon, attributable to or arising out of:             <ol style="list-style-type: none"> <li>a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation committed by any insured person;</li> <li>b. an act intended to secure or which does secure a personal profit or advantage to which any insured person was not legally entitled;</li> <li>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.</li> </ol> <p>This exclusion will only apply after a judgment or other final adjudication or an admission by an insured person that such act did occur.</p> </li> </ol>
Prior claims, investigations and circumstances	<ol style="list-style-type: none"> <li>2. 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.</li> </ol>
Prior litigation	<ol style="list-style-type: none"> <li>3. 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</li> </ol>

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	<p><b>insured person, you</b> or an <b>outside entity</b> initiated prior to the date shown under the prior and pending litigation date in the schedule.</p>
Trustees	<p>4. Based upon, attributable to or arising out of an <b>insured person's</b> operation or administration of any pension or employee benefit scheme or trust fund, or their breach of any legislation or regulation relating to these activities.</p>
RICO/SEC/ERISA	<p>5. Based upon, attributable to or arising out of the following legislation in the United States of America:</p> <ul style="list-style-type: none"> <li>a. 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;</li> <li>b. 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;</li> <li>c. 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.</li> </ul>
Bodily injury or property damage	<p>6. For mental or emotional distress (except an <b>employment claim</b>), 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.</p> <p>This exclusion shall not apply to any <b>claim</b> for <b>Corporate Manslaughter</b> or arising under the Health &amp; Safety at Work etc Act 1974. This cover will only apply excess of any other insurance and indemnification available from any other source.</p>
Claims brought by a related party in the United States of America	<p>7. Based upon, attributable to or arising out of any claim brought or maintained by <b>you</b>, an <b>outside entity</b> or an <b>insured person</b> within or subject to the laws of the United States of America, however this exclusion will not apply to:</p> <ul style="list-style-type: none"> <li>a. <b>defence costs</b>;</li> <li>b. any shareholder derivative proceedings in <b>your</b> name without <b>your</b> or any <b>insured person's</b> solicitation, assistance or participation;</li> <li>c. any <b>claim</b> brought by <b>your</b> liquidator, receiver or administrative receiver or similar body;</li> <li>d. any <b>employment claim</b>;</li> <li>e. any <b>claim</b> made by a past director or officer of <b>yours</b>;</li> <li>f. any claim seeking a contribution or indemnity for a claim which has been made against them and is otherwise covered by this section.</li> </ul>
Breach of professional duty	<p>8. Based upon, attributable to or arising out of any <b>claim</b> relating to a breach of or failure to provide professional duties or services.</p>
Pollution	<p>9. Based upon, attributable to or arising out of any <b>claim</b> for <b>pollution</b> however this exclusion will not apply to:</p> <ul style="list-style-type: none"> <li>a. <b>defence costs</b> for a <b>claim</b> outside of the United States of America;</li> <li>b. any <b>claim</b> by any of <b>your</b> shareholders (without the participation, instigation, involvement assistance of any <b>insured person</b> or <b>you</b> in bringing such <b>claim</b>).</li> </ul>
Major shareholders	<p>10. Brought by or on behalf of anyone holding 25% or more of <b>your</b> issued share capital.</p>
Takeovers and mergers	<p>11. 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.</p> <p>In the event of a <b>subsidiary</b> ceasing during the <b>period of insurance</b> to be a <b>subsidiary</b> cover under this section shall be amended to apply solely to <b>loss</b> arising out of any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> prior to the effective date of sale or dissolution.</p>



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Share offerings

12. Based upon, attributable to or arising out of any **claim** for a **wrongful act** committed by an **insured person** in relation to any actual or proposed private placement or 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.

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### Special conditons

General terms

The general definitions, general conditions and general claims conditions set out in the general terms all apply equally to each **insured person** and to **you**, except for general condition 4. premium payment which applies only to **you**.

General condition 1, paragraph 2, does not apply to this section. Under this section only, **we** waive **our** right to rescind the insurance on the grounds of non-disclosure or misrepresentation.

General Condition 5 *Cancellation* will only apply on the grounds of non-payment of the premium.

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.

Information provided by an insured person

All information which any **insured person** provides 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.

**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 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.

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 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**;

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2. the run-off period shall run concurrently with any extended notification period;
3. no similar insurance is effected elsewhere.

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 above extension shall be at **our** sole discretion and will be subject to such additional terms and conditions and premium as **we** may require. The **Extended notification period** and **Retired directors** special conditions shall not apply to any such extension.

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.

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### 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.

**We** will treat more than one **claim**, or circumstance likely to give rise to a **claim**, arising from a single **wrongful act** or a series of related **wrongful acts** as one **claim**. Such **claim** shall be treated as first made when **we** receive notice of the first **claim**. **Legal representation expenses** 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.

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### Insured person's obligations

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**.

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. This includes any criticism of the **insured person** even if they regard it as unjustifiable.  
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.
  - 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 any **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

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insure **you**, that **insured person** will have no cover under this section.

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### 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**, **we** may obtain an opinion from a Queens Counsel 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.