



Management Assurance Directors & Officers Liability Policy



This **Policy** is a legal contract between the **Policyholder** and Royal & Sun Alliance Insurance Ltd, which is a member of the RSA Group of companies (the Group). In this information the '**Company**', '**RSA**', the '**Insurer**' '**We**' or '**Us**' refers to Royal & Sun Alliance Insurance Ltd unless otherwise stated.

This **Policy**, **Policy Schedule** and Endorsements (and any substitutions thereof), should be read as if they are one document.

Our acceptance of this risk is based on the information presented to **Us** being a fair presentation of the Insured's business including any unusual or special circumstances which increase the risk and any particular concerns which have led them to seek insurance.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactment thereto.

Any heading in this **Policy** is for ease of reference only and does not affect its interpretation.

Any Legal references within this **Policy** shall include any equivalent legal provision in the jurisdiction of ordinary residence of the Insured or location of the risk **insured** provided that such jurisdiction falls within the territorial scope of this **Policy**.

References to any Act or law include any rule, order, regulation or other similar instrument made thereunder and shall include any amendment, replacement, consolidation or re-enactment of such Act or law.

We will provide the insurance described in the **Policy** (subject to the terms set out herein) for the **Period of Insurance** shown in the Schedule and any subsequent period for which the **Policyholder** shall pay and **We** shall agree to accept the premium.

If any of the information disclosed by the **Policyholder** changes prior to the date on which the **Period of Insurance** commences those changes must also be disclosed to **Us** prior to that commencement date.

A failure by the **Policyholder** to properly disclose information to **Us** may invalidate this **Policy** or result in the insurance cover otherwise provided under this **Policy** not operating fully.

If **You** are in any doubt as to whether any information is something that should be disclosed to Us the Insured should immediately contact **Your** Insurance Adviser.

PLEASE READ THE POLICY WORDING CAREFULLY.

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Claims Notification

Conditions that apply to the **Policy** and in the event of a claim are set out in this **Policy**. It is important that **You** comply with all Claims Conditions and **You** should familiarise yourself with any requirements. Directions for claim notification are included in the Claims Conditions Section of this **Policy**.

Claims Conditions require **You** to provide us with any reasonable assistance and evidence that we require concerning the cause and value of any claim. Ideally, as part of the initial notification, **You** will provide:

- Your name, address, and your telephone number
- Personal details necessary to confirm your identity
- Policy number
- The date of the incident
- The cause of the claim
- Details of the claim together with the claim value, if known
- Police details where applicable
- Names and addresses of any other parties involved or responsible for the claim.

This information requested within the Claims Conditions will enable **RSA** to make an initial evaluation on policy liability and claim value. **RSA** may, however, request additional information depending upon circumstances. Sometimes **RSA**, or someone acting on our behalf, may wish to meet with **You** to discuss the circumstances of the **Claim**, or to undertake further investigations.

Notification of any **Circumstance** or **Claim** must be sent in writing to:

Professional & Financial Risks Claims Department
St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL

RSA recognise that there may be some occasions when **You** need to notify us of matters urgently and **RSA** is pleased to be able to offer a Claims Helpline.

The Claims Helpline number is 0345 300 4006

Please quote **Your** policy number when you call.

For your protection, telephone calls may be recorded or monitored

Additional Benefits

Choosing this **RSA** policy means that the **Insured** benefits from a number of additional services that **RSA** provide free of charge. **RSA** advice-lines have highly qualified experts who can offer information and assistance on a number of issues. Advice-lines are completely free and, unless specified below, there is no limit to the number of times you can call.

A Health & Safety

Help is available 24 hours a day on health and safety legislation, including its interpretation, and advice on civil and criminal liability for accidents at work.

B Tax Advice

A confidential telephone advisory service offering assistance on all taxation issues such as PAYE, VAT and income tax. This service is available Monday to Friday, 9am to 5pm.

C Stress Counselling

Stress affects most people at some point in their working lives. Our stress counselling service will help deal with stress at work by addressing minor problems before they become major crises.

Confidentiality is of the utmost importance, and counsellors are both qualified and experienced in assessing problems quickly so they can provide immediate therapy.

The advice-line number is 0345 078 3863.

Please quote reference number 72666.

D Specialist legal advice

We have a team of top Directors & Officers specialist lawyers to help our D&O policyholders defend a claim or investigation made against them.

Our partner has extensive experience in handling D&O and Employment Practice Liability (EPL) matters.

Should you have any concerns that proceedings may be commenced against you, you are entitled to two hours free consultation.

We're here to help you

Should you require assistance, please provide the following information at the start of the call:

- Your policy number
- Company name
- If possible provide a copy of your insurance policy.

The advice line number is 0800 009 3599.

Advice lines are intended for business use and are a service provided to the **Insured** in their capacity as an **Insured Person** for the **Company**.

This page should be read together with the rest of your policy documents.

Directors & Officers Liability

THIS INSURANCE COVERS CLAIMS FIRST MADE AGAINST THE INSURED AND NOTIFIED TO THE INSURER DURING THE POLICY PERIOD OR APPLICABLE DISCOVERY PERIOD.

PLEASE READ THE POLICY WORDING CAREFULLY.

I. Insuring Clauses

A. Directors and Officers Liability Coverage

The **Insurer** shall pay, on behalf of the **Insured Persons**, **Loss** arising from **Claims** first made during the **Policy Period** for which the **Company** has not provided indemnity.

B. Company Reimbursement Coverage

The **Insurer** shall pay, on behalf of the **Company**, **Loss** arising from **Claims** first made during the **Policy Period** if, and to the extent that, the **Company** is required or permitted to indemnify the **Insured Persons** for such **Loss**, provided that the **Company** shall be liable to pay any applicable **Retention**.

C. Shareholder Claim Coverage

The **Insurer** shall pay, on behalf of the **Company**, necessary costs (including but not limited to lawyers' and agents' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons** or employees of the **Company**) incurred by a shareholder in pursuing a **Claim** against a **Director** or **Officer** and which the **Company** is liable to pay pursuant to an order of court, provided such **Claim** was first made during the **Policy Period**.

D. Employment Wrongful Acts

The **Insurer** shall pay, on behalf of the **Insured Persons**, **Loss** arising from **Claims** first made during the **Policy Period** for **Employment Wrongful Acts** against the **Insured Persons**.

However, the **Insurer** shall not be liable for **Loss** arising out of any **North American Claim** for an **Employment Wrongful Act**.

E. Outside Entities

The **Insurer** shall pay **Loss** on behalf of any **Insured Person** and any employee of the **Company**, who at the specific request of the **Company** was, is, or becomes during the **Policy Period** a director (including a de facto and shadow director), officer, trustee, governor or occupies a position of equivalent status, of any **Outside Entity**, for **Claims** against them in respect of a **Wrongful Act** committed or attempted by such **Insured Persons** or

employees in their respective capacities as directors, officers, trustees, governors or positions of equivalent status, of such **Outside Entity**.

Any **Outside Entity** coverage afforded by this **Policy** shall be specifically excess of any indemnity or insurance available from or provided to the **Insured Person** or employee by the **Outside Entity**.

In the event that the other insurance referred to above is provided by the **Insurer** or any member of its group, the total liability of the **Insurer** in respect of any **Claim** shall not exceed the greater of the **Limit of Liability** or the limit of liability available under such other insurance.

F. Pollution

The **Insurer** shall pay that part of the **Loss** which relates to **Defence Costs** only on behalf of the **Insured Persons**, subject to the aggregate limit specified in the **Policy Schedule** (such limit being part of and not in addition to the **Limit of Liability**) incurred by the **Insured Persons** in defending themselves against criminal or regulatory proceedings in respect of **Pollution** of any kind which results from a **Wrongful Act**.

The **Insurer** shall pay **Loss** on behalf of the **Insured Persons**, subject to the aggregate limit specified in the **Policy Schedule** (such limit being part of and not in addition to the **Limit of Liability**) in respect of civil proceedings brought by any shareholder or bondholder of the **Company**, either directly or derivatively, alleging loss in the value of the share capital of the **Company** by reason of **Pollution** of any kind which results from a **Wrongful Act**, unless on or before the **Original Inception Date** any **Insured** or any employee of the **Company** whose responsibilities include environmental control or compliance knew or should reasonably have foreseen that a situation or circumstance existed which could have given rise to a **Claim** against the **Company** or any **Insured Person**.

This Insuring Clause shall not apply to any **North American Claim**.

G. Public Relations Consultancy Fees

If the **Insurer** shall be liable for **Loss** in excess of the applicable **Retention** under Insuring Clause 1.A Directors and Officers Liability Coverage or 1.B Company Reimbursement Coverage, the **Insurer** shall pay reasonable costs (including but not limited to lawyers' and agents' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Insured Persons** or employees of the **Company**) incurred with its prior written consent in respect of fees necessarily incurred by the **Insured** to employ the services of an external public relations consultant solely to provide guidance to minimise adverse publicity following a **Claim**.

The **Insurer** shall not unreasonably withhold its consent to the incurring of costs and expenses.

The maximum liability of the **Insurer** during the **Policy Period** under this Insuring Clause shall be the lesser of 5% of the **Limit of Liability** or the maximum aggregate limit of £50,000. Such amount shall be part of and not in addition to the **Limit of Liability**.

H. Employee Fraud Defence Costs

The **Insurer** shall pay, on behalf of the **Company**, **Defence Costs** arising from a claim by a third party alleging that a direct financial loss has been sustained as a result of an act (or acts) of fraud or dishonesty committed by one or more persons employed by the **Company**, and where such persons have acted in collusion with one or more persons employed by the third party.

The maximum liability of the **Insurer** during the **Policy Period** under this Insuring Clause shall be the lesser of 5% of the **Limit of Liability** or £50,000. Such amount shall be part of and not in addition to the **Limit of Liability**.

I. Identity Fraud

The **Insurer** shall pay, on behalf of the **Company**, **Identity Fraud Expenses** provided such expenses are incurred with the prior written consent of the **Insurer**.

The maximum liability of the **Insurer** during the **Policy Period** under this Insuring Clause shall be the lesser of 5% of the **Limit of Liability** or £50,000. Such amount shall be part of and not in addition to the **Limit of Liability**.

The **Insurer** shall not unreasonably withhold its consent to the incurring of costs and expenses.

J. Emergency Costs and Expenses

In the event that the **Insured** are unable to reasonably obtain the **Insurer's** prior written consent to incur **Defence Costs** the **Insurer** shall retrospectively approve such costs, less any applicable **Retention**, provided that they are notified to the **Insurer** as soon as practicable after incurring any cost.

The maximum liability of the **Insurer** during the **Policy Period** under this Insuring Clause shall be the lesser of 5% of the **Limit of Liability** or £50,000. Such amount shall be part of and not in addition to the **Limit of Liability**.

K. Compensation for Court Attendance

In the event of the legal advisers acting on behalf of the **Insured**, with the consent of the **Insurer**, requiring any **Director** of the **Insured** to attend any court tribunal, arbitration, adjudication, mediation or other hearing as a

witness in connection with a **Claim** made against the **Insured** and notified under this **Policy** the **Insurer** will provide compensation to the **Insured** at the rate of £250 per person for each day on which attendance is required.

The maximum liability of the **Insurer** during the **Policy Period** under this Insuring Clause shall be the lesser of 5% of the **Limit of Liability** or £50,000. Such amount shall be part of and not in addition to the **Limit of Liability**.

II. Exclusions

A. Exclusions Applicable to all Loss

The **Insurer** shall not be liable for **Loss**:

1. Bodily Injury

for bodily injury, mental anguish or emotional distress, illness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof, except where;

(a) Mental Anguish or Emotional Distress

this exclusion shall not apply in relation to any actual or alleged mental anguish or emotional distress caused by an **Insured Person** in their capacity as a **Director** or **Officer** against a past, present or prospective employee or non-executive **Director** of the **Company** for any **Employment Wrongful Act**; and

(b) Corporate Killing or Manslaughter

the **Insurer** shall provide cover in respect of that part of **Loss** which relates to **Defence Costs** only incurred in respect of any criminal proceedings, including those for corporate killing or manslaughter (or other similar criminal offence in any jurisdiction in which the **Company** operates) resulting from a **Wrongful Act** or **Investigation**;

2. Pension Trustee Liability

directly or indirectly based on, arising out of, or in any way involving the trusteeship or administration by an **Insured** of any pension plan, programme or scheme or other employee benefit programme or an **Insured** acting in a fiduciary capacity in respect thereof, including any obligation incurred under the Pensions Act 1995, Pensions Act 2004, or for any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (USA) or any regulations promulgated thereunder or of any similar law or regulation, provided that this exclusion shall not apply to **Loss** arising from a **Claim** for **Retaliation**;

3. Pollution

directly or indirectly based on, arising out of, or in any way involving:

(a) Pollution;

(b) any direction or request that the **Company** or the **Insured Persons** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so, including without limitation any claim for financial loss to the **Company**, its shareholders, bondholders or its creditors based on, arising out of, or in any way involving the matters described in Exclusion A.3.

provided that this exclusion shall not apply insofar as such **Loss** is covered by Insuring Clause I.F. Pollution;

4. Prior Knowledge of Fact, Circumstance or Situation

directly or indirectly based on, arising out of, or in any way involving any fact, circumstance or situation:

(a) which has been or should have been the subject of any written notice given under any policy of which this **Policy** is a direct or indirect renewal or replacement; or

(b) alleged in, relating to or underlying any written demand for monetary damages or other relief or any civil, criminal or administrative or regulatory proceeding (including arbitration) pending on or prior to the **Original Inception Date**;

5. SEC Exclusion

directly or indirectly based on, arising out of or in any way involving any **Claim** under the law of the United States of America (whether federal, State or common law provisions) which is:

(a) based upon or attributable to the purchase or sale or offer for sale of any **Securities**; or

(b) based upon or attributable to the violation or alleged violation of any of the provisions of the Securities Act of 1933 (USA), the Securities Exchange Act of 1934 (USA) or any similar federal or State law or any common law provision relating thereto;

6. Insured vs Insured Exclusion (Outside Entity Claims)

in respect of a **Claim** for a **Wrongful Act** by an **Insured Person** serving as a director, officer, trustee, governor of, or holding a position of equivalent status in, an **Outside Entity** if such

Claim is brought or maintained by or on behalf of the **Outside Entity** in which the **Insured Person** serves or by or on behalf of any director, officer, trustee, governor of, or person of equivalent status in, such **Outside Entity** except:

(a) a **Claim** that is a derivative action brought or maintained on behalf of such **Outside Entity** by one or more persons who are not directors, officers, trustees or governors of such **Outside Entity** and who bring and maintain the **Claim** without the solicitation, assistance or active participation of such **Outside Entity** or such directors, officers, trustees or governors;

(b) a **Claim** brought or maintained by a director, officer, trustee or governor of such **Outside Entity** for any actual or alleged **Employment Wrongful Act** or for a contribution or indemnity in respect of a claim made against them;

(c) a **Claim** brought or maintained by an external auditor appointed by the **Outside Entity**; or

(d) a **Claim** brought or maintained by a liquidator, receiver or administrative receiver or equivalent in any jurisdiction, on behalf of any **Outside Entity** without the solicitation, assistance or active participation of any **Insured Person** or by or on behalf of any director, officer, trustee, governor of, or person of equivalent status in, such **Outside Entity**;

7. Insured vs Insured Exclusion (North American Claims)

any **North American Claim** made or instigated against an **Insured Person** (whether in the name of the **Company** or not) by another **Insured Person**, provided that this exclusion shall not apply to:

(a) any **Claim** brought by any **Insured Person** solely for a contribution or indemnity in respect of a **Claim** brought against such other **Insured Person** and which is otherwise covered under this **Policy**;

(b) any **Claim** brought by an **Insured Person** who, at the date of instigating such **Claim**, is a former **Director, Officer** or employee of the **Company**;

(c) any **Claim** brought in the name of the **Company** as a shareholders' derivative action, provided that such **Claim** is not solicited or assisted by any **Insured Person**; or

- (d) any **Claim** brought in the name of the **Company** by a liquidator, administrator, administrative receiver or receiver, provided that such **Claim** is not solicited or assisted by any **Insured Person**;

B. Exclusions Applicable to Loss, Other Than Defence Costs

The **Insurer** shall not be liable for **Loss**, other than **Defence Costs**, directly or indirectly based on, arising out of, or in any way involving:

1. Fraud or Dishonesty

any dishonesty or fraud found by way of any judgement or other final adjudication to have been committed by an **Insured Person**;

2. Illegal Profit or Advantage

an **Insured Person** found by way of judgement or other final adjudication to have gained any profit or advantage or to have received any remuneration to which he was not legally entitled; or

3. Profit from Sale of Securities

profits in fact made from the purchase or sale by the **Insured** of **Securities** of the **Company** within the meaning of section 16(b) of the Securities Exchange Act of 1934 (USA) and any amendments thereto or similar provisions of any state statutory law.

C. Additional Exclusions Applicable to Insuring Clause L. Personal Accident - Hospitalisation & M. Personal Accident - Hospital Visiting Expenses

The **Insurer** will not pay where bodily injury following an **Accident** is the result of or is contributed to by;

1. the **Principal** committing or attempting to commit suicide or as a result of self inflicted injury;
2. illness or disease (not resulting from bodily Injury following an **Accident**);
3. any naturally occurring condition or degenerative process; or
4. post traumatic stress disorder or any psychological or psychiatric condition (not resulting from bodily injury following an **Accident**).

D. Shareholder Claims

For the purposes of applying the exclusions set forth in this section II, **Loss** shall include any costs and expenses otherwise covered under Insuring Clause C. Shareholder Claim Coverage.

E. Severability of Exclusions

No fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purposes of applying the exclusions set forth in section II.

III. General Conditions

A. Alteration and Assignment

No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by written endorsement to this **Policy** and issued by the **Insurer**.

B. Arbitration

Any dispute arising out of or in connection with this **Policy** shall be referred to a sole arbitrator, who shall be a Queen's Counsel specialising in insurance law. The sole arbitrator shall be appointed by agreement between the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council. The arbitration shall be held in London and in the English language.

C. Authorisation Clause

It is a condition of this **Policy** that the **Policyholder** shall act on behalf of all **Insureds** with respect to the giving and receiving of notice of any **Claim** or **Circumstance** the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this **Policy** (except the giving of notice to apply for the **Discovery Period**), and the **Insureds** agree that the **Policyholder** shall so act on their behalf.

D. Cancellation of the Insured's Fixed Sum Loan Agreement

The **Insurer** shall have the right to terminate this **Policy** with immediate effect if there is a default in instalment payments due under any linked loan agreement.

E. Discovery Period

If the **Insurer** declines to offer any terms for renewal of this **Policy** either the **Insured Persons** or the **Policyholder** shall be entitled to elect a **Discovery Period** on the terms set out below. The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute the **Insurer** declining to renew.

The terms of the **Discovery Period** shall be 12 months for fifty per cent. (50%) of that part of the Full Annual Premium payable in respect of this **Policy**.

Full Annual Premium means the annual premium payable by the **Policyholder**, including any additional premium which becomes payable immediately prior to the expiry of the **Policy Period** in question.

The application to elect any **Discovery Period** must be received by the **Insurer** within 30 calendar days from the expiry of the **Policy Period**, and payment of the premium, if applicable, must be made within 30 days of the same date (such premium being non-refundable). For the avoidance of doubt, any time delay between the expiry of the **Policy Period** and the election of any **Discovery Period** shall be part of and not in addition to the **Discovery Period** elected.

If a **Merger** takes place, the **Policyholder** shall not be entitled to purchase a **Discovery Period** on the terms set out above. The **Policyholder** within 15 days of the expiry of the **Policy Period** may request a quote from the **Insurer** of a **Discovery Period**. The **Insurer** shall consider such request and may, at its absolute discretion, offer a **Discovery Period** on such terms as the **Insurer** may reasonably consider appropriate.

During the 30 day application period referred to above and during any **Discovery Period** and without prejudice to Claims Condition A.2., the **Insured Persons** and the **Policyholder** may continue to notify **Claims** to the **Insurer** but only in respect of **Wrongful Acts** committed prior to the expiry of the **Policy Period**.

F. Interpretation of Legal References

Any legal references within this **Policy** shall include any equivalent legal provision in the jurisdiction of ordinary residence of the **Policyholder** or location of the risk insured, provided that such jurisdiction falls within the territorial scope of this **Policy**.

G. Law Applicable

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both parties may choose the law which applies to this contract, to the extent permitted by those laws. Unless the parties agree otherwise in writing the **Insurer** has agreed with the **Insured** that the law which applies to this contract is the law which applies to the part of the United Kingdom in which the **Insured** is based or if the **Insured** is based in the Channel Islands or the Isle of Man the law of whichever of those two places in which the **Insured** is based.

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the United Kingdom in which the **Insured** is based or if the **Insured** is based in either the Channel Islands or the Isle of Man the courts of whichever of those two places in which the **Insured** is based.

H. Limits of Liability and Retentions

1. Limit of Liability

- (a) The **Limit of Liability** shall not apply separately for each **Insured**.
- (b) The **Insurer's** liability for **Loss** arising out of any one **Claim** and all **Related Claims** sustained by any or all **Insureds** shall not exceed the amount for which the **Insurer** would have been liable had all such **Loss** been suffered by any one **Insured**.
- (c) The **Limit of Liability** purchased as provided in the **Policy Schedule** shall be the maximum aggregate liability of the **Insurer** from all **Claims** and all **Related Claims** first made during the **Policy Period** or any applicable **Discovery Period**.
- (d) In the event that the **Limit of Liability** under Insuring Clause A. Directors and Officers Liability Coverage and any indemnity which the **Insured Persons** are entitled under any other insurance is exhausted, the **Insurer** shall deem the **Limit of Liability** for Insuring Clause A. Directors and Officers Liability Coverage be increased by a further 10%, subject to a maximum aggregate limit of £250,000, but only in respect of **Defence Costs** incurred by an **Insured Person** in their capacity as a non-executive director of the **Company**. The right provided for under General Condition H. 1.(d) can only be exercised once during the **Policy Period**.

2. Discovery Period

The purchase of any **Discovery Period** shall not increase or reinstate the applicable **Limit of Liability**, which shall be the **Insurer's** maximum liability for the **Policy Period** and **Discovery Period**, combined.

3. Retentions

- (a) The **Insurer's** liability under this **Policy** for **Loss** arising from any single **Claim** and all **Related Claims** shall apply only to that part of such **Loss** which is excess of the applicable **Retention** set forth in this **Policy Schedule**. The **Company** or the **Insured Persons** shall bear at their own risk the amount of any applicable **Retention** in respect of each and every **Claim** or **Related Claim**.
- (b) Any **North American Retention** (if applicable) shall apply to each and every **North American Claim**.

- (c) If the **Company** is permitted or required to indemnify the **Insured Persons** in respect of any **Loss** suffered by them but fails to do so, the **Insurer** shall pay such **Loss** directly to the **Insured Persons** on behalf of the **Company**, provided that the **Company** shall be liable to pay any applicable **Retention**.

4. Defence Costs

Defence Costs incurred by the **Insurer**, or by the **Insured** with the written consent of the **Insurer**, are part of and not in addition to the **Limit of Liability** and the payment by the **Insurer** of **Defence Costs** reduces the **Limit of Liability**.

I. Partial Invalidity

Should any provision of this **Policy** be, or become, invalid or unenforceable pursuant to the law to which this **Policy** is subject, such provision shall be deemed to be deleted and all other terms and conditions of this **Policy** shall remain in full force and effect.

J. Post Winding Up Protection

If the **Policyholder** (but not, for this purpose, any **Subsidiary**) is wound-up during the **Policy Period**, this **Policy** shall remain in force until the expiry of the **Policy Period** but only with respect to **Loss** where the events causing **Loss** occurred prior to the winding-up of the **Policyholder**.

K. Proposal, Severability and Waiver of Rights

1. Proposal

- (a) In granting coverage under this **Policy**, the **Insurer** has relied upon the statements and representations in the **Proposal** and it is agreed that the **Proposal** shall form the basis of and is incorporated into this **Policy**.
- (b) The **Insureds** shall not conceal or misrepresent any material fact or circumstance when completing the **Proposal**.

2. Severability

- (a) Other than with respect to General Condition K.2.(b) below, the **Proposal** shall be construed as a separate application for cover by each of the **Insureds** with respect to the declarations and statements contained therein. No fact relating to, or statement of, or knowledge possessed by, any **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of cover.
- (b) The **Insureds** agree that in the event that any statements or representations

made in the **Proposal** are inaccurate or incomplete, the **Insurer** shall be entitled to avoid this **Policy** with respect to any of the following **Insureds**:

- (i) any natural person who knew the facts were not fully and accurately disclosed in the **Proposal**;
- (ii) any **Insured** that is a corporation, to the extent it indemnifies any natural person referenced in General Condition K.2.(b)(i);
- (iii) any **Insured** that is a corporation, if any **Executive Officer** of the **Insured** knew the facts that were not fully and accurately disclosed in the **Proposal**; or
- (iv) any **Insured** that is a partnership or sole trader, where any partner, member or principal respectively knew the facts that were not fully and accurately disclosed in the **Proposal**.

3. Waiver of Rights

- (a) Other than in the circumstances set out in General Condition K.3.(b) below, in the event that the **Insurer** is entitled to avoid this **Policy** from inception or from the time of any variation in cover (including at renewal) the **Insurer** may at its discretion maintain this **Policy** but exclude the consequences of any matter which ought to have been disclosed at inception or at any time of any variation in cover (including at renewal).
- (b) In the event of non-disclosure or misrepresentation at any renewal the **Insurer** shall waive its rights to avoid this **Policy** provided that the **Insured** is able to establish to the satisfaction of the **Insurer** that such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive and provided that:
- (i) the premium and terms shall be adjusted at the discretion of the **Insurer** to those which would have applied had such circumstances been disclosed;
- (ii) where the **Insured** should have notified during a preceding policy period of a policy held with the **Insurer** either a **Claim, Circumstance** or **Loss**, the **Insurer** may, at its absolute discretion, make a payment in place of the indemnity or cover to which the **Insured** would have been entitled during the preceding policy period from the **Insurer**.

L. Retention Reimbursement

Any **Retention** borne by the **Company** or the **Insured Persons** in respect of any **Claim** shall be reimbursed by the **Insurer** if final judgement or adjudication is given in favour of the **Company** or the **Insured Persons** by a court or tribunal of competent jurisdiction. For the purposes of this condition, final judgement or adjudication shall only be adjudged to have been given when all rights of appeal to higher courts or tribunals have been foregone or exhausted.

M. Retired and Former Directors

1. In the event that any **Insured Person Retires** as a **Director** or **Officer** from the **Company** prior to the expiry of the **Policy Period** such **Insured Person** shall be entitled to a free **Discovery Period** for a period of 72 months after the expiry of the **Policy Period**, provided always that this **Discovery Period** shall not apply where the **Policyholder** renews or replaces this **Policy** (whether with the **Insurer** or otherwise) or where a **Discovery Period** has been activated pursuant to General Condition E. Discovery Period of this **Policy**.
2. In the event that any **Insured Person** ceases to be a **Director** or **Officer** during the **Policy Period** for reasons other than **Retirement** excluding:
 - (a) disqualification from holding the office of director;
 - (b) being dismissed from their position;
 - (c) due to the acquisition, merger or winding up of the **Policyholder** per General Condition Q.1; or
 - (d) due to the **Policyholder** being wound-up, such **Insured Person** shall be entitled to a free **Discovery Period** for a period of 180 days after the expiry of the **Policy Period**, provided always that this **Discovery Period** shall not apply where the **Policyholder** renews or replaces this **Policy** (whether with the **Insurer** or otherwise) or where a **Discovery Period** has been activated pursuant to General Condition E. Discovery Period of this **Policy**.

N. Spouses

If a **Claim** against a natural person **Insured** includes a claim against the **Insured's Spouse** solely by reason of;

1. such **Spouse's** legal status as a spouse of the **Insured**; or
2. such **Spouse's** ownership interest in property which the claimant seeks as recovery for **Claims** made against the **Insured**,

all loss which such **Spouse** becomes legally obliged to pay by reason of such **Claim** shall be treated for the purposes of this **Policy** as **Loss** which the **Insured** becomes legally obliged to pay on account of the **Claims** made against the **Insured**. All terms and conditions of this **Policy**, including without limitation the **Retention**, applicable to **Loss** incurred by such **Insured** in the **Claim** shall also apply to such spousal loss. This coverage does not apply to the extent the **Claim** alleges any wrongful act or omission by the **Insured's Spouse**.

O. Territory

Unless otherwise endorsed, cover under this **Policy** shall extend worldwide.

P. Third Party Rights

A person who is 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.

Q. Transactions Changing Coverage

1. Acquisition, Merger or Winding Up of the Policyholder

Unless otherwise agreed in writing by the **Insurer**, this **Policy** shall terminate for all **Insureds** upon:

- (a) the acquisition of the entire issued share capital of the **Policyholder** or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Policyholder** into or with another entity such that the **Policyholder** is not the surviving entity; or
- (b) the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate at least fifty per cent. (50%) of the directors of the **Policyholder**; or
- (c) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of the **Policyholder**;

Following termination, the **Policyholder** may continue to notify **Circumstances** or **Claims** first made against the **Insured** during the **Policy Period** provided that cover shall only apply to **Loss** or that part of any **Loss** occurring prior to the event described in General Condition Q.1.

2. Acquisition or Creation of Subsidiary

- (a) Subject to General Condition Q.2.(b)., if any **Company** creates or acquires, during the **Policy Period**, a new **Subsidiary** (either directly or indirectly), the new **Subsidiary** shall be automatically covered under this **Policy** in relation to **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Company**.

The **Company** shall not have to provide the **Insurer** with any particulars of the new **Subsidiary** until the next renewal date following creation or acquisition of the **Subsidiary**, provided always that if such new **Subsidiary** employs any person in **North America**, then the provisions of Exclusion A.7. shall apply.

- (b) Automatic coverage pursuant to General Condition Q.2.(a) above shall not apply where a new **Subsidiary** created or acquired by any **Company** has:
- (i) gross consolidated assets in **North America** that increase the gross consolidated assets of the **Company** by more than ten per cent. (10%) (by reference to the **Company's** most recent consolidated annual accounts); or
 - (ii) any of its **Securities** listed on any exchange in **North America**.
- (c) If any **Company** acquires or creates a **Subsidiary** that falls within the parameters specified in General Condition Q.2.(b) above, then cover shall be extended to such new **Subsidiary** in relation to **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Company**, provided that, and as a condition precedent to such cover being provided, the **Policyholder**:
- (i) gives the **Insurer** written notice of any such creation or acquisition as soon as possible, together with such additional information as the **Insurer** may require;
 - (ii) accepts any notified alteration in the terms of this **Policy**; and
 - (iii) pays any additional premium required by the **Insurer**.

Subject to these conditions precedent having been met, the **Insurer** shall include the new **Subsidiary** within the scope of this **Policy** by way of endorsement.

The **Insurer** shall have no liability under General Condition Q. 2. (c). in respect of any

matter which the **Insured** does not notify to the **Insurer** in accordance with the requirements of this Condition.

In addition, the **Insurer** shall consider the provision of retroactive cover for any new **Subsidiary** in respect of **Wrongful Acts** committed, or alleged to have been committed, prior to the date of any such acquisition or creation, upon specific request. If the **Insurer**, at its absolute discretion, agrees to provide such cover, it shall be recorded by way of endorsement.

3. Disposal or Winding Up of Subsidiaries

Unless otherwise agreed in writing by the **Insurer**, this **Policy** shall terminate for a **Subsidiary** upon:

- (a) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of such **Subsidiary**; or
- (b) falling outside the definition of **Subsidiary**.

Following termination, the **Policyholder** may continue to notify **Circumstances** or **Claims** first made against the **Insured** during the **Policy Period** provided that cover shall only apply to **Loss** or that part of any **Loss** occurring prior to the event described in General Condition Q.3.(a) or (b) above.

R. Acquisitions Prior to The Policy Period

If a **Subsidiary** has been acquired by the **Company** prior to the **Policy Period**, such **Subsidiary** shall be covered under this **Policy** in relation only to **Wrongful Acts** committed or alleged to have been committed after the date on which such **Subsidiary** was acquired by the **Company**.

S. Insurance Act 2015

In respect of any

- i) duty of disclosure; or
- ii) effect of warranties; or
- iii) effects of acts of fraud

the rights and obligations that apply to **You** and **RSA** shall be interpreted in accordance with the provisions of the Insurance Act 2015.

IV. Claims Conditions

A. Claims Notification

In order for **Claims** to be accepted and paid under this **Policy** the **Insured** must comply with this Condition

1. Subject to Claims Condition A.2 below, the **Policyholder** must immediately give written notice to the **Insurer** as soon as reasonably possible after the **Policyholder** receives

notice of any **Claim**, or a **Claim** has been first made or the **Policyholder** becomes aware of any **Circumstances**,

provided that, notwithstanding the above, such written notice shall be given to the **Insurer**:

- a) during the **Period of Insurance** (or any applicable **Discovery Period**); or
 - b) within 60 calendar days for **Claims** made to the Insured that have not been notified to the **Insurer** for the **Period of Insurance** immediately prior to expiry (excluding any **Discovery Period**).
 - c) the **Insurer** will not make any payment unless notification is made in accordance with this section.
2. If the **Policyholder** fails, does not exist as an entity or refuse to give notice under Claims Condition A.1 above, a **Director** or **Officer** shall be entitled to give written notice of a **Claim** directly to the **Insurer**, *provided that* all other terms and conditions of Claims Condition A.1 shall otherwise apply.
3. Notification of any **Claim** or **Circumstance** pursuant to Claims Condition A.1 and A.2 above must be sent to the **Insurer** at the Claims Department, Professional & Financial Risks, St Mark's Court, Chart Way, Horsham, West Sussex RH12 1XL and marked for the attention of the Professional & Financial Risks Claims Manager, Profin & Major Claims.
- Each notification shall so far as possible provide full details of the **Claim** or **Circumstance** including, but not limited to:
- (a) the identity of the claimant or potential claimant;
 - (b) the nature of the **Claim**;
 - (c) the likely quantum of the **Claim**; and
 - (d) the **Policyholder's** preliminary views (and those of the **Insured**) on the merits of such **Claim** and the **Policyholder** shall provide the **Insurer** with such further information and documentation (where appropriate documentation includes evidence of invoices, receipts, proof of payments and the like) as it may reasonably require.
4. Any **Claim** arising from any notification of **Circumstances** shall be deemed to have been made in the **Policy Period** (including any applicable **Discovery Period**) in which the **Circumstances** were first notified to the **Insurer**.
5. Subject to the provisions General Condition K.3. the **Insurer** shall not avoid any **Claim** on the grounds of the breach of this section but where in the opinion of the **Insurer** the

Policyholder has prejudiced the handling or settlement of any **Claim** the amount payable in respect of such **Claim** (including costs and expenses) shall be reduced to such sum as in the **Insurer's** opinion would have been payable in the absence of such prejudice.

If the terms of this Condition have not been complied with, and as a direct consequence, the amount for which the **Insurer** is liable under this **Policy** has increased, then no payment shall be made by the **Insurer** in respect of the amount of such increase.

B. Allocation

If an **Insured** incurs both **Loss** covered by this **Policy** and loss not covered by this **Policy** (either because a **Claim** is made against both **Insured Persons** and the **Company** or because a **Claim** includes both **Loss** which is covered and that which is not) the **Insurer** shall negotiate in good faith with the **Insured** to determine a fair and reasonable allocation of the **Loss** taking into account the relative legal exposures of the parties with respect to covered and uncovered matters.

If the **Insured** and the **Insurer** cannot agree on an allocation in respect of **Loss**, the **Insured** and the **Insurer** agree to remit the issue of allocation to a Queen's Counsel, (whose identity shall be agreed between the parties and in default of agreement within 30 days of one party receiving written notice of a nomination being made by the other party, shall be chosen by the Chairman for the time being of the Bar Council) whose decision shall be binding. The Queen's Counsel shall be directed to apportion all costs of the determination, and shall act as an expert and not as an arbitrator.

All references to Queen's Counsel in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status.

Reference to the Chairman for the time being of the Bar Council or his nominee include, where proceedings have been commenced in jurisdictions outside England and Wales, a similar appointee.

C. Defence and Cooperation

1. The **Insurer** shall have the right but is not obliged to conduct in the name of the **Insured** the defence and settlement of any **Claim** covered by this **Policy**, and to appoint lawyers or other representatives for this purpose even if any of the allegations are groundless, false or fraudulent. The **Insurer's** right to defend shall cease upon exhaustion of the **Limit of Liability** applicable to this **Policy**.

2. With respect to any **Claim** or **Circumstance** notified:

- (a) the **Insured** shall execute all papers required and shall do everything necessary to defend such **Claim** and provide the **Insurer** with all information, documentation, assistance and co-operation as the **Insurer** reasonably requests; and
- (b) the **Insurer** shall advance **Defence Costs** excess of any applicable **Retention**, provided that if and to the extent it is finally established that any such **Defence Costs** are not covered under this **Policy**, the **Insureds**, severally according to their interests, hereby agree to repay the **Insurer** such non-covered **Defence Costs**.

- 3. The **Insured** shall not settle or offer to settle any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim**, without the **Insurer's** prior written consent. The **Insurer** shall not be liable for, and any applicable **Retention** shall not be depleted or exhausted by, any settlement, **Loss** or **Defence Costs**, assumed obligation or admission to which it has not consented.
- 4. The **Insurer** shall not unreasonably withhold any consent referred to in this section.
- 5. The **Insured** agrees that in the event of a **Claim** the **Insured** shall do nothing that shall prejudice the **Insurer's** position or its potential or actual rights of recovery. The **Insured** shall at all times use reasonable endeavours to do, and concur in doing, all such things as are reasonably practicable to avoid or diminish any **Loss** and to assist with the defence or settlement of any **Claim**. The **Insurer** may make any investigation it deems necessary.

D. Disputes as to Contesting Legal Proceedings

- 1. Subject to the provisions of Claims Condition D.2. below, in the event of a disagreement arising between the **Insurer** and the **Insured** as to whether or not to contest or settle legal proceedings or proceed with appeals, the issue shall be remitted to a Queen's Counsel whose decision on the probability of successfully defending the **Claim** or the acceptability of the proposed terms of settlement or the probability of succeeding on appeal shall be final. The identity of such Queen's Counsel shall be agreed by the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party,

by the Chairman for the time being of the Bar Council.

- 2. In the event that Queen's Counsel or Junior Counsel is instructed in connection with the defence of a **Claim**, the parties shall remit any issue between them to the said Counsel as to whether or not to contest or settle legal proceedings or proceed with appeals.
- 3. Any appointment under the provisions of this section shall be as expert and not as arbitrator.
- 4. The costs of the said expert determination shall be deemed to form part of the **Defence Costs**.
- 5. All references to Queen's Counsel in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status.
- 6. Reference to the Chairman for the time being of the Bar Council in this section include, where proceedings have been commenced in jurisdictions outside England and Wales, a similar appointee.

E. Other Insurance

This **Policy** shall be specifically excess of any other valid and collectible insurance (including but not limited to any insurance which is stated to be primary, contributory, excess, contingent or otherwise), unless such other insurance is specifically excess of this **Policy**.

For the avoidance of doubt, a **Loss** which is covered partly by this **Policy** and partly by another policy (including policies of which this is a renewal) issued by the **Insurer** to the **Insured** for which any previous applicable discovery period has not expired, shall be limited to the larger amount of cover under the previous policy or this **Policy** and shall on no account be cumulative.

F. Related Claims

All **Related Claims** shall be deemed one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period** or the **Discovery Period**.

G. Subrogation and Recoveries

- 1. In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery. The **Insured** shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable the **Insurer** effectively to bring proceedings in the name of the **Insured**.

2. Provided however that in no event shall the **Insurer** exercise its rights of subrogation against an **Insured** except where such **Insured** has been fraudulent, committed a criminal act or obtained any profit or advantage to which he was not legally entitled.
3. All recoveries obtained by the **Insured** from other parties shall be allocated, after the settlement of any claim under this **Policy** as follows:
 - (a) firstly, to the benefit of the **Insured** to reduce or extinguish the amount of the **Insured's Loss** to the extent that it would have been paid under this **Policy** but for the fact that such **Loss** exceeds the **Limit of Liability** together with any **Retention** where applicable;
 - (b) secondly, to the benefit of the **Insurer** for all sums paid in settlement of **Loss** arising under this **Policy**;
 - (c) thirdly, to the benefit of the **Insured** for the amount of the **Retention** under this **Policy**.

All recoveries shall be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under this **Policy** shall be held for the benefit of the **Insurer** and applied as stated herein after settlement if any is made.

V. Definitions

When used in this **Policy**:

- A. Accident** means a sudden unexpected unforeseen and identifiable incident. Incident shall mean all individual losses arising out of and directly occasioned by one sudden unexpected specific event occurring at an identifiable time and place.
- B. Child** means any child under 18 years of age.
- C. Circumstance** means an incident, occurrence, fact, matter, act or omission which is likely to give rise to a **Claim** under this **Policy**.
- D. Claim** means:
 1. service of a Claim Form, Counterclaim, Other Additional Claim, Application Notice, Notice of Appeal, Witness Summons or similar legal document including an application for any related injunction served upon any **Insured** in respect of a **Wrongful Act**;
 2. any arbitration proceeding or request to nominate an arbitrator served upon any **Insured** in respect of a **Wrongful Act**;

3. any written communication (including electronic communications), whether or not containing a demand for compensation or damages, received by any **Insured** threatening commencement of proceedings in respect of a **Wrongful Act**, and any written demand against any **Insured Person** for monetary damages, reinstatement or other non-monetary relief;
4. any criminal prosecution of an **Insured Person** resulting from a **Wrongful Act**;
5. any notice of an **Investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document:
 - (a) into the affairs of the **Company** or the affairs of an **Outside Entity** as provided in Insuring Clause E. Outside Entities and where an **Insured Person** is required to attend or give evidence; or
 - (b) involving a **Wrongful Act** alleged to have been committed by an **Insured Person** or in respect of which an **Insured Person** is required to attend or give evidence by reason of his acting in the capacity of a **Director** or **Officer**;
6. any extradition proceeding brought against an **Insured Person** or appealed by an **Insured Person** where the allegations from which the extradition proceedings result from a **Wrongful Act** by reason of his acting in the capacity of a **Director** or **Officer**;

provided that it is first made against, or received by, any **Insured Person** during the **Policy Period**.

- E. Company** means the **Policyholder** and its **Subsidiaries**.
- F. Defence Costs** means that part of **Loss** consisting of reasonable and necessary costs, charges, fees (including but not limited to lawyers' and agents' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of the **Directors, Officers** or employees of the **Company**) incurred by the **Insurer** or (with the **Insurer's** prior written consent) the **Insured**:
 1. in defending, investigating or settling **Claims** or assisting the **Insurer** in investigating, defending or settling **Claims** (including the premiums paid for any insurance instruments or bonds which may be required in certain jurisdictions to institute an appeal or enter an appearance but without any obligation to apply for or furnish any such bonds);
 2. in respect of the attendance or giving of evidence by any **Insured Person** at an **Investigation** into the affairs of the

Company or the affairs of an **Outside Entity** as provided in Insuring Clause E Outside Entities; or

3. in respect of any **Investigation** involving a **Wrongful Act** alleged to have been committed by an **Insured Person** or in respect of which an **Insured Person** is required to attend or give evidence by reason of his acting in the capacity of a **Director** or **Officer**.

G. Director means any natural person who was, is, or becomes:

1. a director of the **Company** including a de facto or shadow director (as defined under section 741(2) of the Companies Act 1985 or any equivalent provision in the jurisdiction in which the **Company** is incorporated) including any person named in any prospectus issued by the **Company** as a prospective director; or
2. a shadow director of any company directly as a result of his activities as a **Director** or **Officer** of the **Company**; or
3. a Member of a Limited Liability Partnership as formed under the Limited Liability Partnership (LLP) Act 2000.

Director shall not include, without the **Insurer's** prior written consent, any **Insured Person** who ceases to be a **Director** or **Officer** prior to commencement of the **Policy Period** for the following reasons;

- (a) disqualification from holding the office of director; or
- (b) being dismissed from their position.

H. Discovery Period means the period following the expiry of the **Policy Period** during which the **Insureds** may continue to notify **Claims** or **Circumstances** but only in relation to **Wrongful Acts** committed prior to the expiry of the **Policy Period**. Any **Claim** made during the **Discovery Period** shall be deemed to have been made during the immediately preceding **Policy Period**.

I. Employment Wrongful Act means any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by any one or more **Insured Persons** in their capacities as such against any past, present or prospective employee, **Director** or partner of the **Policyholder**, in connection with any actual or alleged:

1. wrongful, unlawful or unfair dismissal, discharge or termination of employment;
2. breach of any written or oral employment contract or quasi-employment contract;
3. employment-related misrepresentation;

4. violation of employment discrimination laws (including sexual or other workplace harassment and discrimination on the grounds of racial or national origin, sex, sexual orientation, religion, maternity, pregnancy, age and disability);
5. violation or non-compliance with legislation regulating working hours;
6. wrongful failure to employ or promote;
7. wrongful demotion;
8. wrongful discipline;
9. wrongful deprivation of a career opportunity;
10. failure to grant tenure;
11. failure to adopt adequate workplace or employment policies and procedures;
12. **Retaliatory** treatment of whistleblowers and others;
13. negligent evaluation;
14. employment-related invasion of privacy;
15. employment-related breach of data protection legislation;
16. employment-related libel, slander, humiliation and defamation;
17. failure to furnish accurate job references;
18. employment-related wrongful infliction of mental anguish or emotional distress; or
19. breach of any obligation which has been transferred to the **Company** by virtue of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the EC Acquired Rights Directive, save for any obligation which existed at or prior to the date of transfer.

J. Executive Officers means the chairman of the board of directors, managing director (or chief executive officer) and finance director (or chief financial officer) of the **Company**.

K. Identity means publicly available data held by an official registry or any other party which relates to the formation and identity of the **Company**, such data being relied upon by investors or vendors in establishing the financial standing and credit worthiness of the **Company**.

L. Identity Fraud means the fraudulent modification, alteration or theft of **Identity**.

M. Identity Fraud Expenses means reasonable and necessary:

1. fees, costs and expenses incurred solely to correct or reinstate public records following an **Identity Fraud**; and
2. legal fees, costs and expenses incurred in applying for civil or criminal proceedings to be dismissed or withdrawn on the basis that the alleged liability resides with the perpetrator of the **Identity Fraud**.

- N. Insured** means the **Insured Persons** and the **Company** declared to the **Insurer** prior to the commencement of the **Policy Period** or as acquired and created during the **Policy Period** under the terms of General Condition Q.2. Acquisition or Creation of Subsidiary.
- O. Insured Persons** means;
1. any natural person who was, is, or becomes during the **Policy Period**, a **Director** or **Officer**; and
 2. any natural person **Insureds** which are pursued against the estates, heirs, executors or other legal representatives of such **Insureds** named in Definition O.1. who are deceased, or as the legal representatives or trustees in bankruptcy of such **Insureds** who are incompetent, incapacitated or bankrupt to the extent that in the absence of such death, incompetence, incapacity or bankruptcy, such **Claims** would have been covered by this **Policy**.
- P. Insurer** means Royal & Sun Alliance Insurance Ltd.
- Q. Investigation** means any formal or official investigation (other than the **Company's** own internal investigation), examination or other proceedings made or commenced during the **Policy Period** by a governmental body, professional body or other institution duly authorised to carry out such investigation, including, without limitation, any such proceedings initiated by the Department of Trade and Industry, London Stock Exchange Limited, the Bank of England, The Panel on Take-overs and Mergers, the Financial Services Authority, the Health and Safety Executive, and the Commission for Racial Equality.
- R. Limit of Liability** means the limit specified in the **Policy Schedule**. Any reference to **Limit of Liability** shall mean an aggregate limit for all **Claims** or **Loss**, as applicable.
- S. Loss** means:
1. damages, compensation, contributions, judgements or (if concluded with the **Insurer's** prior written consent) settlements;
 2. claimant's legal costs and expenses;
 3. punitive, exemplary and aggravated damages, except for:
 - (a) such damages awarded in respect of an **Employment Wrongful Act**;
 - (b) such damages awarded in respect of any **North American Claim**;
 4. all other costs and expenses ordered by a court or other legally authorised tribunal, or incurred with the **Insurer's** prior written consent; and
- 5. Defence Costs**,
in respect of a **Claim** made against, or received by, any **Insured Person**, jointly or severally. The **Insurer** shall advance **Defence Costs** in accordance with Claims Condition C.2.(b). **Loss** shall not include taxes, fines, penalties or any other form of loss which is uninsurable under the law of the state or country to which the **Claim** is subject or the multiple portion of any multiplied damage award.
- T. Medical Practitioner** means any legally qualified medical practitioner other than an **Insured Person** or a member of the **Principal's** immediate family.
- U. Merger** means the occurrence of either of the following events:
1. the **Policyholder** consolidating with or merging into or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
 2. any person or entity, whether individually or together with any other person or entity, acquiring an amount of share capital representing more than fifty per cent. (50%) of the voting power for the election of **Directors** of the **Policyholder**, or acquiring the voting rights for such an amount of the shares.
- V. North America** means the United States of America and Canada and in each case its territories and possessions and any state or political sub-division thereof.
- W. North American Claim** means each and every **Claim** brought against the **Insured in North America**, or which is instituted or pursued before an arbitrator or tribunal or in courts in **North America** (whether for enforcement of judgement or otherwise) or in which it is contended that the laws of any country, state or political sub-division in **North America** should apply. **North American Claim** in this **Policy** includes any **Investigation** made or commenced in **North America**.
- X. North American Retention** means the sum as specified in the **Policy Schedule**.
- Y. Officer** means:
1. any natural person who was, is, or becomes during the **Policy Period** an officer of the **Company**, other than its external auditor, liquidator, administrator, receiver or solicitor;
 2. any employee of the **Company** whilst acting in a managerial or supervisory capacity, including any employee of the **Company** who at the specific written request of the

Company is appointed to a managerial or supervisory position within any entity established for the sole purpose of any profit sharing, share option, sporting, social or welfare purpose and which exists predominantly for the benefit of any or all of the **Insured Persons** and employees of the **Company** and their families and dependants;

3. any employee of the **Company** who is named as a co-defendant in respect of a **Claim** made against a **Director** or **Officer** (and for the purpose of Definition Y.3. "**Officer**" shall bear the meaning set out in Definitions Y.1. and Y.2.);
4. any employee of the **Company** in respect of an **Employment Wrongful Act**.

Z. Operative Time means at any time.

AA. Original Inception Date means the date from which the **Company** has maintained uninterrupted directors and officers liability cover with the **Insurer**, whether under this **Policy** or any preceding policy.

BB. Outside Entity means any company or non-profit organisation (other than a **Subsidiary**) unless it is either:

1. registered (for any purpose), domiciled or incorporated in **North America**; or
2. has any of its **Securities** listed on any exchange in **North America**,

provided however that in the case of a company or non-profit organisation falling within Definition BB.1 above, such entity shall constitute an **Outside Entity** and be covered under this **Policy** if:

- (a) the **Insurer** agrees to provide such cover and such entity is listed as an **Outside Entity** in the **Policy Schedule** by written endorsement; and
- (b) the **Policyholder** holds share capital in such entity.

CC. Parent Company means any holding, intermediate holding or ultimate holding company of the **Policyholder** or any company with a controlling interest in the **Policyholder** or any subsidiary of the **Parent Company** (other than the **Policyholder**).

DD. Policy means, collectively the **Policy Schedule**, the **Proposal** and the Terms and Conditions of the policy (including any endorsements thereto).

EE. Policyholder means the organisation designated in the **Policy Schedule** and, where there is only one **Insured**, a reference to the **Policyholder** shall be deemed to be a reference to the **Insured**.

FF. Policy Period means the period of time specified in the **Policy Schedule**.

GG. Policy Schedule means the Management Assurance Directors & Officers Policy Schedule attaching to this **Policy**.

HH. Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a country, state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odour, waste water, oil or oil products, infectious or medical waste, biological contaminants, asbestos or asbestos products, electric or magnetic or electromagnetic fields and noise, and any ionising radiations or contamination by radioactivity.

II. Pollution means the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere.

JJ. Principal means any serving director (other than a non-executive director) of the **Insured**;

(a) whose details have been notified to Companies House in accordance with Section 288 of the Companies Act 1985 or any statutory amendment modification or re-enactment of such Act or Regulations where the **Insured** is a company registered in the United Kingdom; or

(b) that sits on the **Insured's** Board of Directors where the **Insured** is a company registered outside of the United Kingdom; or

(c) a member of a limited liability partnership as defined under the Limited Liability Partnership Act 2000.

KK. Proposal means, the signed proposal form, **Statement of Fact** and declaration completed in respect of this **Policy**, including any renewal declaration, and any information supplied by or on behalf of the **Insured** in addition to or in connection with or in substitution therefor.

LL. Related Claims means all **Claims** based on, arising out of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.

MM. Retaliation means a **Wrongful Act** of an **Insured** relating to, or alleged to be in response to, the treatment of any employee less favourably than others, or the victimisation of that person, because that person threatens to bring proceedings, give evidence or information, take any action or make any allegation concerning the **Insured** with reference to legislation relating to sex, race, or disability discrimination, whistleblowing and, subject to the provisions of this **Policy**, any employment protection law generally; or where the **Insured** has already done any of the foregoing; and **Retaliatory** shall be construed accordingly.

NN. Retention means that part of each and every **Claim** or **Loss**, as applicable, which is payable by the **Insured**, the amount of which is specified in this **Policy Schedule**.

The **Retention** does not form part of the **Limit of Liability** and it shall be payable by the **Insured** before the application of the **Limit of Liability**.

OO. Retires/Retirement means **Insured Persons** who voluntarily relinquish their position from the **Company** and do not subsequently resume or assume the position of Director, Officer or Employee in any company thereafter.

PP. Securities means shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, rights under a depositary receipt or other securities (or interests therein) of whatever nature.

QQ. Spouse means a lawful spouse, civil partner or any person deriving similar status by reason of the common law.

RR. Statement of Fact means the document setting out information provided by the **Policyholder** as being relevant to the cover applied for and assumptions that the **Insurer** has made about factual circumstances relevant to the cover and which are accepted by the **Policyholder** as true and correct.

SS. Subsidiary means any entity in which the **Policyholder**:

1. holds directly or indirectly more than fifty per cent. (50%) of the voting rights; or
2. has the right to appoint or remove a majority of the board of directors; or
3. holds more than half of the issued share capital,

and where the **Policyholder** is a partnership, an entity shall be a **Subsidiary** of the partnership where such holding or right is held for the benefit of the partnership.

TT. Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, breach of trust, libel, slander, breach of contract, breach of warranty of authority, Wrongful Trading as set out in section 214 of the Insolvency Act 1986 (or any equivalent situation in any jurisdiction in which the **Company** is incorporated), **Employment Wrongful Act** or other act actually or allegedly committed or attempted by any **Insured Person** in his capacity as:

1. a **Director** or **Officer**; or
2. a director, officer, trustee, governor or occupying a position of equivalent status of any **Outside Entity**, or

any matter claimed against the **Insured Person** solely by reason of his serving in the capacities set out in Definition TT.1. or TT.2.

Complaints Procedure

Our commitment to customer service

At RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right.

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Ensure you are clear on how to escalate your complaint, if necessary.

Step 1

If your complaint relates to your policy then please contact the sales and service team in the office which issued the Policy or your Broker. If your complaint relates to a claim then please call the claims helpline number shown in your policy booklet.

We aim to resolve your concerns on an informal basis, within three business days. Where we have been able to, we will send you a letter confirming this. We'll also explain how you may be able to refer the matter to the Financial Ombudsman Service if you subsequently decide that you are unhappy with the outcome.

Step 2

In the unlikely event that we are unable to resolve your concerns through our informal complaints process, our Customer Relations Team will then review the matter on behalf of our Chief Executive. Once our Customer Relations Team have reviewed your complaint they will send you a final decision in writing within 8 weeks of the date we received your complaint.

Our Customer Relations Team's contact details are as follows:

Post: RSA Customer Relations Team
PO Box 255
Wymondham
NR18 8DP

Email: crt.halifax@uk.rsagroup.com

If you are still not happy

If you are still unhappy after our Customer Relations Team's review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints. They can be contacted at:

Post: Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: 0800 0234567 (free from mobile phones and land lines)
0300 1239123 (costs no more than calls to 01 or 02 numbers)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the Financial Ombudsman Service. This does not affect your right to take legal action, however, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Privacy Notice

At Royal & Sun Alliance Insurance Ltd we provide commercial insurance policies directly or in partnership with other organisations.

Where individuals are covered under the terms of these insurance policies we may need to process their personal information.

Information including the purpose and basis for the processing, how long data will be retained for and about the individual rights under the data protection regulation can be found at: <https://www.rsagroup.com/support/legal-information/privacy-policy/>

If you have any questions or comments about this Privacy Notice please contact:

The Data Protection Officer
RSA
Bowling Mill
Dean Clough Industrial Park
Halifax
HX3 5WA

You may also email us at crt.halifax@uk.rsagroup.com

