



Insurance Company Professional Liability Policy

In consideration of the payment of the premium and subject to all terms, conditions and limitations of this Policy, the Insureds and Insurer agree:

Section I Insuring Agreement

The **Insurer** shall pay on behalf of the **Insureds** all **Loss** as a result of a **Claim** first made against the **Insureds** during the **Policy Period** for a **Wrongful Act** and reported to the **Insurer** as required by this Policy.

Section II Definitions

The following Definitions shall have the same meaning throughout this Policy:

1. **"Application"** shall mean the application submitted to the **Insurer** for this Policy together with any written materials attached thereto or submitted to the **Insurer** in connection with the underwriting of this Policy. **Application** shall also include all publicly available documents filed by a **Company** with the Securities and Exchange Commission or any insurance regulator during the twelve (12) months preceding the effective date of this Policy.
2. **"Claim"** shall mean:
 - a. a written demand against an **Insured**:
 - i. for monetary or nonmonetary relief, or
 - ii. requesting to toll any statute of limitations, or
 - iii. to engage in arbitration or mediation,which shall be deemed first made upon receipt by the **Insured** of such demand;
 - b. a civil, criminal, regulatory or administrative proceeding against an **Insured**, which shall be deemed first made upon:
 - i. the service of a complaint or similar pleading upon the **Insured**, or
 - ii. in the case of a criminal proceeding, an arrest, the return of an indictment or information, or the receipt or filing of notice of charges or similar document;for a **Wrongful Act**.
3. **"Company"** shall mean the **Parent Company** and any **Subsidiary**, including in the event of a bankruptcy, the **Parent Company** and any **Subsidiary** as a debtor in possession as such term is used in Chapter 11 of the United States Bankruptcy Code.
4. **"Defense Costs"** shall mean that part of **Loss** consisting of:
 - a. reasonable fees, costs and expenses incurred by the **Insureds** in the defense or appeal of any **Claim**, including the costs of an appeal bond, attachment bond or similar bond, but does not include the obligation to apply for or furnish such bonds;

- b. reasonable fees, costs and expenses incurred by the **Insureds** at the **Insurer's** request to assist the **Insurer** in investigating a **Claim**;

Defense Costs shall not include (i) any salaries, wages, overhead, benefits or benefit expenses associated with any **Insured**, or (ii) any fees, costs or expenses incurred by an **Insured** prior to the time that the **Claim** is first made against the **Insured**.

- 5. **"Foreign Jurisdiction"** shall mean any jurisdiction, other than the United States or any of its territories or possessions.
- 6. **"Foreign Policy"** shall mean the standard insurance company professional liability policy (including all mandatory endorsements, if any) approved by the **Insurer** for use within a **Foreign Jurisdiction** that provides coverage substantially similar to the coverage afforded under this Policy.
- 7. **"Insured(s)"** shall mean any **Company** and any **Insured Person**.
- 8. **"Insured Person"** shall mean any natural person who was, is or shall be:
 - a. a duly elected or appointed director or officer of a **Company**;
 - b. a duly elected or appointed natural person managing member or member of a board of managers of a **Company**; or
 - c. an employee of a **Company**.
- 9. **"Insurer"** shall mean the insurance company identified at **Item 2.** of the Declarations.
- 10. **"Loss"** shall mean those amounts any **Insured** is legally obligated to pay as a result of a **Claim**, including, but not limited to:
 - a. settlements and judgments, including costs and fees awarded pursuant to a covered judgment and pre-judgment and post-judgment interest on that portion of a covered judgment;
 - b. compensatory, punitive, exemplary and multiple damages; and
 - c. **Defense Costs**.

Loss (other than **Defense Costs**) shall not include any of the following:

 - i. fines, penalties, sanctions or taxes;
 - ii. any amount for which an **Insured** is legally absolved from payment;
 - iii. any amount which constitutes premiums, return premiums, taxes, fees, commissions, charges or other compensation paid to or due from policyholders, customers or clients of the **Company**;
 - iv. any amount incurred to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
 - v. any amount not insurable under the law pursuant to which this Policy shall be construed;
 - vi. costs incurred by an **Insured** to comply with any order for non-monetary relief (including injunctive relief) or with any agreement to provide such relief; or
 - vii. any amount due under any contract or policy of insurance or reinsurance underwritten, issued, assumed, or subscribed to by the **Company**.

The insurability of matters otherwise included within this definition shall be determined under the law of the applicable jurisdiction most favorable to such insurability, including, without limitation, the jurisdiction in which the **Company**, the **Insured Persons**, the **Insurer** or the **Claim** is located.

- 11. **"Management Control"** shall mean:

- a. owning an interest of an entity representing more than fifty percent (50%) of the power to manage or control said entity, including the power to elect, appoint or designate a majority of the board of directors or equivalent executives of such entity; or
 - b. having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity (including a limited liability company or joint venture), to elect, appoint or designate a majority of the board of directors or equivalent executives of such entity.
- 12. **"Parent Company"** shall mean the entity or organization identified in **Item 1.** of the Declarations.
- 13. **"Policy Period"** shall mean the period from the Inception Date of this Policy to the Expiration Date of this Policy as set forth in **Item 3.** of the Declarations (subject to its earlier cancellation in accordance with **Section XIII Cancellation or Non-Renewal**) and the Discovery Period, if applicable.
- 14. **"Pollutants"** shall mean any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on any list of hazardous substances issued by, the United States Environmental Protection Agency or any state, county, municipality or locality counterpart thereof including, but not limited to, nuclear material or nuclear waste. Such substances shall include, without limitation, solids, liquids, gaseous, biological, radiological or thermal irritants, contaminants or smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals or waste materials and any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products and any noise.
- 15. **"Professional Services"** shall mean those services performed by the **Insureds**, or by any other person or entity at the direction or on behalf of the **Company**, for a past, present or future policyholder, customer or client of the **Company**:
 - a. pursuant to a written contract with such policyholder, customer or client; and
 - b. for monetary consideration inuring to the benefit of the **Company**.

Professional Services shall not include:

 - i. services as an insurance producer;
 - ii. the protection of or failure to protect the **Insured's** computer system in order to mitigate loss from or prevent a computer attack;
 - iii. the protection of or failure to protect from physical theft the hardware or firmware controlled by the **Insured** (or components thereof) on which electronic data is stored, by a person other than an **Insured**, from a premises occupied and controlled by the **Insured**; and
 - iv. the protection of or failure to protect from theft a password or access code by non-electronic means in direct violation of the **Insured's** specific written policies and procedures.
- 16. **"Related Wrongful Acts"** shall mean all **Wrongful Acts** that are logically or causally connected by any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.
- 17. **"Responsible Manager"** shall mean any past, present or future individual listed in **Item 9.** of the Declarations Page.
- 18. **"Subsidiary"** shall mean any entity with respect to which the **Parent Company** has **Management Control**.
- 19. **"Wrongful Act"** shall mean any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty in the rendering or failure to render **Professional Services**.

Section III Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

A. Discrimination

For any actual or alleged discrimination of any kind.

B. Bodily Injury/Property Damage

For any actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease, or death of any person or loss of consortium or services of any kind relating therefrom or damage to or destruction of any tangible property, including the loss of use thereof.

C. Defamation and Other Torts

For any actual or alleged libel, slander, or any publication (written or oral) of material which is defamatory or disparaging, invasion of privacy, false arrest, false detention, false imprisonment, assault, battery, malicious use or abuse of process, malicious prosecution, wrongful entry or eviction.

D. Underwriting and Sales and Marketing

Based upon, arising out of or relating to the underwriting, marketing or selling of any insurance policy or annuity, or any other insurance or investment product.

E. Claims Reserves

Based upon, arising out of or relating to the adequacy, accuracy or redundancy of claim reserves.

F. Insolvency

Based upon, arising out of or relating to the insolvency, conservatorship, receivership, bankruptcy, liquidation, or inability of the **Insured** to pay claims or perform **Professional Services**.

G. Contract

Based upon, arising out of or relating to an **Insured's** liability under any contract or agreement; provided, however, this exclusion shall not apply to:

- i. an **Insured's** liability that exists in the absence of such contract or agreement; or
- ii. any **Claim** against an **Insured** by a policyholder, customer or client of the **Insured**, if and to the extent that the **Claim** alleges a breach of contractual obligations in the rendering of or failure to render **Professional Services** pursuant to an insurance policy.

H. Electrical/Mechanical Failure

Based upon or arising out of any electrical or mechanical failure caused by a third party, acting independently of the **Insured**, by an event outside of the Company's responsibility, including, without limitation, electrical power interruption or surge, brownout, blackout, short circuit, over voltage, induction or power fluctuations.

I. Common Control

Based upon, arising out of or relating to the performance or failure to perform services for any person or entity controlling, controlled by, under common control or affiliated with any **Insured**, provided, however, this exclusion shall not apply to **Claims** brought by policyholders, customers or clients of the **Insured**.

J. Warranty and Guaranty

Based upon, arising out of or relating to:

- i. any actual or alleged warranty or guarantee, estimate of probable costs or costs exceeding estimates, or any representation or promise regarding any payment of dividends or the performance or value of any product with any investment component made in connection with **Professional Services**; or
- ii. any actual or alleged express warranty and guaranty in respect of a safety inspection, loss control or safety engineering services.

K. Medical/Dental/ Workers' and Unemployment Compensation/Disability Benefits

Based upon, arising out of or relating to:

- i. any medical, dental or other health care services, health care cost review, health care professional peer review or utilization review, credentialing and provider selection; or the administration, operation or management of any health plans; or
- ii. any obligation for which the Insured or any carrier as its insurer may be held liable under any workers' compensation, unemployment compensation, disability benefits law, or under any similar law.

L. Automobile/Aircraft/Watercraft

Based upon, arising out of or relating to the ownership, maintenance, operation, use, loading or unloading of any automobile, aircraft or watercraft by the **Insured** or by any other person or entity for whose actions the Insured is legally responsible.

M. Patent/Copyright/Trademark

Based upon, arising out of or relating to the infringement, misappropriation, dilution or use of any patent, copyright, trademark or service mark.

N. Lending

Based upon, arising out of or relating to the purchase, sale, origination, participation, funding, extension, restructuring, acceleration, transfer, repossession, withdrawal, termination, assignment or foreclosure of any loan, lease, extension of credit or other funding commitment, or the failure or refusal to do any of the foregoing, or the rendering of advice in connection with any loan, lease, extension of credit or other funding commitment or the operation or control of any entity or property acquired as security or collateral for any loan, lease, extension of credit or other funding commitment.

O. Broker/Dealer

Based upon, arising out of or relating to the activities of any Insured as a "broker" or "dealer" in securities, as defined in Sections 3(a)(4) or 3(a)(5), respectively, of the Securities Exchange Act of 1934, as amended or the equivalent in any **Foreign Jurisdiction**.

P. Investment Banking

Based upon, arising out of or relating to any advice or service relating to or in connection with any aspect of corporate mergers, acquisitions, securities offerings, restructuring, divestitures or investment banking;

Q. REIT/Real Estate

Based upon, arising out of or relating to:

- i. the formation, syndication, operation, administration or termination of any real estate investment trust, limited partnership, limited liability company or similar entity; or
- ii. any activities or services as a construction manager, real estate broker or agent, title agent, escrow agent, appraiser, property manager or real estate consultant.

R. Investment Management

Based upon, arising out of or relating to any investment management or investment advisory services regardless of whether such services are performed by a registered investment advisor under the Investment Advisor Act of 1940 or the equivalent in any **Foreign Jurisdiction**.

S. Pool/Association/Syndicate

Based upon, arising out of, or brought by or on behalf of, or for the benefit of, or with the solicitation or assistance of any pool, association or syndicate (including any officer, director, employee or other participant thereof) in which any **Insured** is a participant.

T. Claims by Reinsurers

Brought by or on behalf of, or for the benefit of any reinsurer of the **Insured**, provided, however, this exclusion shall not apply to any **Claim** by a reinsurer in its capacity as a policyholder, customer or client of the **Company**.

U. Claims by Insureds

Brought by or on behalf of, or for the benefit of:

- i. any **Insured** in any capacity; or
- ii. any securityholder, member or policyholder of the **Company**, whether directly or derivatively, if such **Claim** is based upon or arising out of such securityholder's, member's or policyholder's ownership interest in the **Company**;

provided, however, this exclusion shall not apply to any **Claim**:

- a. that is in the form of a cross-claim or third party claim for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded under this policy;
- b. brought or maintained by or on behalf of a bankruptcy or insolvency receiver, trustee, examiner, conservator, liquidator, rehabilitator or creditors' committee (or equivalent in a foreign jurisdiction) of a **Company**, or any assignee of any of the foregoing; or
- c. brought or maintained by an **Insured** solely in their capacity as a policyholder, customer or client of the **Insured**.

V. Claims by Noncustomers

Brought by or on behalf of, or for the benefit of any natural person or entity that is not a policyholder, customer or client of the **Company** provided however, that this exclusion shall not apply to any **Claim**:

- i. brought by any such natural person or entity under any statute allowing a claimant to directly sue a tortfeasor's insurer;

- ii. brought by any such natural person or entity with whom a policyholder, customer or client of the **Company** has a contractual relationship (other than an employment relationship) if such **Claim** arises out of a **Wrongful Act** in the rendering of **Professional Services** by an **Insured**;
- iii. brought by a regulator; or
- iv. made by a person or entity who is bringing such **Claim** by or on behalf of the client (including subrogation claims) or by the estate of the client.

W. Conduct

Based upon, arising out of, or relating to any fraudulent act or fraudulent omission or any intentional violation of any statute, rule or law by or at the direction of such **Insured** provided, however, that this exclusion shall not apply:

- i. unless a final and non-appealable adjudication adverse to such **Insured** in an underlying proceeding establishes that such conduct occurred; and
- ii. to any **Claim** seeking both compensatory and punitive damages and alleging both fraud and bad faith in rendering or failure to render **Professional Services**.

For purposes of determining the applicability of this Exclusion, the **Wrongful Acts** and knowledge of any **Insured Person** shall not be imputed to any other **Insured Person** and, only the **Wrongful Acts** and knowledge of any **Responsible Manager** shall be imputed to the **Company**.

X. Prior Notice

Based upon or arising out of any **Wrongful Act**, fact, circumstance or situation which has been the subject of any written notice given before the inception of the **Policy Period** under any insurance company professional liability policy or similar policy of insurance.

Y. Violation of Law

For any actual or alleged violation of:

- i. any of the responsibilities, obligations or duties imposed pursuant to the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state, local or foreign statutory law or common law; provided, however, this subsection shall only apply with respect to plans, programs and trusts established or maintained in whole or in part for the benefit of employees of the **Company**; or
- ii. the Fair Labor Standards Act any other federal, state, local or foreign law statutory or common governing wage, hour, labor, employment or payroll policies of any **Company**.

Section IV. Limit of Liability

- A. Defense Costs** shall be part of, and not in addition to, the Limits of Liability stated in **Item 5.** of the Declarations. Such **Defense Costs** shall reduce the Limit of Liability.
- B.** The maximum liability of the **Insurer** for all **Loss** arising from all **Claims** under this Policy shall be the amount stated in **Item 5.** of the Declarations.

Section V Retention

- A.** The Retention specified in **Item 6.** of the Declarations shall apply to **Loss** resulting from each **Claim**.

- B. The **Insurer's** liability with respect to covered **Loss** resulting from each **Claim** shall be excess of the applicable Retention specified in **Item 6.** of the Declarations. The applicable Retention shall be borne by the **Company** uninsured under this Policy, and shall apply to all covered **Loss**, including **Defense Costs**.

Section VI Related Claims

More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. In the event such single **Claim** triggers more than one Retention, the highest retention shall be applicable. All such **Claims** constituting a single **Claim** shall be deemed to have been first made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other Policy providing similar coverage, regardless whether such date is before or during the **Policy Period**. In no event shall a single lawsuit or proceeding constitute more than one **Claim** subject to more than one Retention.

Section VII Defense and Settlement

A. Defense of Claims

1. The **Insureds**, and not the **Insurer**, shall have the duty to defend all **Claims**.
2. The **Insureds** shall not incur **Defense Costs** in connection with any **Claim** without the prior written consent of the **Insurer**, which consent shall not be unreasonably withheld or delayed. The **Insurer** shall not be liable under this Policy for any **Defense Costs** incurred without such consent.
3. The **Insurer** shall advance such **Defense Costs** on a current basis but no later than sixty (60) days after the **Insurer** receives itemized invoices for such **Defense Costs**; provided that to the extent it is finally established that any such **Defense Costs** are not covered under this Policy, the **Insureds**, severally according to their interests, shall repay such **Defense Costs** to the **Insurer**.

B. Settlement of Claims

The **Insureds** shall not admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld or delayed. The **Insurer** shall not be liable under this Policy for **Loss** incurred as a result of any such admission, offer or agreement to which the **Insurer** did not so consent.

C. Insurer's Right to Associate

The **Insurer** shall at all times have the right, but not the duty, to associate with the **Insureds** in the investigation, defense or settlement of any **Claim** that may implicate coverage under this Policy. The **Insureds** shall cooperate with the **Insurer** and provide the **Insurer** with such information as it may reasonably require in the investigation, defense or settlement of any **Claim**. The failure of one **Insured Person** or **Company** to comply with this provision shall not impair the rights of any other **Insured Person** under this Policy.

D. Allocation

If in any **Claim** the **Insureds** incur **Loss** jointly with others (including other **Insureds**) who are not afforded coverage under this Policy for such **Claim** or incur both **Loss** covered by this Policy and other amounts which are not covered by this Policy, the **Insureds** and the **Insurer** shall allocate such amounts between covered **Loss** and uncovered loss based on the relative legal and financial exposures of the parties to covered and uncovered matters. If the **Insureds** and the **Insurer** cannot agree on an allocation of **Defense Costs**, the **Insurer** shall advance **Defense Costs** which the **Insurer** believes to be covered

under this Policy until a different allocation is negotiated, arbitrated or judicially determined. In such event, such allocation shall be applied retroactively to all **Defense Costs**.

Section VIII Notice

A. Claims

The **Insureds** shall, as a condition precedent to their rights under this Policy with respect to a **Claim**, give the **Insurer** notice in writing of any such **Claim** which is made during the **Policy Period**. Any notice of **Claim** provided pursuant to this paragraph shall be given as soon as practicable after the **Responsible Manager** of the **Parent Company** first learns of such **Claim**, but in no event later than sixty (60) days after the end of the **Policy Period**.

B. Potential Claims

During the **Policy Period** or the Discovery Period (if purchased), the **Insureds** may give written notice to the **Insurer** of circumstances that may reasonably be expected to give rise to a **Claim**; and

1. such notice shall set forth the **Wrongful Act** allegations anticipated and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved;
2. any **Claim** which is subsequently made against such **Insured** alleging, arising out of, based upon or attributable to such circumstances, shall be considered made at the time notice of such circumstances was first given to the **Insurer**, and
3. notice of any such subsequent **Claim** shall be given to the **Insurer** as soon as practicable after the **Responsible Manager** of the **Parent Company** first learns of such **Claim**. No coverage shall be provided under this Policy for fees, costs, expenses or other loss incurred as a result of such circumstances prior to the time such subsequent **Claim** is actually made.

- C. Except as otherwise provided in this Policy, all notices under any provision of this Policy shall be in writing and given by email, prepaid express courier or certified mail properly addressed to the appropriate party. Notice to the **Insureds** may be given to the **Parent Company** at the address shown in **Item 1.** of the Declarations. Notice to the **Insurer** shall be given to the respective address shown in **Item 7.** of the Declarations. If notice is given as described above, it shall be deemed to be received and effective upon the date of transmittal, subject to proof of transmittal.

Section IX Transactions: Coverage Implications of Mergers, Acquisitions and Sales of the Parent Company or any Subsidiary

A. Merger or Acquisition of Parent Company

If during the **Policy Period** any of the following events occur:

1. the **Parent Company**: (i) sells all or substantially all of its assets to any other person or entity or affiliated group of persons or entities, or (ii) merges or consolidates with another entity such that the **Parent Company** is not the surviving entity; or
2. any person, entity or affiliated group of persons or entities acquires **Management Control** of the **Parent Company**;

then coverage under this Policy shall continue until expiration of the **Policy Period**, but only for **Wrongful Acts** taking place prior to the effective date of such transaction. The entire premium for this Policy shall be deemed earned as of the date of such transaction.

B. Acquisition of a Subsidiary

1. Except as set forth in the following paragraph (B)(2), if before or during the **Policy Period** any entity qualifies as a **Subsidiary**, then such **Subsidiary** and its **Insured Persons** shall be **Insureds**, but only with respect to **Wrongful Acts** occurring or allegedly occurring after such entity qualified as a **Subsidiary**.
2. If an entity first qualifies as a **Subsidiary** during the **Policy Period** and if at that time such **Subsidiary's** total assets exceed twenty-five percent (25%) of the total consolidated assets of the **Parent Company** as set forth in the **Parent Company's** most recent audited consolidated financial statements, then coverage under this Policy for such **Subsidiary** and its **Insured Persons** as set forth in the preceding paragraph shall cease ninety (90) days after such entity first qualifies as a **Subsidiary** unless:
 - i. the **Company** within such ninety (90) days provides the **Insurer** with written notice of such creation or acquisition;
 - ii. the **Company** and the **Insurer** agree on any revisions to the Policy either party may require; and
 - iii. the **Company** pays any additional premium required by the **Insurer** as a result of the addition of the new **Subsidiary**.

C. Cessation of a Subsidiary

If during or prior to the **Policy Period** any entity ceases to be a **Subsidiary**, then coverage for such former **Subsidiary** and its **Insured Persons** under this Policy shall only be available, subject to all other terms and conditions of this Policy, for **Wrongful Acts** occurring or allegedly occurring prior to the date it ceased to qualify as a **Subsidiary**.

Section X Other Insurance and Subrogation

A. Other Insurance

All amounts payable under this Policy will be specifically excess of, and will not contribute with, any other valid and collectible insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy. Such valid and collectible insurance shall not include any coverage for extra contractual obligations available to the **Insureds** under any reinsurance purchased by the **Company**. This Policy will not be subject to the terms of any other insurance policy.

B. Subrogation

1. In the event of any payment under this Policy, the **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery and the **Company** and **Insured Persons** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured Persons** or the **Company**. The **Insurer** shall not exercise any available right of subrogation against an **Insured Person** under this Policy unless **Section III Exclusions A. of the General Terms and Conditions Coverage Section** applies to such **Insured Person**.
2. In the event the **Insurer** recovers amounts it paid under this Policy, the **Insurer** will reinstate the applicable Limits of Liability of this Policy to the extent of such recovery, less the **Insurer's** costs incurred in obtaining such recovery. The **Insurer** assumes no duty to seek a recovery of any amounts paid under this Policy.

Section XI Order of Payments and Bankruptcy

- A.** The **Insurer** shall be entitled to pay **Loss** as it becomes due and payable under this Policy without consideration of other future payment obligations.
- B.** The bankruptcy or insolvency of any **Insured** shall not relieve the **Insurer** of any of its obligations to prioritize payment of covered **Loss** under this Policy as set forth above.

Section XII Discovery Period

- A.** In the event the **Insurer** refuses to renew this Policy or the **Company** cancels or non-renews this Policy, the **Company** and the **Insured Persons** shall have the right to elect an extension of the coverage provided by this Policy for the time period and subject to the additional premium set forth in **Item 8.** of the Declarations. Coverage for any **Claim** deemed first made during the Discovery Period shall apply only with respect to any **Wrongful Act** committed or alleged to have been committed before the expiration date of the **Policy Period** as listed in **Item 3.** of the Declarations. As a condition precedent to the right to purchase the Discovery Period, the total premium for this Policy must have been paid and a written request to elect the Discovery Period, together with payment of the additional premium for the Discovery Period, must be provided to the **Insurer** no later than sixty (60) days following the effective date of such non-renewal or cancellation. The premium paid for the Discovery Period is deemed fully earned at the inception of the Discovery Period.
- C.** The fact that the coverage provided by this Policy may be extended by virtue of the purchase of the Discovery Period shall not in any way increase the Limit of Liability stated in **Item 5.** of the Declarations. For purposes of the Limit of Liability, the Discovery Period is considered to be part of, and not in addition to, the **Policy Period**.

Section XIII Cancellation or Non-Renewal

- A.** This Policy may be cancelled by the **Parent Company** at any time by prior written notice to the **Insurer** stating the effective time of such cancellation. Upon cancellation, the **Insurer** shall be entitled to retain the *pro rata* proportion of the premium calculated from the effective date of such cancellation, unless **Section IX Transactions: Coverage Implications of Mergers, Acquisitions and Sales of the Parent Company or any Subsidiary, A,** above, applies, in which case the entire premium for this Policy shall be deemed fully earned.
- B.** This Policy may be cancelled by the **Insurer** only for nonpayment of premium. Such cancellation shall be effective on the date specified in the written notice of cancellation given by the **Insurer** to the **Parent Company**, provided such date is at least ten (10) days after the date such notice is given. If the **Parent Company** pays in full the premium due prior to such effective date, the **Insurer's** notice of cancellation shall be ineffective.
- C.** If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Parent Company** with no less than sixty (60) days advance written notice thereof.

Section XIV Application

- A.** The **Insureds** represent and acknowledge that statements made and information in the **Application** are accurate and complete, are the basis of this Policy and are incorporated in and constitute part of this Policy. If any statement in the **Application** was (i) not accurate and complete and (ii) either was made with the intent to deceive or materially affected the acceptance of the risk or hazard assumed by the **Insurer** under this Policy, then the **Insurer** shall not be liable to make any payment for **Loss** in

connection with any **Claim** based upon, arising out of or in consequence of the facts that were not accurately and completely disclosed in the **Application**.

- B. The **Insurer** shall not be entitled under any circumstances to rescind or void this Policy in whole or in part.

Section XV Dispute Resolution Process

The **Insurer** and the **Insureds** shall attempt in good faith to resolve any dispute arising out of or relating to this Policy promptly by negotiation between executives with authority to settle such dispute. If any dispute cannot be resolved through negotiation, the parties agree that they will submit the dispute to non-binding mediation. The parties will use best efforts to agree on the terms of any such mediation process, but if they do not agree within thirty (30) days of either party requesting mediation, the dispute will be submitted to JAMS for mediation. Each party will bear their own costs, regardless of the mediation process used. If the dispute is not settled at mediation, no party may commence an action against any other party until at least thirty (30) days after the final mediation session.

Section XVI Action Against the Insurer

- A. No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy.
- B. No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against an **Insured**, nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

Section XVII Spouses, Domestic Partners, Estates and Legal Representatives

- A. The coverage provided by this Policy shall also apply to an **Insured Person's** lawful spouse or domestic partner under applicable law or the provisions of any formal program established by the **Company**, but only for a **Claim** arising out of any actual or alleged **Wrongful Acts** of such **Insured Person**.
- B. The coverage provided by this Policy also shall apply to the estates, heirs, legal representatives or assigns of any **Insured Person** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of such **Insured Person**.

Section XVIII Assignment

This Policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be in the sole and absolute discretion of the **Insurer**.

Section XIX Conformity to Statute

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

Section XX Territory and Loss in Foreign Jurisdictions

- A. **Worldwide Territory**

Coverage shall apply to **Claims** made and **Wrongful Acts** committed worldwide.

B. Liberalization Clause for Claims in Foreign Jurisdictions

If permitted by applicable law, when determining coverage under this Policy for **Loss** from that portion of any **Claim** maintained in a **Foreign Jurisdiction** or to which the law of a **Foreign Jurisdiction** is applied, the **Insurer** shall apply to such **Claim** the terms and conditions of this Policy, as amended to include the terms and conditions of the **Foreign Policy** in such **Foreign Jurisdiction** that are more favorable to **Insureds** in the **Foreign Jurisdiction**. However, this subsection shall not apply to: (i) any provision of any **Foreign Policy** addressing limits of liability, retentions, other insurance, non-renewal, duty to defend, defense within or without limits, taxes, conformance to law or excess liability coverage, or any claims made provisions, and (ii) any provision in this Policy that excludes or limits coverage for specific events or litigation.

C. Loss Incurred By a Company in a Foreign Jurisdiction

Any **Loss** incurred by a **Company** in a **Foreign Jurisdiction** may be deemed a **Loss** of the **Parent Company** payable to the **Parent Company** at the address listed at **Item 1.** of the Declarations. Any such payment by the **Insurer** to the **Parent Company** pursuant to this subsection shall fully discharge the **Insurer's** liability under the Policy for such **Loss** to such **Company**.

Section XXI Compliance with Applicable Trade and Economic Sanction Laws

The **Insurer** shall not be deemed to provide cover under this Policy and the **Insurer** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Section XXII Currency

All premiums, limits, retentions, **Loss** and other amounts under this Policy are and shall be expressed and payable in the currency of the United States of America. If any covered **Loss**, including judgments or settlements, is expressed in, calculated on or otherwise based upon any other currency, payment of such **Loss**, whether in such other currency or U.S. dollars, shall be made at the rate of exchange published in *The Wall Street Journal* on the date the **Insurer's** obligation to pay such **Loss** is established (or, if not published on that date, on the date of next publication).

Section XXIII Bankruptcy

Bankruptcy or insolvency of any **Company** or **Insured Persons** shall not relieve the **Insurer** of any of its obligations under this Policy. In such event the **Insureds** hereby waive and release any automatic stay or injunction in such proceeding which may apply to this Policy or its proceeds and agree not to oppose or object to any efforts by the **Insurer** or any **Insureds** to obtain relief from any such stay or injunction.

Section XXIV Headings

The descriptions in the headings of this Policy form no part of the terms and conditions of the coverage under this Policy.

Section XXV Entire Agreement

By acceptance of this Policy, all **Insureds** and the **Insurer** agree that this Policy (including the Declarations and **Application**) and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement hereto.

Section XXVI Authorization

By acceptance of this Policy, the **Parent Company** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of any notice provide for in this Policy (except the giving of notice to apply for any Discovery Period), the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements, and the **Insureds** agree that the **Parent Company** shall act on their behalf.