

**W.R. Berkley Insurance  
(Europe), Limited**

**Small Business Directors Liability and  
Company Reimbursement Insurance**

**IMPORTANT NOTICE TO THE INSURED**

This insurance is a legal contract. Please read it carefully to ensure that it is in accordance with your requirements and that you understand its terms and conditions. The Insurance Broker or other intermediary who arranged this insurance should be contacted immediately if any correction is necessary. Your attention is particularly drawn to the notice that appears below.

**NOTICE TO THE INSURED**

It is always our intention to provide a first class standard of service. However, if you have any cause for complaint or you wish to make any enquiry regarding this insurance you should, in the first instance, contact the Insurance Broker or other intermediary who arranged this insurance for you.

Alternatively you may contact ourselves at the following address: Compliance Officer, W.R. Berkley Insurance (Europe), Limited 6<sup>th</sup> Floor 40 Lime Street London EC3M 7AW

If you are not satisfied with the way a complaint has been dealt with you have the right to request that the Financial Ombudsman Service ("FOS") review your case. Their address is:

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

Telephone: 0845 080 1800

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

There are, however, some circumstances in which the FOS is not empowered to consider complaints.

You may also contact the Customer Information Department of the Association of British Insurers ("ABI") at 51 Gresham Street, London EC2V 7HQ, telephone 020 7600 3333 or one of its regional offices, details of which can be found in local telephone directories.

If you contact the FOS or ABI in respect of any complaints, this will not affect any rights you have in law.

**SCHEDULE**

Policy Number: \_\_\_\_\_

1. The COMPANY: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. PRINCIPAL ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. PERIOD OF INSURANCE:  
From: \_\_\_\_\_  
To: \_\_\_\_\_  
Both Days inclusive local standard time

4. LIMIT OF INSURERS AGGREGATE LIABILITY: £ \_\_\_\_\_

5. NOTICE OF ANY CLAIM OR CIRCUMSTANCE IS TO BE GIVEN TO:  
W.R. Berkley Insurance (Europe), Limited  
6<sup>th</sup> Floor, 40 Lime Street  
London EC3M 7AW  
Fax: 020 7280 9090

6. PREMIUM: £ \_\_\_\_\_

7. RETENTION: NIL

8. TURNOVER: £ \_\_\_\_\_

9. INDUSTRY: \_\_\_\_\_

**INSURERS' PROPORTION**

W.R. Berkley Insurance (Europe), Limited 100.000%

**Dated in London this day of \_\_\_\_\_, 200**

1. **PREAMBLE**

Whereas Insurers have received a written and or Electronic Application from the COMPANY which is hereby agreed to be the basis of this Policy and to be incorporated herein and provided the Premium(s) stated in Item 6 of the SCHEDULE of this Policy have been duly paid, this Policy will operate on the terms set out below.

2. **INSURING CLAUSE**

Insurers agree, subject to the terms, conditions, limitations and exclusions of this Policy, to:

- (a) Pay on behalf of the DIRECTORS AND OFFICERS LOSS arising from any CLAIM for a WRONGFUL ACT which is first made against any of them during the PERIOD OF INSURANCE, if notice thereof is provided to Insurers in accordance with the terms of this Policy, except when and to the extent that the COMPANY has indemnified the DIRECTORS AND OFFICERS;
- (b) Pay on behalf of the COMPANY LOSS arising from any CLAIM for a WRONGFUL ACT which is first made against a DIRECTOR OR OFFICER during the PERIOD OF INSURANCE, if notice thereof is provided to Insurers in accordance with the terms of this Policy, but only when and to the extent that it shall be lawful for the COMPANY to indemnify the DIRECTORS AND OFFICERS.

3. **DEFINITIONS**

For the purposes of this Policy, the following definitions apply:

(a) DIRECTORS AND OFFICERS shall mean:

- (i) in respect of all CLAIMS other than EMPLOYMENT PRACTICE CLAIMS, any natural person who was, now is, or may hereafter become a director or officer of the COMPANY or any other person who may at any material time be deemed to be such a director or officer within the meaning of any applicable law or regulation;
- (ii) in respect of EMPLOYMENT PRACTICE CLAIMS, any natural person who was, now is, or may hereafter become a director or officer or employee of the COMPANY and any other person who may at any material time be deemed to be such a director or officer or employee within the meaning of any applicable law or regulation;
- (iii) in the event of the death or incompetency or bankruptcy of any DIRECTOR OR OFFICER as defined by paragraph (a),(i) or (ii) of clause 3. DEFINITIONS, such person's estate, heirs, legal representatives or assigns, for legal liabilities incurred due to any WRONGFUL ACT of such deceased, incompetent or bankrupt DIRECTOR OR OFFICER;
- (iv) the lawful spouse of any DIRECTOR OR OFFICER as defined by paragraph (a),(i) or (ii) of clause 3. DEFINITIONS, but only to the extent that such spouse is a party to any CLAIM solely in his or her capacity as spouse of a DIRECTOR OR OFFICER, and only for the purposes of any CLAIM seeking damages which are recoverable from marital community property, property jointly held by the DIRECTOR OR OFFICER and the spouse, or property transferred from the DIRECTOR OR OFFICER to the spouse, and only to the extent that such DIRECTOR OR OFFICER is covered for such CLAIM;

but shall not include any natural person who was, now is, or may hereafter become a trustee or administrator of any pension or superannuation scheme, health and welfare plan or other employee benefit programme, social benefits system or trust programme established or maintained for the benefit of employees.

(b) CLAIM shall mean:

- (i) any legal or administrative or regulatory proceeding, including the issue of a writ or summons or cross-claim or counter-claim issued or initiated against or served upon any DIRECTOR OR OFFICER for any WRONGFUL ACT; or
- (ii) any written communication alleging a WRONGFUL ACT communicated to any DIRECTOR OR OFFICER or to the COMPANY evidencing an intention to hold a DIRECTOR OR OFFICER responsible for a WRONGFUL ACT.

More than one CLAIM arising out of the same WRONGFUL ACT shall be deemed to constitute a single CLAIM first made at the time the earliest such CLAIM was deemed first made.

(c) COMPANY shall mean the Company stated in Item 1 of the SCHEDULE and shall include all SUBSIDIARY COMPANIES.

(d) COSTS AND EXPENSES shall mean all reasonable and necessary fees and expenses which, with the prior written consent of Insurers (such consent not to be unreasonably withheld), are incurred in the investigation, negotiation of settlement, defence or appeal of any CLAIM.

COSTS AND EXPENSES shall not mean salaries, commissions, expenses or other benefits of the DIRECTOR OR OFFICER.

(e) EMPLOYMENT PRACTICE CLAIM shall mean a CLAIM for:

- (i) discrimination with respect to the terms or conditions of employment on the basis of an individual's race, colour, religion, age, sex, national origin, disability, pregnancy, sexual orientation or preference or other status protected under applicable law;
- (ii) sexual harassment, including unwelcome sexual advances, requests for sexual favours, and any unwelcome verbal, visual or physical contact of a sexual nature which:
1. is explicitly or implicitly made a term or condition of employment;
  2. creates a hostile or offensive working environment;
  3. when rejected or opposed by a person becomes a basis for decisions regarding that person's employment;
- (iii) defamation (including libel and slander) which relates to a person's job skills, job performance, qualifications for employment, professional reputation, disciplinary history, or termination of employment;
- (iv) wrongful termination of employment or refusal to hire;
- (v) an adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another.

- (f) EXTENDED REPORTING PERIOD shall mean the period, if any, during which the coverage under this Policy is extended, pursuant to clause 10. EXTENDED REPORTING PERIOD.
- (g) LIMIT OF INSURERS AGGREGATE LIABILITY shall mean the amount so stated in Item 4 of the SCHEDULE.
- (h) LOSS shall mean:
- (i) damages, judgements, and costs awarded against a DIRECTOR OR OFFICER by a court or tribunal empowered to do so; and
  - (ii) settlements entered into with Insurers prior written consent (such consent not to be unreasonably withheld); and
  - (iii) COSTS AND EXPENSES; and
  - (iv) legal fees, which by order of a court or tribunal the COMPANY is required to pay to any shareholder of the COMPANY or to any plaintiff or complainant other than the COMPANY or a DIRECTOR OR OFFICER with respect to a CLAIM first made during the PERIOD OF INSURANCE against a DIRECTOR OR OFFICER.
- LOSS shall not include taxes, fines, penalties, punitive, exemplary, aggravated or multiplied damages, or any CLAIM deemed uninsurable by law, except for exemplary or aggravated damages arising from any CLAIM against a DIRECTOR OR OFFICER for libel or slander or defamation.
- In respect of any EMPLOYMENT PRACTICE CLAIM, LOSS shall not include:
- (v) any obligation pursuant to any law or any regulation in any jurisdiction in respect of workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, retirement benefits, social security benefits or any similar law or regulation whatsoever;
  - (vi) 1. any salary or wages earned while in the employment of the COMPANY;
  - 2. any employment-related benefits to which the claimant would have been entitled as an employee had the DIRECTOR OR OFFICER or the COMPANY provided the claimant with a continuance, reinstatement or commencement of employment;
  - 3. contractual damages based upon the terms of a contract of employment;
  - 4. any liability or costs incurred by any DIRECTOR OR OFFICER to modify any building or property in order to make such a building or property more accessible or accommodating to any disabled persons.
- (i) PERIOD OF INSURANCE shall mean the period stated in Item 3 of the SCHEDULE and any EXTENDED REPORTING PERIOD.
- The LIMIT OF INSURERS AGGREGATE LIABILITY stated in Item 4 of the SCHEDULE shall not be increased by any provision of this Policy as to the PERIOD OF INSURANCE or EXTENDED REPORTING PERIOD.
- (j) POLLUTANT shall include but not be limited to any solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, chemical or waste materials (including but not limited to any materials to be recycled, reconditioned or reclaimed).
- (k) SCHEDULE shall mean the Schedule attached to this Policy.
- (l) SUBSIDIARY COMPANY/COMPANIES shall mean:
- (i) any branch, division or other internal structure of the COMPANY except any pension fund or scheme established for the COMPANY'S own directors, officers or employees;
  - (ii) any company in respect of which the COMPANY (either directly or indirectly through one or more of its SUBSIDIARY COMPANIES)
    1. controls the composition of the Board of Directors; or
    2. controls more than half the voting power; or
    3. holds more than half of the issued share capital;
  - (iii) any company falling within paragraph (l),(i) or (ii) of clause 3. DEFINITIONS which is acquired or created on or subsequent to the inception date of this Policy, provided that this Policy shall only apply in respect of a WRONGFUL ACT committed or alleged to have been committed by the DIRECTORS AND OFFICERS subsequent to the date of such acquisition or creation subject always to the provisions of paragraph (e) of clause 9. CONDITIONS;
  - (iv) any company other than those referred to in paragraphs (l) (i),(ii) and (iii) of clause 3. DEFINITIONS, in respect of which Insurers have given prior written consent to its coverage as a SUBSIDIARY COMPANY under this Policy.
- (m) TAKE-OVER OR MERGER shall mean any sale of the COMPANY or its merger with or acquisition by another entity such that the COMPANY is not the surviving entity, or the acquisition by any entity or person of 50% (fifty percent) or more of the voting stock of the COMPANY.
- (n) WRONGFUL ACT shall mean, any actual or alleged wrongful act or omission on the part of a DIRECTOR OR OFFICER committed solely in such person's actual or deemed capacity as a DIRECTOR OR OFFICER.
- Related or continuous or repeated or causally connected WRONGFUL ACTS shall constitute a single WRONGFUL ACT.
- 4. EXCLUSIONS**
- Insurers shall not pay any LOSS in connection with any CLAIM:
- (a) for any actual or alleged bodily injury, sickness, disease or death of any person or any actual or alleged damage to or destruction of any tangible property, including loss of use thereof, provided, however, that any CLAIM for emotional distress shall not be excluded with respect to an EMPLOYMENT PRACTICE CLAIM;
  - (b) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any POLLUTANT, or any rectification or clean-up costs relating to any POLLUTANT provided, however, that Insurers shall pay on behalf of the DIRECTORS AND OFFICERS COSTS AND EXPENSES incurred in any investigation, examination, inquiry, court of law or other proceedings ordered or commissioned in the first instance by any official body within the United Kingdom of Great Britain, Northern Ireland, the Isle of Man or the Channel Islands in respect of any WRONGFUL ACT related to a POLLUTANT.

However, in respect of such COSTS AND EXPENSES Insurers total aggregate liability shall not exceed £50,000 in all for the PERIOD OF INSURANCE, which amount is part of, and not in addition to the LIMIT OF INSURERS AGGREGATE LIABILITY;

- (c) arising from or in any way involving any actual dishonest, fraudulent or malicious act of any DIRECTOR OR OFFICER or the COMPANY;
  - (d) arising from or in any way involving any DIRECTOR OR OFFICER or the COMPANY gaining in fact any profit or advantage or receiving any remuneration to which they were not legally entitled;
  - (e) based upon, arising out of, or directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged breach of any professional services or duty by any DIRECTOR OR OFFICER or the COMPANY;
  - (f) brought about by, or contributed to by, or consequent upon,
    - (i) any litigation instigated or in existence prior to the inception of this Policy,
    - (ii) any fact, circumstance or situation which has been the subject of any notice given under any insurance which was in force prior to the PERIOD OF INSURANCE or which was known about by the COMPANY or the DIRECTORS AND OFFICERS prior to the PERIOD OF INSURANCE and might reasonably be expected to give rise to a CLAIM but was not disclosed to Insurers prior to inception of this Policy.
    - (iii) any DIRECTOR OR OFFICER or the COMPANY filing a bankruptcy petition, winding up petition, making any arrangement with their creditors, deed of arrangement or going into liquidation within the first 180 days of the PERIOD OF INSURANCE. This exclusion shall not apply if this policy is a renewal of a previous policy with the present Insurers.
  - (g) brought about by or contributed to by or consequent upon:
    - (i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
    - (ii) any legal liability of whatsoever nature;  
directly or indirectly caused by or contributed to by or arising from:
      1. ionising radiations or contaminated by radioactivity from any nuclear fuel or from waste from the combustion of nuclear fuel;
      2. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
  - (h) brought by or on behalf of any DIRECTOR OR OFFICER or the COMPANY, however this exclusion shall not apply to any:
    - (i) CLAIM instigated by a shareholder or group of shareholders without the solicitation, participation or assistance of the COMPANY or any DIRECTOR OR OFFICER;
    - (ii) EMPLOYMENT PRACTICE CLAIM brought or maintained by any DIRECTOR OR OFFICER;
    - (iii) CLAIM brought or maintained by any DIRECTOR OR OFFICER for contribution or indemnity, if the CLAIM directly results from any other valid CLAIM made under this Policy;
    - (iv) CLAIM brought or maintained by a liquidator, administrative receiver or receiver either directly or derivatively on behalf of the COMPANY without the solicitation, participation or assistance of any DIRECTOR OR OFFICER or the COMPANY;
    - (v) CLAIM brought or maintained by any former director or officer of the COMPANY.
  - (i) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
    - (i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
    - (ii) any act of terrorism including but not limited to the use of force or violence or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear; or
    - (iii) any action taken to control, prevent, suppress or in any way relating to (i) or (ii) above.
  - (j) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
    - (i) operations or activities of the DIRECTORS AND OFFICERS or the COMPANY in the United States of America or Canada or their territories and possessions.
    - (ii) legal or regulatory proceedings which are brought in the United States of America or Canada, or outside the United States of America or Canada to seek enforcement or the upholding of a judgement or order made in the United States of America or Canada
  - (k) made by or on behalf of any person or entity holding beneficially or otherwise more than 50% (fifty percent) of the issued share capital of the COMPANY whether such claim is made in the name of the COMPANY or not.
- The applicability of the above Exclusions for the WRONGFUL ACT of any DIRECTOR OR OFFICER or the COMPANY shall not be imputed to any other DIRECTOR OR OFFICER.

## 5. **LIMIT AND RETENTION**

- (a) Insurers total aggregate liability under paragraphs (a) and (b) of clause 2. INSURING CLAUSE together shall not exceed the LIMIT OF INSURERS AGGREGATE LIABILITY, which amount shall be inclusive of COSTS AND EXPENSES.
- (b) Insurers total aggregate liability for an EMPLOYMENT PRACTICE CLAIM shall not exceed £50,000 in all for the PERIOD OF INSURANCE, which amount is part of, and not in addition to the LIMIT OF INSURERS AGGREGATE LIABILITY;
- (c) Insurers shall only be liable under paragraph (a) and (b) of clause 2. INSURING CLAUSE to pay in excess of the amount stated in item 7. of the SCHEDULE.

## 6. **CLAIMS AND NOTICE PROVISIONS**

Paragraphs (a), (b), (c) and (d) of clause 6. CLAIMS AND NOTICE PROVISIONS are conditions precedent to

the rights of the DIRECTORS AND OFFICERS and the COMPANY insured under this Policy.

- (a) The DIRECTORS AND OFFICERS or the COMPANY shall give to Insurers notice in writing of any CLAIM as soon as reasonably possible and in any event within 30 days of the end of the PERIOD OF INSURANCE or the EXTENDED REPORTING PERIOD (if applicable), in accordance with Item 5 of the SCHEDULE.
- (b) The DIRECTORS AND OFFICERS shall give to Insurers specific written notice of any circumstances which might reasonably be expected to give rise to a CLAIM against a DIRECTOR OR OFFICER, including the reasons for the anticipation of such CLAIM, with full particulars as to dates and persons involved, then any subsequent CLAIM arising out of the noticed circumstances shall be deemed to have been made at the time of the notice to Insurers.
- (c) The DIRECTORS AND OFFICERS and the COMPANY shall give Insurers such information and co-operation as Insurers may reasonably require and shall not disclose to anyone the existence of this Policy without Insurers written consent, unless as a consequence of the requirements of the law.
- (d) The DIRECTORS AND OFFICERS and the COMPANY shall not admit liability for or attempt to settle any CLAIM or incur any COSTS AND EXPENSES without the written consent of Insurers who shall be entitled at any time to take over and conduct in the name of the DIRECTORS AND OFFICERS or the COMPANY the defence or settlement of any CLAIM or to prosecute in the name of the DIRECTORS AND OFFICERS or the COMPANY for their own benefit any CLAIM for payment, indemnity or damages or otherwise against any third party. In any event no action shall be taken which might prejudice Insurers.
- (e) The DIRECTORS AND OFFICERS or the COMPANY shall not be required to contest any legal proceedings unless Counsel (to be mutually agreed upon by the DIRECTORS AND OFFICERS, the COMPANY and Insurers) shall advise that such proceedings should be contested.
- (f) Insurers shall not settle any CLAIM without the consent of the DIRECTORS AND OFFICERS or the COMPANY. If however the DIRECTORS AND OFFICERS or the COMPANY shall refuse to consent to any settlement recommended by Insurers and shall elect to contest or continue any legal proceedings in connection with such CLAIM, then Insurers liability for the CLAIM shall not exceed the amount by which the CLAIM could have been so settled inclusive of COSTS AND EXPENSES incurred with their consent up to the date of such refusal, and then only up to the LIMIT OF INSURERS AGGREGATE LIABILITY.
- (g) With respect to COSTS AND EXPENSES jointly incurred by the COMPANY and the DIRECTORS AND OFFICERS and any joint settlement of any CLAIM made against both the COMPANY and the DIRECTORS AND OFFICERS, such COSTS AND EXPENSES and joint settlement having been consented to by Insurers (such consent shall not unreasonably be withheld), the COMPANY and the DIRECTORS AND OFFICERS and Insurers agree to use their best efforts to determine a fair and proper allocation of the amount as between the COMPANY and the DIRECTORS AND OFFICERS and Insurers.
- (h) Insurers shall be entitled to nominate a solicitor and, if appropriate a barrister or an attorney, to represent

the DIRECTORS AND OFFICERS.

#### **7. TAKEOVER AND MERGER**

In the event of a TAKE-OVER OR MERGER any coverage hereunder with respect to LOSS arising from a CLAIM shall apply only to any LOSS by reason of WRONGFUL ACTS committed by the DIRECTORS AND OFFICERS or the COMPANY prior to the date of such TAKE-OVER OR MERGER.

#### **8. ADVANCEMENT OF COSTS AND EXPENSES**

- (a) Under paragraph (a) of clause 2. INSURING CLAUSE Insurers will, to the fullest extent permissible by law, advance COSTS AND EXPENSES prior to the final settlement of the CLAIM, unless such COSTS AND EXPENSES have been advanced by the COMPANY.
- (b) Under paragraph (b) of clause 2. INSURING CLAUSE Insurers will, to the fullest extent permissible by law, advance COSTS AND EXPENSES prior to the final settlement of the CLAIM.

Such advance payments of COSTS AND EXPENSES as referred to in paragraphs (a) and (b) of clause 8. ADVANCEMENT OF COSTS AND EXPENSES hereof, shall be repayable to Insurers by the DIRECTORS AND OFFICERS and the COMPANY severally according to their respective interests, in the event and to the extent that it is determined that they shall not be entitled under this Policy to payment of such COSTS AND EXPENSES.

#### **9. CONDITIONS**

- (a) In the event of Insurers being entitled to avoid this Policy ab initio Insurers may at their election instead give notice in writing to the DIRECTORS AND OFFICERS and the COMPANY that they regard this Policy as of full force and effect save that there shall be excluded from any payment afforded hereunder any LOSS which has arisen or which may arise and which is related to the circumstances which entitle Insurers to avoid this Policy. This Policy shall then continue in full force and effect but shall be deemed to exclude the particular LOSS referred to in the said notice (as if the same had been specifically endorsed ab initio).
- (b) If the DIRECTORS AND OFFICERS or the COMPANY shall make any request for payment in respect of any LOSS knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all requests for payment in respect of any LOSS hereunder shall be forfeited.
- (c) The written Proposal Form or Electronic Application shall be construed as a separate application by each DIRECTOR AND OFFICER. With respect to the written Proposal Form or Electronic Application together with the declarations and statements contained therein, no statements in such Proposal Form or knowledge possessed by any DIRECTOR OR OFFICER shall be imputed to any other DIRECTOR OR OFFICER for the purpose of determining the availability of any payment hereunder for LOSS arising from a CLAIM made against any DIRECTOR OR OFFICER.
- (d) The DIRECTORS AND OFFICERS or the COMPANY must inform Insurers of any intent to offer any of the COMPANY'S own securities for public sale and or listing (including but not limited to any bond, stock, note, debenture, share or other equity or debt security which may be purchased and or publicly traded) not less than 30 days prior to such offer when INSURERS will require a copy of all

filings and/or documents which have been or are to be presented to any relevant authority and/or the existing and/or prospective shareholders or stockholders of the COMPANY based upon which Insurers reserve the right to amend terms and conditions of this Policy in relation to such offer and charge an additional premium as required.

- (e) The DIRECTORS AND OFFICERS or the COMPANY must inform Insurers if at any time during the PERIOD OF INSURANCE the turnover of the COMPANY exceeds or is likely to exceed 150% (one hundred and fifty percent) of the amount shown in Item 8 of the Schedule at which time Insurers reserve the right to amend the terms and conditions of this Policy and charge an additional premium as required.
- (f) The Company stated in Item 1 of the SCHEDULE shall act on behalf of itself, all SUBSIDIARY COMPANIES and all DIRECTORS AND OFFICERS with respect to the giving and receiving of notice under this Policy, including but not limited to the giving of notice of any CLAIM, the payment of premiums, the receipt and acceptance of any endorsements attaching to and forming part of this Policy, and the exercising or declining to exercise any right to the grant of an EXTENDED REPORTING PERIOD.
- (g) This Policy shall apply in excess of any other valid and collectible insurance

#### **10. EXTENDED REPORTING PERIOD**

- (a) In the event that Insurers refuse to renew this Policy, the DIRECTORS AND OFFICERS and the COMPANY shall have the right, upon payment of an additional premium calculated at 200% (two hundred percent) of the premium shown in item 6 of the SCHEDULE, to an extension of the cover granted by this Policy in respect of any WRONGFUL ACT

committed or alleged to have been committed prior to the expiry date of this Policy provided that this right is exercised by written notice and payment of the additional premium to Insurers within ten (10) days of cessation of this Policy.

- (b) It is understood and agreed that:
  - (i) the insurance provided by Clause 10(a) hereof shall be for a period of 365 (three hundred and sixty-five) days beginning from the expiry date of this Policy; and
  - (ii) the quotation by Insurers of different premiums, terms, conditions, limitations, exclusions or LIMIT OF INSURERS AGGREGATE LIABILITY at renewal does not constitute a refusal to renew.
  - (iii) this extension shall only be granted provided the DIRECTORS AND OFFICERS or the COMPANY do not effect Directors or Officers Liability Insurance or similar insurance, with any other Insurer or Underwriter or other similar entity.
- (c) The LIMIT OF INSURERS AGGREGATE LIABILITY stated in Item 4 of the SCHEDULE shall not be increased in any way by the provisions of this Clause 10. EXTENDED REPORTING PERIOD.

#### **11. TERRITORY**

Subject always to exclusion 4(j), this Policy shall apply to CLAIMS wherever made, based upon acts occurring anywhere in the world

#### **12. CHOICE OF LAW**

The construction, validity, performance and interpretation of this Policy shall be governed by the laws of England and Wales, and the parties agree to submit to the exclusive jurisdiction of the Courts of England and Wales.