

GENERAL TERMS AND CONDITIONS

In consideration of the payment of the premium, and in reliance upon the statements made to the Insurer by application, including its attachments and the material incorporated therein, which form a part of this policy, the Insurer agrees as follows:

1. TERMS AND CONDITIONS

These General Terms and Conditions shall be applicable to all Coverage Sections, unless otherwise stated to the contrary. The terms and conditions of each Coverage Section shall only apply to that particular Coverage Section and shall in no way be construed to apply to any other Coverage Section of this policy.

2. DEFINITIONS

- (a) "Affiliate" means: (i) any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is in common control with, another person or entity; or (ii) any person or entity that directly, or indirectly through one or more intermediaries, is a successor in interest to another person or entity.
- (b) "Bodily Injury" means physical injury, sickness, disease (other than emotional distress or mental anguish), including death resulting therefrom; provided, however, that solely with respect to the PTL Coverage Section, "Bodily Injury" shall include emotional distress and/or mental anguish.
- (c) "Class Action Suit" means any suit seeking certification or that is certified as a class action by any court.
- (d) "Company" means the Named Entity and any Subsidiary thereof.
- (e) "Continuity Date" means the date set forth in Item 4 of the Declarations with respect to each Coverage Section.
- (f) "Defense Costs" means reasonable and necessary fees, costs and expenses consented to by the Insurer (including premiums for any appeal bond, attachment bond, or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond), resulting solely from the investigation, adjustment, defense and appeal of a Claim against the Insureds, but excluding any compensation of any Individual Insured of the Company. Defense Costs shall not include any fees, costs or expenses incurred prior to the time that a Claim is first made against an Insured.
- (g) "Director(s) or Officer(s)" means any:
 - (1) past, present and future duly elected or appointed director or officer of a corporation, management committee member of a joint venture and member of the management board of a limited liability company (or equivalent positions); and

- (2) with respect to operations of the Company in a jurisdiction other than the United States of America, its possessions and territories, such past, present and future persons in duly elected or appointed positions of the Company that are equivalent to an executive position listed in Item (1) of this Definition.
- (h) "Domestic Partner" means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the Named Entity or any Subsidiary.
- (i) "Employee(s)" means an Employee as that term is defined within each Coverage Section.
- (j) "Indemnifiable Loss" means Loss for which the Company has indemnified or is permitted or required to indemnify any Individual Insureds.
- (k) "Individual Insured(s)" means, with respect to each Coverage Section, an Individual Insured, as that term is defined within each Coverage Section.
- (l) "Insured(s)" means an Insured, as that term is defined within each Coverage Section.
- (m) "Loss" means Loss, as that term is defined within each Coverage Section.
- (n) "Named Entity" shall mean the entity listed in Item 1 of the Declarations.
- (o) "Outside Entity" means any: (1) not-for-profit organization; or (2) other entity listed as an "Outside Entity" in an endorsement attached to this policy.
- (p) "Outside Entity Executive" means any: (1) Director(s) or Officer(s) of the Company who is or was acting at the specific written request or direction of the Company as a Director(s) or Officer(s) of an Outside Entity; or (2) any other person listed as an Outside Entity Executive in an endorsement attached to this policy.
- (q) "Policy Period" means the period of time from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of this policy.
- (r) "Pollutants" means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and Waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (s) "Property Damage" means damage to, or destruction of tangible or intangible property, including the loss of use thereof, or the loss of use of tangible or intangible property which has not been damaged or destroyed.
- (t) "Related Wrongful Act" means a Wrongful Act, which is the same, related or continuous, or a Wrongful Act which arises from a common nucleus of facts. Claims can allege Related Wrongful Acts regardless of whether such Claims involve the same or different claimants, Insureds or legal causes of action.

(u) "Subsidiary" means:

(1) Solely with respect to the D&O Coverage Section, EPL Coverage Section, and the Employed Lawyers Coverage Section:

(i) any for-profit organization that is not formed as a joint venture or a partnership, whose securities are not publicly traded, which on or before the inception of the Policy Period is more than 50% owned by the Named Entity, either directly or indirectly through one or more of its Subsidiaries;

(ii) automatically any for-profit organization that is not formed as a joint venture or a partnership, whose securities are not publicly traded and whose assets total less than 25% of the total consolidated assets of the Company as of the inception date of this policy, which organization becomes a Subsidiary during the Policy Period. The Named Entity shall provide the Insurer with full particulars of the new Subsidiary before the end of the Policy Period; and

(iii) automatically any for-profit organization that is not formed as a joint venture or a partnership, whose securities are not publicly traded and whose assets total 25% or more than the total consolidated assets of the Company as of the inception date of this policy, but such entity shall be a Subsidiary only: (i) for a period of ninety (90) days from the date the organization became a Subsidiary; or (ii) until the end of the Policy Period, whichever ends or occurs first (hereinafter "Auto-Subsidiary Period"); provided that the Named Entity or any other Insured shall report such Subsidiary to the Insurer, in writing, prior to the end of the Policy Period.

The Insurer shall extend coverage for any Subsidiary described in (u)(1)(iii) above, and any Individual Insured thereof, beyond its respective Auto-Subsidiary Period if during such Auto-Subsidiary Period, the Named Entity shall have provided the Insurer with full particulars of the new Subsidiary and agreed to any additional premium and amendment of the provisions of this policy as required by the Insurer relating to such Subsidiary. Further, coverage as shall be afforded to any Subsidiary and any Individual Insured thereof is conditioned upon the Named Entity paying when due any additional premium required by the Insurer relating to such Subsidiary.

(2) Solely with respect to the PTL Coverage Section:

"Subsidiary" means any past, present or future corporation of which the Named Entity owns more than 50% of the issued and outstanding voting stock either directly or indirectly through one or more of its Subsidiaries but only for a Wrongful Act taking place at a time when the Subsidiary was so owned by the Named Entity. The term "Subsidiary" shall automatically apply to any new Subsidiary acquired or created during the Policy Period.

(3) With respect to all Coverage Sections (other than the Crime Coverage Section):

An organization becomes a Subsidiary when the Named Entity owns more than a 50% ownership interest in such Subsidiary, either directly, or indirectly through one or more of its Subsidiaries. An organization ceases to be a Subsidiary when the Named Entity ceases to

own more than 50% ownership interest in such Subsidiary, either directly, or indirectly through one or more of its Subsidiaries.

In all events, coverage as is afforded under this policy with respect to a Claim made against Individual Insureds of any Subsidiary, or any Subsidiary shall only apply for Wrongful Acts committed or allegedly committed after the effective time that such Subsidiary became a Subsidiary and prior to the time that such Subsidiary ceased to be a Subsidiary.

(v) "Wrongful Act" means a Wrongful Act, as that term is defined within each Coverage Section.

3. EXTENSIONS

Subject otherwise to the terms hereof, this policy shall cover Loss arising from any Claim made against the estates, heirs, or legal representatives of deceased Individual Insureds, and the legal representatives of Individual Insureds in the event of incompetency, insolvency or bankruptcy, who were Individual Insureds at the time the Wrongful Acts upon which such Claims are based were committed.

Subject otherwise to the terms hereof, this policy shall cover Loss arising from all Claims made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or Domestic Partner of an Individual Insured for all Claims arising solely out of his or her status as the spouse or Domestic Partner of an Individual Insured, including a Claim that seeks damages recoverable from marital community property, property jointly held by the Individual Insured and the spouse or Domestic Partner, or property transferred from the Individual Insured to the spouse or Domestic Partner; provided, however, that this extension shall not afford coverage for any Claim for any actual or alleged Wrongful Act of the spouse or Domestic Partner, but shall apply only to Claims arising out of any actual or alleged Wrongful Acts of an Individual Insured, subject to the policy's terms, conditions and exclusions.

4. EXCLUSIONS

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

- (a) arising out of, based upon or attributable to the gaining in fact of any profit or advantage to which an Insured was not legally entitled;
- (b) alleging, arising out of, based upon or attributable to the facts alleged, or to the same as or a Related Wrongful Act alleged or contained in any claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- (c) alleging, arising out of, based upon or attributable to as of the Continuity Date, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an Insured had notice, or alleging any Wrongful Act which is the same as or a Related Wrongful Act to that alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

- (d) for any actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or for any direction or request to test, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants; provided, however, that with respect to the D&O Coverage Section only, this exclusion shall not apply to any Securities Claim;
- (e) alleging, arising out of, based upon or attributable to, or in any way involving, directly or indirectly, Bodily Injury or Property Damage; provided, however, that (i) with respect to the D&O Coverage Section only, this exclusion shall not apply to any Securities Claim; and (ii) with respect to the PTL Coverage Section only, this exclusion shall not apply to Defense Costs incurred in the defense of a Claim alleging a Breach of Fiduciary Duty;
- (f) for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, or any violation of any federal, state, local or foreign statutory law or common law that governs the same topic or subject and any rules, regulations and amendments thereto; provided, however, that:
 - (1) with respect to the EPL Coverage Section only, this exclusion shall not apply to:
 - (i) the Equal Pay Act; or
 - (ii) Loss arising from a Claim for Retaliation;
 - (2) with respect to the PTL Coverage Section only, this exclusion shall not apply to:
 - (i) any Employee Benefit Law;
- (g) alleging, arising out of, based upon or attributable to, directly or indirectly, claims for unpaid wages or overtime pay for hours actually worked or labor actually performed by any Employee of the Company, for improper payroll deductions or any violation of any federal, state, local or foreign statutory law or common law that governs the same topic or subject and any rules, regulations and amendments thereto; or
- (h) alleging, arising out of, based upon or attributable to any obligation pursuant to any workers' compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar benefits; provided, however, that this exclusion shall not apply:
 - (1) with respect to the EPL Coverage Section only, Loss arising from a Claim for Retaliation; and
 - (2) to the extent coverage is afforded pursuant to the PTL Coverage Section only.

For the purpose of determining the applicability of the foregoing Exclusions 4(a), (d), (e), (f), (g) and (h): (1) the facts pertaining to and knowledge possessed by any Insured shall not be imputed to any other Individual Insured; and (2) only facts pertaining to and knowledge possessed by any past, present or future chairman of the board, president, chief executive officer, chief operating officer, chief financial officer (or equivalent positions) of the Company shall be imputed to the Company.

5. LIMIT OF LIABILITY

- (a) With respect to all Coverage Sections, other than the Crime Coverage Section, the following shall apply:

AGGREGATE LIMIT OF LIABILITY (FOR ALL LOSS UNDER THIS POLICY COMBINED - INCLUDING DEFENSE COSTS)

The Policy Aggregate Limit of Liability stated in Item 4(a) of the Declarations is the maximum limit of the Insurer's liability for all Loss under all coverages combined, arising out of all Claims first made against the Insureds during the Policy Period or the Discovery Period (if applicable); however, the Policy Aggregate Limit of Liability for the Discovery Period shall be part of, and not in addition to, the Policy Aggregate Limit of Liability for the Policy Period. Further, a Claim which is made subsequent to the Policy Period or Discovery Period (if applicable) which pursuant to Clause 7(b) or 7(c) is considered made during the Policy Period or Discovery Period, shall also be subject to the Policy Aggregate Limit of Liability stated in Item 4(a) of the Declarations and subject to the applicable Separate Limits of Liability, if any.

If Separate Limits of Liability are stated in Items 4(b), 4(c), 4(d), 4(e) and/or 4(f) of the Declarations, then each such Separate Limit of Liability shall be the maximum limit of the Insurer's liability for all Loss arising out of all Claims first made against the Insureds during the Policy Period or the Discovery Period (if applicable) with respect to the applicable Coverage Section as stated on the Declarations; however, the Separate Limit of Liability for the Discovery Period shall be part of, and not in addition to, the Separate Limit of Liability for the Policy Period. The Separate Limits of Liability shall be part of and not in addition to the Policy Aggregate Limit of Liability for all Loss under this policy as stated in Item 4(a) of the Declarations and shall in no way serve to increase the Insurer's Limit of Liability as therein stated.

Defense Costs are not payable by the Insurer in addition to the Policy Aggregate Limit of Liability or the applicable Separate Limit of Liability, if any. Defense Costs are part of Loss and as such are subject to the Policy Aggregate Limit of Liability for Loss and the applicable Separate Limit of Liability, if any. Amounts incurred for Defense Costs shall be applied against the Retention amount.

(b) Solely with respect to the Crime Coverage Section, the following shall apply:

The most the Insurer will pay for loss in any one Occurrence, as defined within the Crime Coverage Section, is the applicable Per Occurrence Limit of Liability shown in Item 5 of the Declarations.

6. RETENTION CLAUSE

(a) With respect to all Coverage Sections, other than the EPL Coverage Section and the Crime Coverage Section, the following shall apply:

The Insurer shall only be liable for the amount of Loss arising from a Claim which is in excess of the applicable Retention amount stated in Item 4(b), 4(d), 4(e) or 4(f) of the Declarations, such Retention amount to be borne by the Company and/or the Insureds and shall remain uninsured, with regard to: (i) all Indemnifiable Loss; and (ii) Loss of the Company. A single Retention amount shall apply to Loss arising from all Claims alleging the same Wrongful Act or Related Wrongful Acts.

(b) With respect to the EPL Coverage Section, the following shall apply:

The Insurer shall only be liable for the amount of Loss arising from a Claim which is in excess of the Retention amount stated in Item 4(c) of the Declarations, such Retention amount to be borne by the Company and/or the Insureds and shall remain uninsured, with regard to all Loss. A single Retention amount shall apply to Loss arising from all Claims alleging the same Employment Practices Violation or related Employment Practices Violation.

In the event a Claim triggers more than one amount stated in Item 4(b), 4(c), 4(d), 4(e) or 4(f) of the Declarations, only the highest such amount shall apply, which amount shall apply to all Loss under such Claim.

(c) With respect to the Crime Coverage Section, the following shall apply:

The Insurer will not pay for loss in any one Occurrence, as defined within the Crime Coverage Section, unless the amount of loss exceeds the applicable Deductible Amount shown in Item 5 of the Declarations. The Insurer will then pay the amount of loss in excess of the Deductible Amount, up to the applicable Per Occurrence Limit of Liability. In the event more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount may be applied.

7. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to **AIG Technical Services, Inc., P.O. Box 1000, New York, NY 10268** to the attention of **"D&O Claims Unit."** Notice shall include and reference this Policy Number as indicated in the Declarations. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

1. With respect to all Coverage Sections, other than the Crime Coverage Section, the following shall apply:

A Claim shall be considered to have been first made against an Insured when written notice of such Claim is received by any Insured, by the Company on the behalf of any Insured, or by the Insurer, whichever comes first.

(a) The Company or the Insureds shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer of any Claim made against an Insured as soon as practicable and either:

(1) any time during the Policy Period or during the Discovery Period (if applicable); or

(2) within thirty (30) days after the end of the Policy Period or the Discovery Period (if applicable), as long as such Claim was first made against an Insured within the final thirty (30) days of the Policy Period or the Discovery Period (if applicable).

(b) If written notice of a Claim has been given to the Insurer pursuant to Clause 7(a) above, then any Claim which is subsequently made against the Insureds and reported to the Insurer alleging a Related Wrongful Act to the Claim for which such notice has been given shall be considered made at the time such notice was given.

(c) If during the Policy Period or Discovery Period (if applicable), the Company or the Insureds shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against the Insureds and shall give written notice to the Insurer of the circumstances and the reasons for anticipating such a Claim, with full particulars as to dates, persons and entities involved, then any Claim which is subsequently made against the Insureds and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any Related Wrongful Act to such circumstances, shall be considered made at the time such notice of such circumstances was given.

(d) All Claims asserted in a Class Action Suit shall be treated as arising out of the same or Related Wrongful Act.

2. Solely with respect to the Crime Coverage Section, the following shall apply:

(a) Duties in The Event of Loss:

After any Insured discovers a loss or a situation that may result in loss of or damages to Money, Securities or Other Property, the Insured must:

(1) Notify the Insurer as soon as possible, but no later than 60 days after discovery of a loss or a situation that may result in loss of or damages to Money, Securities or Other Property. If the Insured has reason to believe that any loss (except for loss covered under Insuring Agreements A or B of the Crime Coverage Section) involves a violation of law, the Insured must also notify the local law enforcement authorities.

(2) Submit to an examination under oath at the Insurer's request and provide the Insurer with a signed statement of the Insured's answers.

(3) Give the Insurer a detailed, sworn proof of loss within 120 days of the discovery of a loss or a situation that may result in loss of or damages to Money, Securities or Other Property, provided, however, that such proof of loss shall not be required solely in the event the Insured elects to have an independent Investigative Specialist investigate the facts and determine the quantum of loss pursuant to Clause 4.A.4 of the Crime Coverage Section and such report is issued pursuant to the terms and conditions of that clause.

(4) Cooperate with the Insurer in the investigation and settlement of any claim.

8. CANCELLATION CLAUSE

This policy may be canceled by the Named Entity at any time only by mailing written prior notice to the Insurer or by surrender of this policy to the Insurer or its authorized agent.

This policy may be canceled by or on the behalf of the Insurer only in the event of non-payment of premium by the Named Entity. In the event of non-payment of premium by the Named Entity, the Insurer may cancel this policy by delivering to the Named Entity or by mailing to the Named Entity, by registered, certified, or other first class mail, at the Named Entity's address as shown in Item 1(a) of the Declarations, written notice stating when, not less than ten (10) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The Policy Period terminates at the date and hour specified in such notice, or at the date and time of surrender. The Insurer shall have the right to the premium amount for the portion of the Policy Period during which the policy was in effect.

If this policy shall be canceled by the Named Entity, the Insurer shall retain the customary short rate proportion of the premium herein.

If the period of limitation relating to the giving of notice as set forth above is also set forth in any law controlling the construction thereof, the period set forth above shall be deemed to be amended so as to be equal to the minimum period of limitation set forth in the controlling law.

9. CHANGE IN CONTROL OF NAMED ENTITY

With respect to all Coverage Sections, other than the Crime Coverage Section, the following shall apply:

If during the Policy Period:

- a. the Named Entity shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
- b. any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than 50% of the voting power for the election of directors of the Named Entity, or acquires the voting rights of such an amount of such securities;

(either of the above events herein referred to as the "Transaction"),

then this policy shall continue in full force and effect as to Wrongful Acts occurring prior to the effective time of the Transaction, but there shall be no coverage afforded by any provision of this policy for any actual or alleged Wrongful Act occurring after the effective time of the Transaction. This policy may not be canceled after the effective time of the Transaction and the entire premium for this policy shall be deemed earned as of such time. The Named Entity shall also have the right to an offer by the Insurer of a Discovery Period described in the Clause of each applicable Coverage Section entitled DISCOVERY CLAUSE.

The Named Entity shall give the Insurer written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

10. SUBROGATION

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of such payment to all the Insureds' rights of recovery thereof, and the Insureds shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Insurer to effectively bring suit in the name of the Insureds. In no event, however, shall subrogation be had against any Insured under this policy, unless such Insured has been convicted of a criminal act, or been determined to have committed a dishonest, fraudulent act or willful violation of any statute, rule or law, or obtained any profit or advantage to which such Insured was not legally entitled.

Solely with respect to the PTL Coverage Section, in the event this policy has been purchased by an Insured other than a Plan, the Insurer shall have no right of recourse against an Insured. Notwithstanding the foregoing, the Insurer shall have a right of recourse against an Insured arising out of a Claim by an Insured against another Insured unless such Claim is instigated and continued

totally independent of, and totally without the solicitation of, assistance of or active participation by the Insured claimed against.

11. OTHER INSURANCE

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided by this policy. This policy specifically shall be excess of any other policy pursuant to which any other insurer has a duty to defend a Claim for which this policy may be obligated to pay Loss.

In the event of a Claim against an Insured arising out of his or her service as an Outside Entity Executive; or a Claim against an Insured for the Insured's liability with respect to a leased Employee as described in the definition of "Employee" of the EPL Coverage Section, coverage as is afforded by this policy shall be specifically excess of indemnification provided by such Outside Entity or such leasing company and any insurance provided to such Outside Entity or such leasing company.

Further, in the event other insurance is provided to the Outside Entity or leasing company referenced in the above paragraph, or is provided under any pension trust or employee benefit plan fiduciary liability insurance policy, and such other insurance is provided by the Insurer or any member company of American International Group, Inc. (AIG) (or would be provided but for the application of the retention amount, exhaustion of the limit of liability or failure to submit a notice of a Claim), then the Insurer's maximum aggregate Limit of Liability for all Loss combined in connection with a Claim covered, in part or in whole, by this policy and such other insurance policy issued by AIG, shall not exceed the greater of the Policy Aggregate Limit of Liability or the Separate Limit of Liability, if any, of this policy or the limit of liability of such other AIG insurance policy.

12. NOTICE AND AUTHORITY

It is agreed that the Named Entity shall act on behalf of its Subsidiaries and all Insureds with respect to the giving of notice of a Claim, the giving and receiving of notice of cancellation and nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy, the exercising or declining of the right to tender the defense of a Claim to the Insurer and the exercising or declining to exercise any right to a Discovery Period.

13. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the prior written consent of the Insurer.

14. DISPUTE RESOLUTION PROCESS

It is hereby understood and agreed that all disputes or differences which may arise with regard to the construction or interpretation of the provisions of this policy, whether arising before or after termination of this policy shall be submitted to the alternative dispute resolution ("ADR") process set forth in this Clause.

Either the Insurer or an Insured may elect the type of ADR process discussed below; provided, however, that such Insured shall have the right to reject the Insurer's choice of the type of ADR

process at any time prior to its commencement, in which case such Insured's choice of ADR process shall control.

The Insurer and each and every Insured agree that there shall be two choices of ADR process: (1) non-binding mediation administered by any mediator to which the Insurer and Insured mutually agree, in which the Insurer and any such Insured shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing commercial mediation rules; or (2) arbitration submitted to an arbitration panel of three (3) arbitrators. The Insureds shall select one (1) arbitrator, the Insurer shall select one (1) arbitrator and said arbitrators shall mutually agree upon the selection of the third arbitrator. In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute.

The dispute or differences considered by the mediator or arbitrators shall be governed by the internal laws of the State of New York; provided, however that New York law shall not apply to: (i) procurement, issuance or delivery of this policy, including cancellation or nonrenewal provisions of this policy (if any) or any other New York State regulations or requirements regarding policies issued pursuant to New York State Insurance Law; or (ii) to the determination of the availability of punitive damages, unless New York law otherwise applies. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the arbitrators' award shall not include attorneys' fees or other costs. In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least 120 days shall have elapsed from the date of the termination of the mediation. In all events, each party shall share equally the expenses of the ADR process.

Either choice of ADR process may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1(a) of the Declarations as the mailing address for the Named Entity. The Named Entity shall act on behalf of each and every Insured in deciding to proceed with an ADR process under this clause.

15. ACTION AGAINST INSURER

Except as provided in Clause 14 above, no action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the Insureds' obligation to pay shall have been finally determined either by judgment against the Insureds after actual trial or by written agreement of the Insureds, the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Insurer as a party to any action against the Insureds or the Company to determine the Insureds' liability, nor shall the Insurer be impleaded by the Insureds or the Company or their legal representatives. Bankruptcy or insolvency of the Company or the Insureds or of their estates shall not relieve the Insurer of any of its obligations hereunder.

16. TERRITORY

(a) With respect to all Coverage Sections (other than the Crime Coverage Section), the following shall apply:

WORLDWIDE TERRITORY

Where legally permissible, this policy shall apply to any Claim made against any Insured anywhere in the world, with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

(b) Solely with respect to the Crime Coverage Section, the following shall apply:

TERRITORY

This policy covers acts committed or events occurring within the United States of America (including its territories and possessions) and Puerto Rico.

17. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.