

GENERAL PROVISIONS

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In consideration of the payment of the premium and in reliance upon the **Application**, the Insurer specified in the Declarations (the “**Insurer**”) and the **Insureds** agree as follows:

GENERAL PROVISIONS

1. APPLICABILITY OF GENERAL PROVISIONS

- A. Except as specifically provided herein, the General Provisions apply to all Coverage Parts.
- B. Except as specifically provided therein, the provisions of each Coverage Part apply to such Coverage Part only.
- C. If there is a conflict between the General Provisions and any Coverage Part, the provisions of the Coverage Part shall control.

2. DEFINITIONS

Whether used in the singular or plural, the following terms shall have the meanings specified below:

- A. “**Application**” means the application for this Policy, including any information and materials submitted therewith or incorporated therein. “**Application**” also means any application, including any information and materials submitted therewith or incorporated therein, for any insurance policy in an uninterrupted series of policies issued by the **Insurer**, or any insurance company controlling, controlled by or under common control with the **Insurer**, of which this Policy is a direct or indirect renewal or replacement. The **Application** shall be deemed attached to and is incorporated into this Policy.
- B. “**Claim**” shall have the meaning specified in the respective **Liability Coverage Part**.
- C. “**Debtor in Possession**” means a “debtor in possession” as defined in Chapter 11 of the United States Bankruptcy Code or any similar law.
- D. “**Defense Costs**” means reasonable and necessary fees and expenses incurred in the defense or appeal of a **Claim**. **Defense Costs** shall include the premium for any appeal, attachment or similar bond, provided that the **Insurer** shall have no obligation to issue such bond. **Defense Costs** shall not include any compensation, benefit expenses, or overhead of any **Insureds**.
- E. “**Domestic Partner**” means any natural person qualifying as a domestic partner under any federal, state or local law or under the provisions of any formal program established by any **Insured Organization**.
- F. “**Employee**” shall have the meaning specified in the respective Coverage Part.
- G. “**ERISA**” means the Employee Retirement Income Security Act of 1974, the English Pension Scheme Act 1993, the English Pensions Act 1995, or any similar law.
- H. “**Executive**” shall have the meaning specified in the respective Coverage Part.
- I. “**Independent Contractor**” means any natural person working for an **Insured Organization** in the capacity of an independent contractor pursuant to an express

contract or agreement with an **Insured Organization** governing the nature of such person's engagement.

- J.** “**Insolvency**” means the status of any **Insured Organization** due to:
1. the appointment of any conservator, liquidator, receiver, trustee, or similar official to control, supervise, or liquidate such **Insured Organization**; or
 2. such **Insured Organization** becoming a **Debtor in Possession**.
- K.** “**Insured Organization**” means:
1. the **Named Organization**; or
 2. any **Subsidiary**;
- including any such organization as a **Debtor in Possession**.
- L.** “**Insured Person**” shall have the meaning specified in the respective Coverage Part.
- M.** “**Insureds**” shall have the meaning specified in the respective Coverage Part.
- N.** “**Interrelated Wrongful Acts**” means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- O.** “**Liability Coverage Part**” means any Coverage Part of this Policy other than the Crime Coverage Part.
- P.** “**Loss**” shall have the meaning specified in the respective Coverage Part.
- Q.** “**Named Organization**” means the organization named in Item 1 of the Declarations.
- R.** “**Non-Indemnifiable Loss**” means any **Loss** incurred by **Insured Persons** that all **Insured Organizations** cannot indemnify because of:
1. legal prohibition; or
 2. **Insolvency**.
- In determining **Non-Indemnifiable Loss**, all **Insured Organizations** shall be deemed to provide indemnification to the **Insured Persons** to the fullest extent permitted or required by law.
- S.** “**Policy Period**” means the period specified in Item 2 of the Declarations, subject to any cancellation prior to the scheduled expiration date.
- T.** “**Pollutants**” means any solid, liquid, gaseous, biological, radiological or thermal contaminant or irritant, including, without limitation, smoke, vapor, soot, fumes, acids, alkalis, chemicals, mold, fungi, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos containing products, waste or any electric, magnetic, or electromagnetic field of any frequency. “**Waste**” includes, without limitation, material to be recycled, reconditioned, or reclaimed.
- U.** “**Subsidiary**” means any:

1. corporation in which, and for as long as, the **Named Organization** owns or controls, either directly or indirectly, more than 50% of the outstanding securities representing a present right to vote for the election of the board of directors of such corporation;
2. limited liability company in which, and for as long as, the **Named Organization** owns or controls, either directly or indirectly, the right to elect, appoint or designate more than 50% of the members of the board of managers or management committee of such limited liability company;
3. joint venture corporation or limited liability company in which, and for as long as, the **Named Organization**: (i) owns or controls, either directly or indirectly, exactly 50% of the outstanding securities representing a present right to vote for the election of the board of directors of such corporation or the right to elect, appoint or designate exactly 50% of the members of the board of managers or management committee of such limited liability company; and (ii) solely controls the management and operations of such organization pursuant to a written agreement with the other owners of such organization; or
4. foundation, charitable trust, or political action committee in which, and for as long as, the **Named Organization** exclusively sponsors such entity or organization.

V. “**Wrongful Act**” shall have the meaning specified in the respective **Liability Coverage Part**.

3. **COVERAGE TERRITORY**

This Policy shall apply on a worldwide basis.

4. **COVERAGE EXTENSIONS**

Regarding the **Liability Coverage Parts** only:

A. **Spousal Coverage**

Coverage shall apply to a **Claim** made against the lawful spouse or **Domestic Partner** of any **Insured Person** provided that:

1. such **Claim** arises solely out of:
 - a. such person's status as the spouse or **Domestic Partner** of an **Insured Person**; or
 - b. such person's ownership of property sought as recovery for a **Wrongful Act**;
2. the **Insured Person** is named in such **Claim** along with the spouse or **Domestic Partner**; and
3. no coverage shall apply to any **Claim** for a **Wrongful Act** of such spouse or **Domestic Partner**.

Coverage for such **Claim** shall be on the same terms and conditions (including, without limitation, the Deductible) as apply to a **Claim** made against an **Insured Person**.

B. Estate Coverage

If any **Insured Person** dies, becomes incapacitated, or files for bankruptcy, any **Claim** made against such person's estate, heirs, assigns or legal representatives for a **Wrongful Act** of such **Insured Person** shall be deemed a **Claim** made against such **Insured Person**. No coverage shall apply to any **Claim** for a **Wrongful Act** of such estate, heirs, assigns or legal representatives.

5. EXTENDED REPORTING PERIOD

Regarding the **Liability Coverage Parts** only:

- A.** If the **Insurer** or **Named Organization** shall refuse to renew this Policy, or if the **Named Organization** shall cancel this Policy, the **Insureds** shall have the right, upon payment of the Additional Premium stated in Item 4 of the Declarations, to a continuation of the coverage afforded by all elected **Liability Coverage Parts** for the Additional Period stated in Item 4 of the Declarations (the "Extended Reporting Period"). If elected, the Extended Reporting Period shall commence upon the effective date of such nonrenewal or cancellation. Such continuation of coverage shall apply only to a **Claim**:
1. first made against the **Insureds** during the Extended Reporting Period for a **Wrongful Act** occurring prior to the end of the **Policy Period**; and
 2. otherwise covered by any **Liability Coverage Part**.
- B.** The rights contained in this section shall terminate unless a written notice of election together with the additional premium due is received by the **Insurer** within thirty (30) days after the effective date of nonrenewal or cancellation.
- C.** The additional premium for the Extended Reporting Period shall be fully earned at the inception of the Extended Reporting Period. The Extended Reporting Period is not cancelable.
- D.** There is no separate limit of liability for the Extended Reporting Period.

6. LIMIT OF LIABILITY

Regarding the **Liability Coverage Parts** only:

- A.** The Limit of Liability specified in Item 6 of the Declarations for each **Liability Coverage Part** shall be the maximum aggregate amount that the **Insurer** shall pay under such **Liability Coverage Part**.
- B.** Notwithstanding the above, if the Liability Coverage Parts Aggregate Limit of Liability Option is elected in Item 6 of the Declarations:
1. such single shared Limit of Liability shall be the maximum aggregate amount that the **Insurer** shall pay under all **Liability Coverage Parts** combined; and

2. any amount specified as a Limit of Liability for an elected **Liability Coverage Part** shall be:
 - a. the maximum aggregate amount that the **Insurer** shall pay under such **Liability Coverage Part**; and
 - b. part of, and not in addition to, the amount specified as the Liability Coverage Parts Aggregate Limit of Liability.
- C. **Defense Costs** shall be part of, and not in addition to, each applicable Limit of Liability. Payment of **Defense Costs** by the **Insurer** shall reduce each applicable Limit of Liability.

7. DEDUCTIBLE

Regarding the **Liability Coverage Parts** only:

- A. The **Insurer** shall pay covered **Loss** arising from each **Claim** covered under any **Liability Coverage Part** only to the extent such **Loss** is in excess of the applicable Deductible specified in Item 6 of the Declarations.
- B. Each Deductible under any **Liability Coverage Part** shall be uninsured.
- C. Any **Loss** paid by the **Insurer** under any **Liability Coverage Part** pursuant to a duty to defend or otherwise that is within any applicable Deductible shall be reimbursed by any **Insured Organization** upon the **Insurer's** request.
- D. If a **Claim** is subject to multiple Deductibles, then each Deductible shall apply separately to such **Claim**, provided that the total Deductible for such **Claim** shall not exceed the highest applicable Deductible.
- E. No Deductible shall apply to **Non-Indemnifiable Loss**.
- F. If any **Insured Organization** is permitted by common or statutory law to indemnify an **Insured Person** for **Loss**, or to advance **Defense Costs** on their behalf, and fails to do so other than because of **Insolvency**, then any coverage under a **Liability Coverage Part** for such **Insured Person** shall apply without any Deductible. In such case, the **Insured Organization** shall reimburse the **Insurer** for the Deductible that would have applied if indemnification or advancement had been made.

8. DEFENSE OF CLAIMS

Regarding the **Liability Coverage Parts** only:

- A. The **Insurer** shall have the right and duty to defend each **Claim** covered under a **Liability Coverage Part** for which the **Insurer** receives notice, even if such **Claim** is groundless, false or fraudulent. The **Insurer** may make any investigation it deems appropriate.
- B. The **Insurer's** duty to defend any **Claim** shall end upon exhaustion of any applicable Limit of Liability. If any applicable Limit of Liability is exhausted, the premium for this Policy shall be fully earned.

- C. The **Insureds** shall neither admit nor assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**, such consent not to be unreasonably withheld. The **Insurer** shall not be liable for any admission, assumption, settlement, stipulation, or **Defense Costs** to which it has not consented.
- D. The **Insurer** may, with the written consent of the **Insureds**, settle any **Claim** for a monetary amount that the **Insurer** deems reasonable. If any **Insureds** refuse to consent to the settlement of a **Claim** recommended by the **Insurer** and acceptable to a claimant, then the **Insurer** shall not pay **Loss** for such **Claim** in excess of the sum of:
 - 1. The amount of the proposed settlement plus **Defense Costs** incurred prior to such refusal; and
 - 2. 80% of **Loss** incurred for such **Claim** in excess of the amount specified in 1. above.
- E. The **Insureds** shall give to the **Insurer** all information and cooperation as the **Insurer** may reasonably request. Upon the **Insurer's** request, the **Insureds** shall attend proceedings, hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and conducting the defense of any **Claim**.

9. CLAIM AND POTENTIAL CLAIM NOTICES

Regarding the **Liability Coverage Parts** only:

- A. As a condition precedent to coverage, the **Insureds** shall give the **Insurer** written notice of any **Claim** as soon as practicable, but no later than 60 days after the end of the **Policy Period** or the Extended Reporting Period, if applicable. Such notice shall specify the **Liability Coverage Part** under which notice is being given.
- B. If, during the **Policy Period** or Extended Reporting Period, if applicable, the **Insureds** become aware of a **Wrongful Act** that may reasonably be expected to give rise to a **Claim** against an **Insured** for which coverage may be available under a **Liability Coverage Part**, and if written notice of such **Wrongful Act** is given to the **Insurer** during the **Policy Period** or Extended Reporting Period, if applicable, specifying the (i) reasons for anticipating such a **Claim**, (ii) nature and date of the **Wrongful Act**, (iii) identity of the **Insureds** involved, (iv) injuries or damages sustained, (v) names of potential claimants, (vi) manner in which the **Insureds** first became aware of the **Wrongful Act** and (vii) the **Liability Coverage Part** under which such notice is being given, then any **Claim** subsequently arising from such **Wrongful Act** shall be deemed to be a **Claim** first made at the time that the **Insurer** receives such notice.

10. INTERRELATED CLAIMS

Regarding the **Liability Coverage Parts** only, all **Claims** arising from, based upon, or attributable to the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to be a single **Claim** first made on the earliest date that:

- A. any of such **Claims** was first made, even if such date is before the **Policy Period**;

- B. proper notice of such **Wrongful Act** or **Interrelated Wrongful Act** was given to the **Insurer** pursuant to Section 9.B above; or
- C. notice of such **Wrongful Act** or **Interrelated Wrongful Act** was given under any prior insurance policy.

11. ALLOCATION

Regarding the **Liability Coverage Parts** only, if the **Insureds** incur **Loss** that is only partially covered by this Policy because a **Claim** includes both covered and uncovered matters or because a **Claim** is made against both covered and uncovered parties, **Loss** shall be allocated as follows:

- A. 100% of **Defense Costs** shall be allocated to covered **Loss**; and
- B. **Loss** other than **Defense Costs** shall be allocated between covered and non-covered **Loss** based upon the relative legal exposure of the parties to such matters.

12. SUBROGATION

The **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery regarding any payment of **Loss** under this Policy. The **Insureds** shall do everything necessary to secure and preserve such rights, including, without limitation, the execution of any documents necessary to enable the **Insurer** to effectively bring suit in the name of the **Insureds**. The **Insureds** shall do nothing to prejudice the **Insurer's** position or any rights of recovery.

13. OTHER INSURANCE

Coverage under this Policy shall apply only in excess of any other valid and collectible insurance or bond regardless of whether such other insurance or bond is stated to be excess, contributory, contingent or otherwise, unless such other insurance or bond is written specifically excess of this Policy by reference in such other insurance or bond to this Policy's Policy Number.

14. CORPORATE TRANSACTIONS

A. Takeover of Named Organization

If, during the **Policy Period**:

1. any person or entity or group of persons and/or entities acting in concert acquires securities which result in ownership by such person(s) and/or entity(ies) of more than 50% of the outstanding securities representing the present right to vote for the election of directors or equivalent positions of the **Named Organization**; or
2. the **Named Organization** merges into or consolidates with another organization such that the **Named Organization** is not the surviving organization,

then coverage shall continue under this Policy, but only for **Claims** for **Wrongful Acts** (under a **Liability Coverage Part**) or covered **Loss** (under the Crime Coverage Part) occurring before such transaction. No coverage shall be available for any **Wrongful Act** (under a **Liability Coverage Part**) or **Loss** (under the Crime Coverage Part) occurring after such transaction. Upon such transaction, the entire

premium for this Policy shall be deemed fully earned. The **Insureds** shall give the **Insurer** written notice of such transaction as soon as practicable, but not later than 90 days after the effective date of such transaction.

B. Acquisition or Creation of Subsidiary

If, before or during the **Policy Period**, any **Insured Organization**:

1. creates or acquires a **Subsidiary**; or
2. merges with another organization such that the **Insured Organization** is the surviving entity,

then such newly created, acquired or merged organization and its **Insureds** shall be covered under this Policy for **Wrongful Acts** (under a **Liability Coverage Part**) or covered **Loss** (under the Crime Coverage Part) occurring after such acquisition, merger or creation. No coverage shall be available for any: (i) **Wrongful Act** (under a **Liability Coverage Part**) or **Loss** (under the Crime Coverage Part) of any new **Insureds** occurring before such transaction; or (ii) any **Interrelated Wrongful Acts** thereto.

If the fair value of the assets of any newly acquired or merged organization exceeds 25% of the total consolidated assets of the **Named Organization** as reflected in its most recent consolidated audited financial statements prior to such merger or acquisition, then as a condition precedent to coverage for such new **Insureds**, the **Named Organization** shall give the **Insurer** written notice of the transaction as soon as practicable, pay any reasonable additional premium, and be subject to any additional terms and conditions required by the **Insurer**. The **Insureds** shall furnish all information regarding such transaction as the **Insurer** shall request.

C. Loss of Subsidiary Status

If, before or during the **Policy Period**, any organization ceases to be a **Subsidiary**, then coverage shall be available under this Policy for such **Subsidiary** and its **Insureds**, but only for **Claims** for covered **Wrongful Acts** (under a **Liability Coverage Part**) or covered **Loss** (under the Crime Coverage Part) occurring before such transaction. No coverage shall be available to such **Insureds** for any **Wrongful Act** (under a **Liability Coverage Part**) or covered **Loss** (under the Crime Coverage Part) occurring after such transaction.

15. APPLICATION

A. The **Insureds** represent that the information contained in the **Application** is true, accurate and complete. This Policy is issued in reliance upon the **Application**. If the **Application** contains misrepresentations or omissions made with intent to deceive or that materially affect the acceptance of the risk or the hazard assumed by the **Insurer**, this Policy shall be void ab initio and shall not afford coverage for any **Insureds** who knew on the inception date of this Policy the facts that were not truthfully disclosed in the **Application**, whether or not the **Insureds** knew the **Application** contained such misrepresentation or omission.

B. For the purpose of determining coverage, knowledge possessed by:

1. any **Insured Person** shall not be imputed to any other **Insured Person**; and

2. the **Named Organization's** chairman of the board, chief executive officer, president, chief operating officer, chief financial officer, limited liability company manager, or anyone signing the **Application** shall be imputed to all **Insureds** other than **Insured Persons**.

16. SUITS AGAINST THE INSURER

- A. No suit or other proceeding shall be commenced by the **Insureds** against the **Insurer** unless there shall have been full compliance with all the terms and conditions 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 the **Insureds** nor shall the **Insurer** be impleaded by the **Insureds** in any **Claim**.

17. ENTIRE AGREEMENT

This Policy, including the Declarations, General Provisions, elected Coverage Part(s), written endorsements, and the **Application** shall constitute the entire agreement between the **Insurer** and the **Insureds** regarding the insurance provided hereunder.

18. CHANGES

This Policy shall not be changed in any manner except by a written endorsement issued by the **Insurer**.

19. ASSIGNMENT

Assignment of any interest under this Policy shall not bind the **Insurer** unless such assignment is acknowledged by a written endorsement issued by the **Insurer**.

20. NAMED ORGANIZATION'S AUTHORITY

The **Named Organization** shall act on behalf of all **Insureds** regarding all matters under this Policy, including, without limitation, cancellation, election of the Extended Reporting Period, transmission and receipt of notices, reporting of **Claims** and potential **Claims**, acceptance of endorsements, payment of premiums, and receipt of return premiums.

21. CANCELLATION

- A. The **Insurer** may cancel this Policy for non-payment of premium by sending not less than 20 days notice to the **Named Organization**. This Policy may not otherwise be cancelled by the **Insurer**.
- B. Except as otherwise provided, the **Named Organization** may cancel this Policy by sending written notice of cancellation to the **Insurer**. Such notice shall be effective upon receipt by the **Insurer** unless a later cancellation date is specified therein.
- C. If the **Insurer** cancels this Policy, unearned premium shall be calculated on a pro rata basis. If the **Insureds** cancel this Policy, unearned premium shall be calculated at the **Insurer's** customary short rates. Payment of any unearned premium shall not be a condition precedent to the effectiveness of a cancellation. The **Insurer** shall make payment of any unearned premium as soon as practicable.

22. BANKRUPTCY

Bankruptcy or insolvency of any **Insureds** shall not relieve the **Insurer** of any of its obligations under this Policy.

23. NOTICES

- A. Notices to the **Insureds** shall be sent to the **Named Organization** at the address specified in Item 1 of the Declarations.
- B. Notices to the **Insurer** shall be sent to the applicable address specified in Item 5 of the Declarations and become effective upon receipt at such address.
- C. All notices shall be in writing.

24. TITLES

The titles of the sections of, and endorsements to, this Policy are for reference only. Such titles shall not be part of the terms and conditions of coverage.

25. REFERENCES TO LAWS

- A. Any statute, act, or code mentioned in this Policy shall be deemed to include all amendments of, and rules and regulations promulgated under, such statute, act, or code.
- B. Any statute, act, or code mentioned in this Policy that is followed by the phrase "or any similar law" shall be deemed to include all similar laws of all jurisdictions throughout the world, including, without limitation, any common law.

26. COVERAGE PART COORDINATION

Regarding the **Liability Coverage Parts** only:

- A. If any **Loss** is covered under the Employment Practices Liability Coverage Part and any other **Liability Coverage Part**:
 - 1. the **Insurer** shall first pay such **Loss** under the Employment Practices Liability Coverage Part prior to paying such **Loss** under any other **Liability Coverage Part**; and
 - 2. the **Insureds** shall be entitled to recover **Loss** only once.
- B. Regardless of the **Liability Coverage Part** under which a notice of claim or potential claim is given by the **Insureds**, the **Insurer** shall be entitled to make its own determination as to which **Liability Coverage Part**, if any, **Loss** is covered and should be paid.