

Directors, Officers and Corporate Liability Insurance Policy

This is a Claims Made Policy. Please read it carefully.

CLAIMS MADE WARNING FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE BASIS SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD (IF APPLICABLE).

PLEASE READ AND REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Proposal** and all other information provided to the **Insurer**, and subject to all provisions of this Policy, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreements

Coverage A. Directors and Officers Liability Insurance

This Policy shall pay the **Loss** of the **Insured Persons** arising from any **Claim** first made against the **Insured Persons** during the **Policy Period** or the Extended Reporting Period (if applicable) for any actual or alleged **Wrongful Act**, except and to the extent that the **Company** has indemnified the **Insured Persons**.

Coverage B. Corporate Indemnification Insurance

This Policy shall pay the **Loss** of the **Company** arising from any **Claim** first made against the **Insured Persons** during the **Policy Period** or the Extended Reporting Period (if applicable) for any actual or alleged **Wrongful Act**, but only to the extent that the **Company** has indemnified the **Insured Persons** for such **Loss**.

Coverage C. Corporate Securities Claim Insurance

This Policy shall pay the **Loss** of the **Company** arising from any **Securities Claim** first made against the **Company** during the **Policy Period** or the Extended Reporting Period (if applicable) for any actual or alleged **Wrongful Act**.

II. Extended Reporting Period

- A. If the **Parent Organization** cancels or if the **Insurer** or the **Parent Organization** refuses to renew this Policy, then the **Parent Organization** shall have the right, upon payment of an additional premium of 75 percent of the "full annual premium", to an extension of the coverage granted by this Policy with respect to any **Claim** first made during the period of 12 months immediately following the effective date of such cancellation or non-renewal, but only with respect to any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this Policy. Such 12 month period or such other period as the **Insurer** may provide pursuant to section II. B. below shall be referred to as the Extended Reporting Period. As used herein, "full annual premium" means the premium level in effect immediately prior to the end of the **Policy Period**. The rights contained in this paragraph shall terminate, however, unless written notice of such election together with the additional premium due is received by the **Insurer** within 30 days of the effective date of cancellation or non-renewal.
- B. In the event of a Transaction, as defined in section VIII. D., the **Parent Organization** shall have the right, within 30 days before the end of the **Policy Period**, to request an offer from the **Insurer** of an Extended Reporting Period of no less than 3 years or for such longer or shorter period as the **Parent Organization** may request (but such extension shall only be with respect to any **Wrongful Act** occurring prior to the Transaction). The **Insurer** shall offer such Extended Reporting Period pursuant to such terms, conditions and premium as the **Insurer** may reasonably decide. In the event of a Transaction, the **Insureds** shall have no right to an Extended Reporting Period except as indicated in this section II. B.
- 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.

III. Definitions

Whenever printed in boldface type, and whether in the singular or plural form in this Policy, the following terms shall have the meanings indicated below.

- A. **"Claim"** means:
1. a written demand for monetary or non-monetary relief, or
 2. a civil, criminal, administrative, regulatory or arbitration proceeding for monetary or non-monetary relief which is commenced by:
 - a. service of a complaint or similar pleading, or
 - b. return of an indictment (in the case of a criminal proceeding), or
 - c. receipt or filing of a notice of charges;
 3. a **Securities Claim**, or
 4. a formal civil, criminal, administrative or regulatory investigation (including any proceeding initiated by the Securities and Exchange Commission or the Equal Employment Opportunities Commission) of an **Insured Person** which is commenced by the receipt of a written request for documents, testimony, information, service of a subpoena or formal order of investigation or receipt of another similar document; provided, however, the term **Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement, or
 5. solely with respect to Coverage A. and Coverage B., a **Shareholder Derivative Investigation**.
- Further, a **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.
- B. **"Company"** means the **Parent Organization**, any **Subsidiary**, and in the event any bankruptcy proceeding shall be instituted by or against the **Company**, the Debtor in Possession (or equivalent status outside the United States), if any.
- C. **"Costs of Defense"** means:
1. reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, 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 salaries of officers or employees of the **Company**, or any amount covered by the duty to defend obligation of any other insurer, or
 2. reasonable and necessary fees, costs and expenses incurred through legal counsel and consented to by the **Insurer** resulting from an **Insured Person** lawfully opposing, challenging, resisting or defending against any request for, or any effort to obtain, the **Extradition** of that **Insured Person** or appealing any order or other grant of **Extradition** of that **Insured Person**, or
 3. reasonable and necessary fees, costs and expenses incurred by any **Insured** arising from a **Shareholder Derivative Investigation**.
- D. **"Extradition"** means any formal process initiated by any local, state or national government against an **Insured Person** to compel the **Insured Person** to appear for trial or otherwise to answer any criminal accusation.
- E. **"Financial Insolvency"** means the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Company**, or the **Company** becoming a debtor in possession.
- F. **"Insured"** means the **Insured Persons**, and solely with respect to Coverage C., the **Company**.
- G. **"Insured Person"** means:
1. any past, present or future duly elected or appointed director or officer of the **Company**, or any past, present or future duly elected or appointed manager, member of the board of managers, or equivalent executive of a limited liability company. In the event the **Company** operates outside the United States, then the term **Insured Person** also means those titles, positions or capacities in such foreign **Company** which is equivalent to the position of **Insured Person** in an entity incorporated within the United States, or
 2. solely with respect to any **Securities Claim**, **Insured Person** also means any past, present or future employee of the **Company**, or
 3. in the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** made against the estate, heirs, legal representatives or assigns of such **Insured Person** shall be deemed to be a **Claim** against such **Insured Person**, or
 4. an Employed Lawyer, but only with respect to a **Claim** made and continuously maintained against both such Employed Lawyer and an **Insured Person** who is not an Employed Lawyer. As used herein, "Employed Lawyer" means an employee of the **Company** who is admitted to practice law and is employed as a lawyer full time for and salaried by the **Company** at the time of the **Wrongful Act**, or

5. the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an **Insured Person** for a **Claim** arising solely out of his or her status as the spouse or domestic partner of an **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Insured Person** and the spouse or domestic partner, or property transferred from the **Insured Person** to the spouse or domestic partner; provided, however, that this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse or domestic partner, but shall apply only to **Claims** arising out of any **Wrongful Act** of an **Insured Person**.

Coverage will automatically apply to all new **Insured Persons** after the Policy inception date.

- H. "**Insurer**" means the entity issuing this Policy as listed on the Declarations Page.
- I. "**Loss**" means damages, judgments (including any award of pre-judgment and post-judgment interest), settlements and **Costs of Defense**; however, **Loss** shall not include taxes, civil or criminal fines, penalties imposed by law, any amount for which the **Insureds** are not financially liable or which are without legal recourse to the **Insureds**, or matters which are uninsurable under the law pursuant to which this Policy is construed.

The **Insurer** shall not assert that any portion of any settlement in a **Securities Claim** constitutes uninsurable **Loss** due to alleged violations of Sections 11 or 12 of the Securities Act of 1933, including amendments thereto.

Solely with respect to Coverage C., **Loss** shall not include damages, judgments or settlements arising out of a **Claim** alleging that the **Company** paid an inadequate price or consideration for the purchase of its own securities or membership interests or the securities or membership interests of a **Subsidiary**.

Notwithstanding the foregoing, and subject to the other terms, conditions and exclusions of the Policy, **Loss** also means, where insurable, punitive or exemplary damages imposed upon the **Insureds**. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such punitive or exemplary damages are insurable under this Policy, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed, or
2. any **Wrongful Act** occurred for which such damages were awarded or imposed, or
3. the **Insured** resides, is incorporated or has its principal place of business, or
4. the **Insurer** is incorporated or has its principal place of business.

- J. "**No Liability**" means with respect to a **Securities Claim** made against the **Insureds**:
1. a final judgment of no liability obtained prior to trial, in favor of all **Insureds**, with respect to the entire **Claim**, by reason of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals, if any, or
 2. a final judgment of no liability obtained after trial, in favor of all **Insureds**, with respect to the entire **Claim**, after the exhaustion of appeals, if any.

In no event shall the term **No Liability** apply to a **Securities Claim** made against an **Insured** for which a settlement has occurred.

- K. "**Outside Entity**" means a nonprofit organization or any other entity, partnership, joint venture or other organization listed by endorsement to this Policy.
- L. "**Parent Organization**" means the entity designated in Item 1. of the Declarations.
- M. "**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.
- N. "**Prior and Pending Litigation Date**" means the respective dates set forth in Item 6. of the Declarations.
- O. "**Proposal**" means the Proposal Form and any material submitted therewith, and any publicly available information filed by the **Company** with the Securities and Exchange Commission within the 12 months prior to the Policy inception date.
- Notwithstanding the foregoing, **Proposal** shall not include the signing officer(s) certification under Section 302 of the Sarbanes-Oxley Act of 2002 or any similar provisions of any federal, state or local statutory or common law, or any rules or regulations promulgated under any of the foregoing.
- P. "**Related Wrongful Acts**" means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- Q. "**Securities Claim**" means a **Claim** made against an **Insured** and brought anywhere in the world alleging a violation of any law, regulation or rule, which is brought by:
1. any person or entity alleging, arising out of, based upon or attributable to, in whole or in part, the purchase or sale, or offer or solicitation of an offer to purchase or sell, any securities or membership interests in the **Company**, or
 2. a security holder of the **Company** directly, derivatively, or by class action with respect to such security holder's interest in the **Company**.

The term **Securities Claim** shall include any formal proceeding brought or initiated by the Securities and Exchange Commission against the **Company** which is commenced by the service of a subpoena, filing of a notice of charges, the entry of a formal order of investigation or similar documents.

- R. **"Shareholder Derivative Investigation"** means any written request by one or more shareholders of the **Company**, in their capacity as such, upon the board of directors of the **Company** to investigate or evaluate any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against an **Insured Person**.

Further, a **Shareholder Derivative Investigation** shall be deemed to have been first made at the time an **Insured** receives such written request by a shareholder(s).

- S. **"Subsidiary"** means:
1. a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, including amendments thereto, sponsored exclusively by the **Company**,
 2. a corporation or limited liability company of which the **Parent Organization** owns on or before the inception of the **Policy Period** more than 50 percent of the issued and outstanding voting securities or membership interests either directly or indirectly through one or more of its **Subsidiaries**,
 3. automatically a corporation or limited liability company whose assets total less than 25 percent of the total consolidated assets of the **Company** as of the Policy inception date, which corporation or limited liability company becomes a **Subsidiary** during the **Policy Period**,
 4. a corporation or limited liability company which becomes a **Subsidiary** during the **Policy Period** (other than a corporation or limited liability company described in paragraph 3. section III. S. above) but only upon the condition that within 90 days of becoming a **Subsidiary**, the **Parent Organization** provides the **Insurer** with full particulars of the new **Subsidiary** and agrees to any additional premium and/or amendment of the provisions of this Policy required by the **Insurer** relating to such new **Subsidiary**. Further, coverage as shall be afforded to the new **Subsidiary** is conditioned upon the **Parent Organization** paying when due any additional premium required by the **Insurer** relating to such new **Subsidiary**.

A corporation or limited liability company becomes a **Subsidiary** when the **Parent Organization** owns more than 50 percent of the issued and outstanding voting securities or membership interests either directly or indirectly through one or more of its **Subsidiaries**. A corporation or limited liability company ceases to be a **Subsidiary** when the **Parent Organization** ceases to own more than 50 percent of the issued and outstanding voting securities or membership interests either directly or indirectly through one or more of its **Subsidiaries**.

In all events, coverage as is afforded with respect to a **Claim** made against a **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**.

- T. **"Wrongful Act"** means:
1. with respect to the **Insured Persons**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission, act or **Wrongful Employment Act** by the **Insured Persons** in their respective capacities as such, or any matter claimed against them by reason of their status as **Insured Persons**, or any matter claimed against them arising out of their serving as a director, officer, trustee or governor of an **Outside Entity** in such capacities, but only if such service is at the specific request or direction of the **Company**, or
 2. with respect to the **Company**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Company**, but solely as respects a **Securities Claim**.
- U. **"Wrongful Employment Act"** means any actual or alleged act by an **Insured Person** arising from an actual or potential employment relationship with the claimant for:
1. discrimination or harassment because of race, color, religion, age, sex, disability, pregnancy, or national origin, sexual orientation, marital status, or any other basis prohibited by law which results in termination of the employment relationship, or demotion or failure or refusal to hire or promote, or failure to accommodate an employee or potential employee, or denial of an employment privilege, or the taking of any adverse or differential employment action, or
 2. sexual harassment including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that is made a condition of employment, is used as a basis for employment decisions, or creates an intimidating, hostile or offensive work environment that interferes with work performance, or
 3. termination, constructive discharge, wrongful failure to hire, wrongful demotion, negligent retention, negligent supervision, negligent hiring, retaliation, misrepresentation, infliction of emotional distress, defamation, invasion of privacy, humiliation, wrongful evaluation, or breach of any implied contract or implied agreement relating to employment, whether arising out of any personnel manual, policy statement or oral representation.

IV. Exclusions

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

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the gaining of any profit or advantage to which an **Insured** was not legally entitled; provided, however, this exclusion shall not apply:
 1. unless any final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** gained such profit or advantage to which an **Insured** was not legally entitled, or
 2. in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, including amendments thereto, to the portion of any **Loss** attributable to such violations;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any criminal or deliberate fraudulent act; provided, however, this exclusion shall not apply unless any final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** committed such criminal or deliberate fraudulent act;
- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 1. profits made from the purchase or sale by an **Insured** of securities or membership interests of the **Company** within the meaning of Section 16(b) of the Securities Exchange Act of 1934, including amendments thereto, or similar provisions of any state statutory law, or
 2. payments to an **Insured** of any remuneration without the previous approval of the security holders or members of the **Company**, which payment without such previous approval shall be held to have been illegal;
 provided, however, this exclusion shall not apply:
 - a. unless any final adjudication adverse to any of the **Insureds** in such **Claim** shall establish that such **Insureds** made profits, pursuant to section IV. C. 1. above, or received payments pursuant to section IV. C. 2. above, or
 - b. in a **Securities Claim** alleging violations of Section 11 or 12 of the Securities Act of 1933, including amendments thereto, to the portion of any **Loss** attributable to such violations;
- D. for:
 1. physical injury to or destruction of any tangible property, including the loss of use thereof, or
 2. bodily injury, sickness, disease, and death; provided, however, this exclusion shall not apply to the following personal injury damages or causes of action in connection with a **Claim** for a **Wrongful Employment Act** for: emotional distress, mental anguish, defamation, invasion of privacy or humiliation;
- E. for any actual or alleged violations of the Employee Retirement Income Security Act of 1974, including amendments thereto, or any similar provisions of state statutory law or common law;
- F. by, on behalf of, or in the right of any **Insured**; provided, however, this exclusion shall not apply to:
 1. any **Claim** by any security holder of the **Company**, whether directly or derivatively, but only if such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of, any **Insured**, or
 2. any **Claim** for a **Wrongful Employment Act**, or
 3. any **Claim** by any **Insured Person** for contribution or indemnity, if such **Claim** directly results from another **Claim** covered under this Policy, or
 4. any **Claim** in any bankruptcy proceeding by or against the **Company**, brought by the Creditors' Committee, Examiner or Trustee of the **Company**, or any assignee of such Creditors Committee, Examiner or Trustee, or
 5. any **Securities Claim** by any employee of the **Company**, but only if such **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of, any **Insured** (excluding employees) or the **Company**, or
 6. any **Claim** brought by any past **Insured Person**, who has not served as such for at least 3 years prior to such **Claim** being first made against any **Insured**, or
 7. any **Claim** by any **Company** employee or **Insured Person** pursuant to any federal or state whistleblower protection statute or any regulation promulgated thereunder, or
 8. any **Claim** brought and maintained in a jurisdiction that does not have a Common Law Legal System when such **Claim** is brought and maintained by the Supervisory Board of the **Company** chartered in such foreign jurisdiction;
- G. which is insured in whole or in part by another valid and collectible policy, except with respect to any excess beyond the amount or amounts of coverage under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise;
- H. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any **Wrongful Act** of an **Insured Person** serving in their capacity as director, officer, trustee or governor of any other entity other than the **Company** or an **Outside Entity**, or by reason of their status as director, officer, trustee or governor of such other entity;

- I. for any **Wrongful Act** arising out of an **Insured Person** serving in their capacity as a director, officer, trustee or governor of an **Outside Entity**:
 - 1. if such **Claim** is brought by the **Outside Entity** or any of its directors or officers, or by any security holder of the **Outside Entity**, whether directly or derivatively, unless such security holder's **Claim** is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or participation of, or intervention of, the **Outside Entity**, any of its directors or officers, or any **Insured**, or
 - 2. if such **Wrongful Act** occurred prior to the **Prior and Pending Litigation Dates**, or
 - 3. to the extent such **Insured Person** is indemnified for such **Loss** by such **Outside Entity**, and which is insured in whole or in part under any policy issued to or for the benefit of any **Outside Entity** or its directors or officers, then this **Policy** shall apply only to **Loss** excess over such indemnification and insurance;
- J. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission or contamination of any kind, including but not limited to nuclear material or nuclear waste; provided, however, with regards to **Loss** under Coverage A., this exclusion shall not apply to any **Claim** brought derivatively by any security holder of the **Company**, provided that such **Claim** is instigated and continued totally independent of and totally without the solicitation, assistance or participation of any **Insured** or the **Company**, or any entity under common control with the **Company**;
- K. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 - 1. any **Wrongful Act** alleged in any claim which has been reported, or in any circumstance of which notice has been given, prior to the **Policy Period** under any other Management Liability insurance, Directors and Officers Liability insurance, Employment Practices Liability insurance or similar insurance policy, or
 - 2. any other **Wrongful Act** whenever occurring, which together with a **Wrongful Act** which has been the subject of such claim or notice, would constitute **Related Wrongful Acts**;
- L. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 - 1. any prior or pending litigation, administrative or arbitration proceeding, or investigation as of the **Prior and Pending Litigation Dates**, or
 - 2. any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, administrative or arbitration proceeding, or investigation, regardless of the legal theory upon which such **Claim** is predicated;
- M. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violations of the Fair Labor Standards Act (except for Equal Pay Act), Worker's Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, the National Labor Relations Act, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, that this exclusion shall apply solely with respect to a **Wrongful Employment Act**;
- N. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged unpaid wages (including overtime pay), obligations under any workers' compensation, social security, disability benefits, or unemployment compensation law, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law, improper payroll deductions, improper employee classification, failure to maintain accurate time records, or failure to grant meal and rest periods; provided, however, that this exclusion shall apply solely with respect to a **Wrongful Employment Act**.

For the purpose of determining the applicability of any Exclusion, the facts pertaining to and knowledge possessed by any **Insured** shall not be imputed to any other **Insured**; only facts pertaining to and knowledge possessed by any past, present or future President, Chief Executive Officer or Chief Financial Officer of the **Company** shall be imputed to the **Company**.

V. Limit of Liability and Retentions

- A. The Limit of Liability stated in Item 3. A. of the Declarations is the 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** and the Extended Reporting Period (if applicable). The Limit of Liability for the Extended Reporting Period shall be part of, and not in addition to, the Limit of Liability stated in Item 3. A. of the Declarations. In the event the applicable Limits of Liability stated in Item 3. of the Declarations are exhausted by payment of **Loss**, or have been tendered to or on behalf of the **Insureds**, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.
- B. The Limit of Liability for all **Costs of Defense** associated with a **Shareholder Derivative Investigation** incurred during the **Policy Period** or the Extended Reporting period (if applicable) shall not exceed the Limit of Liability stated in Item 3. B. of the Declarations and shall be part of, and not in addition to, the Limit of Liability stated in Item 3. A. of the Declarations for the **Policy Period**.
- C. **Costs of Defense** are not payable by the **Insurer** in addition to the Limits of Liability. **Costs of Defense** are part of **Loss** and as such are subject to the Limits of Liability for **Loss**.

- D. 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. of the Declarations. Such Retention amount shall be borne by the **Insureds** with regard to all **Loss** arising thereunder.
- E. Except as provided below, one Retention amount shall apply to each and every **Claim**.
- F. Solely with respect to a **Securities Claim**, the Retention shall only apply to **Costs of Defense** and no Retention shall apply to any judgment or settlement.
- G. Further, no Retention shall apply, even as to **Costs of Defense**, to any **Securities Claim** in which:
 1. there is a determination of **No Liability**, or
 2. the **Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insureds**.

If there is a determination of **No Liability** in a **Securities Claim**, the **Insurer** shall reimburse **Costs of Defense** paid by the **Insureds** in such **Claim**.
- H. If a **Securities Claim** is dismissed or stipulated dismissed without prejudice and without any payment of any consideration by any **Insureds**, the **Insurer** shall reimburse **Costs of Defense** paid by the **Insureds** in such **Claim** 90 days after the date of the dismissal or stipulation so long as: (i) the **Claim** (or any other **Claim** which together with such **Claim** would be deemed a single **Claim**) is not brought again within such 90 day period, and (ii) the **Company** provides the **Insurer** with a written undertaking in a form satisfactory to the **Insurer** to repay the **Insurer** for such reimbursement in the event the **Claim** (or any other **Claim** which together with such **Claim** would be deemed a single **Claim**) is brought again after such 90 day period and before the expiration of the statute of limitations for such **Claim**.
- I. In the event the **Company** is permitted or required to indemnify the **Insured Persons** for **Loss** but the **Company** is financially or legally unable to pay such **Loss** by reason of **Financial Insolvency**, no Retention amount shall apply under Coverage A. or under Coverage B. with regard to such **Loss**.

VI. Defense, Cooperation and Settlement

- A. Under all Coverages of this Policy, except as hereinafter stated, at the written request of the **Insured**, the **Insurer** shall advance, pursuant to a written undertaking in a form satisfactory to the **Insurer**, **Costs of Defense** prior to the final disposition of a **Claim**. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds** or the **Company**, severally according to their respective interests, in the event and to the extent that the **Insureds** or the **Company** shall not be entitled under the terms and conditions of this Policy to payment of such **Loss**.
- B. The **Insurer** does not, however, under this Policy, assume any duty to defend. The **Insureds** shall defend and contest any **Claim** made against them. The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Costs of Defense** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Costs of Defense** which have been consented to by the **Insurer** shall be recoverable as **Loss** under the terms of this Policy. The **Insurer's** consent shall not be unreasonably withheld, provided that the **Insurer** shall be entitled to full information and all particulars it may request in order to reach a decision as to such consent and shall be entitled to effectively associate in the defense and the negotiation of any settlement of any **Claim**.
- C. The **Company** is not covered in any respect under Coverage A. The **Company** is only covered, subject to this Policy's terms and conditions, for **Loss** arising from its indemnification of the **Insured Persons** pursuant to Coverage B. and for **Loss** arising from a **Securities Claim** pursuant to Coverage C. Accordingly, the **Insurer** has no obligation under this Policy for **Costs of Defense** incurred by, judgments against, or settlements by the **Company** or any obligation to pay **Loss** arising out of any legal liability that the **Company** has to a claimant except as respects a covered **Securities Claim** against the **Company**.
- D. With respect to **Costs of Defense** jointly incurred by, any joint settlement made by, and/or any adjudicated judgment of joint and several liability against the **Company** and any **Insured Persons**, in connection with any **Claim** other than a **Securities Claim**, the **Company** and the **Insured Persons** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of the amounts as between the **Company** and the **Insured Persons** and the **Insurer**. In determining a fair and proper allocation, the **Insured Persons** and the **Company** expressly acknowledge that the **Insured Persons** and the **Company** each face independent exposure. In the event that a determination as to the amount of **Costs of Defense** to be advanced under this Policy cannot be agreed to, then the **Insurer** shall advance such **Costs of Defense** which the **Insurer** states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this Policy and applicable law.
- E. **Costs of Defense** incurred by any **Insured Persons** or the **Company** arising from an informal investigation initiated by the Securities and Exchange Commission, or equivalent federal, state, local or foreign agency, shall be retroactively payable as **Loss** only if written notice of the informal investigation was given to the **Insurer** pursuant to section VII. B. and the informal investigation gives rise to a **Claim**.

F. In the event of **Loss** arising from any **Claim** for which payment is due under the provisions of this Policy, then the **Insurer** shall:

1. first, pay such non-indemnifiable **Loss** for which coverage is provided under Coverage A., and
2. then, with respect to whatever remaining amount of the Limit of Liability stated in Item 3. A. of the Declarations is available after payment of such non-indemnifiable **Loss**, at the written request of the Chief Executive Officer of the **Parent Organization**, either pay or withhold payment of such other **Loss** for which coverage is provided under this Policy.

In the event the **Insurer** withholds payment pursuant to section VI. subparagraph F. 2. above, then the **Insurer** shall at such time and in such manner as shall be set forth in written instructions of the Chief Executive Officer of the **Parent Organization**, remit such payment to the **Company** or directly to the **Insured Persons**.

G. Solely with respect to **Costs of Defense** of a **Securities Claim**, in the event the **Insureds** select counsel from the Panel Counsel list on file with the **Insurer**, the **Insureds** shall be entitled to receive a reduction of up to 25 percent (not to exceed \$250,000) of the applicable Retention stated in Item 4. of the Declarations.

VII. Notice of Claim and Multiple Claims

- A. As a condition precedent to their rights under this Policy, an **Insured** shall give the **Insurer** written notice of any **Claim** first made against the **Insureds** during the **Policy Period**, as soon as practicable after the **Company's** Risk Manager or General Counsel or equivalent officer becomes aware of the **Claim**, but in no event later than 30 days after the expiration of the **Policy Period**.
- B. If during the **Policy Period** or the Extended Reporting Period (if applicable) the **Insureds** become aware of any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against any **Insureds** and shall give written notice to the **Insurer** of the circumstance and the reasons for anticipating such a **Claim**, with full details as to dates, persons and entities involved, then any **Claim** subsequently made arising out of such fact, circumstance or situation shall be deemed to have been made when notice was first given to the **Insurer**.
- C. All **Claims** based upon or arising out of the same **Wrongful Act** or any **Related Wrongful Acts**, or one or more series of any similar, repeated or continuous **Wrongful Acts** or **Related Wrongful Acts**, shall be considered a single **Claim**. Each **Claim** shall be deemed to be first made at the earliest of the following times:
 1. when the earliest **Claim** arising out of such **Wrongful Act** or **Related Wrongful Acts** was first made, or
 2. when notice pursuant to section VII. B. of a fact, circumstance or situation giving rise to such **Claim** is given.

VIII. General Conditions

A. Termination of Policy and Non-Renewal

1. This Policy shall terminate at the earliest of the following times:
 - a. upon the receipt by the **Insurer** of written notice of cancellation from the **Parent Organization**;
 - b. upon expiration of the **Policy Period** as set forth in Item 2. of the Declarations;
 - c. at such other time as may be agreed between the **Parent Organization** and the **Insurer**; or
 - d. upon written notice by the **Insurer** of cancellation for non-payment of premium.
2. The **Insurer** may not cancel this Policy except for non-payment of any premium when due. The **Insurer** shall provide at least 20 days written notice to the **Parent Organization** prior to cancellation for non-payment of any premium.
3. If this Policy is cancelled by the **Parent Organization**, the **Insurer** shall retain the customary short rate proportion of the premium herein. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
4. If the **Insurer** decides not to renew this Policy, the **Insurer** shall provide written notice to the **Parent Organization** at least 60 days prior to the end of the **Policy Period**. The notice shall include the reason for such non-renewal.
5. Any notices to be given to the **Parent Organization** under this section shall be provided to the **Parent Organization** at the last known principal address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.

B. Proposal

The **Proposal** is the basis of this Policy and is incorporated in and constitutes a part of this Policy. A copy of the Proposal Form(s) is attached hereto. Any material submitted with the Proposal Form(s) shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached. It is agreed by the **Insureds** that the statements in the **Proposal** are their representations and that this Policy is issued in reliance upon the truth and accuracy of such statements. With respect to such statements, no knowledge or information possessed by any **Insured Person** shall be imputed to any other **Insured Person**.

If any person or persons knew as of the Policy inception date that such statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then coverage shall not apply as to that person or persons.

If the President, Chief Executive Officer, or Chief Financial Officer of the **Company** knew as of the Policy inception date that such statements contained in the Proposal Form(s) were untrue, inaccurate or incomplete, then coverage shall not apply as to that person or persons and the **Company**. Notwithstanding the foregoing, Coverage B. shall apply as to any person or persons who did not know as of the Policy inception date that such declarations and statements contained in the Proposal Form were untrue, inaccurate or incomplete.

The **Insurer** shall not be entitled to rescind this Policy in its entirety, other than for non-payment of premium.

C. Action Against the Insurer

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 party to any action against the **Insureds** or the **Company** to determine the **Insureds'** liability, nor shall the **Insurer** be impleaded by the **Company** or the **Insured Persons** or their legal representatives. Bankruptcy or insolvency of the **Company** or the **Insured Persons** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

D. Changes in Ownership

If during the **Policy Period**:

1. the **Parent Organization** shall consolidate or merge with or into, or sell all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert, or
2. any person or entity or group of persons and/or entities acting in concert shall acquire an amount of the outstanding securities or membership interests representing more than 50 percent of the voting power for the election of directors of the **Parent Organization**, or acquires the voting rights of such an amount of such securities or membership interests;

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

then, this Policy shall continue in full force and effect as to any **Wrongful Acts** occurring prior to the Transaction, but there shall be no coverage afforded by any provision of this Policy for any **Wrongful Acts** occurring after the Transaction. This Policy may not be cancelled following a Transaction and the entire premium for this Policy shall be deemed fully earned as of the Transaction. The **Parent Organization** shall give the **Insurer** written notice of the Transaction as soon as practicable but not later than 30 days after the Transaction. The **Parent Organization** shall also have the right to an offer by the **Insurer** of an Extended Reporting Period described in section II. B.

E. Subrogation

In the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insureds** shall execute all papers required and shall do everything reasonable 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 the **Insurer** exercise its rights of subrogation against an **Insured** under this Policy unless such **Insured** has been convicted of a criminal act, or been judicially determined to have committed a deliberate fraudulent act, or unless it has been determined by final adjudication that such **Insured** obtained any profit or advantage to which such **Insured** was not legally entitled.

Any amount recovered pursuant to the exercise of such rights of subrogation shall be applied as follows: (1) to the repayment of expenses incurred in the exercising of any rights of subrogation, (2) to damages and/or **Costs of Defense** paid by the **Insureds** in excess of the Limits of Liability hereunder, and (3) to damages and/or **Costs of Defense** paid by the **Insurer**.

F. Assignment

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

G. Entire Agreement

By acceptance of this Policy, the **Insureds** and the **Insurer** agree that this Policy (including the **Proposal**) and any written endorsements attached hereto constitute the entire agreement between the parties.

H. Representation by Parent Organization

It is agreed that the **Parent Organization** shall act on behalf of the **Insureds** with respect to the giving and receiving of notices, 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 and the exercising or declining to exercise any right to an Extended Reporting Period.

I. Coverage Territory

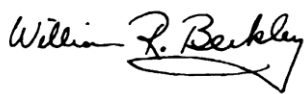
The coverage provided by this Policy shall be worldwide. The amounts due under this Policy shall be paid in the currency of the country in which the final adjudication was made, the expenses incurred or the settlement negotiated.

Further, the **Insurer** shall not be held responsible for any delay or failure to perform its obligation hereunder due to national, federal, state or municipal action or regulation; strikes or other labor troubles; acts of God, war, riot, insurrection or mutiny; or any other causes, contingencies, or circumstances, outside the United States not subject to the **Insurer's** control which make the fulfillment of this section impracticable; any of which shall, without liability, excuse the **Insurer** from the obligations set forth in this section.

J. State Amendatory Inconsistency

In the event that there is an inconsistency between a state amendatory endorsement attached to this Policy and any term or condition of this Policy, then it is understood and agreed that, where permitted by law, the **Insurer** shall apply those terms and conditions of either the amendatory endorsement or the Policy which are more favorable to the **Parent Organization**. However, to the extent that: (a) any state amendatory endorsement or other wording expressly limits coverage in order to comply with applicable law, or (b) any such amendatory endorsement or other compliance wording amends language applicable to premium, in such events, the state amendatory endorsement or other compliance wording will govern over any other term, condition or limitation of the Policy.

In witness whereof, the **Insurer** has caused this Policy to be signed by its President and Chairman and Secretary, but this Policy shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the **Insurer**.



President and Chairman



Secretary

Specimen