

RLI Insurance Company
Directors, Officers, and Corporate Securities
Liability Coverage Section

In consideration of the payment of the premium, and in reliance upon the statements made to the Insurer in the Application forming a part hereof and its attachments and the material incorporated therein, RLI Insurance Company, herein called the "Insurer," and the Insureds agree as follows:

INSURING CLAUSES

1. The Insurer will pay on behalf of the **Insured Persons**, **Loss** which the **Insured Persons** are legally obligated to pay as a result of **Claims** first made during the Policy Period, or during the Discovery Period (if purchased), against the **Insured Persons** for **Wrongful Acts**, except for **Loss** which the **Entity** pays to or on behalf of the **Insured Persons** as indemnification.
2. The Insurer will pay on behalf of the **Entity**, **Loss** which the **Insured Persons** are legally obligated to pay as a result of **Claims** first made during the Policy Period, or during the Discovery Period (if purchased), against the **Insured Persons** for **Wrongful Acts** and which the **Entity** pays to or on behalf of the **Insured Persons** as indemnification.
3. The Insurer will pay on behalf of the **Entity**, **Loss** which the **Entity** is legally obligated to pay as a result of any **Securities Claim** first made during the Policy Period, or during the Discovery Period (if purchased), against the **Entity** for a **Wrongful Act**.
4. If Insuring Clause 4. coverage is purchased pursuant to Item 6. of the Declarations for this coverage section, the Insurer will pay on behalf of the **Entity** all **Investigative Costs** which the **Entity** becomes legally obligated to pay as a result of any **Shareholder Derivative Demand** first made during the Policy Period, or during the Discovery Period (if purchased).

DEFINITIONS

5. When used in this coverage section:

"**Claim**" means:

- i) a written demand for monetary or non-monetary relief against any **Insured**, or
- ii) a civil proceeding against any **Insured** commenced by the service of a complaint or similar pleading, or
- iii) a criminal proceeding against any **Insured Person** commenced by the return of an indictment, or
- iv) an administrative or regulatory proceeding against any **Insured Person** commenced by the filing of a notice of charges or formal investigative order, or
- v) a formal civil, criminal, administrative or regulatory investigation against any **Insured Person** commenced by the service upon or other receipt by the **Insured Person** of a written notice or subpoena from the investigating authority identifying such **Insured Person** as an individual against whom a formal proceeding may be commenced;

including any appeal thereof.

"**Defense Expenses**" means reasonable and necessary fees and expenses (including without limitation attorneys' fees and experts' fees) incurred in the defense or appeal of a **Claim** after notice of such **Claim** is given to the Insurer pursuant to subsection 8. of this coverage section. **Defense Expenses** shall not include the **Entity's** overhead expenses or any salaries, wages, fees or benefits of its directors, officers or **Employees**.

"**Employee**," either in the singular or plural, means any one or more natural persons not described in paragraph i) of the definition of **Insured Person**, who were, now are or shall receive wages or a salary from the **Entity** for either full or part-time work that is directed and controlled by the **Entity**.

"**Entity**" means the Parent Company and all **Subsidiaries**, including any such organization as a debtor in possession under the United States bankruptcy law or an equivalent status under the law of any other country.

"**Executive Officer**" means any past, present or future chairman, president, chief executive officer, chief financial officer, and in-house general counsel of the **Entity**.

"**Financial Impairment**" means the status of the **Entity** as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Entity**, or the **Entity** becoming a debtor in possession.

"**Insured**," either in the singular or plural, means any **Entity** or **Insured Person** collectively or individually.

"**Insured Person**," either in the singular or plural, means:

- i) any past, present or future director or officer of the **Entity**, or with respect to an **Entity** incorporated outside the United States, their functional equivalent;
- ii) any person admitted to practice law ("Employed Lawyer") who is, was or becomes employed by the **Entity**, on a full-time or part-time basis, while providing legal services to the **Entity** as an **Employee** of the **Entity**; provided, such services shall not include any legal services or advice rendered to any other **Insured Person** or **Employee** as part of an employee benefit or any legal services or advice rendered to any outside third party, whether at the specific request of the **Entity** or otherwise;
- iii) any **Employees** in (1) any **Securities Claim**, (2) any **Claim** for **Wrongful Employment Practices**, or (3) any other **Claim** if such other **Claim** is first made and continuously maintained against both such **Employee** and one or more other **Insured Persons**;

provided **Employees** shall not be considered **Insured Persons** for purposes of subsection 7. d) of this coverage section. In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

"**Investigative Costs**" means reasonable costs, charges, fees (including but not limited to attorney's fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or **Employees** of the **Entity**) incurred by the **Entity** (including its board of directors or any committee of the board of directors) in connection with the investigation or evaluation on behalf of the **Entity** of any **Shareholder Derivative Demand**.

"**Loss**" means monetary damages, judgments, settlements, including but not limited to punitive or exemplary damages where insurable under applicable law, and **Defense Expenses** which the **Insureds** are legally obligated to pay as a result of a covered **Claim**.

The law of the jurisdiction most favorable to the insurability of those punitive or exemplary damages shall control whether such damages are insurable, provided that such jurisdiction is where:

- i) those damages were awarded or imposed;
- ii) any **Wrongful Act** occurred for which such damages were awarded or imposed;
- iii) the **Entity** is incorporated or has its principal place of business; or
- iv) the Insurer is incorporated or has its principal place of business.

Loss shall not include the multiple portion of multiplied damages, taxes, civil or criminal fines or penalties imposed by law, any amount for which the **Insureds** are absolved from payment, any amount allocated to uncovered loss pursuant to subsection 9. of this coverage section, or matters which are uninsurable under the law pursuant to which this coverage section shall be construed.

"**Outside Entity**" means an organization other than the **Entity** which is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code, as amended.

"**Outside Position**" means service by an **Insured Person** as a director, officer, trustee, regent or governor of an **Outside Entity**, but only while such service is rendered at the specific request of the **Entity** or is part of the duties regularly assigned to the **Insured Person** by the **Entity**.

"**Pollutants**" means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, but not be limited to, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emissions, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, electric or magnetic or electromagnetic fields and any noise.

"**Related Claims**" means all **Claims** for **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

"**Securities**" means:

- i) common or preferred stock or rights, warrants or options in such stock representing an ownership interest in the **Entity** or a right to acquire or dispose of such interest; or
- ii) notes, bonds or debentures representing a debt owed by the **Entity** to the extent such instruments would be deemed securities under the federal or state laws of the United States.

"**Securities Claim**" means a **Claim** which in whole or in part is brought by:

- i) any person or organization arising out of, based upon or attributable to, any actual or alleged purchase or sale, or offer or solicitation of an offer to purchase or sell, any **Securities** issued by the **Entity**, or
- ii) a **Securities** holder of the **Entity**, in their capacity as such, directly, derivatively or by class action.

"**Shareholder Derivative Demand**" means any written demand, first made during the Policy Period, or during the Discovery Period (if purchased), by one or more shareholders of the **Entity**, upon the board of directors of the **Entity**, to bring a civil proceeding on behalf of the **Entity** in a court of law against any **Insured Person** for a **Wrongful Act**.

"**Subsidiary**" means any corporation while the **Entity** owns, directly or through one or more **Subsidiaries**, more than fifty percent (50%) of the outstanding **Securities** representing the right to vote for the election of such corporation's directors.

Coverage afforded under this coverage section with respect to **Claims** made against a **Subsidiary** or any **Insured Person** thereof shall only apply for **Wrongful Acts** occurring after the effective time such **Subsidiary** became a **Subsidiary** and prior to the time such **Subsidiary** ceased to be a **Subsidiary**.

"**Wrongful Act**" means:

- i) with respect to Insuring Clauses 1., 2. and 4., any actual or alleged error, omission, act, misstatement, misleading statement, **Wrongful Employment Practices**, or breach of duty by the **Insured Persons** in their respective capacities as such or in an **Outside Position**, or any matter claimed against them solely by reason of such status;
- ii) with respect to Insuring Clause 3., any actual or alleged error, omission, act, misstatement, misleading statement, or breach of duty by the **Entity** or any **Insured Persons**.

"**Wrongful Employment Practices**" means any actual or alleged: (i) wrongful dismissal, discharge or termination of employment; (ii) employment related misrepresentation; (iii) violation of any federal, state or local statutory employment laws; (iv) sexual or workplace harassment of any kind; (v) employment discrimination; (vi) wrongful failure to employ or promote; (vii) wrongful discipline; (viii) wrongful deprivation of career opportunity including a wrongful failure to hire or promote; (ix) failure to grant tenure; (x) negligent employment evaluation; or (xi) failure to adopt adequate workplace or employment policies and procedures.

EXCLUSIONS

6. The Insurer shall not be liable under Insuring Clause 1. or 3. for **Loss** (except for **Defense Expenses**) on account of any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from or in consequence of:
 - a) such **Insured** gaining in fact any profit, remuneration or advantage to which such **Insured** is not legally entitled;
 - b) such **Insured** committing any fraudulent or criminal **Wrongful Act** or any willful violation of law if a final and nonappealable judgment or adjudication adverse to such **Insured** establishes that such **Insured** committed such **Wrongful Act** or willful violation with actual knowledge of its wrongful nature or with intent to cause injury or damage;
 - c) the actual or proposed payment by the **Entity** of allegedly inadequate consideration in connection with the **Entity's** purchase of **Securities** issued by any **Entity**; however this Exclusion shall apply only to Insuring Clause 3.

7. The Insurer shall not be liable for **Loss** on account of any **Claim** made against any **Insured**:
 - a) for any actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, or for damage to or destruction of any tangible property including loss of use thereof; however, this Exclusion shall not apply with respect to any actual or alleged mental anguish or emotional distress in any **Claim** by a past, present or prospective **Employee** of the **Entity** for any **Wrongful Employment Practices**;
 - b) for any actual or alleged violation of the Employee Retirement Income Security Act of 1974 or any regulations promulgated thereunder or of any similar law or regulation;
 - c) based upon, arising out of, directly or indirectly resulting from, or in consequence of:
 - i) the actual, alleged or threatened discharge, release, escape or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so; including but not limited to any **Claim** for financial loss to the **Entity** based upon, arising out of, directly or indirectly resulting from or in consequence of the matters described in this Exclusion; however, this Exclusion will not apply to any derivative action by or on behalf of, or in the name or right of, a **Securities** holder of the **Entity** brought and maintained independently of, and without the solicitation, assistance, participation or intervention of any **Insureds**;
 - ii) the service by any **Insured Person** as a director, officer or **Employee** of:
 - (1) any organization other than the **Entity** or an **Outside Entity**, even if directed or requested by the **Entity** to serve as a director, officer or **Employee** of such other organization; or
 - (2) any organization acquired by the **Entity**, whether by merger, consolidation or otherwise, at any time prior to the **Entity's** acquisition of such organization;
 - iii) any litigation or administrative or regulatory proceeding against any **Insured** pending on or before the respective date set forth in Item 5. of the Declarations for this coverage section, or any actual or alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;
 - iv) any fact, circumstance, situation, transaction, event or **Wrongful Act** which was the subject of any notice given under any prior policy or coverage section for directors and officers liability or other similar professional liability insurance, of which this coverage section is a direct or indirect renewal or replacement;
 - d) by or on behalf of, or in the name or right of, any **Insured** in any capacity; however, this Exclusion will not apply to any **Claim**:
 - i) that is a derivative action by or on behalf of, or in the name or right of, the **Entity** brought and maintained by a **Securities** holder of the **Entity** independently of, and without the solicitation, assistance, participation or intervention of, any **Insured**;

- ii) in the form of a crossclaim, third party claim or other claim for contribution or indemnity by an **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this coverage section; or
 - iii) by an **Insured Person** for **Wrongful Employment Practices**; or
- e) by or on behalf of, or in the name or right of, any **Outside Entity** against an **Insured Person** for a **Wrongful Act** in his or her **Outside Position** with respect to such **Outside Entity**.

To determine the applicability of the foregoing Exclusions: (i) no **Wrongful Act** of any **Insured Person** will be imputed to any other **Insured Person** and (ii) only **Wrongful Acts** of **Executive Officers** will be imputed to the **Entity**.

CONDITIONS

8. Notice/Claim Reporting Provisions

If, during the Policy Period or the Discovery Period (if purchased):

- i) an **Insured** first becomes aware of a **Wrongful Act** which may subsequently give rise to a **Claim**, and
- ii) the **Insureds** give the Insurer written notice of such **Wrongful Act**, including a description of the **Wrongful Act**, the identities of the potential claimants, the consequences which have resulted or may result from such **Wrongful Act** and the circumstances by which the **Insured** first became aware of such **Wrongful Act**, and
- iii) the **Insureds** request coverage under this coverage section for any subsequent **Claim** arising from such **Wrongful Act**;

then the Insurer will treat any such subsequent **Claim** as if it had been first made during the Policy Period.

As a condition precedent to any right to payment in respect of any **Claim** or **Shareholder Derivative Demand**, the **Insured** must give the Insurer written notice of such **Claim** or **Shareholder Derivative Demand**, with full details, as soon as practicable after it is first made.

All **Related Claims** will be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, regardless of whether such date is before or during the Policy Period.

9. Defense and Settlement; Payment and Allocation of Loss

The Insurer will have no duty under this coverage section to defend any **Claim** or to investigate and evaluate any **Shareholder Derivative Demand**. No **Defense Expenses** may be incurred, no liability may be admitted, and no settlement of any **Claim** may be made or negotiated without the Insurer's written consent, such consent not to be unreasonably withheld. No **Investigative Costs** may be incurred without the Insurer's written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Defense Expenses**, admission, settlement or **Investigative Costs** to which the Insurer has not consented.

If, in any **Claim**, the **Insureds** incur **Loss** jointly with uncovered parties, including the **Entity** with respect to **Claims** other than **Securities Claims**, or incur an amount consisting of both **Loss** covered by this coverage section and loss not covered by this coverage section, then the **Insured** and the Insurer shall allocate such amount between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to covered and uncovered matters.

If, in any **Securities Claim**, the **Insureds** are solely liable for an amount consisting of both **Loss** covered by this coverage section and loss not covered by this coverage section, the **Insureds** and the Insurer shall allocate one hundred percent (100%) of all such amount to covered **Loss**.

If there can be an agreement on an allocation of **Defense Expenses**, the Insurer shall, upon request, advance on a current basis **Defense Expenses** allocated to the covered **Loss**. If there can be no agreement on an allocation of **Defense Expenses**, the Insurer shall advance on a current basis **Defense Expenses** which the Insurer believes to be covered under this coverage section until a different allocation is negotiated or judicially determined. Any advancement of **Defense Expenses** shall be subject to, and conditioned upon, receipt by the Insurer of a written undertaking by the **Insureds** that such advanced amounts shall be repaid to the Insurer by the **Insureds** severally according to their respective interests if and to the extent any such **Insured** shall not be entitled under the terms and conditions of this coverage section to coverage for such **Defense Expenses**.

Any negotiated or judicially determined allocation of **Defense Expenses** arising out of a **Claim** shall be applied retroactively to all **Defense Expenses** arising out of such **Claim**, notwithstanding any prior advancement. Any allocation or advancement of **Defense Expenses** arising out of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** arising out of such **Claim** or any other **Claim**.

The **Insureds** agree to provide the Insurer with all information, assistance and cooperation which the Insurer reasonably requests and agree that in the event of a **Claim** the **Insureds** will do nothing that shall prejudice the Insurer's position on its potential or actual rights of recovery. The Insurer may make any investigation it deems necessary. The Insurer shall have the right and shall be given the opportunity to effectively associate with the **Insureds** in the investigation, defense, and settlement (including the negotiation of a settlement) of any **Claim** that appears reasonably likely to be covered in whole or in part by this coverage section.

10. **Limit of Liability**

The amount stated in Item 2. of the Declarations for this coverage section will be the maximum aggregate liability of the Insurer under this coverage section for all **Loss** from all **Claims** and **Shareholder Derivative Demands** for which this coverage section provides coverage, regardless of the time of payment by the Insurer, and regardless of whether such **Claims** and **Shareholder Derivative Demands** are made during the Policy Period or during any Discovery Period (if purchased). The amount stated in Item 7. of the Declarations for this coverage section will be the maximum aggregate liability of the Insurer for all **Investigative Costs** covered under Insuring Clause 4. which the **Entity** becomes legally obligated to pay as a result of all **Shareholder Derivative Demands** for which this coverage section provides coverage, regardless of the time of payment by the Insurer, and regardless of whether such **Shareholder Derivative Demands** are made during the Policy Period or during any Discovery Period (if purchased). The amount stated in Item 7. of the Declarations for this coverage section is a sublimit which further limits and does not increase the Insurer's maximum liability under this coverage section.

If any **Claim** made against an **Insured** gives rise to coverage both under this coverage section and under any other policy(ies) or coverage section(s) issued by the Insurer to any **Outside Entity**, the Insurer's maximum aggregate liability under this coverage section and all such policies, combined, for all **Loss**, including **Defense Expenses**, in respect of such **Claim** shall not exceed the largest single available Limit of Liability under any such policy or coverage section, including this coverage section.

Defense Expenses and **Investigative Costs** will be part of and not in addition to the Limit of Liability, and payment of **Defense Expenses** or **Investigative Costs** by the Insurer will reduce its Limit of Liability.

If the Limit of Liability is exhausted by the payment of **Loss**, the premium will be fully earned, all obligations of the Insurer under this coverage section will be completely fulfilled and exhausted, and the Insurer will have no further obligations of any kind or nature whatsoever under this coverage section.

11. **Retentions and Indemnification**

The Insurer's liability with respect to all **Loss** resulting from each **Claim** shall apply only to that part of **Loss** which is excess of the applicable Retention set forth in Item 3. of the Declarations for this coverage section, which shall be borne by the **Entity** uninsured and at its own risk.

No Retention amount shall apply to **Investigative Costs** covered under Insuring Clause 4.

The certificate of incorporation, charter, articles of association or other organizational documents of each **Entity** and each **Outside Entity**, including by-laws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.

The Retention set forth in Item 3. (a) of the Declarations for this coverage section will apply to all **Loss** under Insuring Clause 2. resulting from each **Claim** other than a **Securities Claim**. The Retention set forth in Item 3. (b) of the Declarations for this coverage section will apply to all **Loss** under Insuring Clause 2. incurred by **Insured Persons**, and all **Loss** under Insuring Clause 3. incurred by the **Entity**, resulting from each **Securities Claim**.

If the **Entity** is permitted or required by common or statutory law to ultimately indemnify the **Insured Persons** for any **Loss**, or to advance **Defense Expenses** on their behalf, and does not in fact do so other than for reasons of **Financial Impairment**, then any payment of such **Loss** or any advancement of such **Defense Expenses** by the Insurer under Insuring Clause 1. shall not be subject to any Retention amount, but:

- i) the **Entity** shall reimburse and hold harmless the Insurer for such **Loss** up to the applicable Retention amount set forth in Item 3. of the Declarations for this coverage section, and
- ii) all of the Exclusions set forth in subsections 6. and 7. of this coverage section which apply to Insuring Clause 1. or Insuring Clause 2. shall be applicable to such **Loss**.

No Retention shall apply to any other **Loss** under Insuring Clause 1.

If different Retentions are applicable to the same **Claim**, the applicable Retentions will be applied separately to each part of such **Claim**, and the sum of such Retentions will not exceed the largest applicable Retention as set forth in Item 3. of the Declarations for this coverage section.

With respect to any **Claim** (except any **Claim** alleging any **Wrongful Employment Practices**) which is fully and finally resolved with prejudice in favor of all **Insureds** without any **Insureds** becoming legally obligated to pay any monetary damages or settlement or judgment amounts arising out of the **Claim**, the Insurer shall reimburse the amount of the Retention paid by the **Insureds** for **Defense Expenses** in such **Claim**.

If such a **Claim** is dismissed in its entirety without prejudice and without any **Insureds** becoming legally obligated to pay any monetary damages or settlement, such reimbursement shall occur ninety (90) days after the date of dismissal as long as the **Claim** is not brought again within that time, and further subject to an undertaking by the **Insureds** in a form acceptable to the Insurer that such reimbursement shall be paid back by the **Insureds** to the Insurer in the event the **Claim** is brought after such ninety (90) day period and before the expiration of the statute of limitations for such **Claim**.

12. Acquisitions, Mergers and Subsidiaries

If during the Policy Period the **Entity** acquires **Securities** or voting rights in another organization or creates another organization which as a result of such acquisition or creation such organization becomes a **Subsidiary**; or acquires any organization by merger into or consolidation with such organization ("Event"), then such organization and its directors, officers and **Employees** shall become **Insureds** if:

- i) the **Entity** gives written notice to the Insurer of the Event within ninety (90) days of such Event together with such information the Insurer may require (except as provided for in (1) and (2) below), and
- ii) the **Entity** pays any reasonable additional premium required by the Insurer.

Such coverage shall be afforded, subject to the terms and conditions of this coverage section, from the date of the Event for such **Subsidiary** and its **Insureds**, but only for **Wrongful Acts** committed or allegedly committed after the Event, unless the Insurer agrees by endorsement to provide coverage for **Wrongful Acts** committed or allegedly committed prior to such date.

The conditions to such coverage set forth in i) and ii) above shall not apply if: (1) the **Entity** acquires any assets, acquires a **Subsidiary** or acquires any organization by merger and, at the time of such Event, the assets so acquired or the assets of the organization so acquired represented less than twenty-five percent (25%) of the total assets of the **Entity** as reflected in the **Entity's** most current consolidated financial statements existing at the inception date of this coverage section; or (2) the **Entity** assumes any liabilities and, at the time of such assumption, the liabilities so assumed represented less than twenty-five percent (25%) of the total liabilities of the **Entity** as reflected in the **Entity's** most current consolidated financial statements existing at the inception date of this coverage section.

13. Marital Estate Extension

Subject otherwise to the terms hereof, this coverage section shall cover **Loss** arising from any **Claim** made against the lawful spouse (whether such stature is derived by reason of statutory law, common law, or any other applicable law of any jurisdiction in the world) of an **Insured Person** for **Claims** arising solely out of his or her capacity as the spouse of an **Insured Person**, including such **Claims** that seek damages recoverable from marital community property, property jointly held by the **Insured Person** and the spouse; or property transferred from the **Insured Person** to the spouse; provided, however, this extension shall not afford coverage for **Wrongful Acts** of the spouse. All terms, conditions and other provisions of this coverage section, inclusive of any provision relative to the applicable retention, which would be applicable to **Loss** incurred by the **Insured Person** in such **Claim** shall also apply to **Loss** incurred by the spouse in such **Claim**.

14. Outside Position Coverage

All coverage under this coverage section for **Loss** from **Claims** against **Insured Persons** for **Wrongful Acts** in their **Outside Positions** will be specifically excess of, and will not contribute with, (i) any other insurance available to such **Insured Persons** by reason of their service in such **Outside Positions**, or (ii) any indemnification available to such **Insured Persons** by the **Outside Entity** or any other person or organization, other than the **Entity**.

15. Change of Control

If, during the Policy Period:

- a) the Parent Company shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or organization or group of persons or organizations acting in concert; or
- b) any person or organization or group of persons or organizations acting in concert shall acquire an amount of the outstanding **Securities** representing more than fifty percent (50%) of the voting power for the election of directors of the Parent Company, 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 coverage section 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 coverage section for any **Wrongful Act** occurring after the effective time of the Transaction and the entire premium for this coverage section shall be deemed fully earned as of such time. The Parent Company shall also have the right to elect a Discovery Period described in subsection 16. of this coverage section or a greater period as may be negotiated with the Insurer.

The Parent Company 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.

16. Discovery Period

If: i) the Parent Company cancels this coverage section, ii) either the Insurer or the Parent Company refuses or declines to renew this coverage section for any reason, or iii) a Transaction described in subsection 15. occurs, and, within thirty (30) days after the end of the Policy Period the Parent Company elects to purchase the Discovery Period by paying the additional premium set forth in Item 4. (a) of the Declarations for this coverage section, then the coverage otherwise afforded by this coverage section will be extended for the period set forth in Item 4. (b) of the Declarations for this coverage section but only for **Wrongful Acts** occurring before the end of the Policy Period or the date of any Transaction under subsection 15., whichever is earlier. The Limit of Liability for the Discovery Period (if purchased) shall be part of, and not in addition to, the Limit of Liability for the Policy Period.

As a condition precedent to the right to exercise the Discovery Period, the total premium for this coverage section must have been paid in full.

If the Discovery Period is purchased, the entire premium for the Discovery Period shall be deemed fully earned at its commencement.

Subject to all the terms and conditions of this subsection 16., the Insurer shall, upon request, provide the Parent Company with a quotation for a three (3) year Discovery Period.

17. **Representations; Severability**

The **Insureds** represent the particulars and statements contained in the Application are true, accurate and complete, and agree that this coverage section is issued in reliance on the truth of those representations, and agree that such particulars and statements, which are deemed to be incorporated into and to constitute a part of this coverage section, are the basis of this coverage section. In the event any of the particulars or statements in the Application are untrue, this coverage section will be void with respect to any **Insured** who knew the facts that were not truthfully disclosed or to whom such knowledge is imputed, whether or not such **Insured** knew the Application contained the untruth. No knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person** except for material facts or information known to the person or persons who signed the Application. With respect to Insuring Clause 3. only, facts pertaining to and knowledge possessed by any **Executive Officer** shall be imputed to the **Entity**.

SPECIMEN

In witness whereof, the Insurer issuing this Policy has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by a duly authorized representative of the Company.



Vice President & Corporate Secretary



President & COO