

Admiral Insurance Company

Excess Non-Indemnifiable Loss 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 INSURED PERSONS DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD (IF APPLICABLE).

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

In consideration of the payment of the premium, in reliance upon the statements in the application forming a part hereof, and all other information provided to the **Insurer**, and subject to all provisions of this Policy, the **Insurer** and **Insured Persons** agree as follows:

I. Insuring Agreements

A. Excess Non-Indemnifiable Loss Coverage

This Policy shall pay the **Non-Indemnifiable Loss** of the **Insured Persons** in excess of the **Underlying Insurance** during the **Policy Period** or the Extended Reporting Period (if applicable). Coverage hereunder attaches only after all **Underlying Insurance** has been exhausted. Except as otherwise provided herein, coverage shall apply in accordance with the provisions of the **Primary Policy** as of its inception; provided, however, in all events, coverage hereunder shall be subject to the following terms and conditions of this Policy and shall not follow any inconsistent terms or conditions of the **Primary Policy** (terms printed in boldface type not listed hereunder shall apply in accordance with the **Primary Policy**): (1) Section II. Extended Reporting Period; (2) Section III. Definitions: E., F., H., K., L., and Q.; (3) Section V. Limit of Liability and Maintenance of Underlying Insurance; (4) Section VII. Notice of Claim and Multiple Claims; and (5) Section VIII. General Conditions.

B. Uninsured Non-Indemnifiable Loss Coverage with Difference in Conditions

This Policy shall pay the **Non-Indemnifiable 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 **Wrongful Act**, provided that:

1. the **Underlying Insurers**:
 - a. files an action to rescind the coverage for the **Insured Persons** or otherwise provides written notification of intent to rescind, or
 - b. wrongfully refuses to indemnify the **Insured Persons** as required under the terms and conditions of the **Underlying Insurance**, or
 - c. is unable to indemnify the **Insured Persons** due to **Financial Insolvency**; or
2. according to the terms and conditions of the **Underlying Insurance**, the **Underlying Insurers** are not liable for such portion of the **Non-Indemnifiable Loss** arising from such **Claim**; or
3. a United States bankruptcy court has ruled that the **Underlying Insurance** and its proceeds are assets of the **Entity's** bankruptcy estate and are unavailable to pay **Non-Indemnifiable Loss**; provided, however, that as a condition precedent to the **Insurer** being liable pursuant to this Insuring Agreement I. B. 3., the **Insured Persons** or the **Entity** shall request, or arrange for the **Underlying Insurers** to request, relief from the automatic stay with respect to such proceeds.

In the event a liquidation or reorganization proceeding is commenced by or against the **Entity** pursuant to the United States Bankruptcy Code, including amendments thereto, or any similar state or local law, the **Insured Persons** and the **Entity** hereby (1) waive and release any automatic stay or injunction which may apply in such proceeding to this Policy or its proceeds under such Bankruptcy Code or law, and (2) agree not to oppose or object to any efforts by the **Insurer**, the **Entity** or any **Insured Person** to obtain relief from any such stay or injunction.

Coverage pursuant to Insuring Agreement I. B. above is subject to the terms and conditions of this Policy and does not follow the terms and conditions of any **Underlying Insurance**.

No **Entity** or **Outside Entity** is covered in any respect under this Policy.

II. Extended Reporting Period

- A. If the **Insurer** or the **Parent Organization** refuses to renew this Policy, then the **Insured Persons** or the **Parent Organization** shall have the right, upon payment of the appropriate percentage of the "full annual premium", as stated in Item 7. of the Declarations, to an extension of the coverage granted by this Policy with respect to any **Claim** first made during the period of 12 months after the date upon which the **Policy Period** ends, but only with respect to any **Wrongful Act** fully occurring prior to the end of the **Policy Period** and otherwise covered by this Policy. Such 12 month period 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 non-renewal.
- B. 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, the following terms shall have the meanings indicated below.

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- A. **"Claim(s)"** means:
1. receipt of a written demand for monetary or non-monetary relief, or
 2. a civil, criminal, administrative 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, or
 - d. receipt of a notice of formal investigative proceeding.
- B. **"Costs of Defense"** means 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 covered **Claim** against the **Insured Persons**, but excluding salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, or any amount covered by the duty to defend obligation of any other insurer.
- C. **"Entity"** means the **Parent Organization** and any **Subsidiary(ies)**.
- D. **"Financial Insolvency"** means the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate an **Underlying Insurer** or an **Underlying Insurer** becoming a debtor in possession.
- E. **"Insured Person(s)"** means:
1. any person who is a past, present or future duly elected or appointed director, officer, member of the Board of Managers, or member of the Management Committee of the **Entity**. In the event that the **Entity** operates outside the United States, then the term **Insured Persons** also means those titles, positions or capacities in such foreign **Entity** which is equivalent to the positions listed above in an entity incorporated within the United States, or
 2. the estates, heirs, or legal representatives of deceased **Insured Persons**, and the legal representatives of **Insured Persons** in the event of incompetency, insolvency or bankruptcy, who were **Insured Persons** at the time the **Wrongful Act** upon which such **Claims** are based were committed, or
 3. the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an individual **Insured Person** for a **Claim** arising solely out of his or her status as the spouse of an individual **Insured Person**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the individual **Insured Person** and the spouse, or property transferred from the individual **Insured Person** to the spouse; provided, however, this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse, but shall apply only to **Claims** arising out of any **Wrongful Act** of an individual **Insured Person**.
- F. **"Insurer"** means the entity issuing this Policy as listed on the Declarations Page.
- G. **"Loss"** means damages, a monetary judgment, award or settlement, pre-judgment interest and post-judgment interest and **Costs of Defense**; provided, however, **Loss** shall not include:
1. taxes, civil or criminal fines, or penalties imposed by law, or
 2. costs incurred by the **Insured Persons** to make any building or property more accessible or accommodating to any disabled person, or
 3. commissions, bonuses, profit sharing or severance payments, or
 4. any amount for which the **Insured Persons** are not financially liable or which are without legal recourse to the **Insured Persons**, or
 5. any amount allocated to non-covered loss pursuant to section VI. D. of this Policy, or
 6. any matter deemed uninsurable under the law pursuant to which this Policy shall be construed.
- Loss** also means, where insurable, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Such coverage for punitive, exemplary or multiplied damages is part of and not in addition to the Limit of Liability, and any payment of such **Loss** shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured Persons** regarding whether such punitive, exemplary or multiplied damages are insurable under this Policy, the law of the jurisdiction most favorable to the insurability of such **Loss** shall control.
- H. **"Non-Indemnifiable Loss"** means **Loss** that the **Entity** or **Outside Entity** is neither permitted nor required to indemnify an **Insured Person** pursuant to the charter or other similar formative document or by-laws or written agreements of the **Entity** or **Outside Entity**, or for which the **Entity** or **Outside Entity** has refused to indemnify an **Insured Person**; provided, however, that in the event the **Entity** or **Outside Entity** refuses in writing to indemnify an **Insured Person**, **Loss** shall only be deemed **Non-Indemnifiable Loss** if such **Insured Person** complies with section VIII. E. Subrogation.
- I. **"Outside Entity"** means a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, including amendments thereto.
- J. **"Parent Organization"** means the entity designated in Item 1. of the Declarations.
- K. **"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.

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- L. "Primary Policy" means the policy listed in Item 10. A. of the Declarations.
- M. "Prior and Pending Litigation Date" means the date set forth in Item 6. of the Declarations.
- N. "Proposal" means the Proposal Form(s) and any material submitted therewith.
- O. "Related Wrongful Act(s)" means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- P. "Subsidiary(ies)" means:
1. 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 stock either directly or indirectly through one or more of its **Subsidiaries**, or
 2. an entity which qualifies as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code of 1986, including amendments thereto and sponsored exclusively by the **Parent Organization**, or
 3. automatically a corporation whose assets total less than 20 percent of the total consolidated assets of the **Parent Organization** as of the Policy inception date, which corporation becomes a **Subsidiary** during the **Policy Period**. The **Parent Organization** shall provide the **Insurer** with full particulars of the new **Subsidiary** before the end of the **Policy Period**, or
 4. a corporation which becomes a **Subsidiary** during the **Policy Period** (other than a corporation described in section III. P. 3. above) but only upon the condition that within 90 days of it becoming a **Subsidiary**, the **Parent Organization** shall have provided the **Insurer** with full particulars of the new **Subsidiary** and agreed 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 becomes a **Subsidiary** when the **Entity** owns more than 50 percent of the issued and outstanding voting stock either directly or indirectly through one or more of its **Subsidiaries**. A corporation ceases to be a **Subsidiary** when the **Entity** ceases to own more than 50 percent of the issued and outstanding voting stock 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 the **Insured Persons** of 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**.
- Q. "Underlying Insurance" means all policies scheduled in Item 10. of the Declarations.
- R. "Underlying Insurer(s)" means the insurers of each respective policy scheduled in Item 10. of the Declarations.
- S. "Wrongful Act(s)" means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by the **Insured Persons** of the **Entity** in their respective capacities as such, or any matter claimed against them solely by reason of their status as **Insured Persons** of the **Entity**, 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 **Entity**.

IV. Exclusions

Solely with respect to Insuring Agreement I. B., the **Insurer** shall not be liable to make any payment for **Non-Indemnifiable Loss** in connection with a **Claim** made against any **Insured Person**:

- 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 Person** was not legally entitled; provided, however, this exclusion shall not apply unless a judgment or other final adjudication, or any alternative dispute resolution proceeding adverse to the **Insured Person**, including that which is described in section VIII. H., establishes that such **Insured Person** gained such profit or advantage to which the **Insured Person** was not legally entitled; provided, however, this exclusion shall not apply to **Costs of Defense**;
- 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 a judgment or other final adjudication, or any alternative dispute resolution proceeding adverse to the **Insured Person**, including that which is described in section VIII. H., establishes that such **Insured Person** committed such criminal or deliberate fraudulent act, provided, however, this exclusion shall not apply to **Costs of Defense**;
- C. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving payments to an **Insured Person** of any remuneration without the previous approval of the security holders of the **Entity**, which payment without such previous approval shall be held to have been illegal; provided, however, this exclusion shall not apply unless a judgment or other final adjudication, or any alternative dispute resolution proceeding adverse to the **Insured Person**, including that which is described in section VIII. H., establishes that such **Insured Person** received such payments; provided, however, this exclusion shall not apply to **Costs of Defense**;
- D. for bodily injury, sickness, disease, or death of any person, or for physical injury to or destruction of any tangible property, including the loss of use thereof; provided, however, this exclusion shall not apply to any **Claim**:

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1. by securities holders of the **Entity** in their capacity as such, including without limitation any shareholder derivative or securities class action lawsuit, or
 2. the following personal injury damages or causes of action in connection with a **Claim** for a **Wrongful Act** for: emotional distress, mental anguish, defamation, invasion of privacy or humiliation, or
 3. for the actual or alleged discharge, dispersal, release or escape of any solid, liquid, gaseous, or thermal irritant, contaminant or other pollutant; provided, however, any coverage under this Policy with respect to any such **Claim** shall be specifically excess of the amount of coverage available under any general liability, environmental impairment or similar insurance policy with respect to such **Claim**;
- E. for violations of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, including amendments thereto;
- F. by, on behalf of, or in the right of the **Entity** or the **Outside Entity** and which is authorized by the Chief Executive Officer, Board of Directors and or General Counsel of the **Parent Organization**, directly or indirectly; provided, however, this exclusion does not apply to any **Claim**:
1. that is a derivative action brought or maintained on behalf of the **Entity**, 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 Person**, or
 2. that is brought or maintained on behalf of a bankruptcy or insolvency trustee, examiner, receiver or similar official for the **Entity**, or any assignee of such trustee, examiner, receiver or similar official, or
 3. if, between the inception date of the **Policy Period** and the date such **Claim** is first made, either of the events referred to as "Transaction" in section VIII. D. occur;
- G. which is insured in whole or in part by another valid and collectible policy, except with respect to any excess above 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 **Insured Person's** service with any other entity other than the **Entity** or an **Outside Entity**, or by reason of their status as directors, officers, trustees, employees, members or governors of such other entity;
- I. 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 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**;
- J. 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 as of the **Prior and Pending Litigation Date**, or
 2. any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, administrative or arbitration proceeding,
- regardless of the legal theory upon which such **Claim** is predicated.

The **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person** for the purpose of determining the applicability of the Exclusions.

V. Limit of Liability and Maintenance of Underlying Insurance

- A. The Limit of Liability stated in Item 4. of the Declarations is the maximum limit of the **Insurer's** liability for all **Non-Indemnifiable Loss** arising out of all **Claims** first made against the **Insured Persons** during the **Policy Period** and the Extended Reporting Period (if purchased) under all Insuring Agreements combined. 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 4. of the Declarations. In the event the Limit of Liability stated in Item 4. of the Declarations is exhausted by payment of **Non-Indemnifiable Loss**, or has been tendered to or on behalf of the **Insured Persons**, then any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished.
- B. **Costs of Defense** are not payable by the **Insurer** in addition to the Limit of Liability. **Costs of Defense** are part of **Non Indemnifiable Loss** and as such are subject to the Limit of Liability for **Non Indemnifiable Loss**.
- C. The **Underlying Insurance** shall be maintained in full effect during the **Policy Period**, except for any reduction of the limits of liability available under the **Underlying Insurance** solely by reason of payment of losses thereunder. Failure to comply with the foregoing shall not invalidate this coverage, but the **Insurer** shall not be liable to a greater extent than if this condition had been complied with. To the extent that the **Underlying Insurance** is not maintained in full effect during the **Policy Period**, then the **Insured Persons** shall be deemed to retain any loss for the amount of the limit of liability of the **Underlying Insurance** which is not maintained. A condition of this coverage is that the **Insurer** be notified in writing within 30 days of any cancellation or alteration of any provision of the **Underlying Insurance**, and the **Insurer** shall have the right to amend the terms of this Policy and or charge an additional premium as it may reasonably decide.

- D. If the limit(s) of liability of the **Underlying Insurance** are reduced solely as the result of actual payment of losses thereunder by the applicable insurers, this Policy shall, subject to the **Insurer's** Limit of Liability and to the other terms of this Policy, continue to apply to **Non-Indemnifiable Loss** as excess insurance over the amount of insurance remaining under the **Underlying Insurance**. If the limit(s) of liability of the **Underlying Insurance** are exhausted solely as a result of payment of losses thereunder, subject to the **Insurer's** Limit of Liability and to the other terms of this Policy, the remaining Limit of Liability available under this Policy shall continue for subsequent **Non-Indemnifiable Loss** as primary insurance and any retention specified in the **Primary Policy** shall be imposed under this Policy as to each claim made; otherwise no retention shall be imposed under this Policy.
- E. Solely with respect to Insuring Agreement I. A., this Policy only provides coverage excess of the **Underlying Insurance**. This Policy does not cover any loss not covered by the **Underlying Insurance** except and to the extent that such loss is not paid under the **Underlying Insurance** solely by reason of the reduction or exhaustion of the available **Underlying Insurance** through payment of loss thereunder. If the insurer issuing any of the **Underlying Insurance** fails to pay loss in connection with any claim covered thereunder as a result of the insolvency, bankruptcy or liquidation of such insurer, then the **Insured Persons** shall be deemed to be self-insured for the amount of the limit of liability of such **Underlying Insurance** issued by such insurer which is not paid as a result of such insolvency, bankruptcy or liquidation.
- F. Solely with respect to a **Claim** that is covered under Insuring Agreement I. B., if purchased as stated in Item 3. of the Declarations, coverage otherwise afforded by this Policy shall drop down and attach at the point where the **Underlying Insurers** stops paying the **Non-Indemnifiable Loss** pursuant to Insuring Agreement I. B.; provided, however, such coverage shall not exceed the unexhausted portion of the respective limit of liability of the **Underlying Insurance**. If the **Primary Policy** fails to provide coverage solely as a result of the items specified in Insuring Agreement I. B., then this Policy shall respond as primary insurance coverage in conformance with the terms and conditions of this Policy; provided, however, any retention specified in the **Primary Policy** shall be imposed as to each **Claim** made. If any **Underlying Insurance** other than the **Primary Policy** fails to provide coverage solely as a result of the items specified in Insuring Agreement I. B., then this Policy will respond as excess insurance coverage in conformance with the terms and conditions of this Policy.

VI. Defense, Cooperation and Settlement

- A. The **Insurer** shall advance, at the written request of the **Insured Person**, **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 **Insured Persons**, severally according to their respective interests, in the event and to the extent that the **Insured Persons** shall not be entitled under the terms and conditions of this Policy to payment of such **Non-Indemnifiable Loss**.
- B. The **Insurer** does not, however, under this Policy, assume any duty to defend. The **Insured Persons** shall defend and contest any **Claim** made against them. The **Insured Persons** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Costs of Defense** with respect to any **Claim** that is or may be covered in whole or in part or may cause liability to attach under this Policy without the **Insurer's** prior written consent. Only those settlements, stipulated judgments and **Costs of Defense** which have been consented to by the **Insurer** shall be recoverable as **Non-Indemnifiable 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 **Claim**.
- C. This Policy does not provide coverage in any respect for any **Entity** or **Outside Entity**. Accordingly, the **Insurer** has no obligation under this Policy for **Costs of Defense** of the **Entity** or **Outside Entity**, or any obligation to pay any amount arising out of any legal liability that any **Entity** or **Outside Entity** has to a claimant, or for indemnity to any **Insured Persons**.
- 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 **Entity**, the **Outside Entity** and any **Insured Persons** in connection with any **Claim**, the **Entity**, the **Outside Entity**, 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 **Entity**, the **Outside Entity**, the **Insured Persons** and the **Insurer**. In determining a fair and proper allocation, the **Entity**, the **Outside Entity** and the **Insured Persons** expressly acknowledge that the **Entity**, the **Outside Entity** and the **Insured Persons** 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. The **Insured Persons** and the **Entity** agree not to assign, settle or offer to settle any claim against any **Underlying Insurer** for any wrongful refusal by such insurer to indemnify any **Insured Persons** or the **Entity** for **Non-Indemnifiable Loss**, unless the **Insurer** consents in writing to such assignment, settlement or offer. The **Insurer's** consent shall not be unreasonably withheld.

VII. Notice of Claim and Multiple Claims

- A. As a condition precedent to their rights under this Policy, the **Insured Persons** or the **Entity** shall give the **Insurer** written notice of any **Claim** as soon as practicable, but in no event later than 90 days after such **Claim** is first made.
- B. If during the **Policy Period** or the Extended Reporting Period (if applicable) the **Insured Persons** or the **Entity** become aware of any fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** being made against any **Insured Person** and shall give written notice to the **Insurer**, as soon as practicable (but prior to the expiration of or cancellation of the Policy), of:
1. the specific fact, circumstance or situation, with full details as to dates, persons, and entities involved; and
 2. the injury or damages which may result therefrom; and
 3. the circumstances by which the **Insured Person** first became aware thereof;
- 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** is first made, or
 2. when notice pursuant to section VII. B. above of a fact, circumstance, or situation giving rise to such **Claim** is given.
- D. In addition to furnishing the notice as provided in sections VII. A. and VII. B. above, the **Insured Persons** or the **Entity** shall give the **Insurer** such information and cooperation as it may reasonably require and shall, as soon as practicable, furnish the **Insurer** with copies of reports, investigations, pleadings and other papers in connection therewith.
- E. In the event of a **Claim**, the **Insured Persons** or the **Entity** shall give notice and request coverage pursuant to the provisions of the **Underlying Insurance**. The **Insured Persons** shall promptly seek indemnification to which they may be entitled from any applicable source, including but not limited to any **Entity** or **Outside Entity**. The **Insured Persons** shall do everything necessary to secure and preserve coverage under all applicable **Underlying Insurance** and indemnification from all applicable sources.

VIII. General Conditions

A. Termination of Policy

1. This Policy may not be cancelled by the **Insured Persons**, the **Entity**, or the **Insurer**, other than by the **Insurer** for non-payment of any premium when due. The **Insurer** shall provide at least 20 days written notice to the **Entity** prior to any cancellation for non-payment of any premium. Any notices to be given to the **Entity** under this section VIII. shall be provided to the **Entity** at the last known principal address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.
2. The **Insurer** shall not be entitled to rescind this Policy under any circumstances.

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 **Insured Persons** that the statements in the **Proposal** are their representations and that this Policy is issued in reliance upon the truth of such representations. With respect to such statements and representations, no knowledge or information possessed by any **Insured Persons** shall be imputed to any other **Insured Persons**.

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 **Insured Persons'** obligation to pay shall have been finally determined either by judgment against the **Insured Person** after actual trial or by written agreement of the **Insured Person**, 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 **Insured Persons** to determine the **Insured Persons'** liability, nor shall the **Insurer** be impleaded by the **Insured Persons** or their legal representatives. Bankruptcy or insolvency of any **Insured Persons** or of their estates shall not relieve the **Insurer** of any of its obligations hereunder.

D. Changes in Exposure

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

then, this Policy shall continue in full force and effect as to any **Wrongful Acts** fully occurring prior to the Transaction, but there shall be no coverage afforded by any provision of this Policy for any actual or alleged **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 **Insured Persons** or 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.

In the event of a Transaction, the **Insured Persons** or the **Parent Organization** shall have the right, upon payment of the appropriate premium, to an extension of the coverage granted by this Policy with respect to any **Claim** first made during the period of no less than 3 years or for such longer or shorter period as the **Insured Persons** or the **Parent Organization** may request, but only with respect to any **Wrongful Act** fully occurring prior to the effective time of the Transaction and otherwise covered by this Policy. Such extension shall be referred to as the Run Off Period. The **Insurer** shall offer such Run Off Period pursuant to such terms, conditions and premium as the **Insurer** may reasonably decide. 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 before the end of the **Policy Period**.

In the event of a Transaction, the **Insured Persons** or the **Parent Organization** shall have the right to purchase the Run Off Period but shall have no right to purchase the Extended Reporting Period described in section II. of this Policy.

The additional premium for the Run Off Period shall be fully earned at the inception of the Run Off Period. The Run Off Period is not cancelable. The Limit of Liability for the Run Off Period shall be part of, and not in addition to, the applicable Limit of Liability stated in Item 4. of the Declarations.

E. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to, and entitled to an assignment of, all of the **Insured Persons'** rights of recovery, including but not limited to the **Insured Persons'** rights of recovery under any **Underlying Insurance** or against any person or entity, including but not limited to the **Entity** or any **Outside Entity**, for nonpayment of indemnification. The **Insured Persons** shall do everything necessary to secure and preserve such rights, including but not limited to the execution of any document necessary to enable the **Insurer** effectively to bring suit or otherwise pursue and enforce such rights in the name of the **Insured Persons**.

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 **Insured Persons** and the **Insurer** agree that this Policy (including the **Proposal**) and any written endorsements attached hereto constitute the entire agreement between the parties.

H. Arbitration

The **Insured Persons** and the **Insurer** agree to submit any dispute, controversy or claim arising out of or relating to this Policy or the breach, termination or invalidity thereof to final and binding arbitration pursuant to such rules and procedures as the parties may agree. If the parties cannot so agree, the arbitration shall be administered by the American Arbitration Association in accordance with its then prevailing commercial arbitration rules. The Arbitration panel shall consist of one arbitrator selected by the **Insured Persons**, one arbitrator selected by the **Insurer** and a third independent arbitrator selected by the first two arbitrators. In any such arbitration, each party will bear its own legal fees and expenses.

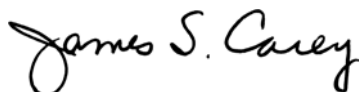
I. Representation by Parent Organization

It is agreed that the **Parent Organization** shall act on behalf of the **Insured Persons** 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, and the receipt and acceptance of any endorsements issued to form a part of this Policy.

J. Coverage Territory

This Policy applies to any **Wrongful Act** taking place anywhere in the world.

In witness whereof, the **Insurer** has caused this Policy to be signed by its President and Chief Executive Officer 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 Chief Executive Officer



Secretary