



INDIVIDUAL SOLUTIONS

The Insurer, the **Entity** and the **Insured Persons** agree as follows, in consideration of the payment of the premium and in reliance upon the **Application**:

I. INSURING AGREEMENT

The Insurer shall pay on behalf of the **Insured Person** all **Non-Indemnified Loss** resulting from any **Claim** first made against the **Insured Person** during the **Policy Period**, or the **Extended Reporting Period**, if applicable, against any of the **Insured Persons** for a **Wrongful Act**. **Claims** must be reported to the Company in accordance with Section VIII.

This Policy shall be specifically excess of the limits of insurance stated in the **Underlying Insurance** listed in the Declaration, if any. If **Underlying Insurance** is listed in the Declarations, then liability under this Policy shall attach only if and to the extent:

- a. the limits of insurance in all **Underlying Insurance** have been exhausted by reason of losses paid thereunder by the insurers of the **Underlying Insurance**, or
- b. any insurer of the **Underlying Insurance**:
 - (i). refuses to indemnify the **Insured Persons** as required under the terms of the **Underlying Insurance**; or
 - (ii) is financially unable to indemnify the **Non-Indemnified Loss**; or
 - (iii) rescinds the **Underlying Insurance**;
- c. according to the terms and conditions of the **Underlying Insurance**, any insurer of the **Underlying Insurance** is not liable for such **Non Indemnified Loss**.
- d. a liquidation or reorganization proceeding is commenced by or against the **Company** and/or any **Subsidiary** pursuant to the U.S. Bankruptcy Code, as amended ("Code") and as a result of such proceeding the proceeds of any **Underlying Insurance** cannot legally be paid by the insurer thereof solely because such proceeds are subject to the automatic stay under the Code; provided that as a condition precedent to the Insurer being liable pursuant to this subparagraph d, the **Insured Persons** or the **Entity** shall request, or arrange for the insurer of the **Underlying Insurance** to request, relief from the automatic stay with respect to such proceeds.

II. DEFINITIONS

For purposes of this Policy:

1. **Application** means all signed applications, any attachments to such applications, other materials submitted therewith or incorporated therein, and any other documents submitted in connection with the underwriting of this Policy by the Insurer, or any other policy underwritten by the Insurer or its affiliates of which this policy is a direct or indirect renewal or replacement.
2. **Claim** means:
 - a. a written demand against an **Insured Person** for monetary damages or non-monetary relief,
 - b. a civil, criminal, administrative, or regulatory adjudicatory proceeding or arbitration against an **Insured Person** commenced by (i) the service of a complaint or similar document with respect to a civil proceeding; (ii) the return of an indictment, information or similar document with respect to a criminal proceeding; or (iii) the filing of a notice of charge or similar document with respect to a administrative or regulatory proceeding; or
 - c. a civil, criminal, administrative or regulatory investigation of an **Insured Person** commenced by receipt by the **Insured Person** of written notice or a subpoena that the **Insured Person** is someone against whom a civil, criminal, administrative or regulatory adjudicatory proceeding or arbitration may be brought,or any appeals therefrom.
3. **Company** means the organization named in Item 1 of the Declarations, including such organization as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.
4. **Defense Costs** means reasonable and necessary fees and expenses incurred by the **Insured Persons** in defense of any **Claim**, and costs of appeal, attachment or similar bonds. The Insurer has no obligation to apply for or provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers and employees of the **Company** or any **Subsidiary**.
5. **Entity** means the **Company** and its **Subsidiaries**.
6. **Financial Insolvency** means, with respect to the **Company** or any **Subsidiary**:
 - a. the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such organization, or such organization becoming a debtor in possession; and

- b. the inability, financially or under applicable law, of such organization to advance **Defense Costs** or indemnify the **Insured Persons** for **Non-Indemnified Loss**.
7. **For-Profit Outside Entity** means any organization, other than the **Company**, any **Subsidiary** and any **Not-For-Profit Outside Entity**, if such organization is specifically listed as such in a schedule attached to this Policy.
8. **Insured Persons** means all past, present or future duly elected or appointed directors, officers, in-house general counsel, risk manager and **Managers** of the **Company** or any **Subsidiary** or, with respect to a **Subsidiary** incorporated outside the United States, their functional equivalent.
9. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
10. **Loss** means damages, settlements, judgments (including any award of prejudgment and post-judgment interest) and **Defense Costs** for which **Insured Persons** are legally obligated to pay on account of a covered **Claim**.

Loss shall not include:

- a. criminal or civil fines or penalties;
- b. taxes;
- c. any amount for which an **Insured Person** is absolved from payment by reason of any covenant, agreement or court order;
- d. any amount that represents or is substantially equivalent to an increase in the consideration paid or proposed to be paid by the **Company** or any **Subsidiary** in connection with its purchase of any securities or assets;
- e. any amount that represents or is substantially equivalent to disgorgement, restitution, or forfeiture of any profits or remuneration ; or
- f. any amount that is uninsurable under the law pursuant to which this Policy shall be construed.

Loss shall include punitive, exemplary or multiple damages, damages, if and to the extent that such punitive, exemplary, or multiple damages are insurable under the law of the jurisdiction most favorable to the insurability of such damages provided such jurisdiction has a substantial relationship to the relevant **Insured Persons**, to the **Company**, or to the **Claim** giving rise to the damages..

11. **Manager** means any natural person manager, member of the Board of Managers or equivalent executive of an **Entity** that is a limited liability company.
12. **Non-indemnified Loss** means **Loss** that the **Entity**, and with respect to **Insured Persons** in an **Outside Position**, the **Outside Entity**:

- a. refuses to indemnify or advance; or
 - b. fails or refuses to indemnify or advance by reason of their **Financial Insolvency**.
13. **Not-For-Profit Outside Entity** means any organization exempt from federal income taxation pursuant to 26 U.S.C. Sec. 501(c)(3) of the Internal Revenue Code of 1986, as amended.
14. **Outside Entity** means any **For-Profit Outside Entity** and any **Not-For-Profit Outside Entity**.
15. **Outside Position** means the position of director, officer, trustee, regent or governor held by any duly elected or appointed officer of the **Company** or any **Subsidiary** in any **Outside Entity** provided and so long as such service is at the specific written request or direction of the **Company** or any **Subsidiary**.
16. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date. If the Extended Reporting Period is purchased, then such period shall be part of and not in addition to the **Policy Period**.
17. **Policy Premium** means the original premium and the fully annualized amount of any additional premiums, other than the Extended Reporting Period premium, charged by the Insurer before or during the **Policy Period**.
18. **Subsidiary** means any entity in which and so long as more than 50% of the voting stock or voting rights, representing the present right to vote for directors or **Managers**, is owned by the **Company**, either directly or indirectly:
 - a. on or before the effective date of this Policy; or
 - b. after the effective date of this Policy by reason of being created or acquired by the **Company** or any **Subsidiary** after such date, if and to the extent coverage is afforded pursuant to Section XIII.
19. **Takeover** means:
 - a. the acquisition by another entity or person, or group of entities or persons acting in concert, of (i) the ownership or control of voting stock of the **Company** resulting in the ownership or control of more than 50% of the voting stock of the **Company** or (ii) assets of the **Company** resulting in the ownership of more than 50% of the total consolidated assets of the **Company** as of the date of the **Company's** most recent audited consolidated financial statement prior to such acquisition;
 - b. the merger of the **Company** into another entity such that the **Company** is not the surviving entity;
 - c. the consolidation of the **Company** with another entity; or

- d. the change of 50% or more of the directors of the **Company** as a result of a contested proxy solicitation.
- 20. **Underlying Insurance** means the insurance policies listed in Item 8 of the Declarations.
- 21. **Wrongful Act** means:
 - a. any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by the **Insured Person** in their capacity as such, or in an **Outside Position**, or
 - b. any matter claimed against the **Insured Person** solely by reason of their serving in such capacity, or in an **Outside Position**.

III. **EXTENDED REPORTING PERIOD**

As used herein, "**Extended Reporting Period**" means the period of time as set forth in Item 5a of the Declarations after the end of the **Policy Period** for **Claims** made against **Insured Persons** during the **Extended Reporting Period** by reason of a **Wrongful Act** that happened prior to the end of the **Policy Period** or the effective date of any **Takeover**, if the **Claim** is otherwise covered by this Policy. It is understood and agreed that the **Extended Reporting Period** shall not be construed to be a new policy and any **Claim** made during such period shall otherwise be governed by this Policy.

- 1. If the Insurer, or the **Entity** cancel or non-renew this Policy, the **Entity**, on behalf of the **Insured Persons**, or an **Insured Person**, on behalf of all **Insured Persons**, shall have the right to purchase, upon payment of an additional premium determined as set forth in Item 5b of the Declarations, an **Extended Reporting Period**.
- 2. As a condition precedent to the right to purchase the **Extended Reporting Period**, the total premium for this Policy must have been paid. The right to purchase the **Extended Reporting Period** shall end unless the Insurer receives written notice and full payment of the premium for such period within 30 days after the end of the **Policy Period**.
- 3. If the **Extended Reporting Period** is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to return any portion thereof.
- 4. The Limit of Liability for all **Claims** reported during the **Extended Reporting Period** shall be part of and not in addition to the Limit of Liability for the **Policy Period** as set forth in the Declarations and Section VI, Limits of Liability, of this Policy.

IV. LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Insured Persons** shall be considered an **Insured Person** under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse or domestic partner, where such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse or domestic partner. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or domestic partner. All terms and conditions of this Policy applicable to **Non-Indemnified Loss** incurred by the **Insured Person** shall also apply to **Non-Indemnified Loss** incurred by such estates, heirs, legal representatives, assigns, spouses and domestic partners.

V. EXCLUSIONS

The Insurer shall not be liable to pay any **Non-Indemnified Loss** under this Policy in connection with any **Claim** against an **Insured Person**:

1. for any actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish (except emotional distress or mental anguish in a **Claim** for employment-related **Wrongful Acts**) or death of any person, or damage to or destruction of any tangible property including loss of its use;
2. based upon, arising out of, or in any way involving:
 - a. any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given under any policy of which this Policy is a direct or indirect renewal or replacement or which it may succeed in time, regardless whether such prior policy affords coverage for such **Non-Indemnified Loss**, in whole or in part, as a result of such notice; or
 - b. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in paragraph a above, would constitute **Interrelated Wrongful Acts**;
3. based upon, arising out of, in any way involving or constituting:
 - a. any written demand, arbitration, civil or criminal proceeding pending against, or any order, decree or judgment entered for or against any **Insured Person**; or
 - b. any administrative or regulatory proceeding or investigation of which any **Insured Person** had notice, as of the Prior or Pending Date set forth in Item 7 of the Declarations, or any fact, circumstance, situation, transaction or event underlying or alleged in such demand, proceeding, investigation or arbitration;
4. for:

- a. any **Wrongful Act** by **Insured Persons** of any **Subsidiary** occurring before the date such entity became a **Subsidiary**, or
 - b. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in paragraph a above, would constitute **Interrelated Wrongful Acts**;
5. by, on behalf of the **Company** or any **Subsidiary**, or by any security holder of the **Company** or any **Subsidiary** except and to the extent that (i) such **Claim** is brought and maintained solely by persons acting independently of and without the solicitation, assistance, participation or intervention of the **Company**, any **Subsidiary** or **Insured Persons**, or (ii) such **Claim** is brought by a bankruptcy or insolvency trustee, examiner, creditors committee, liquidator, rehabilitator or receiver, or assignee thereof, of the **Company** or any **Subsidiary**, or (iii) such **Claim** is first made after the **Takeover** of the **Company**. However, this exclusion shall not apply with respect to any **Claim** brought by **Insured Persons** who have not served within four years of the effective date of this Policy as directors, officers, in-house general counsel, risk managers or **Managers** of the **Company** or any **Subsidiary** (or their functional equivalent with respect to a **Subsidiary** incorporated outside the United States) ;
6. based upon, arising out of, or in any way involving such **Insured Person** gaining any profit, remuneration or pecuniary advantage to which such **Insured Person** was not legally entitled, if there is a final adjudication adverse to such **Insured Person** in any proceeding establishing such a gaining of profit, remuneration or advantage. For the purposes of determining the applicability of this exclusion, any fact pertaining to or knowledge possessed by one **Insured Person** shall not be imputed to any other **Insured Person**;
7. based upon, arising out of, or in any way involving such **Insured Person** committing any dishonest, malicious, deliberately fraudulent or criminal act, error or omission or any intentional or knowing violation of the law, if there is a final adjudication adverse to such **Insured Person** in any proceeding establishing such act, error, omission or violation. For the purposes of determining the applicability of this exclusion, any fact pertaining to or knowledge possessed by one **Insured Person** shall not be imputed to any other **Insured Person**; or
8. for any **Wrongful Act** by the **Insured Persons** in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than the **Company** or any **Subsidiary**, even if directed or requested by the **Company** or any **Subsidiary** to serve as directors, officers, trustees, regents, governors or employees of such other entity; provided this exclusion shall not apply to service in an **Outside Position**.

VI. LIMIT OF LIABILITY

1. The amount set forth as the Limit of Liability in Item 6 of the Declarations shall be the maximum aggregate Limit of Liability of the Insurer for all **Non-Indemnified Loss** under this Policy, regardless of the number of **Claims** made against or **Non-Indemnified Losses** incurred by the **Insured Persons**.
2. The Insurer's obligations under this Policy shall be deemed completely fulfilled and extinguished, if the Limit of Liability is exhausted by payment of **Non-Indemnified Loss**.
3. The Insurer shall pay **Non-Indemnified Loss** as it becomes due and payable by the **Insured Persons** without consideration of other future or potential payment obligations.
4. **Defense Costs** are part of **Non-Indemnified Loss** and subject to the Limit of Liability, and are not payable in addition to such Limit of Liability.

VII. DEFENSE AND SETTLEMENT

1. **Defense of Claims**
The **Insured Persons** and not the Insurer have the duty to defend and contest **Claims**. The Insurer has the right, but not the duty, to associate itself in the defense, prosecution, and negotiation of any settlement of any **Claim**.
2. **Insurer's Consent**
The **Insured Persons** shall not incur **Defense Costs**, admit or assume liability, consent to any judgment, agree to any settlement or make any settlement offer in any **Claim** covered or potentially covered under this Policy without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Non-Indemnified Loss** incurred by an **Insured Person** to the extent the **Non-Indemnified Loss** results from such **Insured Person** incurring **Defense Costs**, admitting or assuming liability, consenting to any judgment, agreeing to any settlement or making any settlement offer without the Insurer's prior written consent. The **Insured Persons** agree that they shall not knowingly take any action that increases the Insurer's exposure for **Non-Indemnified Loss** under this Policy.
3. **Advancement of Defense Costs**
Subject to the conditions set forth in this Section VII, the Insurer, on behalf of the **Insured Persons**, shall advance covered **Defense Costs** as incurred, if any, before the final disposition of a **Claim** against the **Insured Persons**.
4. **Conditions for Advancement of Defense Costs**
Advancement by the Insurer of **Defense Costs** pursuant to this Section VII shall be subject to the following conditions:

- a. if the **Insured Persons** and the Insurer agree on an allocation of insured and uninsured **Defense Costs**, the Insurer shall advance the amount of insured **Defense Costs**;
- b. if the **Insured Persons** and the Insurer cannot, after exerting their best efforts, agree on an allocation of insured and uninsured **Defense Costs**:
 - (i) the Insurer then shall advance the percentage of **Defense Costs** proposed by the Insurer to be insured until a different allocation is negotiated, arbitrated or judicially determined;
 - (ii) the Insurer, if requested by the **Insured Persons**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel, which 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;
 - (iii) no presumption as to the correct allocation shall exist in any arbitration, suit or other proceeding; and
 - (iv) any arbitrated or judicially determined allocation of **Defense Costs** shall be applied retroactively to all **Defense Costs** previously advanced;
- c. the **Insured Persons** shall provide a satisfactory written undertaking to repay the Insurer any **Defense Costs** finally established not to be insured; and
- d. any allocation or advancement of **Defense Costs** shall not apply to or create any presumption with respect to the allocation of other **Non-Indemnified Loss**.

5. **Allocation of Non-Indemnified Loss**

The **Insured Persons** agree that there must be an allocation between insured and uninsured loss if (i) a **Claim** made against the **Insured Persons** includes both covered and uncovered matters, or (ii) a **Claim**, is made against **Insured Persons** who are extended coverage therefor and others (including the **Insured Persons**) who are not extended coverage therefor. The **Insured Persons** and the Insurer shall allocate between insured and uninsured loss based upon the relative legal and financial exposures of the parties to such matters, and the relative benefits obtained by the parties to any settlement of such matters.

6. The **Insured Persons** shall furnish the Insurer with copies of reports, investigations, pleadings, related papers, and any other information, assistance and cooperation as the Insurer may reasonably request.

7. **The Company and Subsidiary Indemnification and Advancement of Defense Costs**

The **Company** and any **Subsidiary** shall advance **Defense Costs** and indemnify the **Insured Persons** for **Loss** in connection with any **Claim** to the fullest extent required or permitted under applicable law. If, in connection with any **Claim** made against the **Insured Persons**, the **Company** and/or any **Subsidiary** refuses to advance **Defense Costs** or to indemnify for

Loss, then the Insurer on behalf of the **Insured Persons** shall advance such **Defense Costs** and pay such **Loss**, subject to the Insurer's subrogation rights as provided in Section XV and to the other terms and conditions of this Policy.

VIII. REPORTING AND NOTICE OF CLAIM

1. The **Entity** or **Insured Persons** shall, as a condition precedent to the obligations of the Insurer under this Policy, give a written notice to the Insurer of a **Claim** made against an **Insured Person** as soon as practicable after an **Insured Person** first becomes aware of the **Claim**, but in no event later than 60 days after the end of the **Policy Period**, provided always that such **Claim** is reported as soon as practicable.
2. If, during the **Policy Period** or **Extended Reporting Period**, if applicable, the **Entity** or **Insureds** first become aware of a specific **Wrongful Act** which may reasonably give rise to a future **Claim** and during such period give written notice to the Insurer of:
 - a. the names of the potential claimants and a description of the specific **Wrongful Act** which forms the basis of their potential claim,
 - b. the identity of the specific **Insured Persons** allegedly responsible for such specific **Wrongful Act**,
 - c. the consequences which have resulted or may result from such specific **Wrongful Act**,
 - d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**, and
 - e. the circumstances by which the **Insured Persons** first became aware of such specific **Wrongful Act**,then any **Claim** otherwise covered pursuant to this Policy which is subsequently reported by the **Entity** or any **Insured Persons** to the Insurer and which arises out of such **Wrongful Act** shall be deemed to have been first made against the **Insured Persons** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Claim**.
3. Except as provided in subsection 2 above, a **Claim** shall be deemed made:
 - a. in the case of a civil, criminal, administrative or regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Insured Person** of a complaint, indictment, notice of charge or similar document against the **Insured Person** in such proceeding or arbitration;
 - b. in the case of an investigation, on the earliest of the date of 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 proceeding may be commenced;

- c. in the case of a written demand for monetary damages or non-monetary relief, on the **Insured Person's** receipt of notice of such demand.
4. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Claim** which shall be deemed to have been first made on the earlier of:
 - a. the date on which the earliest such **Claim** was first made, or
 - b. the first date valid notice was given by the **Entity** or **Insured Persons** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event or transaction which underlies any such **Claim**.
5. The **Entity** and **Insured Persons** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations, which shall be effective upon receipt.
6. The **Entity** and **Insured Persons** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

IX. CANCELLATION

1. The Insurer may cancel this Policy for non-payment of premium when due.
2. The **Insured Persons** may not cancel this policy.

X. NOTICES TO THE NAMED COMPANY

Any notices by the Insurer to the **Company** under this Policy shall be provided to the **Company** at the last known address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.

XI. OTHER INSURANCE AND INDEMNIFICATION

If any **Non-Indemnified Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Non-Indemnified Loss** exceeds the amount paid under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.

Any coverage under this Policy for **Claims** against any **Insured Person** in an **Outside Position** shall be specifically excess of any indemnification from or insurance provided by the **Outside Entity**. Payment by the Insurer or any affiliate of the Insurer under another policy as a result of a **Claim** against an **Insured Person** in an **Outside Position** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

XII. APPLICATION

1. The **Insured Persons** represent and acknowledge that the statements and information contained in the **Application** and any materials referenced, submitted or required to be submitted therewith are true, the basis of this Policy, incorporated into and constituting a part of this Policy, and deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and information.
2. In the event the **Application**, contains any statements, representations or information that is not true or accurate, this Policy shall be void only as to any **Insured Persons** who actually knew, as of the effective date of this **Application**, the facts that were not truthfully or accurately disclosed, whether or not the **Insured Person** knew the **Application** contained such untruthful or inaccurate disclosure. Knowledge of such **Insured Persons** shall not be imputed to any other **Insured Persons**. This Policy shall not be rescinded with respect to such other **Insured Persons** who did not actually know such information.

XIII. NEW SUBSIDIARIES

1. If after the effective date of this Policy, (i) the **Company** or any **Subsidiary** creates or acquires an entity other than a partnership or joint venture, or (ii) the **Company** or any **Subsidiary** merges with another entity other than a partnership or joint venture such that the **Company** or any **Subsidiary** is the surviving entity, then directors and officers of such entity or its subsidiaries who otherwise would thereby become an **Insured Person** shall be covered under this Policy, subject to its terms and conditions, only if:

- a. the fair value of all cash, securities, assumed indebtedness and other consideration paid by the **Company** or any **Subsidiary** in such transaction does not exceed 10% of the total consolidated assets of the **Company** as of the date of the **Company's** most recent audited consolidated financial statement prior to such transaction; or
 - b. other than as described in paragraph a immediately above, the **Company** shall give written notice of such acquisition or creation to the Insurer as soon as practicable, but in no event later than sixty (60) days after the date of such acquisition or creation, together with such other information as the Insurer may require and shall pay any reasonable additional premium required by the Insurer. If the **Company** fails to give such notice within the time specified above, or fails to pay the additional premium required by the Insurer, coverage for such **Insured Persons** of such acquired or created organization shall terminate with respect to **Claims** first made more than sixty (60) days after such acquisition or creation. Coverage for any such **Insured Persons** shall be subject to such additional or different terms, conditions and limitations of coverage as the Insurer in its sole discretion may require.
2. There shall be no coverage under this Policy for any **Wrongful Act** by any persons considered to be covered **Insured Persons** pursuant to subsection 1 immediately above, where such **Wrongful Act** occurred in whole or in part before the effective date of such creation, acquisition or merger or for any **Wrongful Act** occurring on or after such date which, together with any **Wrongful Act** occurring before such date, would be considered **Interrelated Wrongful Acts**.

XIV. CHANGE OF STATUS OF ENTITY

1. Takeover of the Company

In the event of a **Takeover** of the **Company**, coverage under this Policy shall continue until this Policy is otherwise terminated but only with respect to **Claims** for **Wrongful Acts** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** date and agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date, and (ii) the **Company** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

2. Cessation or Takeover of Subsidiary

If any organization ceases to be a **Subsidiary**, there shall be no coverage under this Policy for any **Wrongful Act** by any **Insured Person** of such

organization occurring after the date such organization ceased to be a **Subsidiary**.

In the event of a **Takeover** of a **Subsidiary**, coverage under this Policy with respect to such **Subsidiary** and its **Insured Persons** shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Acts** occurring before the effective date of the **Takeover**, unless (i) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date, and (ii) the **Company** and **Subsidiary** accept any special terms, conditions, exclusions or additional premium charge required by the Insurer.

XV. SUBROGATION AND RECOVERY

To the extent it pays any **Non-Indemnified Loss**, the Insurer shall be subrogated to all the **Insured Persons'** rights of recovery therefor, including without limitation an **Insured Persons'** right to indemnification or advancement from the **Company**, any **Subsidiary**, or any **Underlying Insurance**. The **Entity** and **Insured Persons** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall take no action which impairs the Insurer's rights of subrogation or recovery.

XVI. CHANGES

Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

XVII. COMPANY AUTHORIZATION

The **Entity** and **Insured Persons** agree that the **Company** will act on behalf of the **Entity** and all **Insured Persons** with respect to giving of all notices to the Insurer (except notice provided in Section VIII.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

XVIII. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy

2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insured Person** to determine the **Insured Person's** liability, nor shall the Insurer be impeded by the **Insured Person** or their legal representatives in any such **Claim**. If, after the final adjudication or settlement of a **Claim**, there is any dispute concerning tort allegations against the Insurer regarding the handling or settlement of any **Claim**, the Insurer and the **Insured** agree to submit such dispute to any form of alternative dispute resolution acceptable to both parties. Should the Insurer and the **Insured** be unable to agree on the form of alternative dispute resolution, then such dispute shall be submitted to binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof .

IX. ASSIGNMENT OF INTEREST

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

XX. TERRITORY

Coverage shall apply worldwide.

XXI. ENTIRE AGREEMENT

The **Entity** and the **Insured Persons** agree that this Policy, the **Application** and any written endorsement hereto constitute the entire contract existing between them, the Insurer and any of its agents relating to this insurance.

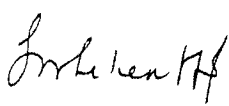
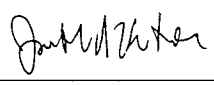
XXII. HEADINGS

The section headings in this Policy (including the Declarations) are for expediency only and do not form a part of the terms and conditions of the Policy.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.

Chairman

Secretary

	
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