

Pembroke

SYNDICATE 4000

Directors' and Officers' Liability Insurance

Policy Wording

This is a Claims Made Policy.

**It only responds to any CLAIM which is first made against
any INSURED PERSON during the POLICY PERIOD
or EXTENDED REPORTING PERIOD as applicable.**

Please read this Policy carefully

In consideration of the payment of the Premium stated in Item 5 of the Schedule Underwriters agree as follows.

1. COVER PROVIDED

Underwriters shall pay LOSS as incurred by:

- (a) an INSURED PERSON; or
- (b) the COMPANY by way of REIMBURSEMENT.

2. EXTENSIONS

2.1 Professional Consultancy Expenses

In the event that an INSURED PERSON or the COMPANY becomes aware of circumstances which might reasonably be expected to give rise to a CLAIM and they reasonably consider that the services of a professional consultancy firm are required urgently in order to prevent or minimise the risk of a CLAIM which would be covered under this Policy, then Underwriters will reimburse reasonable fees and costs (other than COSTS AND EXPENSES) incurred as a result of instructing an appropriate professional consultancy firm up to a maximum limit of GBP50,000 in the aggregate. Such limit shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Schedule.

Entitlement to this additional cover is conditional upon the INSURED PERSON or the COMPANY providing Underwriters with full written details of the action taken no later than 21 days after first becoming aware of the circumstances that require the services of the professional consultancy firm.

2.2 New Subsidiaries

- (a) The benefit of the insurance cover provided by this Policy shall extend automatically to any newly acquired or created entity that becomes a SUBSIDIARY of the COMPANY provided that:
 - (i) the total gross assets of such newly acquired or created entity do not exceed 20% of the total gross assets of the COMPANY as at the inception date of this Policy; and
 - (ii) such newly acquired or created entity does not or has not had a listing of any of its securities on any exchange in the USA.
- (b) In respect of a newly acquired or created SUBSIDIARY that:
 - (i) has total gross assets that exceed 20% of the total gross assets of the COMPANY as at the inception date of this Policy; or
 - (ii) has or has had a listing of any of its securities on any exchange in the USA;

the COMPANY may request Underwriters to extend the insurance cover provided by this Policy to such newly acquired or created SUBSIDIARY. If Underwriters agree to extend cover to such new SUBSIDIARY, they shall be entitled to amend the terms of this Policy and/or to charge an additional premium.

2.3 Additional INSURED PERSONS

The following shall be deemed INSURED PERSONS under this Policy:

- (a) lawful spouse or domestic partner of any INSURED PERSON but only where recovery is sought in respect of property held jointly by the spouse or domestic partner in respect of LOSS arising from a CLAIM against such INSURED PERSON;
- (b) in the event of the death, incapacity or bankruptcy of an INSURED PERSON, their legal representative, heir and or assign for LOSS arising from a CLAIM against such INSURED PERSON;
- (c) OUTSIDE ENTITY DIRECTOR provided that cover shall apply solely to the extent that such OUTSIDE ENTITY DIRECTOR is not indemnified by their OUTSIDE ENTITY.

2.4 Emergency COSTS AND EXPENSES

If in an emergency Underwriters' written consent cannot reasonably be obtained before COSTS AND EXPENSES are incurred with respect to any CLAIM, Underwriters' shall provide retrospective approval for such COSTS AND EXPENSES up to 10 per cent (10%) of the Limit of Liability as stated in Item 3 of the Schedule. This limit shall be part of and not in addition to the Limit of Liability stated in Item 3 of the Schedule.

2.5 EXTENDED REPORTING PERIODS

(a) GENERAL EXTENDED REPORTING PERIOD

If Underwriters fail to offer any terms to renew this Policy and this Policy is not replaced with any other form of management liability insurance, the POLICYHOLDER shall be entitled to purchase an EXTENDED REPORTING PERIOD of 12 calendar months.

To purchase such EXTENDED REPORTING PERIOD, the COMPANY must:

- (i) serve written notice to Underwriters no later than 15 days after the expiry date of this Policy; and
- (ii) pay to Underwriters an additional premium of 100% of the annual or annualised equivalent of the premium charged for this Policy as stated in Item 5 of the Schedule within 30 days of the expiry date of this Policy.

The additional premium in respect of the EXTENDED REPORTING PERIOD is not refundable and the EXTENDED REPORTING PERIOD is not cancellable.

The EXTENDED REPORTING PERIOD shall not apply in the event of a TRANSACTION. However, in the event of a proposed TRANSACTION, upon written request of the POLICYHOLDER Underwriters may provide an offer of terms for an EXTENDED REPORTING PERIOD. In considering such written request, Underwriters shall be entitled to fully underwrite the exposure and to extend an offer on whatever terms, conditions and limitations that Underwriters reasonably deem appropriate;

(b) RETIRED DIRECTORS EXTENDED REPORTING PERIOD

If this Policy is not renewed or replaced with any other form of management liability insurance including any extended reporting period provided under (a) above, the RETIRED DIRECTORS shall automatically be entitled to an EXTENDED REPORTING PERIOD of 72 calendar months without payment of an additional premium.

Provided that in the event an EXTENDED REPORTING PERIOD becomes effective, the Limit of Liability as stated in Item 3 of the Schedule shall not be increased in any way;

2.6 Bribery Proceedings

In the event any INSURED PERSON is the subject of prosecution under the Bribery Act 2010 or any similar statutory provision in any other jurisdiction, Underwriters shall pay the reasonable COSTS AND EXPENSES of any lawyer retained by such INSURED PERSON with Underwriter's prior written consent directly incurred in relation to the defence of such proceedings.

2.7 NON-EXECUTIVE DIRECTORS' Additional Limit of Liability

In the event the LIMIT OF LIABILITY is completely eroded due to payment by Underwriters of LOSS and after all other indemnification available to the NON EXECUTIVE DIRECTORS has been exhausted it is agreed that the LIMIT OF LIABILITY shall be reinstated solely in respect of CLAIMS made against such NON EXECUTIVE DIRECTORS only, provided always that:

- (i) the maximum reinstated LIMIT OF LIABILITY applicable to all NON EXECUTIVE DIRECTORS combined shall not exceed 10% of the LIMIT OF LIABILITY as stated in Item 3 of the Schedule; and
- (ii) if the COMPANY has in effect any policy or policies providing coverage in excess of this Policy, the reinstated LIMIT OF LIABILITY provided by this Extension will take effect after the total exhaustion of any and all amounts payable under such other policies.

2.8 SELF REPORT EXTENSION

Underwriters will pay the SELF REPORT EXPENSES, up to the sub-limit of GBP150,000 in the aggregate, which is part of and not in addition to the LIMIT OF LIABILITY.

3. DEFINITIONS

3.1. APPROVED PERSON means any natural person employed by any COMPANY to whom the UK Financial Services Regulator has given its approval to perform one or more Significant Influence Functions as described under Section 59 of the Financial Services and Markets Act 2000.

3.2 CLAIM means any:

- (a) civil suit or proceedings for a WRONGFUL ACT against any INSURED PERSON seeking monetary damages or other relief, including non-pecuniary relief; or
- (b) written allegation of a WRONGFUL ACT communicated to any INSURED PERSON or the COMPANY; or
- (c) administrative or regulatory proceedings against any INSURED PERSON for a WRONGFUL ACT; or
- (d) official investigation into the affairs of an INSURED PERSON in their capacity as such in relation to their COMPANY or OUTSIDE ENTITY as applicable once the INSURED PERSON becomes legally compelled to attend or is identified in writing by an investigating authority as a subject of an official proceeding or official investigation; or
- (e) criminal proceedings or any EXTRADITION PROCEEDING against any INSURED PERSON for a WRONGFUL ACT;

which is first made during the POLICY PERIOD (or EXTENDED REPORTING PERIOD if applicable), provided always that a series of CLAIMS arising out of or which are attributable to or which are otherwise causally connected with a single WRONGFUL ACT shall constitute a single CLAIM for the purposes of this Policy.

- 3.3 COMPANY means the POLICYHOLDER and any SUBSIDIARY thereof.
- 3.4 COSTS AND EXPENSES means all legal expenses, including disbursements, reasonably incurred by or on behalf of any INSURED PERSON with the prior written consent of Underwriters (which shall not be unreasonably withheld or delayed), and which result from the investigation, defence and/or settlement of or in connection with a CLAIM including:
- (a) any appeal relating thereto, including a separate proceeding to overturn an order made in any EXTRADITION PROCEEDING; and
 - (b) premium paid for a financial instrument for appeal, bail or similar bonds.
- 3.5 EMPLOYMENT PRACTICES WRONGFUL ACTS means any actual or alleged:
- (a) wrongful termination of the employment of (including but not limited to constructive and or unfair dismissal), demotion of, or failure or refusal to employ or promote any person in relation to the COMPANY; or
 - (b) discrimination or harassment affecting any employee of, or prospective employee with, the COMPANY; or
 - (c) retaliatory treatment against an employee of the COMPANY on account of the employee's exercise or attempted exercise of his or her legal rights.
- 3.6 EXTENDED REPORTING PERIOD means the period immediately following expiry of the POLICY PERIOD during which time written notice may be given to Underwriters of a CLAIM first made during such period, in relation to a WRONGFUL ACT that occurred prior to the expiry of the POLICY PERIOD.
- 3.7 EXTRADITION PROCEEDING means a proceeding following a request for extradition or the execution of a warrant of arrest as part of the extradition process.
- 3.8 INSURED PERSON means any natural person who is, was prior to or becomes during the POLICY PERIOD:
- (a) a director or officer of the COMPANY including for this purpose anyone alleged to have been acting as a SHADOW DIRECTOR of the COMPANY;
 - (b) an employee of the COMPANY to the extent that they:
 - (i) are joined as co-defendants in any action against any natural person defined in (a) above; or
 - (ii) were acting in a managerial or supervisory capacity when the WRONGFUL ACT was or was alleged to have been committed; or
 - (c) an APPROVED PERSON
- 3.9 LIMIT OF LIABILITY means Underwriters' total aggregate liability under this Policy in respect of all LOSS arising from CLAIMS made during the POLICY PERIOD and the EXTENDED REPORTING PERIOD if applicable, as stated in Item 3 of the Schedule. However the additional excess limit for NON EXECUTIVE DIRECTORS does not form part of the LIMIT OF LIABILITY.

3.10 LOSS means the liability of any INSURED PERSON incurred as a result of a CLAIM to pay:

- (a) damages and costs awarded against them; and
- (b) any settlement as agreed by Underwriters (which agreement shall not be unreasonably withheld or delayed); and
- (c) COSTS AND EXPENSES; and
- (d) punitive or exemplary damages where these are legally insurable in the jurisdiction where a CLAIM is made; and
- (e) reasonable fees and costs incurred as a result of the instruction of an appropriate professional consultancy firm to prevent or minimise the risk of a CLAIM in accordance with extension 2.1.

LOSS does not mean:

- (i) criminal fines or penalties; or
- (ii) taxes; or
- (iii) the multiplied portion of multiple damages; or
- (iv) with respect to any EMPLOYMENT PRACTICES WRONGFUL ACTS, LOSS does not mean any compensation payable in respect of contractual or statutory notice periods or employment related benefits being:
 - a) perquisites and fringe benefits; or
 - b) payments due under any employment benefit plan or pension scheme; or
 - c) stock or share options or any rights to purchase, acquire or sell stock or shares of the COMPANY; or
 - d) incentive or deferred compensation or other type of compensation other than salary(including bonus) and wages

3.11 NON EXECUTIVE DIRECTOR means any natural person who at the inception of the POLICY PERIOD serves, or during the POLICY PERIOD begins serving as a director of the COMPANY and who is not an employee of the COMPANY

3.12 OUTSIDE ENTITY means any entity other than an entity that is:

- (a) the COMPANY;
- (b) incorporated, domiciled or has a listing of any of its securities on any exchange in the USA; is or has securities that are legally required to be the subject of any registration statement filed with the United States Securities and Exchange Commission (the "SEC"), or is subject to any obligation to file reports with the SEC in accordance with Section 13 of the Securities Exchange Act of 1934;
- (c) any financial institution (including any bank, depository institution, mortgage broker, investment company, securities broker, dealer or underwriter, asset manager or insurance company);

other than such organisation, association, entity or financial institution which has, with the express written consent of the Underwriters been listed by endorsement to this Policy

- 3.13 OUTSIDE ENTITY DIRECTOR means any director or officer or employee of the COMPANY who:
- (a) was, is or may during the POLICY PERIOD become a director or officer of an OUTSIDE ENTITY at the specific request of the COMPANY; or
 - (b) is alleged to have been acting as a SHADOW DIRECTOR of such OUTSIDE ENTITY by reason of his or her duties as a director or officer or employee of the COMPANY.
- 3.14 POLICYHOLDER means the entity named in Item 1 of the Schedule
- 3.15 POLICY PERIOD means the period stated in Item 6 of the Schedule.
- 3.16 POLLUTANT means any substance, solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals, air emissions, odour, waste water, oil, oil products, medical waste, asbestos or asbestos products, fungus, mycota or by-products, lead or lead containing products and waste materials (including but not limited to, recycled, reconditioned or reclaimed materials).
- 3.17 REIMBURSEMENT means the obligation upon Underwriters to pay on behalf of the COMPANY in respect of any amounts which the COMPANY has paid to or on behalf of an INSURED PERSON in respect of LOSS.
- 3.18 RETIRED DIRECTOR means any INSURED PERSON who relinquishes their position within the COMPANY during the POLICY PERIOD other than by reason of a TRANSACTION and who does not subsequently resume or assume a position of director, officer or employee in the COMPANY.
- 3.19 SELF REPORT EXPENSES means the reasonable and necessary fees, costs and expenses incurred by an INSURED PERSON with Underwriters prior written consent to retain legal advisers for the purpose of representing an INSURED PERSON once they are made the subject of, required to participate in or attend a SELF REPORT PROCEDURE.
- 3.20 SELF REPORT PROCEDURE means an internal enquiry by the COMPANY into the affairs of the COMPANY or an INSURED PERSON following a formal written notification to an official body informing them of an actual or suspected material breach of an INSURED PERSON'S legal or regulatory duties if and to the extent that such enquiry is requested by an official body.
- SELF REPORT PROCEDURE shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in a COMPANY'S and/or official body's normal review or compliance process.
- 3.21 SHADOW DIRECTOR means any natural person who is deemed a shadow director, as defined in Section 251 of the Companies Act 2006 or re-enactment thereof.
- 3.22 SUBSIDIARY means any entity which, on or before the inception date of this Policy, the COMPANY, either directly or indirectly through one or more other entities, controls or controlled:
- (a) through holding a majority of the voting rights; or
 - (b) through having the right to appoint or remove the majority of its board of directors; or
 - (c) alone, or pursuant to a written agreement with other shareholders or members, a majority of the voting rights of the entity; or
 - (d) the composition of the board of directors.

- 3.23 TRANSACTION means any one of the following events:
- (a) the POLICYHOLDER consolidates with or merges into or sells all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert; or
 - (b) any person or entity, or persons or entities acting in concert (other than a SUBSIDIARY or SUBSIDIARIES) shall acquire control of the POLICYHOLDER. For the purposes of this clause 'control' means the securing of the affairs of such entity by means of:
 - (i) controlling the composition of the board of directors of such entity; or
 - (ii) controlling more than half of the shareholder or equity voting power of such entity; or
 - (iii) holding more than half of the issued share or equity capital of such entity; or
 - (iv) creation of such entity.
- 3.24 USA means the United States of America, its territories, possessions and any state or political sub-division thereof.
- 3.25 WHISTLEBLOWER means any INSURED PERSON filing a CLAIM either directly or indirectly under any law affording whistleblower protection including but not limited to the Public Interest Disclosure Act (UK), False Claims Act (USA) or Sarbanes-Oxley Act of 2002 (USA).
- 3.26 WRONGFUL ACT means any actual or alleged or proposed breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, mistreatment, breach of a fiduciary obligation, libel, slander, wrongful trading, breach of warranty of authority or any other act attempted or committed that gives rise to legal liability on the part of any INSURED PERSON, jointly and severally, which arises solely by reason of the conduct of their duties in their capacity as INSURED PERSONS, or, any matter claimed against an INSURED PERSON solely because of their status as such.

WRONGFUL ACT shall also include EMPLOYMENT PRACTICES WRONGFUL ACT,

4. EXCLUSIONS

Underwriters shall not be liable for any LOSS in respect of a CLAIM:

- 4.1 Injury and Property Damage
- for bodily injury, sickness, disease, death or emotional distress of any person or damage to or destruction of any tangible property, including loss of use thereof, other than:
- (a) for emotional distress forming part of a CLAIM in respect of EMPLOYMENT PRACTICES WRONGFUL ACTS; or
 - (b) COSTS AND EXPENSES arising from criminal proceedings against an INSURED PERSON for manslaughter in relation to the business of the COMPANY.
- 4.2 Prior Claims and Circumstances
- arising out of, based upon, attributable to or in any way involving:
- (a) any facts alleged or contained in any CLAIM or circumstance which might give rise to a CLAIM which have been notified under any other policy in force prior to the inception of this Policy; or
 - (b) any pending or prior litigation as at the pending date set out in Item 7 of the Schedule or alleging or deriving from the same or substantially the same facts alleged in the pending or prior litigation.

For the purposes of this exclusion, 'litigation' shall mean any civil, administrative, regulatory or criminal proceedings or any official investigation.

4.3 Pollution

arising out of, based upon, attributable to or in any way involving:

- (a) any actual, alleged or threatened discharge, dispersal, release or escape of a POLLUTANT whether such discharge, dispersal, release or escape is intentional or accidental; or
- (b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise a POLLUTANT.

It is agreed, however, that this exclusion shall not apply to:

- (a) COSTS AND EXPENSES; or
- (b) any CLAIM brought by or on behalf of any shareholder in the COMPANY, either directly or derivatively, which alleges damage to the COMPANY and/or its shareholders provided that:
 - (i) on or before the date specified in Item 8 of the Schedule, the INSURED PERSONS and the COMPANY did not know of nor could have reasonably foreseen that there existed any situation, circumstance or WRONGFUL ACT which could give rise to the CLAIM; and
 - (ii) any matter(s) or incident(s) giving rise to the CLAIM occurred entirely outside the USA and the CLAIM is brought or maintained entirely outside the USA.

4.4 Improper Conduct

- (a) against an INSURED PERSON arising out of, based upon, attributable to or in any way involving the:
 - (i) personal profit or advantage of such INSURED PERSON to which they were not legally entitled; or
 - (ii) dishonest or fraudulent act of such INSURED PERSON; or
 - (iii) profit from the purchase or sale of securities of the COMPANY or the OUTSIDE ENTITY as applicable within the meaning given by Section 16(b) of the Securities Exchange Act of 1934 (USA) and any re-enactment thereof or any similar provision in any state statutory law enacted in the USA of such INSURED PERSON.
- (b) against an APPROVED PERSON arising out of, based upon, attributable to or in any way involving a finding of a breach of Principle 1 and/or a lack of integrity

This exclusion shall only apply to such INSURED PERSON in the event that it is established by the final adjudication of a competent court, tribunal or any other similar final adjudication or by the formal written admission by such INSURED PERSON.

4.5 CLAIMS by the OUTSIDE ENTITY

against an OUTSIDE ENTITY DIRECTOR by the OUTSIDE ENTITY on which such OUTSIDE DIRECTOR serves or served or by or on behalf of another director or officer of such OUTSIDE ENTITY, other than:

- (a) COSTS AND EXPENSES incurred in defending such a CLAIM;
- (b) any CLAIM in respect of EMPLOYMENT PRACTICES WRONGFUL ACTS;
- (c) any CLAIM for contribution or indemnity in respect of a CLAIM which is otherwise payable under the terms of this Policy;
- (d) any CLAIM brought as a shareholder derivative action which has not been solicited or willingly assisted by the OUTSIDE ENTITY or a director or officer thereof;

- (e) any CLAIM brought by a liquidator, administrator or administrative receiver directly or derivatively on behalf of the OUTSIDE ENTITY that has not been solicited or willingly assisted by the OUTSIDE ENTITY or a director or officer thereof;
- (f) any CLAIM brought against any OUTSIDE ENTITY DIRECTOR who is a former director or officer of the OUTSIDE ENTITY and who is no longer employed by it, and the CLAIM is not brought by or on behalf of a company which falls within the definition of a close company in S.414 of the Income and Corporation Taxes Act 1988;
- (g) any CLAIM made by a former director or officer of the OUTSIDE ENTITY.

4.6 CLAIMS by the COMPANY or INSURED PERSONS

brought in the jurisdiction of the USA by or on behalf of another INSURED PERSON or the COMPANY, other than:

- (a) COSTS AND EXPENSES incurred in defending such a CLAIM;
- (b) any CLAIM in respect of EMPLOYMENT PRACTICES WRONGFUL ACTS;
- (c) any CLAIM for contribution or indemnity in respect of a CLAIM which is otherwise payable under the terms of this Policy;
- (d) any CLAIM brought as a shareholder derivative action which has not been solicited or willingly assisted by the COMPANY or an INSURED PERSON;
- (e) any CLAIM brought by a liquidator, administrator or administrative receiver directly or derivatively on behalf of the COMPANY that has not been solicited or willingly assisted by the COMPANY or an INSURED PERSON;
- (f) any CLAIM against an INSURED PERSON who is a former director or officer of the COMPANY and who is no longer employed by it, and the CLAIM is not brought by or on behalf of that of a company which falls within the definition of a close company in S.414 of the Income and Corporation Taxes Act 1988;
- (g) the CLAIM is made by a former director or officer of the COMPANY;
- (h) by a WHISTLEBLOWER.

4.7 Nuclear

arising out of, based upon, attributable to or in any way involving ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear component thereof.

4.9 War and Terrorism

arising out of, based upon, attributable to or in any way involving any of the following regardless of any other cause or event contributing concurrently or in any other sequence to LOSS:

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (b) any act of terrorism.

For the purposes of this exclusion, an 'act of terrorism' means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes any LOSS on account of any CLAIM of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If Underwriters conclude that by reason of this exclusion any LOSS is not covered by this Policy, the burden of proving the contrary shall be upon the INSURED PERSONS and/or the COMPANY.

In the event that any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4.10 Professional Services

for any actual or alleged breach of professional duty owed to a third party due to the provision of any professional services rendered to such third party.

4.11 Trustees

arising out of, based upon, attributable to or in any way involving any INSURED PERSON acting in the capacity of a trustee, fiduciary or administrator of a COMPANY's or as applicable an OUTSIDE ENTITY's pension, profit-sharing or employee benefits programme including any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (USA) or the Pensions Act 1995 (UK) or any similar provisions of the law, common or statutory, of any state, territory, jurisdiction, or political subdivision thereof.

5. CONDITIONS

5.1 Territory

This Policy shall apply to LOSS which results from any CLAIM made against an INSURED PERSON during the POLICY PERIOD, or EXTENDED REPORTING PERIOD if applicable, pursuant to the laws of and under the jurisdiction of any recognised country in the World.

5.2 Aggregate Limit of Liability for LOSS

Underwriters' total aggregate liability under this Policy in respect of all LOSS arising from CLAIMS made during the POLICY PERIOD, and the EXTENDED REPORTING PERIOD if applicable, shall not exceed the total aggregate LIMIT OF LIABILITY stated in Item 3 of the Schedule.

5.3 Deductible

(a) Underwriters shall only be liable to pay any LOSS to the extent that it exceeds the amount of the Deductible stated in Item 4 of the Schedule. Such Deductible shall be paid by the COMPANY and shall not be insured.

(b) If the COMPANY is permitted to indemnify any INSURED PERSON and does not do so, Underwriters shall pay LOSS on behalf of the INSURED PERSON without regard to the Deductible and the COMPANY shall reimburse Underwriters upon demand to the fullest extent that the Deductible applies.

(c) For the purposes of determining the applicable Deductible, indemnification shall mean the extent to which the COMPANY is permitted to indemnify its INSURED PERSONS and is not prevented by:-

- (i) legislative prohibition under any statutory law, codified law or common law;
- (ii) insolvency; or
- (iii) restrictions in the articles of association, charter, bylaws or similar documents of the COMPANY.

5.4 Advancement of COSTS AND EXPENSES

Underwriters shall advance covered COSTS AND EXPENSES to the INSURED PERSONS and or the COMPANY as applicable as and when they are incurred following receipt of sufficiently detailed invoices. If a CLAIM is ultimately determined not to be covered under this Policy then all such

COSTS AND EXPENSES shall be reimbursed to Underwriters on demand.

Such payment of COSTS AND EXPENSES shall not create any presumption with respect to the allocation of amounts of covered LOSS or uncovered loss as described in Clause 5.5.

5.5 Allocation

If both LOSS covered by this Policy and loss not covered by this Policy are incurred either because the CLAIM includes both covered and uncovered claims or because it includes both INSURED PERSONS and uninsured parties, then the COMPANY, the INSURED PERSONS and Underwriters agree to use their best endeavours to fairly and reasonably allocate amounts between covered LOSS and uncovered loss taking into account the relative legal and financial exposures

In the event that agreement on such allocation cannot be reached the COMPANY, the INSURED PERSONS and Underwriters agree that the allocation of such amounts shall be determined by an independent Queen's Counsel (whose identity shall be agreed by the parties, or the chairman of the Bar Council if not agreed) who shall be empowered to obtain such additional expert input as they think necessary. The costs of the Queen's Counsel, including his expenses and the fees related to any expert input, shall be borne by Underwriters.

Whether agreed or determined by Queen's Counsel, any allocation of LOSS on account of a CLAIM shall be applied retrospectively including all COSTS AND EXPENSES on account of such CLAIM notwithstanding the basis of any prior advancement of LOSS or COSTS AND EXPENSES.

The COMPANY or the INSURED PERSONS as applicable agree to reimburse Underwriters in respect of any payments made to the extent that such payments or parts thereof are ultimately determined not to be covered by this Policy.

5.6 Subsidiaries

Coverage will apply in relation to any SUBSIDIARY only in respect of any WRONGFUL ACT committed whilst a SUBSIDIARY.

Coverage will cease as at the effective date of the sale, disposal or dissolution of any SUBSIDIARY for any WRONGFUL ACT committed after such date of sale, disposal or dissolution.

5.7 Securities and Exchange Exposure

If during the POLICY PERIOD, any

(a) share capital or stock of the COMPANY becomes legally required to be the subject of any registration statement filed with the United States Securities and Exchange Commission in accordance with Section 5 of the Securities Act of 1933; or

(b) COMPANY becomes subject to any obligation to file reports with the United States Securities and Exchange Commission in accordance with Section 13 of the Securities Exchange Act of 1934;

then, where such registration or reporting obligation first attached during the POLICY PERIOD, this Policy shall continue in full force and effect provided the POLICYHOLDER has;

(i) as soon as is practicable provided Underwriters with notice of such registration or reporting requirements and such information as Underwriters may require in order to fully evaluate and assess any additional exposure; and

(ii) accepted any amendment to the terms and conditions of this Policy and has agreed to pay any additional premium charged in relation to such additional exposure.

For the avoidance of doubt, this Condition 5.7 shall not apply to any share capital or stock of the COMPANY purchased or sold pursuant to Rule 144A of the Securities Act 1933.

5.8 TRANSACTION

In the event of a TRANSACTION Underwriters shall only be liable in respect of WRONGFUL ACTS committed prior to the TRANSACTION;

5.9 CLAIM Provisions

- (a) As a condition precedent to Underwriters' liability under this Policy, notice of any CLAIM shall be given to Underwriters as soon as is reasonably practicable and in any event within 30 days of the expiry of the POLICY PERIOD or EXTENDED REPORTING PERIOD if applicable. Notice of a CLAIM shall be in writing and shall be delivered by fax, email or post by way of the persons and address specified in Item 9 of the Schedule.
- (b) In the event that during the POLICY PERIOD or EXTENDED REPORTING PERIOD if applicable, an INSURED PERSON or the COMPANY becomes aware of circumstances which might reasonably be expected to give rise to a CLAIM and provides Underwriters with notice of such during the POLICY PERIOD or EXTENDED REPORTING PERIOD if applicable with full details relating to the WRONGFUL ACT concerned and the potential claimant pursuant to the provisions of this clause, any CLAIMS subsequently made which arise from those circumstances shall be deemed to have been reported to Underwriters on the date when the circumstances were notified to them.

5.10 CLAIM Handling

- (a) The INSURED PERSONS shall have the right and duty to defend any CLAIM. Underwriters shall be entitled:
 - (i) to participate fully in the defence and in the negotiation of any settlement that involves or appears likely to involve Underwriters; and
 - (ii) at any time to take over and conduct in the name of the INSURED PERSON and/or the COMPANY the defence or settlement of any CLAIM, or to prosecute in the name of the INSURED PERSONS and/or the COMPANY for their own benefit any associated claim against a third party.
- (b) Subject to (a) above, the INSURED PERSONS may, subject to Underwriters prior written consent (which shall not be unreasonably withheld or delayed), appoint solicitors or counsel to represent them in defending any CLAIM, but where the same or a similar CLAIM is made against more than one INSURED PERSON the same solicitors and counsel shall be appointed to defend all INSURED PERSONS unless there is a conflict of interest between them.
- (c) The INSURED PERSONS and the COMPANY shall at their own cost and in a timely fashion provide all information and assistance reasonably required to enable any CLAIM to be effectively investigated and/or defended.
- (d) The INSURED PERSONS and the COMPANY shall not do or omit to do anything which may prejudice the investigation and/or defence of a CLAIM.
- (e) Liability shall not be admitted nor any settlement agreed in respect of any CLAIM nor any COSTS AND EXPENSES incurred without the prior written consent of Underwriters (which shall not be unreasonably withheld or delayed).
- (f) In the event of a disagreement arising between Underwriters, any INSURED PERSON and/or the COMPANY regarding whether or not to contest legal proceedings, the matter shall be remitted to a Queen's Counsel (whose identity shall be agreed by the parties, or by the chairman of the Bar Council if not agreed) whose decision on whether the proceedings should be contested shall be binding. The costs of consulting the Queen's Counsel shall be borne by Underwriters.

5.11 Representations to Underwriters

- (a) The material statements and information supplied in the proposal form, together with its attachments. The information so supplied shall be construed as a separate proposal by each INSURED PERSON.
- (b) Underwriters agree not to exercise their right to avoid this Policy where it is alleged there has been non-disclosure or mis-representation of facts, or untrue statements in the proposal form or supplementary information or failure to notify a circumstance which may give rise to a CLAIM, provided always that the INSURED PERSONS shall establish to the Underwriters' satisfaction that such alleged non-disclosure, misrepresentation, untrue statement or failure to notify a circumstance free of any fraudulent conduct or intention to deceive.
- (c) Where the INSURED PERSONS' innocent breach or non-compliance with any condition of this Policy has resulted in prejudice to the handling or settlement of any CLAIM, the indemnity offered by this Policy in respect of any such CLAIM (including costs and expenses) shall be reduced to such sums as would have been payable by them in the absence of such prejudice.
- (d) If the INSURED PERSONS or the COMPANY shall make any request for payment in respect of any LOSS knowing the same to be false or fraudulent as regards amount or otherwise, all requests for payment in respect of such LOSS hereunder shall be forfeited. However, the fraud of any one INSURED PERSON shall not be imputed to any other INSURED PERSON in this regard.
- (e) Underwriters shall not avoid this Policy by reason only that they may be so entitled by virtue of any statute or rule of law that makes or deems void any provision of this Policy to indemnify or make payment to any INSURED PERSON or the COMPANY against liability for any WRONGFUL ACT.
- (f) Any reference in this Policy to any cause of action known to English law shall be extended to include any cause of action in similar circumstances under any foreign law.

5.12 Severability

No WRONGFUL ACT or knowledge of or statement made by one INSURED PERSON shall be imputed to any other INSURED PERSON for the purposes of determining their entitlement to cover pursuant to this Policy.

5.13 Subrogation

In the event that Underwriters make any payment in respect of LOSS pursuant to the provisions of this Policy, they shall be subrogated to all of the INSURED PERSONS and/or the COMPANY's rights of recovery to the extent of the payment made. The INSURED PERSONS and/or the COMPANY shall do all things reasonably necessary to enable Underwriters to bring a claim in their name(s).

5.14 Variation and Assignment

No variation or assignment of interest under this Policy shall be effective unless made in writing and signed by an authorised representative of Underwriters.

5.15 Authority of the COMPANY

The COMPANY shall act on behalf of the INSURED PERSONS in respect of the giving and receipt of all notices pursuant to this Policy and in relation to the payment of premium.

5.16 Interpretation

Any reference in this Policy to a statute, statutory instrument, regulation or order shall include all amendments made to them. Any reference to the singular shall include the plural and vice versa. Any references to any legislation enacted in the United Kingdom shall include any equivalent legislation enacted in any territory to which this Policy applies.

5.17 Termination or Cancellation

- (a) The Underwriters may cancel this Policy ab initio by giving 30 days written notice to the COMPANY due to non-payment of premium.
- (b) This Policy shall terminate at the expiration of the POLICY PERIOD as stated in Item 6 of the Schedule.

5.18 Dispute Resolution

Save in relation to the resolution of a dispute under Clause 5.5 or Clause 5.10(f):

- (a) Any dispute arising out of or in connection with this Policy, including any question regarding its formation, existence, validity or termination, shall be referred to arbitration in London, England in accordance with the Arbitration Act 1996. The rules for the conduct of the arbitration shall, subject to the provisions of the Arbitration Act 1996, be in the discretion of the arbitrator.
- (b) There shall be a sole arbitrator whose identity shall be mutually agreed upon between the Underwriters and the INSURED PERSONS and/or the COMPANY. In the absence of agreement, the arbitrator shall be selected by the Chairman of the Bar Council from a list comprised of three nominations from each of the Underwriters and the INSURED PERSONS and / or the COMPANY.
- (c) The arbitrator (whether appointed by agreement or selected) shall be a present or former member of the English Commercial Bar with experience in insurance law who has attained the status of Queen's Counsel.

5.19 Other Insurance

This Policy shall always apply excess of any other more specific valid and collectible insurance and or indemnification available from any other source.

5.20 Currency Equivalent

It is agreed that wherever an amount appears in this Policy in Sterling (GBP) it shall be deemed to have the following words added after the amount "(or the equivalent amount in any other currency)".

5.21 Third Party Rights

A person who is not a party to this Policy may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

5.22 Governing Law

This Policy shall be governed exclusively by and construed according to the law of England and Wales.

SCHEDULE

POLICY NUMBER:

Item 1 POLICYHOLDER:

Item 2 ADDRESS:

Item 3 LIMIT OF LIABILITY: () plus such additional provided by Extension 2.7

Item 4 DEDUCTIBLE: [] in respect of each CLAIM paid to the COMPANY by way of REIMBURSEMENT

But, in respect of any CLAIM in a Court of Law within the USA, or elsewhere to enforce a judgement made in the USA this shall be increased to:

[] in respect of each CLAIM paid to the COMPANY by way of REIMBURSEMENT

Item 5 PREMIUM: [] plus [] in respect of Insurance Premium Tax.

Item 6 POLICY PERIOD:

Item 7 PRIOR AND PENDING LITIGATION DATE:

Item 8 POLLUTION DATE:

Item 9 NOTIFICATION OF CLAIMS:

NOTICE TO THE INSURED

Data Protection Act 1998

We may store your information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention (see further details below). We will only disclose your personal details to third parties, if it is necessary for the performance of your contract with us.

In order to assess the terms of the insurance contract or administer claims that arise, we may need to collect data that the Data Protection Act defines as sensitive, such as medical history or criminal convictions. By proceeding with this contract you will signify your consent to such information being processed by us or our agents.

We will keep your information secure at all times. In certain circumstances, for example for systems administration purposes, we may have to transfer your information to another country, which may be a country outside the European Economic Area (EEA). By proceeding with your insurance application, we will assume you are agreeable for us to transfer your information to a country outside the EEA.

Should you wish to receive a copy of the information we hold on you, please contact the Compliance Officer, Lloyd's Syndicate 4000, Box 148, Lloyd's, 1 Lime Street, London EC3M 7HA.

Complaint Procedure

Underwriters are committed to providing a first class service at all times.

If at any time there are questions or concerns regarding this Policy or the handling of a Claim, you should in the first instance refer to your insurance broker or intermediary, if any. If your problem cannot be resolved, any question or complaint should then be addressed to:

Director of Claims
Lloyd's Syndicate 4000
Level 3
8 Fenchurch Place
London EC3M 4AJ

If after following the above procedure your complaint has not been resolved to your satisfaction, you should write to the Chief Executive at the address above.

In the event you wish to pursue matters further, where appropriate, you can refer the matter at any time to the:

Complaints Department
Lloyd's
One Lime Street,
London EC3M 7HA
Telephone: 020 7327 5693 Fax: 020 7327 5255
E-mail: Lloyds-Regulatory-Complaints@lloyds.com

Complaints that cannot be resolved by the Complaints Department may, where appropriate, be referred to the Financial Ombudsman Service to review the case.

The address is:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0845 080 1800

www.financial-ombudsman.org.uk

The Financial Ombudsman's Service decision is binding upon Underwriters but you are free to reject it without affecting your legal rights.

Financial Services Compensation Scheme

Underwriters covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if Underwriters cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

Pembroke