

### Our promise to you

In return for the premium **you** have paid, **we** agree to insure **you** in accordance with the terms and conditions of the **policy**.

Signed for and on behalf of Hiscox Insurance Company Limited:



**Steve Langan**  
Managing Director

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### Complaints procedure

**We** pride ourselves on providing a first class, reliable and efficient service to all of our customers. Complaints are a key to monitoring our service and wherever possible, **we** seek to take action to prevent recurrence of a problem.

**We** define a complaint as any expression of dissatisfaction, whether oral or written, and whether justified or not, about a service or activity provided by the insurance company.

If you have a complaint, please contact your insurance broker in the first instance.

If your complaint cannot be resolved satisfactorily by your insurance broker, please contact our customer services team:

Customer Services  
Telephone: 0870 084 3777  
Email: [customerservices@hiscox.com](mailto:customerservices@hiscox.com)

Hiscox Insurance Company Limited, 1 Great St Helen's, London EC3A 6HX.

**You** may also, in accordance with the Rules of the Financial Services Authority, be able to refer **your** complaint to the Financial Ombudsman Service without affecting **your** legal rights. The address is:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
Telephone: 0845 080 1800

<b>Special definitions for this section</b>	The general terms and conditions and the following terms and conditions all apply to this section.
<b>Bail costs</b>	Costs incurred with our prior written agreement to pay for a bond or other financial instrument to guarantee an <b>insured person's</b> bail or equivalent in any other jurisdiction.
<b>Claim</b>	<p>Any written demand or civil, criminal, regulatory or arbitration proceeding first made against an <b>insured person during the period of insurance</b> seeking monetary damages or other legal relief or penalty alleging a <b>wrongful act</b>.</p> <p>Any <b>extradition proceeding</b> made against an <b>insured person</b> during the period of insurance.</p>
<b>Crisis containment costs</b>	Costs incurred in utilising the services of Chelgate Limited following a <b>claim</b> to prevent, limit or mitigate the actual or anticipated adverse or negative publicity or media attention of <b>you</b> or any <b>insured person</b> .
<b>Defence costs</b>	Costs incurred with <b>our</b> prior written agreement (not to be unreasonably withheld) to investigate, settle or defend any <b>claim</b> made against an <b>insured person</b> or to fund an appeal (including any premium paid for an appeal bond or similar bond obtained in relation to it) arising from any judgment, decision or award in relation to any <b>claim</b> .
<b>Employee</b>	Any person under a contract of service with <b>you</b> .
<b>Employment claim</b>	Any <b>claim</b> by any <b>employee</b> for any actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation of a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, retaliation, defamation, invasion of privacy or any other <b>claim</b> arising solely as a result of the employment by <b>you</b> of any current, former or prospective <b>employee</b> .
<b>Extradition proceeding</b>	Any proceeding commenced under the provisions of the United Kingdom Extradition Act 2003 or its equivalent in any other jurisdiction including any associated appeals.
<b>Health and safety/ manslaughter claim</b>	Any <b>claim</b> against any <b>insured person</b> alleging involuntary, constructive or gross negligence manslaughter or any <b>claim</b> under the provisions of the Health & Safety at Work Act etc. 1974 etc. or its equivalent in any other jurisdiction.
<b>Insured person</b>	<ol style="list-style-type: none"> <li>a. Any natural person who was, is or during the <b>period of insurance</b> becomes a director or officer of <b>you</b>.</li> <li>b. Any de facto director of <b>you</b> whilst acting in such capacity for <b>you</b>.</li> <li>c. Any shadow director as defined under Section 741(2) of the Companies Act 1985 or equivalent legislation in any other jurisdiction.</li> <li>d. Any <b>employee</b> of <b>you</b></li> <li>e. The lawful spouse, civil or unmarried partner of any person above solely because of their spousal, civil or unmarried partner relationship following a <b>claim</b> against that person.</li> <li>f. The estates, heirs or legal representatives of any person above who has died or become incapacitated, insolvent or bankrupt but only for a <b>claim</b> against that person.</li> </ol>
<b>Investigation</b>	<p>An official examination, official enquiry or official investigation into <b>your</b> business activities conducted by any Regulator, Government Department or other body legally empowered.</p> <p>Investigation does not include routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the business activities of <b>your</b> industry which is not solely related to <b>your</b> or any <b>insured person's</b> conduct.</p>
<b>Legal representation costs</b>	Reasonable and necessary legal costs, fees, charges and expenses for which any <b>insured person</b> is legally liable, incurred with <b>our</b> prior written consent (not including remuneration of any <b>insured person</b> or other additional costs of <b>yours</b> ) for legal representation directly in relation to an <b>investigation</b> .

## Directors and Officers' Liability Including Company Reimbursement

<b>Loss</b>	<p>The amount any <b>insured person</b> becomes legally liable to pay in respect of a <b>claim</b> including <b>defence costs, legal representation costs</b>, awards of damages (including punitive and exemplary damages where legally permissible), awards of costs, settlements with <b>our</b> prior written agreement (which shall not be unreasonably withheld).</p> <p>Loss does not include any civil, regulatory or criminal fines or penalties, taxes, remuneration or employment related benefits, punitive and exemplary damages in relation to an <b>employment claim</b> or the multiplied portion of any damages award unless awarded for defamation.</p>
<b>Outside entity</b>	<p>Any organisation other than <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. that is tax exempt and not for profit;</li> <li>2. in which <b>you</b> hold any issued share.</li> </ol>
<b>Pollutant</b>	<p>Any contaminant, irritant or other substance, including, but not limited to, asbestos, lead, smoke, vapour, water, oil, oil products, dust, fibres, soot, fumes, acids, alkalis, chemicals, waste (including materials that have been or are intended to be recycled, reconditioned or reclaimed).</p>
<b>Pollution</b>	<p>Actual, alleged or threatened discharge, seepage, treatment, removal, disposal, dispersal, emission, release or escape of any pollutant or any regulatory order, direction or request to test for, monitor, remove, contain, treat, detoxify, or neutralise any pollutant.</p>
<b>Securities</b>	<p>Any debt or equity interest in <b>you</b>.</p>
<b>Subsidiary</b>	<p>Any entity in which <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. own directly or through one or more of <b>your</b> subsidiaries more than 50% of the share capital or a majority of the voting rights or have the right to appoint or remove a majority of the entity's board of directors; or</li> <li>2. control a majority of its voting rights under a written agreement with other shareholders or members.</li> </ol> <p>If an entity ceases to be a <b>subsidiary</b> during the <b>period of insurance</b>, cover will continue but only for a <b>claim</b> against <b>you</b> or an <b>insured person</b> arising from a <b>wrongful act or employment practice wrongful act</b> committed before it ceased to be a <b>subsidiary</b>.</p>
<b>Wrongful act</b>	<p>Any actual or alleged act, error or omission committed or attempted by an <b>insured person</b> arising from the performance of the <b>insured person's</b> duties in their capacity as <b>your</b> director, officer or <b>employee</b> including:</p> <ol style="list-style-type: none"> <li>1. breach of any duty, including fiduciary or statutory duty;</li> <li>2. breach of trust;</li> <li>3. negligence, negligent misstatement, misleading statement or negligent misrepresentation;</li> <li>4. defamation;</li> <li>5. wrongful trading under section 214 of the Insolvency Act 1986 (or equivalent legislation);</li> <li>6. breach of warranty of authority;</li> <li>7. any other act, error or omission attempted or allegedly committed or attempted by an <b>insured person</b> solely because of their status as a Director, Officer or <b>employee</b> of <b>you</b>.</li> </ol>
<b>You / your</b>	<p>Also includes any <b>subsidiary</b>, and any <b>subsidiary</b> created or acquired during the <b>period of insurance</b> provided that the newly created or acquired <b>subsidiary</b>:</p> <ol style="list-style-type: none"> <li>1. is not domiciled in the United States of America;</li> <li>2. does not trade any of its <b>securities</b> on any United States of America exchange;</li> </ol> <p>but only for a <b>claim</b> against an <b>insured person</b> arising from a <b>wrongful act</b> committed after the date of creation or acquisition of such <b>subsidiary</b>.</p> <p>If <b>you</b> require cover for any newly created or acquired <b>subsidiaries</b> which do not fall within the above parameters, <b>we</b> will consider providing cover subject to <b>you</b> providing all appropriate information. <b>We</b> shall be entitled to amend the terms and conditions of this section during the <b>period of insurance</b> and may charge a reasonable additional premium.</p>

### What is covered

Claims against an insured person	<b>We will pay on behalf of any insured person the loss arising from a claim against any insured person for any wrongful act within the geographical limits.</b>
Company reimbursement	<p><b>We will pay on your behalf the loss which you are legally obliged or permitted to pay on behalf of an insured person arising from a claim against an insured person for a wrongful act within the geographical limits. You must pay the relevant excess (if any) shown in the schedule.</b></p> <p>If you are permitted or obliged to provide such payment but fail to do so for any reason other than your insolvency, we will pay the amount of the claim less the relevant excess regardless of whether you advanced payment or indemnified an insured person for such loss.</p>
Health and safety/manslaughter	<p><b>We will pay on your behalf loss which you are legally obliged or permitted to pay on behalf of an insured person arising from a health &amp; safety/manslaughter claim (or equivalent legislation in any other jurisdiction) against an insured person for a wrongful act within the geographical limits. You must pay the relevant excess shown in the schedule.</b></p> <p>This cover will only apply excess of any other insurance and indemnification available from any other source.</p>
Extradition proceedings	<b>We will pay on your behalf the loss arising from any extradition proceeding against any insured person during the period of insurance.</b>
Employment claims	<p><b>We will pay on your behalf loss arising from an employment claim during the period of insurance brought by a current, former or potential employee of yours.</b></p> <p>This cover does not apply if the insured person is covered under the Employment Practices Liability Section of this policy.</p>
Outside entity cover	<b>We will also indemnify the insured person against the sums that person has to pay as loss for a claim arising directly from any wrongful act the insured person commits in their capacity as a director or officer of an outside entity, provided that the insured person acts in that capacity at your specific written request and the claim does not arise from a wrongful act committed after the insured person ceased to act in this capacity. However, we will only pay in excess of any indemnity provided by the outside entity to its directors or officers and any other insurance available to its directors and officers.</b>
Pension/employee benefit schemes claims	<b>We will pay on your behalf loss in respect of a claim arising from an insured person's operation or administration of any pension or employee benefit scheme or trust fund.</b>
Pollution claims	<b>We will pay on your behalf loss in respect of a claim arising from pollution.</b>
Representation costs	<ol style="list-style-type: none"> <li>1. <b>We will pay on behalf of any insured person the legal representation costs arising from an investigation first notified as being required during the period of insurance.</b></li> <li>2. <b>We will pay on your behalf the legal representation costs arising from an investigation against an insured person which you are legally obliged or permitted to pay on behalf of the insured person first notified as being required during the period of insurance.</b></li> </ol>
Bail costs	<p><b>We will pay on behalf of any insured person Bail costs arising from a claim against an insured person for a wrongful act within the geographical limits.</b></p> <p>The limit provided under this cover shall be 10% of the total limit shown on the schedule or £250,000 whichever is the lesser. This limit shall form part of the total aggregate limit for this section shown in the schedule.</p>
Crisis containment costs	<p><b>We will pay on behalf of any insured person the crisis containment costs arising from a claim</b></p> <p>The limit provided under this cover shall be limited to a maximum of £25,000 per policy. This limit shall be in addition to the total aggregate limit for this section shown in the schedule.</p> <p>For the avoidance of doubt, should the Corporate Legal Liability Section of this policy is also be affected, only one crisis containment costs limit shall apply.</p>

<b>What is not covered</b>	A	<b>We will not make any payment for any claim, loss or investigation:</b>
Deliberate or dishonest acts	1.	<p>Based upon, attributable to or arising out of:</p> <ol style="list-style-type: none"> <li>a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation committed by any insured person;</li> <li>b. an act intended to secure or which does secure a personal profit or advantage to which any insured person was not legally entitled;</li> <li>c. an act intended to secure or which does secure a profit for any other company where an insured person is a director, officer or employee of such company.</li> </ol> <p>This exclusion will only apply after a judgment or other final adjudication or an admission by an insured person that such act did occur.</p> <p>This exclusion will not apply to a <b>claim</b> by any of <b>your</b> shareholders including any shareholder derivative proceedings in <b>your</b> name without <b>your</b> or any <b>insured person's</b> voluntary solicitation, assistance or participation.</p>
Prior claims, investigations and circumstances	2.	<p>Based upon, attributable to or arising out of any <b>claim, investigation</b> or circumstance which <b>you</b> were aware of, or that has been reported under any policy existing or expired, prior to the start of the <b>period of insurance</b>.</p>
Prior litigation	3.	<p>Based upon, attributable to or arising out of any prior or pending litigation or proceedings (including allegations deriving from the same or essentially the same facts) involving an <b>insured person, you</b> or an <b>outside entity</b> initiated prior to the date shown under the prior and pending litigation date in the schedule.</p>
Defined benefit pension schemes	4.	<p>Based upon, attributable to or arising out of an <b>insured person's</b> operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities.</p>
RICO/SEC/ERISA	5.	<p>Based upon, attributable to or arising out of the following legislation in the United States of America:</p> <ol style="list-style-type: none"> <li>a. any breach of the Racketeer Influenced and Corrupt Organisations Act 18 USC Sections 1961 et seq., any amendments to this Act or any rules or regulations made under it;</li> <li>b. any breach of the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, the rules or regulations of the Securities Exchange Commission under either or both acts, similar securities laws or regulations of any state, or any laws of any state relating to any transaction arising out of, involving or relating to the sale of securities;</li> <li>c. any breach of the Employment Retirement Income Security Act of 1974 as amended, or any rules or regulations made under it, or similar provisions of any federal, state or local law.</li> </ol>
Bodily injury or property damage	6.	<p>For mental or emotional distress (except an <b>employment claim</b>), sickness, disease, bodily injury or death suffered by anyone, or the loss, damage or destruction of any tangible property including loss of use of such property.</p> <p>This exclusion shall not apply to any <b>Health and safety/manslaughter claim</b>. This cover will only apply <b>excess</b> of any other insurance and indemnification available from any other source.</p>
Claims brought by a related party in the United States of America	7.	<p>Based upon, attributable to or arising out of any claim brought or maintained by <b>you</b>, an <b>outside entity</b> or an <b>insured person</b> within or subject to the laws of the United States of America, however this exclusion will not apply to:</p> <ol style="list-style-type: none"> <li>a. <b>defence costs</b>;</li> <li>b. any shareholder derivative proceedings in <b>your</b> name without <b>your</b> or any <b>insured person's</b> solicitation, assistance or participation;</li> <li>c. any <b>claim</b> brought by <b>your</b> liquidator, receiver or administrative receiver or similar body;</li> <li>d. any <b>employment claim</b>;</li> <li>e. any <b>claim</b> made by a past <b>insured person of you</b>;</li> <li>f. any claim seeking a contribution or indemnity if such claim is otherwise covered by this section.</li> </ol>

## Directors and Officers' Liability Including Company Reimbursement

Breach of professional duty	<p>8. Based upon, attributable to or arising out of any <b>claim</b> relating to a breach of or failure to provide professional duties or services.</p> <p>This exclusion will not apply to a <b>claim</b> by any of <b>your</b> shareholders including any shareholder derivative proceedings in <b>your</b> name without <b>your</b> or any <b>insured person's</b> voluntary solicitation, assistance or participation arising from any actual or alleged failure to supervise the performance of any professional services.</p>
Major shareholders	<p>9. Brought by or on behalf of any company owning 40% or more of <b>your</b> issued share capital.</p>
Takeovers and mergers	<p>10. Based upon, attributable to or arising out of any claim for a wrongful act committed by an insured person after you merge or consolidate with another company or any party acquires more than 50% of your issued share capital.</p> <p>In the event of a <b>subsidiary</b> ceasing during the <b>period of insurance</b> to be a <b>subsidiary</b> cover under this section shall be amended to apply solely to <b>loss</b> arising out of any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> prior to the effective date of sale or dissolution.</p>
Share offerings	<p>11. Based upon, attributable to or arising out of any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> in relation to any actual public offering of <b>your</b> share capital unless <b>we</b> have given <b>our</b> prior written agreement and <b>you</b> have paid any additional premium and accepted any amendments <b>we</b> may require to the terms and conditions of this section.</p>

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### Special conditions

General terms	<p>The General Definitions, General Conditions and General Claims Conditions set out in the General Terms all apply equally to each <b>insured person</b> and to <b>you</b>, except for General Condition 4. Premium payment which apply only to <b>you</b>.</p> <p>General Condition 1, paragraph 2 &amp; General Claims Condition 2. shall not apply to this section. Under this section only we waive our right to rescind the policy on the grounds of non-disclosure or misrepresentation or fraud.</p> <p>General Condition 2 shall not apply to this section.</p> <p>General Condition 5 Cancellation will only apply on the grounds of non-payment of the premium.</p> <p><b>You</b> agree to act on behalf of all the <b>insured persons</b> as regards paying the premium and giving or receiving notice of all matters relevant to this section.</p>
Information provided by an insured person	<p>All information which any <b>insured person</b> provides before <b>we</b> agreed to insure <b>you</b> will be considered as a separate application for each <b>insured person</b> and as such the knowledge of or any statement made by an <b>insured person</b> will not be imputed to any other <b>insured person</b> for the purposes of determining whether cover is available for any <b>claim</b> against such other <b>insured person</b>.</p>
Extended notification period	<p>If <b>we</b> or <b>you</b> refuse to renew this section of the <b>policy</b> for any reason other than non-payment of premium, <b>you</b> may purchase an extended notification period of 12 months upon payment of 50% of the full annual premium. If <b>you</b> do so, the first paragraph of item 1 under YOUR OBLIGATIONS will then be amended to:</p> <p><b>We</b> will not make any payment under this section unless <b>you</b> notify <b>us</b> promptly of the following within the <b>period of insurance</b> or at the latest within 12 months after it expires:</p> <p>This extended notification period is only available if:</p> <ol style="list-style-type: none"> <li>1. <b>we</b> receive <b>your</b> written notice of purchase and <b>your</b> premium within 30 days following the end of the <b>period of insurance</b>; and</li> <li>2. this section of the <b>policy</b> is not replaced or succeeded by any other policy providing directors' and officers' liability cover; and</li> <li>3. at the end of the <b>period of insurance</b>, <b>you</b> have not merged or consolidated with another company, nor has any party acquired 50% or more of <b>your</b> issued share capital.</li> </ol> <p>If <b>we</b> offer renewal terms, conditions, limits of liability or premium different from those of the expiring <b>policy</b>, this does not constitute a refusal to renew.</p> <p>The entire premium for this section is considered fully earned at the beginning of the extended notification period. <b>We</b> will not refund any premium to <b>you</b> if <b>you</b> cancel the extended notification period before it ends.</p>

## Directors and Officers' Liability Including Company Reimbursement

The limit of indemnity for the extended notification period will be part of and not in addition to the limit of indemnity shown in the schedule.

**You** will not have the right to purchase an extended notification period if **you** merge or consolidate with another company or any party acquires more than 50% of **your** issued share capital or if cover under this section is continued solely as a result of the **retired directors** Special Condition.

Takeovers and mergers extended notification period

In the event that **you** merge or consolidate with another company, or any party acquires more than 50% of your issued share capital, during the period of insurance you may on payment of an additional premium of 200% of the annual section premium request that this section continue in force for a period of 72 months from the expiry date of the current period of insurance, provided that such extension shall only apply to claims arising from any wrongful act committed or alleged prior to the date of such takeover or merger.

The **extended notification period** and **retired directors** special conditions shall not apply to any such extension.

Management buy-out's

If during the period of insurance the existing management conduct a management buy-out, **we** agree to provide cover to the same level and terms of this policy for the new company for a period of 30 days from the buy-out date for any wrongful act committed by any individual insured subsequent to the buy-out.

This cover will only apply excess of any other insurance and indemnification available from any other source.

Retired directors

In the event that **you** do not renew or replace this section of the **policy**, and only in respect of any **insured person** who retires prior to the date of non-renewal for reasons other than disqualification from holding such a position, this section shall continue in force for a period of 120 months from the date of non renewal (the "Run-Off Period"), provided that:

1. this section shall only apply to **claims** arising from any **wrongful act** committed or alleged prior to the date of retirement of the **insured person**;
2. the run-off period shall run concurrently with any extended notification period;
3. no similar insurance is effected elsewhere.

Additional defence costs

In the event that the limit of indemnity is exhausted **we** will provide an additional limit of indemnity of £250,000 in the aggregate, provided that the **insured person** has previously not been the subject of a **claim** for a **wrongful act** or series of **wrongful acts** that led to the exhaustion of the limit of indemnity.

This limit applies to the payment of **defence costs** only.

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### How much we will pay

The most **we** will pay for the total of all **claims** and their **defence costs** and all **legal representation costs** is the limit of indemnity shown in the schedule irrespective of the number of **claims** made.

The amount **we** will pay for **claims** and their **defence costs** includes any amount **we** pay on an **insured person's** behalf as a director of an **outside entity**, and on **your** behalf, and for **claims** against an **insured person's** spouse, civil or unmarried partner of any person.

**We** will treat more than one **claim**, or circumstance likely to give rise to a **claim**, arising from a single **wrongful act** or a series of related **wrongful acts** as one **claim**. Such **claim** shall be treated as first made when **we** receive notice of the first **claim**. **Legal representation expenses** shall be treated as first made when attendance of an **insured person** is first notified as being required at an **investigation**.

**You** must pay the relevant **excess** shown in the schedule.

Paying out the limit of indemnity

At any stage of a **claim**, **we** can pay the **insured person** the applicable limit of indemnity or what remains after any earlier payment from that limit. **We** will then have no further liability for any **claim** or **loss**.

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### Your obligations

#### Notification

1. **We** will not make any payment under this section unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 45 days after it expires:
  - a. The **insured person's** first awareness of any **wrongful act** or any shortcoming in performing their duties which is likely to lead to a **claim** against them.  
If **we** accept the **insured person's** notification **we** will regard any subsequent **claim** as notified to this insurance.
  - b. Any **claim** or threatened **claim** against the **insured person** or the **insured person's** lawful spouse, civil or unmarried partner of any person.
  - c. Any **investigation** into **you**.
  - d. The start of any disqualification proceedings against any **insured person**.
  - e. Any threat to start proceedings against any **insured person** for pollution.
2. **You** may notify **us** of any circumstance **you** reasonably expect to give rise to a **claim** giving reasons for such expectation and including full particulars as to the dates and persons involved.
3. If any insured person prior to the period of insurance had knowledge of a material misstatement in or omission from the information provided to us upon which we agreed to insure you, that insured person will have no cover under this section.

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### Control of defence and payment of a claim

**You** and any **insured person** must give **us** the information and co-operation which **we** may reasonably require and take all reasonable steps to defend any **claim**. **You** and the **insured person** should not do anything which may prejudice **our** position.

Any **insured person** may with **our** prior written approval appoint legal representation. However, where a **claim** is made against more than one **insured person** the same legal representative should be used unless there is a material conflict of interest between **insured persons**.

If it is not possible to obtain **our** consent prior to incurring **defence costs** we will give retrospective consent provided our consent is obtained within 14 days of first incurrance of such **defence costs**.

**We** shall have the right to participate fully in the defence of any **claim** including negotiation of any settlement. **We** shall have the right to defend any **claim** brought by **you**.

Where there is a dispute between **us** and **you** and/or any **insured person** over cover, proposed settlement or continuing the defence of a **claim**, **you** or **we** may request the obtainment of an opinion from a mutually agreed Queens Counsel or equivalent in a different jurisdiction. Such opinion shall be binding on **us** and **you** and any **insured person** and will establish whether policy cover exists, defence of said **claim** will continue or settlement will be agreed. The costs of such opinion shall be met by **us**.

**We** shall pay **defence costs** above any **excess** and covered by this section on an ongoing basis prior to the final resolution of any **claim**. **You** and/or any **insured person** must reimburse **us** for any **defence costs** paid where it is determined there is no entitlement under this section.

If a **claim** is made which is not wholly covered by this section, and/or is also made against **you** and any other person who is not an **insured person**, **we**, **you** and the **insured person** shall use our best endeavours to agree a fair allocation between **loss** that is covered and **loss** not covered by this section.

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### Crisis containment costs contact details

**24 hour crisis line: Tel 0207 9397 999**

**Main contacts** – Terence Fane-Saunders/James Darley

Chelgate can also be contacted at: No 1 Tanner Street, London, SE1 3LE

Tel: 020 7939 7939

Fax: 020 7939 7938

Email: hiscox@chelgate.com

www.chelgate.com

You will be asked to provide your policy number and to confirm that a **claim** has been notified to **us**.

### Special definitions for this section

The general terms and conditions and the following terms and conditions all apply to this section.

#### Benefits

Any compensation awarded to an employee other than basic remuneration including but not limited to health benefits, amounts due in respect of employee benefit or pension scheme, share or stock options, incentives or deferred compensation.

#### Claim

Any written demand or civil, criminal, regulatory or arbitration proceeding first made against you or an insured person during the period of insurance seeking monetary damages or other legal relief alleging an employment practice wrongful act.

#### Defence costs

Costs incurred with our prior written agreement (not to be unreasonably withheld) to investigate, settle or defend any claim made against you or an insured person or to fund an appeal (including any premium paid for an appeal bond or similar bond obtained in relation to it) arising from any judgment, decision or award in relation to any claim.

#### Employee

Any person under a contract of service with you.

#### Employment practice wrongful act

Any actual or alleged act, error or omission committed or attempted by you or an insured person or by any third party where you are held vicariously liable relating to any actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation of a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, retaliation, defamation, invasion of privacy or any other claim arising solely as a result of the employment or non-employment by you of any current, former or prospective employee.

#### Insured person

- a. Any natural person was, is or during the **period of insurance** becomes a director or officer of **you**
- b. Any de facto director of **you** whilst acting in such capacity for **you**
- c. Any shadow director as defined under Section 741(2) of the Companies Act 1985 or equivalent legislation in any other jurisdiction
- d. Any **employee of you**
- e. The lawful spouse, civil or unmarried partner of any person above solely because of their spousal, civil or unmarried partner relationship following a **claim** against that person.
- f. The estates, heirs or legal representatives of any person in above who has died or become incapacitated, insolvent or bankrupt but only for a **claim** against that person.

#### Investigation

An official examination, official enquiry or official employment investigation into **your** business activities conducted by any Regulator, Government Department or other body legally empowered.

Investigation does not include routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the business activities of **your** industry which is not solely related to **your** or any **insured person's** conduct.

#### Legal representation costs

Reasonable and necessary legal costs, fees, charges and expenses for which any **insured person** is legally liable, incurred with **our** prior written consent (not including remuneration of any **insured person** or other additional costs of **yours**) for legal representation directly in relation to an **investigation**.

#### Loss

The amount **you** and/or any **insured person** becomes legally liable to pay in respect of a **claim** including **defence costs, legal representation costs**, awards of damages, awards of costs, settlements with our prior written agreement (which shall not be unreasonably withheld).

Loss does not include any civil, regulatory or criminal fines or penalties, taxes, remuneration or employment related benefits, punitive and exemplary damages or the multiplied portion of any damages award unless awarded for defamation.

#### Retaliation

Any **claim** brought against an employee relating to any actual or alleged action taken by such employee exercising or attempting to exercise their rights under law.

## Employment Practices Liability

### Subsidiary

Any entity in which **you**:

1. own directly or through one or more of **your** subsidiaries more than 50% of the share capital or a majority of the voting rights or have the right to appoint or remove a majority of the entity's board of directors; or
2. control a majority of its voting rights under a written agreement with other shareholders or members.

If an entity ceases to be a **subsidiary** during the **period of insurance**, cover will continue but only for a **claim** against **you** or an **insured person** arising from a **wrongful act or employment practice wrongful act** committed before it ceased to be a **subsidiary**.

### You / your

Also includes:

1. any **subsidiary**;
2. any **subsidiary** created or acquired during the **period of insurance** within the United Kingdom but only for a **claim** against **you** or an **insured person** arising from an **employment practice wrongful act** committed after the date of acquisition.

If **you** require cover for any newly created or acquired **subsidiaries** which do not fall within the above parameters, **we** will consider providing cover subject to **you** providing all appropriate information. **We** shall be entitled to amend the terms and conditions of this section during the **period of insurance** and may charge a reasonable additional premium.

## What is covered

### Claims by employees

**We** will pay on **your** behalf the **loss** arising from a claim by an employee for an **employment practice wrongful act**.

**You** must pay the relevant **excess** (if any) shown in the schedule. The **excess** shall apply to **loss** and **defence costs**. This **excess** shall not apply to any **claim** brought solely against an **insured person**.

### Claims by others

**We** will pay on **your** behalf the **loss** arising from a **claim** by anyone other than an employee for an employment **practice wrongful act**.

**You** must pay the relevant **excess** (if any) shown in the schedule. The **excess** shall apply to **loss** and **defence costs**.

### Representation costs

**We** will pay on behalf of **you** or any **insured person** the **legal representation costs** arising from an **investigation** first notified as being required during the **period of insurance**.

**You** must pay the relevant **excess** (if any) shown in the schedule.. This **excess** shall not apply to any **investigation** solely involving an **insured person**.

## What is not covered

A. **We** will not make any payment for any **claim, loss or investigation**:

### Specific activities

1. Based upon, attributable to or arising out of:
  - a. membership or non-membership of any trade union or equivalent labour organisation or any involvement in trade union activities;
  - b. **your** failure to act in accordance with any collective bargaining agreement.

The above shall not apply to any **claim** for **retaliation**.

2. Based upon, attributable to or arising out of any responsibility, duty or obligation imposed by law in relation to health & safety, unemployment, social security, retirement or disability benefits or any similar law whether statutory or common law.

The above shall not apply to **retaliation**.

### Matters insurable elsewhere

3. For the death or any bodily or mental injury or emotional distress suffered by anyone, or the loss, damage or destruction of any tangible property, other than emotional distress directly arising from any **employment practice wrongful act**.

## Employment Practices Liability

Prior claims, investigations and circumstances	4. based upon, attributable to or arising out of any <b>claim, investigation</b> or circumstance which <b>you</b> were aware of, or that has been reported under any policy existing or expired, prior to the start of the <b>period of insurance</b> .
Claims in the United States of America	5. Based upon, attributable to or arising out of any <b>employment practice wrongful act</b> brought or maintained in the United States of America.
Prior litigation	6. based upon, attributable to or arising out of any prior or pending litigation or proceedings (including allegations deriving from the same or essentially the same facts) involving an <b>insured person, you</b> or an <b>outside entity</b> initiated prior to the date shown under the prior and pending litigation date in the schedule.
Fraudulent or dishonest acts	7. Based upon, attributable to or arising out of a dishonest or fraudulent act or omission or committed by any <b>insured person</b> .  This exclusion shall only apply after a judgment or other final adjudication or an admission by an <b>insured person</b> such act did occur.  In applying the above, the actions of any <b>insured person</b> shall not be imputed to any other <b>insured person</b> for the purposes of determining whether cover is available for any <b>claim</b> against such other <b>insured person</b> .
Specific activities	B. <b>We</b> will not make any payment other than <b>defence costs</b> or <b>legal representation costs</b> . 1. Based upon, attributable to or arising out of <b>your</b> failure to pay any amount <b>you</b> are contractually committed to pay to an <b>employee</b> including but not limited to any payments for contractual or statutory notice periods or breach of any obligation pursuant to any minimum wage legislation or <b>benefits</b> payable. 2. Based upon, attributable to or arising out of the loss of any right or benefit under any pension scheme, private health insurance or other employee benefit scheme or the operation or administration of any pension or employee benefit scheme or trust fund, or <b>your</b> breach of any legislation or regulation related to these activities. 3. Based upon, attributable to or arising out of <b>your</b> failure to pay taxes.
Non-compensatory payments	4. Based upon, attributable to or arising out of anyone else's liability which you are legally obliged to assume under any contract or agreement. This does not apply to any <b>claim</b> that would have resulted in the absence of such contract or agreement. 5. Based upon, attributable to or arising out any non-pecuniary or injunctive relief. 6. Based upon, attributable to or arising out of any amount in respect of the costs of complying or refusing to comply with a court or other order for the reinstatement of an <b>employee</b> , however this shall not apply to basic remuneration from the original date of dismissal to the date of court or other order.

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### Special conditions

General terms	The General Definitions, General Conditions and General Claims Conditions set out in the General Terms all apply equally to each <b>insured person</b> and to <b>you</b> , except for General Condition 4. Premium payment which apply only to <b>you</b> .  General Condition 1, paragraph 2 & General Claims Condition 2. shall only apply to <b>you</b> .  General Condition 2 shall not apply to this section.  <b>You</b> agree to act on behalf of all the <b>insured persons</b> as regards paying the premium and giving or receiving notice of all matters relevant to this section.
Extended notification period	If <b>we</b> or <b>you</b> refuse to renew this section of the <b>policy</b> for any reason other than non-payment of premium, <b>you</b> may purchase an extended notification period of 12 months upon payment of 50% of the full annual premium. If <b>you</b> do so, the first paragraph of item 1 under your obligations will then be amended to:  <b>We</b> will not make any payment under this section: 1. Unless you notify <b>us</b> promptly of the following within the <b>period of insurance</b> or at the latest within 12 months after it expires:

## Employment Practices Liability

This extended notification period is only available if:

- a. **we** receive **your** written notice of purchase and **your** premium within 45 days following the end of the **period of insurance**; and
- b. this section of the **policy** is not replaced or succeeded by any other policy providing employment practices liability cover; and
- c. at the end of the **period of insurance**, **you** have not merged or consolidated with another company, nor has any party acquired 50% or more of **your** issued share capital.

If **we** offer renewal terms, conditions, limits of liability or premium different from those of the expiring **policy**, this does not constitute a refusal to renew.

The entire premium for this section is considered fully earned at the beginning of the extended notification period. **We** will not refund any premium to **you** if **you** cancel the extended notification period before it ends.

**We** will not make any payment for a **claim** due to an **employment practice wrongful act** committed or alleged to have been committed after the end of the original **period of insurance**.

The limit of indemnity for the extended notification period will be part of and not in addition to the limit of indemnity shown in the schedule.

You will not have the right to purchase an extended notification period if you merge or consolidate with another company or any party acquires more than 50% of your issued share capital.

Excess reduction for Business HR Audit

If **you** complete and implement any recommendations of an online audit by Business HR, **we** agree to reduce the **excess**, shown in the schedule by 50%.

Outside entity cover

This section is extended to include any **claim** in respect of an **employment practice wrongful act** committed by an **insured person** in their capacity as an employee of an **outside entity**, provided that the **insured person** acts in that capacity at **your** specific written request and the **claim** does not arise from a **employment practice wrongful act** committed after the **insured person** ceased to act in this capacity. However, **we** will only pay in **excess** of any indemnity provided by the **outside entity** to its **employees** and any other insurance available to its **employees**.

Management buy-out's

If during the period of insurance the existing management conduct a management buy-out, **we** agree to provide cover to the same level and terms of this policy for the new company for a period of 30 days from the buy-out date for any wrongful act committed by any individual insured subsequent to the buy-out.

**This cover will only apply excess of any other insurance and indemnification available from any other source.**

Takeovers and acquisitions

No cover will be available under this section for claims based on any **employment practice wrongful act** occurring after the date of:

1. **your** acquisition by, or **your** merger or consolidation with another entity so that **you** are not the surviving entity;
2. the acquisition at any time during the **period of insurance** of 50% or more of **your** share capital;

unless **we** have received prior written notice and **we** have agreed by written endorsement to provide cover and **you** have paid any additional premium.

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### How much we will pay

The most **we** will pay for the total of all **claims** and their **defence costs** and all **legal representation costs** is the limit of indemnity shown in the schedule irrespective of the number of **claims** made.

The amount **we** will pay for **claims** and their **defence costs** includes any amount **we** pay on an **insured person's** behalf as a director of an **outside entity**, and on **your** behalf, and for **claims** against an **insured person's** spouse.

**We** will treat more than one **claim**, or circumstance likely to give rise to a **claim**, arising from a single **wrongful act** or a series of related **wrongful acts** as one **claim**. Such **claim** shall be treated as first made when **we** receive notice of the first **claim**. **Legal representation costs** shall be treated as first made when attendance of an **insured person** is first notified as being required

## Employment Practices Liability

Paying out the limit of indemnity

at an **investigation**.

**You** must pay the relevant **excess** shown in the schedule. The **excess** shall not apply to any **claim** or **investigation** made solely against an **insured person**.

At any stage of a **claim**, **we** can pay the **insured person** the applicable limit of indemnity or what remains after any earlier payment from that limit. **We** will then have no further liability for any claim or loss.

### Your obligations

Notification

If a problem arises

We will not make any payment under this section:

1. unless you notify us promptly of the following within the period of insurance or at the latest within 45 days after it expires:
  - a. your first awareness of any employment practice wrongful act or any shortcoming in your employment practices which is likely to lead to a claim against you.
 

If we accept your notification we will regard any subsequent claim as notified to this insurance.
  - b. any claim or threatened claim against you;
2. if, when dealing with an employee or a third party, you admit that you are liable for what has happened or make any offer, deal or payment without our prior written agreement. You must also not reveal the amount of cover available under this insurance.

You may notify us of any circumstance you reasonably expect to give rise to a claim giving reasons for such expectation and including full particulars as to the dates and persons involved.

### Control of defence and payment of a claim

**You** and any **insured person** must give **us** the information and co-operation which **we** may reasonably require and take all reasonable steps to defend any **claim**. **You** and the **insured person** should not do anything which may prejudice **our** position.

Any **insured person** may with **our** prior written approval appoint legal representation. However, where a **claim** is made against more than one **insured person** the same legal representative should be used unless there is a material conflict of interest between **insured persons**.

**We** shall have the right to participate fully in the defence of any **claim** including negotiation of any settlement. **We** shall have the right to defend any **claim** brought by **you**.

Where there is a dispute between **us** and **you** and/or any **insured person** over cover, proposed settlement or continuing the defence of a **claim**, **you** or **we** may request the obtainment of an opinion from a mutually agreed Queens Counsel or equivalent in a different jurisdiction. Such opinion shall be binding on **us** and **you** and any **insured person** and will establish whether policy cover exists, defence of said **claim** will continue or settlement will be agreed. The costs of such opinion shall be met by **us**.

**We** shall pay **defence costs** above any **excess** and covered by this section on an ongoing basis prior to the final resolution of any **claim**. **You** and/or any **insured person** must reimburse **us** for any **defence costs** paid where it is determined there is no entitlement under this section.

If a **claim** is made which is not wholly covered by this section, and/or is also made against **you** and any other person who is not **you** or an **insured person**, **we**, **you** and the **insured person** shall use our best endeavours to agree a fair allocation between **loss** that is covered and **loss** not covered by this section.

**Special definitions for this section**

The general terms and conditions and the following terms and conditions all apply to this section.

**Claim**

- a. Any written demand or civil or arbitration proceeding seeking monetary damages first made against **you** during **the period of insurance** alleging a **wrongful act**.
- b. Any criminal or regulatory proceeding first made against **you** during **the period of insurance** alleging a **wrongful act**.

**Crisis containment costs**

Costs incurred in utilising the services of Chelgate Limited following a **claim** to prevent, limit or mitigate the actual or anticipated adverse or negative publicity or media attention of **you**.

**Defence costs**

Costs incurred with **our** prior written agreement (not to be unreasonably withheld) to investigate, settle or defend any **claim** made against **you** or to fund an appeal (including any premium paid for an appeal bond or similar bond obtained in relation to it) arising from any judgment, decision or award in relation to any **claim**.

**Employee**

Any person under a contract of service with **you**.

**Employment claim**

Any **claim** by any **employee** for any actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation of a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, retaliation, defamation, invasion of privacy or any other **claim** arising solely as a result of the employment by **you** of any current, former or prospective **employee**.

**Health and safety/ corporate manslaughter claim**

Any **claim** under the provisions of the Corporate Manslaughter and Homicide Act 2007 or the Health & Safety at Work Act etc. 1974 etc or its equivalent in any other jurisdiction.

**Identity crime**

An agreement entered into by any third party representing themselves as **you**.

**Insured person**

- a. Any natural person who was was, is or during the **period of insurance** becomes a director or officer of **you**
- b. Any de facto director of **you** whilst acting in such capacity for **you**
- c. Any shadow director as defined under Section 741(2) of the Companies Act 1985 or equivalent legislation in any other jurisdiction
- d. Any **employee** of **you**
- e. The lawful spouse, civil or unmarried partner of any person within a, b, c and d of this definition solely because of their spousal, civil or unmarried partner relationship following a **claim** against that person.
- f. The estates, heirs or legal representatives of any person in a, b, c, d or e of this definition who has died or become incapacitated, insolvent or bankrupt but only for a **claim** against that person.

**Investigation**

An official examination, official enquiry or official investigation first commenced during the period of insurance conducted by any Regulator, Government Department or other body legally empowered into **your** business activities under the Health & Safety at Work etc Act 1974 or Corporate Manslaughter & Homicide Act 2007.

It does not include routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the business activities of your industry rather than **your** conduct.

**Legal representation costs**

Reasonable and necessary legal costs, fees, charges and expenses for which **you** are legally liable, incurred with **our** prior written consent (not including remuneration of any **insured person** or other additional costs of **yours**) for legal representation directly in relation to an **investigation**.

**Loss**

The amount **you** become legally liable to pay to any claimant in respect of a **claim** including **defence costs, legal representation costs**, awards of damages (including punitive and exemplary damages where legally permissible), awards of costs, settlements with **our** prior written agreement (which shall not be unreasonably withheld).

It does not include any civil, regulatory or criminal fines or penalties, taxes or the multiplied portion of any damages award.

<b>Pollutant</b>	Any contaminant, irritant or other substance, including, but not limited to, asbestos, lead, smoke, vapour, water, oil, oil products, dust, fibres, soot, fumes, acids, alkalis, chemicals, waste (including materials that have been or are intended to be recycled, reconditioned or reclaimed).
<b>Pollution</b>	Actual, alleged or threatened discharge, seepage, treatment, removal, disposal, dispersal, emission, release or escape of any pollutant or any regulatory order, direction or request to test for, monitor, remove, contain, treat, detoxify, or neutralise any <b>pollutant</b> .
<b>Securities</b>	Any debt or equity interest in <b>you</b> .
<b>Subsidiary</b>	Any entity in which <b>you</b> : <ol style="list-style-type: none"> <li>1. own directly or through one or more of <b>your</b> subsidiaries more than 50% of the share capital or a majority of the voting rights or have the right to appoint or remove a majority of the entity's board of directors; or</li> <li>2. control a majority of its voting rights under a written agreement with other shareholders or members.</li> </ol> <p>If an entity ceases to be a <b>subsidiary</b> during the <b>period of insurance</b>, cover will continue but only for a <b>claim</b> against <b>you</b> or an <b>insured person</b> arising from a <b>wrongful act or employment practice wrongful act</b> committed before it ceased to be a <b>subsidiary</b>.</p>
<b>Wrongful act</b>	Any actual or alleged act, error or omission committed or attempted by <b>you</b> including any breach of any duty, including fiduciary or statutory duty, breach of trust; negligence, negligent misstatement, misleading statement or negligent misrepresentation, breach of warranty of authority.
<b>You/your</b>	Also includes any <b>subsidiary</b> , and any <b>subsidiary</b> created or acquired during the <b>period of insurance</b> provided that the newly created or acquired <b>subsidiary</b> : <ol style="list-style-type: none"> <li>i. is not domiciled in the United States of America;</li> <li>ii. does not trade any of its <b>securities</b> on any United States of America exchange.</li> </ol> <p>but only for a <b>claim</b> against <b>you</b> arising from a <b>wrongful act</b> committed after the date of creation or acquisition of such <b>subsidiary</b>.</p> <p>If <b>you</b> require cover for any newly created or acquired <b>subsidiary</b> which do not fall within the above parameters, <b>we</b> will consider providing cover subject to <b>you</b> providing all appropriate information. We shall be entitled to amend the policy terms and conditions during the <b>period of insurance</b> including but not limited to the charging of a reasonable additional premium.</p>

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## What is covered

Claims by others	<p><b>We</b> will pay on behalf of <b>you</b> the <b>loss</b> arising from a <b>claim</b> for any <b>wrongful act</b> within the <b>geographical limits</b>.</p> <p><b>You</b> must pay the relevant <b>excess</b> shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p>
Health and safety/corporate manslaughter claims	<p><b>We</b> will pay on <b>your</b> behalf <b>loss</b> arising from a <b>health &amp; safety/corporate manslaughter claim</b> (or equivalent legislation in any other jurisdiction) for a <b>wrongful act</b> within the <b>geographical limits</b>.</p> <p><b>You</b> must pay the relevant <b>excess</b> shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p> <p>This cover will only apply excess of any other insurance and indemnification available from any other source.</p>
Identity crime	<p><b>We</b> will pay on behalf of <b>you</b> the <b>loss</b> arising from a arising from <b>identity crime</b>.</p> <p><b>You</b> must pay the relevant <b>excess</b>) shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p>
Breach of data protection	<p><b>We</b> will pay on behalf of <b>you</b> the <b>loss</b> arising from a <b>claim</b> arising from a breach of the Data Protection Act 1998 or its equivalent in any other jurisdiction</p> <p><b>You</b> must pay the relevant <b>excess</b> shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p>

## Corporate Legal Liability

Pension/employee benefit schemes claims	<p><b>We</b> will pay on <b>your</b> behalf <b>loss</b> in respect of a <b>claim</b> arising from <b>your</b> operation or administration of any pension or employee benefit scheme or trust fund.</p> <p><b>You</b> must pay the relevant <b>excess</b> (if any) shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p>
Pollution claims	<p><b>We</b> will pay on <b>your</b> behalf <b>loss</b> in respect of a <b>claim</b> arising from <b>pollution</b>.</p> <p><b>You</b> must pay the relevant <b>excess</b> (if any) shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p> <p>The limit provided under this cover shall be £100,000.</p> <p>This limit shall form part of the total aggregate limit for this section shown in the schedule.</p>
Shareholder pollution claims	<p><b>We</b> will pay on <b>your</b> behalf <b>loss</b> in respect of a <b>claim</b> arising from <b>pollution</b> brought by any shareholder either directly or derivitively.</p> <p><b>You</b> must pay the relevant <b>excess</b> (if any) shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p>
Representation costs	<p>We will pay on behalf of <b>you</b> the <b>legal representation costs</b> arising from an <b>investigation</b> first made during the <b>period of insurance</b>.</p> <p><b>You</b> must pay the relevant <b>excess</b> (if any) shown in the schedule. The <b>excess</b> shall apply to <b>loss</b> and <b>defence costs</b>.</p>
Taxation claims	<p>We will pay on <b>your</b> behalf <b>loss</b> in respect of a <b>claim</b> arising from <b>your</b> failure to comply with Taxation regulations including PAYE, VAT and Customs.</p>
Your own losses	<p><b>We</b> will pay your direct financial loss if during the <b>period of insurance</b>, and in the performance of your business activity, you discover a loss from the dishonesty of an employee, where there was a clear intention to cause <b>you</b> financial loss or damage and to obtain a personal financial gain over and above salary, bonus or commission.</p> <p>The limit provided under this cover shall be £100,000.</p> <p>This limit shall form part of the total aggregate limit for this section shown in the schedule.</p>
Crisis containment costs	<p><b>We</b> will pay on behalf of any <b>you</b> the <b>crisis containment costs</b> arising from a <b>claim</b></p> <p>The limit provided under this cover shall be limited to a maximum of £25,000 per policy. This limit shall be in addition to the total aggregate limit for this section shown in the schedule.</p> <p>For the avoidance of doubt, should the Directors &amp; Officers Liability Section of this policy also be effected, only one crisis containment limit shall apply.</p>

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### What is not covered

Deliberate or dishonest acts	<p><b>We</b> will not make any payment for any <b>claim, loss or investigation</b>:</p> <ol style="list-style-type: none"> <li>1. based upon, attributable to or arising out of:             <ol style="list-style-type: none"> <li>a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation;</li> <li>b. an act intended to secure or which does secure profit or advantage for which <b>you</b> are not legally entitled;</li> <li>c. an act intended to secure or which does secure a profit for any other company where an <b>insured person</b> is a director, officer or employee of such company.</li> </ol> <p>This exclusion shall only apply after a judgment or other final adjudication or an admission that such act did occur.</p> <p>This exclusion will not apply to a <b>claim</b> by any of <b>your</b> shareholders including any shareholder derivative proceedings in <b>your</b> name without <b>your</b> or any <b>insured person's</b> voluntary solicitation, assistance or participation.</p> </li> </ol>
Prior claims, investigations and circumstances	<ol style="list-style-type: none"> <li>2. Based upon, attributable to or arising out of any <b>claim, investigation</b> or circumstance that has been reported under any policy existing or expired prior to the start of the <b>period of insurance</b>.</li> </ol>

## Corporate Legal Liability

Prior litigation	3. based upon, attributable to or arising out of any prior or pending litigation or proceedings (including allegations deriving from the same or essentially the same facts) involving an <b>insured person, you</b> or an <b>outside entity</b> initiated prior to the date shown under the prior and pending litigation date in the schedule.
Defined benefit pension schemes	4. Based upon, attributable to or arising out of <b>your</b> operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities.
Failure to fund pension and employee benefit schemes	5. Based upon, attributable to or arising out of <b>your</b> failure to fund any pension, employee benefit scheme or trust fund.
Employment	6. Based upon, attributable to or arising out of any <b>employment claim</b> .
Claims brought In the United States of America	7. Based upon, attributable to or arising out of any <b>wrongful act</b> brought or maintained in the United States of America.
Bodily injury or property damage	8. For mental or emotional distress, sickness, disease, bodily injury or death suffered by anyone, or the loss, damage or destruction of any tangible property including loss of use thereof.  This exclusion shall not apply to any <b>Health &amp; Safety/Corporate Manslaughter claims</b> .  This cover will only apply excess of any other insurance and indemnification available from any other source.
Products	9. Based upon, attributable to or arising out of the manufacture, sale supply, installation or maintenance of any product of <b>yours</b> .
Breach of professional duty	10. Based upon, attributable to or arising out any <b>claim</b> relating to a breach of or failure to provide professional services.
Infringement of patent and copyright	11. Based upon, attributable to or arising out any <b>claim</b> relating to the actual or alleged infringement of patent, trade mark, infringement of copyright, intellectual property right, registered design or any actual or alleged libel or slander.
Contractual liability	12. Based upon, attributable to or arising out any <b>claim</b> in respect of a breach of contract , whether actual or implied, written or oral.
Major shareholders	13. Brought by or on behalf of any company owning 40% or more of <b>your</b> issued share capital.
Takeovers and mergers	14. Based upon, attributable to or arising out any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> after you merge or consolidate with another company or any party acquires more than 50% of <b>your</b> issued share capital.  In the event of a <b>subsidiary</b> ceasing during the <b>period of insurance</b> to be a <b>subsidiary</b> cover under this section shall be amended to apply solely to arising out any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> prior to the effective date of sale or dissolution.
Share offerings	15. Based upon, attributable to or arising out any <b>claim</b> for a <b>wrongful act</b> committed by <b>you</b> in relation to any actual public offering of <b>your</b> share capital unless <b>we</b> have given our prior written agreement and <b>you</b> have paid any additional premium and accepted and amendments to the terms and conditions of this Section as may be required.
Matters specific to your own losses	16. based upon, attributable to or arising out of: <ul style="list-style-type: none"> <li>a. any accounting or arithmetical error or omission or unexplained shortage</li> <li>b. any default or non payment of any loan or other credit arrangement</li> <li>c. <b>your</b> or any <b>insured persons</b> expenses incurred in establishing the amount of any financial loss to <b>you</b></li> <li>d. any loss of interest, loss of profit or any consequential loss</li> </ul>

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## Special conditions

General terms	<p>The General Definitions, General Conditions and General Claims Conditions set out in the General Terms all apply equally to each insured person and to you, except for General Condition 4. Premium payment which apply only to you.</p> <p>General Condition 2 shall not apply to this section.</p> <p>You agree to act on behalf of all the insured persons as regards paying the premium and giving or receiving notice of all matters relevant to this section.</p>
Extended notification period	<p>If <b>we</b> or <b>you</b> refuse to renew this section of the <b>policy</b> for any reason other than non-payment of premium, <b>you</b> may purchase an extended notification period of 12 months upon payment of 50% of the full annual premium. If <b>you</b> do so, the first paragraph of YOUR OBLIGATIONS will then be amended to:</p> <p><b>We</b> will not make any payment under this section unless <b>you</b> notify <b>us</b> promptly of the following within the <b>period of insurance</b> or at the latest within 12 months after it expires:</p> <p>This extended notification period is only available if:</p> <ol style="list-style-type: none"><li>1. <b>we</b> receive <b>your</b> written notice of purchase and <b>your</b> premium within 45 days following the end of the <b>period of insurance</b>; and</li><li>2. this section of the policy is not replaced or succeeded by any other policy providing corporate liability cover; and</li><li>3. at the end of the <b>period of insurance</b>, <b>you</b> have not merged or consolidated with another company, nor has any party acquired 50% or more of <b>your</b> issued share capital.</li></ol> <p>If <b>we</b> offer renewal terms, conditions, limits of liability or premium different from those of the expiring <b>policy</b>, this does not constitute a refusal to renew.</p> <p>The entire premium for this section is considered fully earned at the beginning of the extended notification period. <b>We</b> will not refund any premium to <b>you</b> if <b>you</b> cancel the extended notification period before it ends.</p> <p><b>We</b> will not make any payment for a <b>claim</b> due to a <b>wrongful act</b> committed or alleged to have been committed after the end of the original <b>period of insurance</b>.</p> <p>The limit of indemnity for the extended notification period will be part of and not in addition to the limit of indemnity shown in the schedule.</p> <p><b>You</b> shall not have the right to purchase an extended notification period if <b>you</b> merge or consolidate with another company or any party acquires more than 50% of <b>your</b> issued share capital.</p>
Management buy-out's	<p>If during the period of insurance the existing management conduct a management buy-out, <b>we</b> agree to provide cover to the same level and terms of this policy for the new company for a period of 30 days from the buy-out date for any wrongful act committed by any individual insured subsequent to the buy-out.</p> <p><b>This cover will only apply excess of any other insurance and indemnification available from any other source.</b></p>

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## How much we will pay

The most **we** will pay for the total of all **claims** and their **defence costs** and all **legal representation costs** is the limit of indemnity shown in the schedule irrespective of the number of **claims** made.

The amount **we** will pay for **claims** and their **defence costs** includes any amount **we** pay on an **insured person's** behalf as a director of an **outside entity**, and on **your** behalf, and for **claims** against an **insured person's** spouse.

**We** will treat more than one **claim**, or circumstance likely to give rise to a **claim**, arising from a single **wrongful act** or a series of related **wrongful acts** as one **claim**. Such **claim** shall be treated as first made when **we** receive notice of the first **claim**. **Legal representation expenses** shall be treated as first made when attendance of an **insured person** is first notified as being required at an **investigation**.

**You** must pay the relevant **excess** shown in the schedule.

Paying out the limit of indemnity

At any stage of a **claim**, **we** can pay **you** the applicable limit of indemnity or what remains after any earlier payment from that limit. **We** will then have no further liability for any **claim** or **loss**.

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## Your obligations

### Notification

**We** will not make any payment under this section unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 45 days after it expires:

1. **Your** first awareness of any **wrongful act** or any shortcoming in performing **your** duties which is likely to lead to a **claim** against **you**.

If **we** accept **your** notification, **we** will regard any subsequent **claim** as notified to this insurance.

2. Any **investigation** into **you**.

**You** may notify us of any circumstance you reasonably expect to give rise to a **claim** giving reasons for such expectation and including full particulars as to the dates and persons involved.

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## Control of defence and payment of a claim

**You** must give **us** the information and co-operation which **we** may reasonably require and take all reasonable steps to defend any **claim**. **You** should not do anything which may prejudice **our** position.

**You** may with **our** prior written approval appoint legal representation. However, where a **claim** is made against more than one **insured person** the same legal representative should be used unless there is a material conflict of interest between **insured persons**.

If it is not possible to obtain **our** consent prior to incurring **defence costs** we will give retrospective consent provided our consent is obtained within 14 days of first incurrance of such **defence costs**.

**We** shall have the right to participate fully in the defence of any **claim** including negotiation of any settlement. **We** shall have the right to defend any **claim** brought by **you**.

Where there is a dispute between **us** and **you** and/or any **insured person** over cover, proposed settlement or continuing the defence of a **claim**, **you** or **we** may request the obtainment of an opinion from a mutually agreed Queens Counsel or equivalent in a different jurisdiction. Such opinion shall be binding on **us** and **you** and any **insured person** and will establish whether policy cover exists, defence of said **claim** will continue or settlement will be agreed. The costs of such opinion shall be met by **us**.

**We** shall pay **defence costs** above any **excess** and covered by this section on an ongoing basis prior to the final resolution of any **claim**. **You** must reimburse **us** for any **defence costs** paid where it is determined there is no entitlement under this section.

If a **claim** is made which is not wholly covered by this section, and/or is also made against **you** and any other person, **we** and **you** shall use our best endeavours to agree a fair allocation between **loss** that is covered and **loss** not covered by this section.

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## Crisis containment costs contact details

**24 hour crisis line: Tel 0207 9397 999**

**Main contacts** – Terence Fane-Saunders/James Darley

Chelgate can also be contacted at: No 1 Tanner Street, London, SE1 3LE

Tel: 020 7939 7939

Fax: 020 7939 7938

Email: [hiscox@chelgate.com](mailto:hiscox@chelgate.com)

[www.chelgate.com](http://www.chelgate.com)

**You** will be asked to provide your policy number and to confirm that a **claim** has been notified to **us**.