
Special definitions for this section

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

Claim

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

Defence costs

Costs incurred with **our** prior written agreement 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

1. Any person under a contract of service with **you**;
2. any independent person seconded to **you**;
3. any applicant or candidate for employment 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 arising solely as a result of the employment or non-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 etc. Act 1974 or its equivalent in any other jurisdiction.

Identity crime

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

Insured person

1. Any natural person who was, is or during the **period of insurance** becomes a director, partner, member or officer of **you**;
2. any de facto director of **you** whilst acting in such capacity for **you**;
3. any shadow director as defined under Section 250 of the Companies Act 2006 or equivalent legislation in any other jurisdiction;
4. any **employee** of **you**;
5. 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;
6. the estates, heirs or legal representatives of any person 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 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

In respect of a **claim** the amount **you** become legally liable to pay for **defence costs**, **legal representation costs**, awards of damages including punitive and exemplary damages where legally permissible, awards of costs and settlements with **our** prior written agreement.

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

Management liability – corporate legal liability

Policy wording

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| Pollutant | 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). |
| Pollution | 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 . |
| Prior and pending litigation date | The date stated as the prior and pending litigation date in the schedule. |
| Securities | Any debt or equity interest in you . |
| Subsidiary | <p>Any entity domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar in which you:</p> <ol style="list-style-type: none"> 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. <p>provided that such entity does not trade any of its securities on any United States of America exchange.</p> <p>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 committed before it ceased to be a subsidiary.</p> |
| Wrongful act | Any actual or alleged act, error or omission committed or attempted by you 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. |
| You/your | <p>Also includes a subsidiary, and any subsidiary created or acquired during the period of insurance, but only for a claim against you arising from a wrongful act committed after the date of creation or acquisition of such subsidiary.</p> <p>If you require cover for any newly created or acquired subsidiary which does 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 policy terms and conditions during the period of insurance including but not limited to the charging of a reasonable additional premium.</p> |

What is covered

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| Claims by others | We will pay on your behalf the loss arising from a claim for any wrongful act within the geographical limits . |
| Health and safety/ corporate manslaughter | We will pay on your behalf loss arising from a health and safety/corporate manslaughter claim (or equivalent legislation in any other jurisdiction) for a wrongful act within the geographical limits . |
| Identity crime | We will pay on your behalf the loss from identity crime . |
| Breach of data protection | We will pay on your behalf the loss arising from a claim arising from a breach of the Data Protection Act 1998 or its equivalent in any other jurisdiction and any successor or similar legislation. |
| Pension/employee benefit schemes claims | We will pay on your behalf loss in respect of a claim arising from your operation or administration of any pension or employee benefit scheme or trust fund. |
| Pollution | We will pay on your behalf loss in respect of a claim arising from pollution . |
| Shareholder pollution claims | We will pay on your behalf loss in respect of a claim arising from pollution brought by any shareholder either directly or derivatively. The most we will pay for pollution is up to the amount stated in the schedule. |

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| Representation costs | We will pay on your behalf the legal representation costs arising from an investigation first made during the period of insurance . |
| Taxation claims | We will pay on your behalf loss in respect of a claim arising from your failure to comply with taxation regulations. |

What is not covered

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

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| Deliberate or dishonest acts | <p>1. based upon, attributable to or arising out of:</p> <ul style="list-style-type: none"> a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation; b. an act intended to secure or which does secure profit or advantage for which you are not legally entitled; 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. <p>This exclusion shall only apply after a judgment or other final adjudication or an admission that such act did occur. We may request the obtainment of an opinion from a mutually agreed Queens Counsel or equivalent in a different jurisdiction as to the prospects of a court finding that such act did occur. This exclusion shall apply if counsel is of the opinion that there are no reasonable prospects of the court finding that such act did not occur. Such opinion will be binding on us and you. The costs of such opinion shall be met by us.</p> |
| Prior claims, investigations and circumstances | 2. based upon, attributable to or arising out of any claim, investigation or circumstance that has been reported under any policy existing or expired prior to the start of the period of insurance . |
| 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 insured person, you or an outside entity initiated prior to the prior and pending litigation date . |
| Defined benefit pension schemes | 4. based upon, attributable to or arising out your 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 your failure to fund any pension, employee benefit scheme or trust fund. |
| Matters insurable elsewhere | <p>6. based upon, attributable to or arising out of any employment claim.</p> <p>7. based upon, attributable to or arising out of the use of any mechanically propelled vehicle for which compulsory insurance is required under any legislation.</p> <p>This exclusion does not apply to legal representation costs or defence costs directly relating to any criminal or regulatory proceedings.</p> <p>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 of such property.</p> <p>This exclusion shall not apply to any Health and safety/corporate manslaughter claims.</p> |
| Products | 9. based upon, attributable to or arising out of the manufacture, sale supply, installation or maintenance of any product of yours . |
| Breach of professional duty | 10. based upon, attributable to or arising out any claim relating to a breach of or failure to provide professional services. |
| Claims brought in the United States of America | 11. based upon, attributable to or arising out of any wrongful act brought or maintained in the United States of America. |

Management liability – corporate legal liability

Policy wording

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| Infringement of patent and copyright | 12. based upon, attributable to or arising out any claim relating to the actual or alleged infringement of patent, trademark, infringement of copyright, intellectual property right, registered design or any actual or alleged libel or slander. |
| Contractual liability | 13. based upon, attributable to or arising out any claim in respect of a breach of contract, whether actual or implied, written or oral which is greater than the liability you would have at law without the contract. |
| Shareholders | 14. brought by or on behalf of any company owning 15% or more of your issued share capital. |
| Takeovers and mergers | 15. based upon, attributable to or arising out 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. In the event of a subsidiary ceasing during the period of insurance to be a subsidiary cover under this section shall be amended to apply solely to arising out any claim for a wrongful act committed by an insured person prior to the effective date of sale or dissolution. |
| Share offerings | 16. based upon, attributable to or arising out any claim for a wrongful act committed by you in relation to any actual public offering of your share capital unless we have given our prior written agreement and you have paid any additional premium and accepted and amendments to the terms and conditions of this section as may be required. |
| Financial advantage | 17. based upon, attributable to or arising out of the gaining of any financial advantage to which you were not entitled, including the repayment of any wrongfully received monies. |

Special conditions

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| General terms | <p>The General definitions, General conditions and General claims conditions set out in the General terms and conditions all apply equally to each insured person and to you, except for General condition 4. Premium payment which applies only to you.</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 we or you refuse to renew this section of the policy for any reason other than non-payment of premium, administration, liquidation or insolvency, you may purchase an extended notification period of 12 months upon payment of 50% of the full annual premium. If you do so, the first paragraph of Your obligations within this section will then be amended to:</p> <p>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 12 months after it expires:</p> <p>This extended notification period is only available if:</p> <ol style="list-style-type: none"> 1. we receive your written notice of purchase and your premium within 30 days following the end of the period of insurance; and 2. this section of the policy is not replaced or succeeded by any other policy providing corporate liability cover; and 3. 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. <p>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.</p> <p>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.</p> <p>We will not make any payment for a claim due to a wrongful act committed or alleged to have been committed after the end of the original period of insurance.</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>You shall not have the right to purchase an extended notification period if:</p> |

Management liability – corporate legal liability

Policy wording

1. **you** merge or consolidate with another company or any party acquires more than 50% of **your** issued share capital; or
2. this section or the **policy** is cancelled.

Management buy-outs

If during the **period of insurance you** 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.

We will only provide such cover if the new company is domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar.

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

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 most **we** will pay for the total of all **claims** and **investigations**, including **defence costs** and **legal representation costs** arising directly or indirectly from **pollution** is the amount shown in the schedule. This is included within, and not in addition to, the overall limit shown in the schedule.

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.

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

Each **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 at an **investigation**.

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**.

Your obligations

Notification

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 14 days after it expires for any problem **you** become aware of within the seven days before expiry:
 - a. **your** first awareness of any **wrongful act**;
 - b. any **claim** or threatened **claim** against **you**;
 - c. any **investigation** into **you**;
 - d. the threat or commencement of proceedings against any **you** for **pollution**.
2. if, when dealing with 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.
3. if, prior to the **period of insurance**, **you** had knowledge of a material misstatement in or omission from the information provided to **us** upon which **we** agreed to insure **you**.

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.

We have the right, but not the obligation, to take control of and conduct in **your** name or the name of any **insured person**, the investigation, settlement or defence of any **claim**. If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the **claim**.

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.