



MANAGEMENT PROTECTION

Any One Claim Policy





This **Policy** is a legal contract between You (also referred to as Your) and Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group). In this information the '**Company**', '**RSA**', the '**Insurer**' '**We**' or '**Us**' refers to Royal & Sun Alliance Insurance plc unless otherwise stated.

This **Policy**, **Policy Schedule** and Endorsements (and any substitutions thereof), should be read as if they are one document.

Our acceptance of this risk is based on the information presented to Us being a fair presentation of the **Insured's** business including any unusual or special circumstances which increase the risk and any particular concerns which have led them to seek insurance.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactment thereto.

Any heading in this **Policy** is for ease of reference only and does not affect its interpretation.

Any Legal references within this **Policy** shall include any equivalent legal provision in the jurisdiction of ordinary residence of the **Insured** or location of the risk insured provided that such jurisdiction falls within the territorial scope of this **Policy**.

References to any Act or law include any rule, order, regulation or other similar instrument made thereunder and shall include any amendment, replacement, consolidation or re-enactment of such Act or law.

We will provide the insurance described in the **Policy** (subject to the terms set out herein) for the **Period of Insurance** shown in the Schedule and any subsequent period for which **You** shall pay and **We** shall agree to accept the premium.

If any of the information disclosed by **You** changes prior to the date on which the **Period of Insurance** commences those changes must also be disclosed to **Us** prior to that commencement date.

A failure by **You** to properly disclose information to **Us** may invalidate this **Policy** or result in the insurance cover otherwise provided under this **Policy** not operating fully.

If **You** are in any doubt as to whether any information is something that should be disclosed to **Us** the **Insured** should immediately contact **Your** Insurance Adviser.

PLEASE READ THE POLICY WORDING CAREFULLY.

Claims Notification

Conditions that apply to the **Policy** and in the event of a claim are set out in this **Policy**. It is important that **You** comply with all Claims Conditions and **You** should familiarise yourself with any requirements. Directions for claim notification are included in the Claims Conditions Section of this **Policy**.

Claims Conditions require you to provide us with any reasonable assistance and evidence that we require concerning the cause and value of any claim. Ideally, as part of the initial notification, you will provide:

- Your name, address, and your telephone number
- Personal details necessary to confirm your identity
- Policy number
- The date of the incident
- The cause of the claim
- Details of the claim together with the claim value, if known
- Police details where applicable
- Names and addresses of any other parties involved or responsible for the claim.

This information requested within the Claims Conditions will enable **RSA** to make an initial evaluation on policy liability and claim value. **RSA** may, however, request additional information depending upon circumstances. Sometimes **RSA**, or someone acting on our behalf, may wish to meet with **You** to discuss the circumstances of the **Claim**, or to undertake further investigations.

Notification of any **Circumstance** or **Claim** must be sent in writing to:

Professional & Financial Risks Claims Department

St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL

RSA recognise that there may be some occasions when **You** need to notify us of matters urgently and **RSA** is pleased to be able to offer a Claims Helpline.

The Claims Helpline number is 0345 300 4006

Please quote **Your** policy number when you call.

For your protection, telephone calls may be recorded or monitored.

Additional Benefits

Choosing this **RSA** policy means that the **Insured** benefits from a number of additional services that **RSA** provide free of charge. **RSA** advice-lines have highly qualified experts who can offer information and assistance on a number of issues. Advice-lines are completely free and, unless specified below, there is no limit to the number of times you can call.

A Health & Safety

Help is available 24 hours a day on health and safety legislation, including its interpretation, and advice on civil and criminal liability for accidents at work.

B Tax Advice

A confidential telephone advisory service offering assistance on all taxation issues such as PAYE, VAT and income tax. This service is available Monday to Friday, 9am to 5pm.

C Stress Counselling

Stress affects most people at some point in their working lives. Our stress counselling service will help deal with stress at work by addressing minor problems before they become major crises.

Confidentiality is of the utmost importance, and counsellors are both qualified and experienced in assessing problems quickly so they can provide immediate therapy.

The advice-line number is 0345 078 3863.

Please quote reference number 72666.

D Specialist legal advice

We have a team of top Directors & Officers specialist lawyers to help our D&O policyholders defend a claim or investigation made against them.

Our partner has extensive experience in handling D&O and Employment Practice Liability (EPL) matters.

Should you have any concerns that proceedings may be commenced against you, you are entitled to two hours free consultation.

We're here to help you

Should you require assistance, please provide the following information at the start of the call:

- Your policy number
- Company name
- If possible provide a copy of your insurance policy.

The advice line number is 0800 009 3599.

Advice lines are intended for business use and are a service provided to the **Insured** in their capacity as an **Insured Person** for the **Company**.

This page should be read together with the rest of your policy documents.

Contents

Claim Notification	3	VII. CLAIMS CONDITIONS	22
Additional Benefits	3	Claims Notification	22
Legal Assistance	3	Allocation	22
Health & Safety	3	Defence and Cooperation	22
Tax Advice	3	Disputes as to Contesting Legal Proceedings	23
Stress Counselling	3	Other Insurance	23
		Related Claims	23
I. DIRECTORS & OFFICERS LIABILITY	5	Subrogation and Recoveries	23
Directors & Officers Liability Insuring Clauses	5		
Directors & Officers Limit of Indemnity	5	VIII. POLICY DEFINITIONS	25
Directors & Officers Extensions	5		
II. CORPORATE LIABILITY	9	IX. DIFFERENCE IN CONDITIONS AND LIMITS PROVISION	32
Corporate Liability Insuring Clause	9	Fair Processing Notice	33
Corporate Liability Limit of Indemnity	9	Complaints Procedure	34
Corporate Liability Extensions	9		
Corporate Liability Exclusions	10		
III. EMPLOYMENT PRACTICES LIABILITY	11		
Employment Practices Liability Insuring Clause	11		
Employment Practices Limit of Indemnity	11		
Employment Practices Liability Extensions	11		
Employment Practices Liability Exclusions	11		
IV. FIDELITY COVER	13		
Fidelity Insuring Clause	13		
Fidelity Limit of Indemnity & Prior Policies	13		
Fidelity Extensions	13		
Fidelity Exclusions	14		
Fidelity Policy Section Conditions	15		
Fidelity Policy Section Claims Conditions	16		
V. POLICY EXCLUSIONS	18		
Exclusions applicable to all Insuring Clauses	18		
Severability of Exclusions	18		
VI. POLICY CONDITIONS	19		
Acquisition or Creation of Subsidiary	19		
Alteration and Assignment	19		
Acquisitions Prior to the Period of Insurance	19		
Authorisation Clause	19		
Cancellation of the Insured's Fixed Sum Loan Agreement	19		
Defence Costs	19		
Discovery Period	20		
Dispute Resolution	20		
Financial or Trade Sanctions	20		
Interpretation of Legal References	20		
Law Applicable	20		
Partial Invalidity	20		
Severability	20		
Retention/Excess	21		
Territory	21		
Third Party Rights	21		
Transactions Changing Coverage	21		
Insurance Act 2015	21		

I. DIRECTORS & OFFICERS LIABILITY

A Directors & Officers Liability Insuring Clauses

1 Directors and Officers Liability Cover

RSA shall indemnify the **Insured Persons** against any **Loss** incurred by the **Insured Persons** arising from a **Claim** that first arises during the **Period of Insurance**,

provided that:

- a) such **Claim** is notified to **RSA** during the **Period of Insurance** or any applicable **Discovery Period**; and
- b) the **Company** has not already provided an indemnity to that **Insured Person** in respect of such **Loss**.

2 Company Reimbursement Cover

RSA shall indemnify the **Company** against any **Loss** incurred by the **Insured Persons** arising from a **Claim** that first arises during the **Period of Insurance** if and to the extent that the **Company**:

- a) is legally required and permitted to indemnify the relevant **Insured Person**; and
- b) has provided an indemnity to an **Insured Person**,

in respect of such **Loss**,

provided that:

- i) such **Claim** is notified to **RSA** during the **Period of Insurance** or any applicable **Discovery Period**; and
- ii) **RSA** shall not be liable to indemnify the **Company** in respect of such **Loss** and the **Company** shall be liable to pay any applicable **Excess**.

B Directors & Officers Limit of Indemnity

RSA's liability under this **Coverage Section** shall not exceed the **Limit of Indemnity** specified in the Schedule,

provided that:

the amount of the **Limit of Indemnity** available under B. Directors & Officers Limit of Indemnity to pay any judgements or settlements shall be inclusive of any applicable **Defence Costs** and the amount of any such **Defence Costs** shall correspondingly reduce the overall **Limit of Indemnity**

C Directors & Officers Extensions

The following coverage Extensions shall be provided under this Section I ("Directors & Officers Liability"),

provided that:

- a) the terms of sub-section A. ("Directors & Officers Liability Insuring Clauses") above shall apply; and

- b) the maximum liability of **RSA** during the **Period of Insurance** under each Extension shall, unless specified in the relevant Extension, be subject to the **Limit of Indemnity** as detailed in sub-section B. ("Directors & Officers Limit of Indemnity") above:

1 Civil Fines and Penalties

RSA shall indemnify the **Insured** against any civil fine or penalty imposed upon an **Insured Person** by any regulator, disciplinary body, criminal authority, government body, government agency, official trade body or any other body that is empowered by statute to investigate the affairs of an **Insured**, as a direct result of such person acting in their capacity as an **Insured Person**,

provided that this Extension shall not apply if and to the extent such civil fine or penalty is uninsurable under the laws or regulations of the relevant territory.

2 Compensation for Court Attendance

If any legal advisers acting on behalf of the **Insured**, with the consent of **RSA**, require any **Director** of the **Insured** to attend any court tribunal, arbitration, adjudication, mediation or other hearing as a witness in connection with a **Claim** made against an **Insured Person** that is the subject of the cover provided under this **Policy** **RSA** shall provide compensation to the **Insured** at the rate of £250 per person for each day on which such attendance is required,

provided that the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

3 Corporate Manslaughter

RSA shall indemnify the **Insured** against that part of any **Loss** comprising of **Defence Costs** incurred by an **Insured Person**,

provided that:

- a) such **Defence Costs** are incurred in respect of corporate manslaughter and Corporate Homicide Act 2007 (or other similar or equivalent criminal offence in any jurisdiction in which the **Company** operates), related criminal proceedings arising from any **Wrongful Act** or **Investigation**; and
- b) such **Defence Costs** shall not include costs relating to any publicity or remedial orders imposed by any court (or similar or equivalent judicial remedial or punitive measure imposed in any jurisdiction in which the **Company** operates).

4 Crisis Management & Regulatory Event Public Relations Costs

RSA shall indemnify the **Insured** against any fees, costs and **Expenses** reasonably and necessarily incurred by an **Insured Person** in employing the services of an external public relations consultant, crisis management firm or law firm for the sole purpose of providing guidance to an **Insured Person** in order to minimise or limit any adverse publicity in relation to the circumstances or events that could reasonably be considered as having the potential to give rise to a **Probable Claim** or **Investigation**.

provided that:

- a) **RSA** has given its prior written consent to incurring such costs and **Expenses** (such consent shall not be unreasonably denied, withheld or delayed); and
- b) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

5 Cyber Liability

RSA shall indemnify the **Insured Persons** against any **Loss** incurred by the **Insured Persons** arising from a **Claim** that first arises during the **Period of Insurance** in respect of a **Cyber Liability Event**.

In respect of this Extension **RSA** shall indemnify the **Insured** against any fees, costs and **Expenses** reasonably and necessarily incurred by an **Insured Person** in employing the services of an external public relations consultant, crisis management firm or law firm for the sole purpose of providing guidance to the **Insured Persons** in order to minimise or limit any adverse publicity in relation to a **Cyber Liability Event**.

provided that:

RSA has given its prior written consent to incurring such costs and **Expenses** (such consent shall not be unreasonably denied, withheld or delayed).

6 Deprivation of Assets

RSA shall indemnify the **Insured** against any **Deprivation of Asset Expenses** and **Expenses** incurred by an **Insured Person**.

provided that:

- a) **RSA** has given its express prior written consent to such **Deprivation of Asset Expenses** and **Expenses** being incurred;
- b) the indemnity provided under this Extension shall only apply in respect of the amount of such **Deprivation of Asset Expenses** and **Expenses** that are in excess of the applicable **Excess** under Insuring Clauses A.1("Directors & Officers Liability") or A.2. ("Company Reimbursement Cover"); and
- c) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

7 Emergency Costs and Expenses

If, after having used reasonable efforts, an **Insured** is unable to obtain **RSA's** prior written consent to an **Insured Person** incurring **Defence Costs** **RSA** shall retrospectively approve and indemnify the **Insured** in respect of such **Defence Costs**, less any applicable **Excess**.

provided that:

- a) such **Defence Costs** would otherwise be covered;
- b) such **Defence Costs** are notified to **RSA** as soon as reasonably possible but no later than 10 days after they are incurred;
- c) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £50,000; and
- d) this Extension shall not apply in addition to any other Extension for any **Loss**, **Claim** or **Related Claim**.

8 Employment Wrongful Acts

RSA shall indemnify the **Insured Persons** against any **Loss** incurred by an **Insured Person** arising from a **Claim** that first arises during the **Period of Insurance** in respect of an **Employment Wrongful Act**.

provided that:

- a) such **Claim** is notified to **RSA** during the **Period of Insurance** or any applicable **Discovery Period**; and
- b) **RSA** shall not be liable to indemnify the **Company** in respect of any applicable **Excess**.

9 Investigation Defence Costs

RSA shall indemnify the **Insured** against that part of any **Loss** which relates to **Defence Costs** incurred by an **Insured Person** in defending themselves in respect of any **Investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document,

provided that, RSA shall not be liable under this Extension for the cost of the **Insured Person's** time, or any costs, expenses, fees or overheads incurred by any **Company** incurred in respect of that **Investigation**.

10 Kidnap & Ransom Event

RSA shall indemnify the **Insured** against any fees, costs and **Expenses** reasonably and necessarily incurred by the **Insured** in employing the services of an external public relations consultant, crisis management firm or law firm for the sole purpose of providing guidance to the **Insured** in order to minimise or limit any adverse publicity in relation to the circumstances or events that could reasonably be considered being a **Kidnap & Ransom Event**

provided that:

- a) any **Kidnap & Ransom Event** includes a request for a ransom;
- b) any **Kidnap & Ransom Event** has been notified and acknowledged by the Police (or equivalent body sanctioned by local, state, or national government to enforce laws and apprehend those who break them);

- c) **RSA** shall not be liable under this Extension in respect of any **Kidnap & Ransom Event** that occurs in Brazil, Columbia, Ecuador, Georgia, Haiti, Iran, Iraq, Israel, Lebanon, Mexico, Nigeria, Pakistan, Philippines, Russia, Somalia, Syria, Ivory Coast and Venezuela; and
- d) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

11 Management Buy-Outs

If a **Subsidiary** ceases to be owned or controlled by the **Company** as a result of a buy-out by existing management **RSA** shall maintain the cover provided by this **Policy** in respect of that **Subsidiary**:

- a) for a period of 30 calendar days from the date of that buy-out; and
- b) in respect of **Wrongful Acts** committed during that 30 calendar day period referred to in (a) above,

provided that:

- i) this Extension shall be excess of any other insurance in force which provides cover in respect of such **Wrongful Acts**;
- ii) shall apply to existing Directors of the original **Subsidiary** only;
- iii) this Extension shall not apply to Policy Condition H. Discovery Period; and
- iv) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

12 Mental Anguish or Emotional Distress

RSA shall indemnify the **Insured** against that part of any **Loss** which comprises **Defence Costs** incurred by an **Insured Person** in defending themselves in any **Employment Wrongful Act** related legal proceeding which arises in relation to any actual or alleged mental anguish or emotional distress suffered by any past, present or prospective employee or non-executive **Director** of the **Company** as a result of that **Insured Person** acting in their capacity as a **Director** or **Officer**.

13 Outside Directorship / Entities

RSA shall indemnify any **Insured Person** and any **Employee** of the **Company** where, at the specific request of the **Company** that **Insured Person** or **Employee** was, is, or becomes during the **Period of Insurance** a director, officer, trustee, governor or occupies a position of equivalent status, of any **Outside Entity**, against any **Loss** arising from **Claims** made against such **Insured Person** or **Employee** in respect of any **Wrongful Act** committed or attempted by such **Insured Person** or **Employee** in their respective capacities as a director, officer, trustee, governor or position of equivalent status, of such **Outside Entity**,

provided that,

- a) the cover provided by this Extension shall be excess of any indemnification provided by such **Outside Entity** and any valid and collectable directors and officers liability insurance in respect of such **Outside Entity**; and
- b) the cover provided by this extension shall exclude any trusteeship or administration of any pension plan, programme or scheme or any **Insured Person** acting in a fiduciary capacity in respect of the Pensions Act 2014.

14 Pension Liability

RSA shall indemnify the **Insured** against any **Loss** arising from a **Claim** that first arises during the **Period of Insurance** in respect of any matter asserted against an **Insured Person** for a **Pension Management Event**.

provided that:

the cover provided by this Extension

- a) shall be excess of any indemnification provided by such valid and collectible directors and liability insurance or pension trustee insurance in respect of any relevant pension scheme; and
- b) shall not include **Loss** resulting from a failure to contribute to any pension scheme correctly or on time.

15 Personal Liability for Unpaid Taxes following Insolvency

RSA shall indemnify any **Insured** against that part of any **Loss** that arises from that **Insured Person's** personal liability for any unpaid taxes and **Employee** wages where the **Company** has become insolvent,

provided that:

- a) the cover provided under this Extension shall not apply if and to the extent that such liability for unpaid taxes arises from improper personal financial gain, fraud, dishonesty or wilful intent of the **Insured Person** to breach any statutory duty governing the payment of taxes; and
- b) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be £100,000.

16 Pollution

RSA shall indemnify the **Insured Persons** against **Loss** incurred by the **Insured** in defending themselves against criminal or regulatory proceedings in respect of **Pollution** which results from a **Wrongful Act**.

provided that this Extension shall not apply to or in respect of any **Claim** arising in or in relation to the **USA**.

17 Retired and Former Directors

- a) If any **Insured Person Retires** as a **Director** or **Officer** of the **Company** prior to the expiry of the **Period of Insurance** such **Insured Person** shall be entitled to a free **Discovery Period** for a period of 72 months after the expiry of the **Period of Insurance**.

provided that this **Discovery Period** shall not apply where:

- i) **You** or the **Insured** renews or replaces this **Policy** (whether with **RSA** or otherwise); or
- ii) a **Discovery Period** has been activated in accordance with Policy Condition H. ("Discovery Period"), of this **Policy**;
- b) If any **Insured Person** ceases to be a **Director** or **Officer** of the **Company** during the **Period of Insurance** for reasons other than **Retirement** such **Insured Person** shall be entitled to a free **Discovery Period** of 180 calendar days after the expiry of the **Period of Insurance**.

provided that this **Discovery Period** shall not apply where:

- i) the **Insured Person** has ceased to be a **Director** or **Officer** of the **Company** as a result or consequence of:
 - A) disqualification from holding the office of **Director**;
 - B) the acquisition, **Merger** or winding up of **You** as detailed under Policy Condition Q. Transactions Changing Coverage; or
 - C) **You** becoming insolvent or being wound up,
- ii) **You** or the **Insured** renews or replaces this **Policy** (whether with **RSA** or otherwise); or
- iii) a **Discovery Period** has been activated in accordance with Policy Condition H. ("Discovery Period") of this **Policy**.

18 Shareholder Action deriving from Pollution

RSA shall indemnify the **Insured** against any **Loss** that arises in respect of civil proceedings brought against any **Insured Person**, either directly or derivatively, by any shareholder or bondholder of the **Company** alleging loss in the value of the share capital of the **Company** by reason of **Pollution** which results from a **Wrongful Act**.

provided that this Extension shall not apply:

- a) in circumstances where on or before the **Original Inception Date** any **Insured Person** or any **Employee** of the **Company** whose responsibilities include environmental control or compliance knew or should reasonably have foreseen that a **Circumstance** existed which could have given rise to a **Claim** against the **Company** or any **Insured Person**; or
- b) in respect of any **Claim** arising in or in relation to the **USA**.

19 Shareholder Claim Cover

RSA shall indemnify the **Company** against any costs and **Expenses** reasonably and necessarily incurred by a shareholder of the **Company** in pursuing a **Claim** in the name of the **Company** against a **Director** or **Officer** and which the **Company** is liable to pay such costs and **Expenses** in accordance with an order of any court,

provided that:

- a) such **Claim** by the shareholder in the name of the **Company** was first made during the **Period of Insurance**;
- b) any costs and expenses incurred by a shareholder under this Extension shall be considered as **Loss** for the purposes of applying any Exclusion; and
- c) **RSA** shall not unreasonably withhold its consent to the incurring of costs and **Expenses** under this Extension.

20 Spouses

If a **Claim** against an **Insured Person** includes a **Claim** against the **Insured Person's Spouse** solely by reason of:

- a) such **Spouse's** legal status as a **Spouse** of the **Insured Person**; or
- b) such **Spouse's** ownership interest in property which the claimant seeks as recovery for **Claims** made against the **Insured Person**,

any **Loss** which such **Spouse** becomes legally obliged to pay by reason of such **Claim** shall be treated for the purposes of this **Policy** as **Loss** which the **Insured Person** is legally obliged to pay on account of the **Claims** made against the **Insured Person**.

provided that:

- i) all terms and conditions of this **Policy** (including, without limitation, the **Excess**) applicable to any **Loss** incurred by such **Insured Person** in the **Claim** shall also apply to such **Spousal Loss**; and
- ii) this Extension shall not apply if and to the extent that the **Claim** alleges any **Wrongful Act** or omission by the **Insured Person's Spouse**.

II. CORPORATE LIABILITY

A Corporate Liability Insuring Clause

RSA shall indemnify the **Company** against any **Loss** incurred by the **Company** arising from a **Claim** that first arises during the **Period of Insurance**,

provided that:

- a) such **Claim** is notified to **RSA** during the **Period of Insurance** or any applicable **Discovery Period**; and
- b) **RSA** shall not be liable to indemnify the **Company** in respect of any applicable **Excess**.

B Corporate Liability Limit of Indemnity

RSA's liability under this **Coverage Section** shall not exceed the **Limit of Indemnity** specified in the Schedule,

provided that:

where **RSA** is liable to indemnify more than one person, firm, company or body the total amount of indemnity payable under this **Policy** shall not exceed the **Limit of Indemnity**.

C Corporate Liability Extensions

The following coverage Extensions shall be provided under this Section II ("Corporate Liability"),

provided that:

- a) the terms of sub-section A. ("Corporate Liability Insuring Clause") above shall apply; and
- b) the maximum liability of **RSA** during the **Period of Insurance** under each Extension shall, unless specified in the relevant Extension, be subject to the limit as detailed in sub-section B. ("Corporate Liability **Limit of Indemnity**") above:

1 Contractual Liability Defence Costs

RSA shall indemnify the **Company** against any **Defence Costs** arising from or in connection with actual or alleged contractual liability of any **Company** under any express, oral, written or implied contracts or agreements arising from a **Wrongful Act**,

provided that:

- a) the **Company** has obtained the express prior written consent from **RSA** to the incurring of those **Defence Costs** (such consent shall not be unreasonably denied, withheld or delayed); and
- b) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

2 Corporate Manslaughter

RSA shall indemnify the **Company** against that part of any **Loss** comprising of **Defence Costs** incurred by the **Company** in respect of corporate manslaughter (or other similar or equivalent criminal offence in any jurisdiction in which the **Company** operates) related criminal proceedings arising from a **Wrongful Act** or **Investigation**,

provided that:

- a) the **Company** has obtained the express prior written consent from **RSA** to the incurring of those **Defence Costs** (such consent shall not be unreasonably denied, withheld or delayed); and
- b) such **Defence Costs** shall not include costs relating to any publicity or remedial orders imposed by any court (or similar or equivalent judicial remedial or punitive measure imposed in any jurisdiction in which the **Company** operates).

3 Cyber Liability

RSA shall indemnify the **Company** against any **Loss** incurred by the **Company** arising from a **Claim** that first arises during the **Period of Insurance** for a **Cyber Liability Event**.

In respect of this Extension **RSA** shall indemnify the **Insured** against any fees, costs and **Expenses** reasonably and necessarily incurred by the **Company** in employing the services of an external public relations consultant, crisis management firm or law firm for the sole purpose of providing guidance to the **Insured** in order to minimise or limit any adverse publicity in relation to a **Cyber Liability Event**,

provided that:

- a) **RSA** has given its prior written consent to incurring such costs and **Expenses** (such consent shall not be unreasonably denied, withheld or delayed);
- b) the maximum liability of **RSA** during the **Period of Insurance** for such fees, costs and **Expenses** shall be the single aggregate limit of £100,000.

4 Emergency Costs and Expenses

If, having used reasonable efforts, the **Company** is unable to obtain **RSA's** prior written consent to the **Company** incurring **Defence Costs** the subject of II. A Corporate Liability Insuring Clause **RSA** shall retrospectively approve and indemnify the **Company** against such **Defence Costs**, less any applicable **Excess**,

provided that:

- a) such **Defence Costs** would otherwise be covered under A. Corporate Liability Insuring Clause;
- b) such **Defence Costs** are notified to **RSA** by the **Company** as soon as possible but no later than 10 days after they are incurred;

- c) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £50,000; and
- d) this Extension shall not apply in addition to any other Extension for any **Loss, Claim** or **Related Claim**.

5 Pollution

RSA shall indemnify the **Company** against that part of any **Loss** which relates to **Defence Costs** incurred by the **Company** in defending itself against criminal or regulatory proceedings in respect of **Pollution** which results from a **Wrongful Act**.

provided that:

- a) the **Company** has obtained the express prior written consent to the incurring of those **Defence Costs** (such consent shall not be unreasonably denied, withheld or delayed); and
- b) this Extension shall not apply to or in respect of any **Claim** arising in or in relation to the **USA**.

6 Social Media Public Relations Consultancy Fees

RSA shall indemnify the **Company** in respect of any **Public Relations Consultancy Fees** reasonably and necessarily incurred by the **Company** in order to mitigate the adverse effect or potentially adverse effect on the **Company's** reputation of any negative publicity in relation to the **Company's** alleged business practices that is posted on any internet-based social media platform or website.

provided that:

- a) the **Company** has obtained the express prior written consent from **RSA** to the incurring of those **Public Relations Consultancy Fees** (such consent shall not be unreasonably denied, withheld or delayed); and
- b) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000.

D Corporate Liability Exclusions

RSA shall not be liable to indemnify the **Insured** against any **Loss** which arises directly or indirectly based on, arising out of or in any way involving (the "Exclusions"):

1 Contractual Liability

any actual or alleged contractual liability of any **Company** under any express, oral, written or implied contracts or agreements.

provided that this Exclusion shall not apply in respect of **Defence Costs** otherwise covered by Extension C.1. ("Contractual Liability Defence Costs").

2 Employment Wrongful Act

any **Employment Wrongful Act**.

3 Pension Trusteeship or Administration

the trusteeship or administration by any **Insured** of any pension plan, programme or scheme or other employee benefit programme or any **Insured** acting in a fiduciary capacity in respect thereof, including any obligation incurred under the Pensions Act 1995, Pensions Act 2004, Pensions Act 2014 or for any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (USA) or any regulations promulgated there or within any similar or equivalent law or regulation.

provided that this Exclusion shall not apply to any **Loss** arising from a **Claim** for **Retaliation**.

4 Pollution

- a) **Pollution**; or
- b) any direction or request that any **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so (including, without limitation, any claim for financial loss to the **Company**, its shareholders, bondholders or its creditors based on, arising out of, or in any way involving the matters described in this Exclusion).

5 Professional Services Risks

professional Services undertaken by or on behalf of the **Company** arising from or in connection with:

- a) Advice;
 - b) Design; or
 - c) specification
- provided for a fee.

6 Unfair Trade Practices

any actual or alleged violation of any law (whether statutory, regulatory or common law) with respect to any of the following activities:

- a) anti-trust;
- b) business competition;
- c) unfair trade practices; or
- d) tortious interference in another's business or contractual relationships.

7 Workers Compensation

any actual or alleged liability relating to workers compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, retirement benefits, social security benefits, pension benefits or any similar law or obligation whatsoever.

III. EMPLOYMENT PRACTICES LIABILITY

A Employment Practices Liability Insuring Clause

RSA shall indemnify the **Company** against any **Loss** incurred by the **Company** arising from a **Claim** that first arises during the **Period of Insurance** as a result of any **Employment Wrongful Act**,

provided that such **Claim** is brought against the **Company** by:

- 1 an **Employee** or prospective **Employee**;
- 2 a partner or prospective partner of the **Insured**;
- 3 a director, non-executive director or officer or prospective director, prospective non-executive director or prospective officer of any **Company**;
- 4 a natural person at work (whether self employed or employed by an organisation other than the **Company**), *provided that* such natural person is providing services to the **Company** on premises owned and occupied by the **Company**; or
- 5 where such **Claim** is in respect of an **Investigation**, Equality and Human Rights Commission (EHRC) 2010 or any other officially recognised regulatory, professional, or trade body, or any similar or equivalent body.

B Employment Practices Limit of Indemnity

RSA's liability under this **Coverage Section** shall not exceed the **Limit of Indemnity** in the Schedule,

provided that:

where **RSA** is liable to indemnify more than one person, firm, company or body the total amount of indemnity payable under this **Policy** shall not exceed the **Limit of Indemnity**.

C Employment Practices Liability Extensions

The following coverage Extensions shall be provided under this Section III ("Employment Practices Liability"),

provided that:

- a) the terms of sub-section A. ("Employment Practices Liability Insuring Clause") above shall apply; and
- b) the maximum liability of **RSA** during the **Period of Insurance** under each Extension shall, unless specified in the relevant Extension, be subject to the limit as detailed in sub-section B. ("Employment Practices Liability **Limit of Indemnity**") above:

1 Employment Practices Excess Waiver

No **Excess** shall apply under this **Policy** with respect to any **Claim** in Connection with III. Employment Practices Liability provided that;

- a) the **Company** has a formal written grievance procedure in place; and
- b) for any dispute which is the subject of a **Loss**, the **Company** is able to demonstrate they have followed the ACAS statutory Code of Practice on disciplinary and grievance procedures from the date the **Company's** formal written grievance procedure is first invoked.

2 Social Media Public Relations Consultancy Fees

RSA shall indemnify the **Company** in respect of any **Public Relations Consultancy Fees** reasonably and necessarily incurred by the **Company** in order to mitigate the adverse effect or potentially adverse effect on the **Company's** reputation of any negative publicity in relation to the **Company's** alleged employment practices that is posted on any internet-based social media platform or website,

provided that:

- a) the **Company** has obtained the express prior written consent from **RSA** to the incurring of those **Public Relations Consultancy Fees** (such consent shall not be unreasonably denied, withheld or delayed);
- b) the maximum liability of **RSA** during the **Period of Insurance** under this Extension shall be the single aggregate limit of £100,000; and
- c) this Extension shall not apply in addition to II Corporate Liability, C. Corporate Liability Extensions, 6. Social Media Public Relations Consultancy Fees.

D Employment Practices Liability Exclusions

1 Exclusions applicable to all types of Loss

RSA shall not be liable to indemnify the **Company** against any **Employment Wrongful Act** related **Loss** which arises directly or indirectly based on, arising out of or in any way involving:

- a) **USA Claims**
any **Claim** arising in or in relation to the **USA**;
- b) **Pension Trustee Liability**
the trusteeship or administration by an **Insured** of any pension, profit share or other employee benefit programme or an **Insured** acting in a fiduciary capacity in respect thereof including, but not limited to, any obligation incurred under the Pensions Act 1995, Pensions Act 2004 or Pensions Act 2014; or for any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (USA) or any regulations promulgated there or within any similar or equivalent law or regulation.
- c) **Strikes, Collective Redundancies, Labour Disputes**
any **Claim** incurred as a result of strikes, obligations to consult representatives and employees in relation to collective redundancies, lockouts, trade union disputes, labour disputes or negotiations or other similar actions (including, but not limited to, disputes in respect of recognition); or

d) Violation of Health & Safety, Workers' Compensation or Similar Law

any actual or alleged violation of the responsibilities, obligations or duties imposed by any law governing health and safety, workers' compensation, unemployment insurance, social security, disability benefits or similar law,

provided that Exclusions D.1.(c), and D.1.(d) above shall not apply, and cover shall be provided under Clause III. A. ("Employment Practices Liability Insuring Clause") above if and to the extent that a **Claim** relates to any actual or alleged **Retaliatory** treatment of the claimant by the **Company** arising from the claimant's exercise of rights in accordance with any of the regulations or activities set out in Exclusion D.1.(c) above.

2 Exclusions Applicable to all types of Loss, other than Defence Costs

RSA shall not be liable to indemnify the **Company** against any **Employment Wrongful Act** related **Loss** which is directly or indirectly based on, arising out of or in any way involving:

a) Accommodation for Disabled Persons

any costs incurred by the **Company** to make any accommodation for any disabled person in respect of working practices or otherwise;

b) Breach of Employment Contract, Breach of Minimum Wage Legislation for Benefits Due to Employees

any liability for:

- i) payment of wages or any other form of payment due under a contract of employment or otherwise, (including, but not limited to, compensation payable in respect of contractual or statutory notice periods and contractual or statutory payments due on redundancy) or liability for awards of damages for breach of, or for the payment of a debt under, an **Employee's** contract of employment, *provided that* this Exclusion (i) shall not apply if and to the extent that any breach of an **Employee's** contract of employment relates to a breach of any disciplinary or grievance procedures or equal opportunities policy;
- ii) repayment of deductions wrongfully made from salary, wages or **Benefits** or from any other form of payment due under the contract of employment;
- iii) breach of any obligation in accordance with any minimum wage legislation, save that this Exclusion shall not apply, and cover shall be provided under Clause A. ("Employment Practices Liability Insuring Clause") above, where a **Claim** relates to any actual or alleged **Retaliation** in connection with such breach; or
- iv) payment of **Benefits** due to an **Employee** from the **Insured** or otherwise or to become due or the equivalent value of such **Benefits**,

provided that the Exclusions set out in (a) and (b) above shall not apply if and to the extent that **Defence Costs** form part of such **Employment Wrongful Act** related **Loss**.

IV. Fidelity Policy Section

FIDELITY IS A LOSS DISCOVERED CONTRACT. NO COVER EXISTS FOR ANY LOSS FIRST DISCOVERED BEFORE THE PERIOD OF INSURANCE OR AFTER THE END OF THE PERIOD OF INSURANCE UNLESS AND TO THE EXTENT THAT A DISCOVERY PERIOD APPLIES

A Fidelity Insuring Clauses

RSA shall pay for **Fidelity Loss** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**, resulting from:

1. **Criminal Acts** committed by an **Employee** (acting alone or in collusion with any other person) in respect of Covered **Property, Money** or **Securities**;
2. **Computer Fraud**;
3. **Funds Transfer Fraud**;

B Fidelity Limit of Indemnity and Prior Policies

1. Fidelity Limit of Indemnity

- (a) The **Fidelity Limit of Indemnity** does not apply separately for each **Company**.
- (b) **RSA's** liability for loss sustained by any or all **Companies** shall not exceed the amount for which **RSA** would have been liable had all such loss been suffered by any one **Company**.
- (c) The **Fidelity Limit of Indemnity** shall be **RSA's** maximum liability (excluding the Expenses Coverage noted in Extension of Coverage II.A.) for all claims during the **Period of Insurance** and any applicable **Discovery Period**.

2. Prior Policies

If a **Fidelity Loss** is covered partly under this Fidelity Policy Section and partly under a prior policy, the **Retention** applicable to the **Fidelity Loss** under this Fidelity Policy Section shall be reduced by the retention or deductible actually applied to the loss under such prior policy;

3. Discovery Period

The purchase of any **Discovery Period** shall not increase or reinstate the applicable **Fidelity Limit of Indemnity**, which shall be **RSA's** maximum liability for the **Period of Insurance** and **Discovery Period**, combined.

4. Non Accumulation of Liability

Regardless of the number of years this Fidelity Policy Section remains in effect and the total premiums due or paid, the **Fidelity Limit of Indemnity** shall not be cumulative from year to year or from **Period of Insurance** to Period of Insurance.

C Fidelity Extensions

A. EXPENSES COVERAGE

RSA shall pay the following costs and expenses incurred with its prior written consent:

1. **Investigation Expenses**;
2. **Computer Clean-up Costs**;
3. **Public Relations Consultancy Fees**.

The maximum payable by **RSA** during the **Period of Insurance** under this extension shall be the lesser of 10% of the **Fidelity Limit of Indemnity** or the maximum aggregate **Sub-Limit** of £25,000.

Such costs and expenses shall be in addition to the **Fidelity Limit of Indemnity**.

B. OWNERSHIP & CLIENT COVERAGE EXTENSION

The **Money, Securities** and **Covered Property** covered under this Fidelity Policy Section are limited to that owned or leased by the **Company**.

This extension shall extend to include **Money, Securities** and **Covered Property**:

1. held by the **Company** in any capacity; or
2. held by any **Client** in any capacity and where the **Company** is legally liable to such **Client**.

C. ACQUISITION OR CREATION OF SUBSIDIARY COMPANIES

Policy condition: Acquisition or Creation of Subsidiary shall be replaced, or shall apply where absent, with the following for this Fidelity Policy Section;

1. If, during the **Period of Insurance**, the **Company** acquires or creates any new office, branch or **Subsidiary** (either directly or through one or more of its **Subsidiaries**), coverage shall apply from such date of acquisition or creation provided that the new office, branch, or **Subsidiary**:
 - (a) has no more than 20% of the total number of **Employees** previously declared by or on behalf of all of the **Company**; and
 - (b) does not undertake activities which vary materially from those declared in the **Proposal**;
 - (c) such activities are confined to the UK; and
 - (d) has not had a loss within the past three years with a quantum greater than 50% of the **Retention** specified in the **Policy Schedule**.
2. If the new office, branch or **Subsidiary** acquired or created falls outside the above conditions, **RSA** agrees to provide cover from the date of their creation or acquisition for a period of 60 days. During the period of 60 days the **Policyholder** shall provide any additional information and pay any additional premium as may be reasonably required by **RSA**.

Cover provided under this sub-section in relation to any new office, branch or **Subsidiary** shall only apply with respect to any **Fidelity Loss** caused by any act which is committed after the date of their creation or acquisition. However, **RSA** shall consider the provision of retroactive cover for any new office, branch or **Subsidiary** in respect of **Fidelity Loss** otherwise insured hereunder, prior to the date of any such acquisition, upon specific request, subject to payment of any additional premium required and the signing of a written endorsement.

D. FIDELITY DISCOVERY PERIOD

Policy condition: Discovery Period shall be replaced, or shall apply where absent, with the following for this Fidelity Policy Extension;

Following expiry or earlier termination of this Fidelity Policy Section for any **Company** the **Policyholder** may continue to notify **Fidelity Loss** first **Discovered** not later than 12 months following such expiry or earlier termination provided that:

1. cover shall only apply to **Fidelity Loss** or that part of a **Fidelity Loss** occurring prior to the expiry of the **Period of Insurance** or earlier termination; and
2. cover for that **Company** is not replaced by a similar policy of insurance issued by **RSA** or by another insurer irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

Any **Fidelity Loss** first **Discovered** during the period provided under this Fidelity Section shall be deemed to have been **Discovered** during the immediately preceding **Period of Insurance**.

The purchase of any **Discovery Period** shall not increase or reinstate the applicable **Fidelity Limit of Indemnity**, which shall be **RSA's** maximum liability for the **Period of Insurance** and **Discovery Period**, combined.

If **RSA** declines to offer any terms for renewal of this Fidelity Policy Section the **Policyholder** shall be entitled to purchase a **Discovery Period** on the terms set out below. The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute **RSA** declining to renew.

Options to purchase up to 12 months may be available but shall be at **RSA's** sole discretion.

E. IDENTITY FRAUD

RSA shall pay **Identity Fraud Expenses** incurred by the **Company** with **RSA's** prior written consent provided that the maximum liability of the **Insurer** under this extension during the **Period of Insurance** is limited to the lesser of 10% of the **Fidelity Limit of Indemnity** or the maximum **Sub-Limit** of £25,000.

D Fidelity Policy Section Exclusions

Exclusions applicable to the Fidelity Policy Section only.

The **Insurer** shall not be liable for:

A. CONFIDENTIAL INFORMATION

loss of intangible property howsoever caused including but not limited to any intellectual property rights, trade secrets, computer programmes, confidential processing methods or other confidential information of any kind;

B. DISCOVERY AFTER EXPIRY

loss **Discovered** prior to the commencement of the **Period of Insurance** or after the expiry of the **Period of Insurance** unless provided by the **Discovery Period** extension;

C. EXTORTION

loss arising out of or in any way connected with extortion or any threat thereof unless committed by an **Employee** (acting alone or in collusion with others);

D. INDIRECT LOSS

loss which amounts to indirect loss of any kind, including but not limited to, interest, profits, dividends or other income except as otherwise covered under this Fidelity Policy Section.

E. LOSS BETWEEN INSURED

loss sustained by one **Company** or one part of an **Company** to the advantage of any other **Company** or other part of an **Company**;

F. LOSS SUSTAINED AFTER KNOWLEDGE

loss caused by an **Employee** which is committed after the **Company** or any director, equity partner, **Member**, officer or senior manager of the **Company** shall have knowledge of any theft, fraud or dishonesty committed by such **Employee**:

1. whilst employed by an **Company**; or
2. prior to employment with an **Company**;

G. MAJOR SHAREHOLDERS

Criminal Acts committed by:

1. an **Employee** controlling more than 10% of the voting share capital of the **Company** at the time of committing such act; or
2. any equity partner or **Member** of the **Company** whether acting alone or in collusion with an **Employee** or with others;

H. NUCLEAR

loss due to nuclear reaction, nuclear radiation or radioactive contamination or to any act or condition incident to any of the foregoing;

I. PROFIT AND LOSS COMPUTATION AND INVENTORY COMPARISON

loss or any part of any loss which is dependent solely upon:

1. a profit and loss computation or comparison; or
2. a comparison of inventory records with an actual physical count,

provided, however, that where the **Company** establishes wholly apart from such comparison that it has sustained a loss covered under Insuring Clause I.A. caused by an identified **Employee** then it may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;

J. TAXES, FINES AND DAMAGES

taxes, fines or damages except for direct compensatory damages or contractual penalties as specifically covered by this Fidelity Policy Section;

K. WAR OR TERRORISM

loss arising from declared or undeclared war, civil war, insurrection, riot, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalisation or **Terrorism**.

L. RETROACTIVE DATE

loss or part of a loss sustained prior to the **Retroactive Date** stated in the **Policy Schedule**.

E Fidelity Policy Section Conditions

Policy Condition: Transaction Change in Coverage for this Fidelity Policy Section shall be replaced, or shall apply where absent, with the following;

A. Transaction Change in Coverage

1. Acquisition, Merger or Winding Up of the Policyholder

Unless otherwise agreed in writing by **RSA**, this Fidelity Policy Section shall terminate for all **Companies** upon:

- (a) the acquisition of the entire issued share capital of the **Policyholder** or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Policyholder** into or with another entity such that the **Policyholder** is not the surviving entity; or
- (b) the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate at least 50% of the directors of the **Policyholder**; or
- (c) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of the **Policyholder**.

Following termination, the **Policyholder** may continue to notify **Fidelity Loss** first **Discovered** during the **Period of Insurance** provided that:

- (i) cover shall only apply to **Fidelity Loss** or that part of any **Fidelity Loss** occurring prior to the event described in 1.(a), (b) or (c) above; and
- (ii) this Fidelity Policy Section has not been replaced by a similar policy of insurance issued by **RSA** or by another insurer irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

2. Disposal or Winding Up of Subsidiary Companies

Unless otherwise agreed in writing by **RSA**, this Fidelity Policy Section shall terminate for a **Subsidiary** upon:

- (a) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of such **Subsidiary**; or
- (b) falling outside the definition of **Subsidiary**.

Following termination, the **Policyholder** may continue to notify **Fidelity Loss** first **Discovered** during the **Period of Insurance** or **Discovery Period** provided that:

- (i) cover shall only apply to **Fidelity Loss** or that part of any **Fidelity Loss** occurring prior to the event described in (a) or (b) above; and
- (ii) this Fidelity Policy Section has not been replaced by a similar policy of insurance issued by **RSA** or by another insurer irrespective of whether such other insurance provides cover for loss sustained prior to its effective date.

B. Acquisitions Prior to the Policy Period

Policy Condition: Acquisitions Prior to the **Period of Insurance** for this Fidelity Policy Section shall be replaced, or shall apply where absent, with the following:

If a new office, branch or **Subsidiary** has been acquired by the **Company** prior to the **Period of Insurance**, such office, branch or **Subsidiary** shall be covered under this Fidelity Policy Section in relation only to **Fidelity Loss** caused by any act or omission covered under section I. or II. occurring after the date on which such office, branch or **Subsidiary** was acquired by the **Company** unless agreed in writing by **RSA** and endorsed to this Fidelity Policy Section.

C. Alteration and Assignment

Policy Condition: Alteration and Assignment for this Fidelity Policy Section shall be replaced with the following:

No change in, modification of, or assignment of interest under this Fidelity Policy Section shall be effective except when made by written endorsement to this Fidelity Policy Section which is signed by an authorised signatory of **RSA**.

D. Authorisation Clause

Policy Condition: Authorisation Clause for this Fidelity Policy Section shall be replaced, or shall apply where absent, with the following:

Failure to comply with this Condition will result in a claim being rejected or settlement reduced. The **Policyholder** shall act on behalf of all **Companies** with respect to the giving and receiving of notice for **Fidelity Loss**, the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Fidelity Policy Section, and the **Companies** agree that the **Policyholder** shall so act on their behalf.

All amounts payable under this Fidelity Policy Section shall be made to the **Policyholder**. **RSA** shall not be liable for the application or distribution of such amounts between **Companies** and shall be released from all liability in respect of such payment by virtue of its payment to the **Policyholder**.

E. Cancellation

This Fidelity Policy Section may be cancelled:

- 1. by the **Policyholder** by giving 30 days notice in writing to **RSA** at the address shown in the **Policy Schedule**. Thereupon the **Policyholder** shall be entitled to a return of premium calculated at customary short period rates unless notice of a claim has been made in which event there shall be no return of premium.
- 2. by **RSA** by giving 30 days notice in writing to the **Policyholder** at the address shown in the **Policy Schedule**. Thereupon the **Policyholder** shall be entitled to a proportionate return of premium.

F. The Companies Procedure

Failure to comply with this Condition will result in a claim being rejected or settlement reduced. The **Company** shall at all times comply with the following conditions:

- 1. The statutory accounts are independently audited and any recommendations implemented within an agreed timeframe.

2. Stock is independently checked, (at least once every six months) by an employee not responsible for daily stock handling or ordering.
3. The verification and authentication of all invoices are undertaken by separate employees and full supporting documentation is provided.
4. Cheque requisition/payment instructions and payment authorisation are segregated functions undertaken by separate people.
5. There is independent verification of supporting documentation before cheque or payment instructions are authorised.
6. Two authorised employee signatures are required on all cheque and payment instructions exceeding £500 in value.
7. Cash in hand and petty cash shall be checked independently of the **Employee** responsible at least monthly.
8. Independent monthly reconciliations are performed on all bank accounts and debtors accounts by persons not responsible for the day to facilitation of such accounts.
9. The **Company** shall obtain written or verbal references covering the whole of the preceding two years of employment in confirmation of honesty of all **Employees** with responsibility for money or property engaged on or after the first inception date of this Fidelity Policy Section. Such references shall be obtained independently of the **Employee** and retained on the **Employee's** personnel file.
10. Authorising and amendment to funds transfer procedures or funds transfer instructions is subject to a full segregation procedure so that no one **Employee** is responsible for the funds transfer transaction from commencement to completion.

RSA shall only be entitled to rely on any condition precedent referred to above in respect of any **Fidelity Loss** or any part of such **Fidelity Loss** arises out of, is based upon or attributable to any failure by the **Company** to comply with such condition precedent.

F Fidelity Policy Section Claims Conditions

A. Discovery and Notification

Claims Condition: Notification for this Fidelity Policy Section shall be replaced, or shall apply where absent, as follows;

It shall be a condition precedent to the obligations of **RSA** under this Fidelity Policy Section that the **Policyholder** shall give **RSA** written notice as soon as practicable after **Discovery** of a **Fidelity Loss**, and in any event no later than 60 days after such **Discovery**, which notice must be sent to **RSA** at the Claims Department, Professional & Financial Risks, St Mark's Court, Chart Way, Horsham, Sussex RH12 1XL, for the attention of the Professional & Financial Risks Claims Manager.

Within 6 months after **Discovery** of any such **Fidelity Loss**, the **Insured** shall furnish **RSA**, at the address set out above, sworn proof of loss with full particulars including all relevant information in their possession in relation to the **Fidelity Loss** and such further information as may be required by **RSA**.

B. Subrogation and Recoveries

Claims Condition: Subrogation and Recoveries for this Fidelity Policy Section shall be replaced, or shall apply where absent, as follows;

1. In the event of any payment under this Fidelity Policy Section, **RSA** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery. The **Insured** shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable **RSA** effectively to bring proceedings in the name of the **Company**.
2. Provided however that in no event shall **RSA** exercise its rights of subrogation against any equity partner, member, director or **Employee** of the **Company** unless such person is concerned or implicated in a **Fidelity Loss** covered under this Fidelity Policy Section.
3. All recoveries obtained by the **Insured** from other parties shall be allocated, after the settlement of any claim under this Fidelity Policy Section as follows:
 - (a) firstly, to the benefit of the **Company** to reduce or extinguish the amount of the **Companies Fidelity Loss** to the extent that it would have been paid under this Fidelity Policy Section but for the fact that such **Fidelity Loss** exceeds the **Fidelity Limit of Indemnity** together with any **Retention** where applicable;
 - (b) secondly, to the benefit of **RSA** for all sums paid in settlement of **Fidelity Loss** arising under this Fidelity Policy Section;
 - (c) thirdly, to the benefit of the **Company** for the amount of the **Retention** under this Fidelity Policy Section.

All recoveries shall be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under this Fidelity Policy Section shall be held for the benefit of **RSA** and applied as stated herein after settlement if any is made.

C. Valuation

RSA shall not be liable for more than:

1. the actual market value of **Securities** at the close of business on the business day immediately preceding the day on which the **Fidelity Loss** was **Discovered** or the actual cost of replacing **Securities** whichever is less plus the cost of posting any required lost instrument bond (which cost shall be paid by **RSA** on behalf of the **Company**);
2. the cost of blank material such as blank pages, tapes or other materials plus the cost of labour and computer time for the actual transcription or copying of **Data** which shall have been furnished by the **Insured** in order to reinstate books of account and other records;
3. the cost of labour for the transcription or copying of electronic data furnished by the **Insured** in order to reinstate such electronic data;

4. the value of a foreign currency calculated in pounds sterling at the rate of exchange published as The Financial Times closing mid point rate on the date of **Discovery**;
5. the actual cash value of **Covered Property** at the time of loss or the actual cost of repairing or replacing the **Covered Property** with property of similar quality or value whichever is less.

All recoveries shall be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any claim under this Fidelity Policy Section shall be held for the benefit of **RSA** and applied as stated herein after settlement if any is made.

V. POLICY EXCLUSIONS

A Exclusions applicable to all Insuring Clauses

RSA shall not be liable to indemnify the **Insured** against any **Loss** which arises:

1) Bodily Injury/Property Damage

for any bodily injury, mental anguish or emotional distress, illness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof,

provided that;

- a) this Exclusion shall not apply to bodily injury in respect of that element of **Loss** for **Insured Persons** comprising **Defence Costs** otherwise covered under Claims Condition B. ("Allocation") unless and until such time as that **Insured** has been found by way of any judgment or other final adjudication to have committed such act of dishonesty or fraud; and
- b) **RSA** reserves its right to reduce liability under this **Policy** by an amount that fairly represents the extent to which **RSA's** interests have been prejudiced by the **Policyholder's** act or omission to have placed or in force valid and collectable Employers Liability and Third Party Liability insurance; and
- c) **Loss** has not been declined, refused, exhausted under a valid and collectible Property Damage, Employers Liability and Third Party Liability insurance;

2) Fraud or Dishonesty

directly or indirectly based on, arising out of, or in any way involving any act of dishonesty or fraud found by way of any judgment or other final adjudication to have been committed by any **Insured**,

provided that this Exclusion shall not apply in respect of that element of **Loss** comprising **Defence Costs** otherwise covered under Claims Condition B. ("Allocation") unless and until such time as that **Insured** has been found by way of any judgment or other final adjudication to have committed such act of dishonesty or fraud;

3) Illegal Profit or Advantage

directly or indirectly based on, arising out of, or in any way involving any **Insured** being found by way of judgment or other final adjudication to have gained any profit or advantage or to have received any remuneration to which that **Insured** was not legally entitled,

provided that this Exclusion shall not apply in respect of that element of **Loss** comprising **Defence Costs** otherwise covered under Claims Condition B. ("Allocation") unless and until such time as that **Insured** has been found by way of any judgment or other final adjudication to have gained any profit or advantage or to have received any remuneration to which that **Insured** was not legally entitled;

4) Prior Knowledge of Fact, Circumstance or Situation

directly or indirectly based on, arising out of, or in any way involving any fact, **Circumstance** or situation:

- a) which has been or should have been the subject of any written notice given under any contract of insurance of which this **Policy** is a direct or indirect renewal or replacement; or
- b) alleged in, relating to or underlying any written demand for monetary damages or other relief or any civil, criminal or administrative or regulatory proceeding (including arbitration) pending on or prior to the **Original Inception Date**;

5) Retroactive Date

directly or indirectly based on, arising out of, or in any way involving any **Wrongful Act** committed on or before the **Retroactive Date**.

B Severability of Exclusions

No fact pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Insured** for the purposes of applying any of the Exclusions set out in sub-section A. ("Exclusions applicable to all Insuring Clauses") above.

VI. POLICY CONDITIONS

A Acquisition or Creation of Subsidiary

- a) Subject to (b) and (c) below, if during the **Period of Insurance** any **Company** creates or acquires a new **Subsidiary** (either directly or indirectly):
 - i) that new **Subsidiary** shall be automatically covered under this **Policy** in relation to **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Company**; and
 - ii) the **Company** shall not be required to provide **RSA** with any particulars of the new **Subsidiary** until the next renewal date following creation or acquisition of the **Subsidiary**.
- b) The automatic coverage provided under (a) above shall not apply if a new **Subsidiary** created or acquired by any **Company**:
 - i) has gross consolidated assets that increase the gross consolidated assets of the **Company** by more than fifty per cent (50%) (by reference to the **Company's** most recent consolidated annual accounts);
 - ii) is a **Financial Institution**;
 - iii) has any of its **Securities** listed on any exchange;
 - iv) is situated outside of the **United Kingdom** and in a country in which the **Company** does not already hold a **Subsidiary**; or
 - v) has increased the number of **Employees** by more than 50% in the **Period of Insurance**; and
 - vi) if such new **Subsidiary** employs any person in the **USA**.
- c) If any **Company** acquires or creates a **Subsidiary** that falls within the parameters specified in (b) above, the cover provided under this **Policy** shall be extended to such new **Subsidiary** in relation to **Wrongful Acts** committed or alleged to have been committed after the date the new **Subsidiary** was created or acquired by the **Company**,
provided that, in respect of that new **Subsidiary**, **You** shall:
 - i) provide **RSA** with written notice of any such creation or acquisition as soon as possible, together with such additional information as **RSA** may require;
 - ii) accept any notified alteration in the terms of this **Policy** that **RSA** (at its sole and absolute discretion) may require; and
 - iii) pay any additional premium that **RSA** (at its sole and absolute discretion) may require.
- d) Once the conditions precedent set out in (c) above have been met **RSA** shall include the new **Subsidiary** within the scope of this **Policy** by way of endorsement.
- e) **RSA** shall have no liability under (c) above in respect of any matter which the **Insured** fails to notify to **RSA** in accordance with the requirements of this Clause A ("Acquisition or Creation of Subsidiary").
- f) **RSA** shall, at its sole and absolute discretion, be entitled

to consider the provision of retroactive cover for any new **Subsidiary** in respect of **Wrongful Acts** committed or alleged to have been committed prior to the date of any such acquisition or creation upon specific request from **You**.

- g) If **RSA**, at its sole and absolute discretion, agrees to provide such retroactive cover referred to above it shall be recorded by way of an endorsement to this **Policy**.

B Alteration and Assignment

No change in, modification of, or assignment of interest under this **Policy** shall be effective without a written endorsement to this **Policy** agreed and issued by **RSA**.

C Acquisitions Prior to the Period of Insurance

If a new **Subsidiary** has been acquired by the **Company** prior to the **Period of Insurance**, such **Subsidiary** shall be covered under this **Policy** but only for **Losses** in relation to **Wrongful Acts** committed or alleged to have been committed:

- a) after the date on which such **Subsidiary** was acquired by the **Company**; and
- b) during the **Period of Insurance**.

D Authorisation Clause

You shall act on behalf of all **Insureds** with respect to:

- a) the giving and receiving of notice of any **Claim** or **Circumstance**;
- b) the payment of premiums and the receiving of any return premiums that may become due under this **Policy**;
- c) the negotiation, agreement to and acceptance of endorsements to this **Policy**; and
- d) the giving or receiving of any notice provided for in this **Policy** except the giving of notice to apply for any **Discovery Period** which extends to include **Insured Persons**.

E Cancellation of the Insured's Fixed Sum Loan Agreement

RSA shall have the right to terminate this **Policy** with immediate effect if there is a default in instalment payments due under any linked loan agreement.

F Defence Costs

Defence Costs incurred by **RSA**, or by the **Insured** with the written consent of **RSA** shall form part of and shall not be in addition to the applicable **Limit of Indemnity** and the payment by **RSA** of any such **Defence Costs** shall correspondingly reduce such **Limit of Indemnity**.

G Discovery Period

- a) The **Insured Persons** or **You** shall be entitled to elect a **Discovery Period** on the terms set out below if:
 - i) **RSA** declines to offer any terms for renewal of this **Policy**; or
 - ii) **You** make a specific written request to **RSA** for such **Discovery Period**, which is accepted by **RSA**.
- b) Subject to (c) below, the terms of the **Discovery Period** shall be 12 months for fifty per cent (50%) of that part of the **Full Annual Premium** payable in respect of this **Policy**.
- c) Options to purchase a **Discovery Period** of up to 72 months may be available but shall be at **RSA's** sole and absolute discretion.
- d) The application to elect any **Discovery Period** shall be given to **RSA** within 30 calendar days of the expiry of the **Period of Insurance**, and payment of the requisite premium, if applicable, in respect of that **Discovery Period** shall be made within 30 calendar days of the expiry of the **Period of Insurance** (such premium being non-refundable). Any time delay between the expiry of the **Period of Insurance** and the election of any **Discovery Period** shall form part of and shall not be in addition to the **Discovery Period** elected.
- e) If a **Merger** or administration takes place, **You** shall not be entitled to purchase a **Discovery Period** on the terms set out in this Extension, however within 30 calendar days of the expiry of the **Period of Insurance** **You** may request a quotation from **RSA** for a **Discovery Period**. **RSA** shall consider such request and may, at its sole and absolute discretion, offer a **Discovery Period** on such terms as **RSA** may consider appropriate.
- f) At any time during:
 - i) the 30 calendar day application period referred to in (d) above; and
 - ii) the **Discovery Period**,

(and without prejudice to VI. Claims Condition A.2. ("Claims Notification")) **You** and the **Insured Persons** shall be entitled to continue to notify **Claims** and **Circumstances** to **RSA** but only in respect of **Wrongful Acts** committed prior to the expiry of the **Period of Insurance**. Any such **Claim** or **Circumstance** so notified to **RSA** during the **Discovery Period** shall be deemed to have been notified during the **Period of Insurance**.
- g) If the **Insured Persons** or **You** elect a **Discovery Period** then upon expiry of such **Discovery Period** no further **Discovery Period** will be available under this policy (except as provided for under I. Directors & Officers Liability C. Directors & Officers Extensions 17. Retired & Former Directors)
- h) The purchase by the **Insured** of any **Discovery Period** shall not increase or reinstate the applicable **Limit of Indemnity** (which shall continue be **RSA's** maximum liability for the **Period of Insurance** and **Discovery Period** combined).

H Dispute Resolution

Subject to Claims Condition B ("Allocation") and Claims Condition D ("Disputes as to Contesting Legal Proceedings") of this **Policy**, any dispute arising in respect of this **Policy**, or any obligations, whether contractual or non-contractual, arising out of or in respect of it, shall be subject to the exclusive jurisdiction of the courts of England and Wales.

I Financial or Trade Sanctions

RSA shall not provide coverage or be liable to provide any indemnity or payment or other benefit under this **Policy** if and to the extent that doing so would breach any **Prohibition**.

If any **Prohibition** takes effect during the **Period of Insurance** the **Insured** or **RSA** may cancel that part of this **Policy** which is prohibited or restricted with immediate effect by giving written notice to the other at their last known address.

If the whole or any part of the Policy is cancelled **RSA** shall if and to the extent that it does not breach any **Prohibition** return a proportionate amount of the premium for the unexpired period subject to minimum premium requirements and provided no claims have been paid or are outstanding.

For the purposes of this endorsement a **Prohibition** shall mean any prohibition or restriction imposed by law or regulation.

J Interpretation of Legal References

Any legal references within this **Policy** shall include any equivalent legal provision in the jurisdiction of **Your** ordinary residence or location of the risk insured, *provided that* such jurisdiction falls within the territorial scope of this **Policy**.

K Law Applicable

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both parties may choose the law which applies to this contract, to the extent permitted by those laws. Unless the parties agree otherwise in writing, the **Insurer** has agreed with the **Insured** that the law which applies to this contract is the law which applies to the part of the United Kingdom in which the **Insured** is based, or, if based in the Channel Islands or the Isle of Man, the law of whichever of those two places in which the **Insured** is based.

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the United Kingdom in which the **Insured** is based, or, if the **Insured** is based in either the Channel Islands or the Isle of Man, the courts of whichever of those two places in which the **Insured** is based.

L Partial Invalidity

If any provision of this **Policy** is, or becomes, invalid or unenforceable in accordance with the law to which this **Policy** is subject, such provision shall be deemed to be deleted and all other terms and conditions of this **Policy** shall remain in full force and effect.

M Severability

The **Proposal** shall be construed as a separate application for cover by each of the **Insureds** with respect to the statements, representations and declarations contained therein.

No fact relating to, or statement of, or knowledge possessed by, any **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of cover under this **Policy**.

Provided that no cover shall be provided under this **Policy** in respect of:

- a) any **Insured Person** who knew of such misrepresentation or non-disclosure; or
- b) the **Company** where the **Company** has a requirement, legally or otherwise, to indemnify any **Insured Person** with knowledge of such misrepresentation or non-disclosure.

N Retention/Excess

- a) **RSA's** liability under this **Policy** for any **Loss** arising from:
 - i) any single **Claim**; and
 - ii) any and all **Related Claims**.

shall apply only to that part of such **Loss** which is excess of the applicable **Excess**.
- b) The **Insured** shall bear at their own risk the amount of any applicable **Excess** in respect of:
 - i) each and every **Claim**; and
 - ii) any **Related Claim**.
- c) If the **Company** is permitted or required to indemnify any **Insured Persons** in respect of any **Loss** suffered by them but fails to do so, **RSA** shall pay such **Loss** directly to that **Insured Person**, on behalf of the **Company**, *provided that* the **Company** shall be liable to pay any applicable **Excess**.
- d) In respect of I. Directors and Officers Liability and II. Corporate Liability any **Excess** borne by an **Insured** in respect of any **Claim** shall be reimbursed by **RSA** if final judgment or adjudication is given in favour of an **Insured** by a court or tribunal of competent jurisdiction. For the purposes of this condition, final judgment or adjudication shall only be adjudged to have been given when all rights of appeal to higher courts or tribunals have been foregone or exhausted.
- e) Any **Excess** shall not form part of the **Limit of Indemnity** and it shall be payable by the **Insured** before the application of the **Limit of Indemnity**.

O Territory

Unless otherwise endorsed, the insurance cover provided under this **Policy** shall extend worldwide.

P Third Party Rights

A person who is not a party to this **Policy** has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this **Policy**, *provided that* this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

Q Transactions Changing Coverage

1) Acquisition, Merger or Winding Up of You

Unless otherwise agreed in writing by **RSA** (at its sole and absolute discretion), this **Policy** shall terminate for all **Insureds** upon:

- a) the acquisition of **Your** entire issued share capital or

of all or substantially all of **Your** assets, by another entity, or the **Merger** or consolidation of **You** into or with another entity such that **You** are not the surviving entity;

- b) the obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate at least 50% of **Your** directors;
- c) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee or other similar insolvency appointee or fiduciary to **You**; or
- d) the winding-up of **You** (but not, for this purpose, any **Subsidiary**).

Following the termination of this **Policy** pursuant to the above, **You** shall be entitled to continue to notify **Circumstances** and **Claims** that first arise prior to the termination of the **Policy** (or any applicable **Discovery Period**),

provided that:

- i) cover shall only apply to any **Loss** or that part of any **Loss** that arises as a direct result of a **Wrongful Act** occurring prior to the termination of this **Policy**; and
- ii) this **Policy** has not been replaced by a similar policy of insurance issued by **RSA** or by another insurer irrespective of whether such other insurance provides cover for loss sustained prior to the effective date of that similar policy of insurance.

2) Disposal or Winding Up of Subsidiary Companies

Unless otherwise agreed in writing by **RSA**, this **Policy** shall terminate for a **Subsidiary** upon;

- a) the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, supervisor, trustee, or other similar insolvency appointee or fiduciary in respect of such **Subsidiary**; or
- b) falling outside of the definition of **Subsidiary**.

Following the termination of this **Policy** pursuant to the above, **You** shall be entitled to continue to notify **Circumstances** and **Claims** that first arise prior to the termination of the **Policy**,

provided that cover shall only apply to any **Loss** or that part of any **Loss** that arises as a direct result of a **Wrongful Act** occurring prior to the termination of this **Policy**.

R Insurance Act 2015

In respect of any

- i) duty of disclosure; or
- ii) effect of warranties; or
- ii) effects of acts of fraud

the rights and obligations that apply to **You** and **RSA** shall be interpreted in accordance with the provisions of the Insurance Act 2015.

VII. CLAIMS CONDITIONS

A Claims Notification

In order for **Claims** to be accepted and paid under this **Policy** the **Insured** must comply with this Condition.

- 1) Subject to Claims Condition A.2 below, **You** must immediately give written notice to **RSA** as soon as reasonably possible after **You** receive notice of any **Claim**, or a **Claim** has been first made or **You** become aware of any **Circumstances**.

provided that, notwithstanding the above, such written notice shall be given to **RSA**:

- a) during the **Period of Insurance** (or any applicable **Discovery Period**); or
 - b) within 60 calendar days for **Claims** made to the **Insured** that have not been notified to **RSA** for the **Period of Insurance** immediately prior to expiry (excluding any **Discovery Period**).
 - c) **RSA** will not make any payment unless notification is made in accordance with this section.
- 2) If **You** fail, **You** do not exist as an entity or refuse to give notice under Claims Condition A.1 above a **Director** or **Officer** shall be entitled to give written notice of a **Claim** directly to **RSA**, *provided that* all other terms and conditions of Claims Condition A.1 shall otherwise apply.
 - 3) Notification of any **Claim** or **Circumstance** pursuant to Claims Conditions A.1 and A.2 above shall be sent to **RSA** at the Claims Department, Professional & Financial Risks, St Mark's Court, Chart Way, Horsham, West Sussex RH12 1XL and marked for the attention of the "Professional & Financial Risks Claims Manager, Profin & Major Claims".

Each notification shall so far as possible provide full details of the **Claim** or **Circumstance** including, but not limited to:

- a) the identity of the claimant or potential claimant;
 - b) the nature of the **Claim**;
 - c) the likely quantum of the **Claim**; and
 - d) **Your** preliminary views (and those of the **Insured**) on the merits of such **Claim** and **You** shall provide **RSA** with such further information and documentation (where appropriate documentation includes evidence of invoices, receipts, proof of payments and the like) as it may reasonably require.
- 4) Any **Claim** arising from any notification of **Circumstances** shall be deemed to have been made in the **Period of Insurance** (including any applicable **Discovery Period**) in which the **Circumstances** were first notified to **RSA**.
 - 5) If the terms of this Condition have not been complied with, and as a direct consequence, the amount for which the **Insurer** is liable under this **Policy** has increased, then no payment shall be made by the **Insurer** in respect of the amount of such increase.

B Allocation

- 1) If and to the extent that an **Insured** incurs both a **Loss** (or part thereof) insured by this **Policy** and a **Loss** (or part thereof) not insured by this **Policy** (either because a **Claim** is made against both **Insured Persons** and the **Company** or because a **Claim** includes both a **Loss** which is insured and a **Loss** that is not) **RSA** shall negotiate in good faith with the **Insured** to determine a fair and reasonable allocation of the insured and uninsured **Loss** taking into account the relative legal exposures of **RSA** and the **Insured** with respect to the insured and uninsured **Loss**.

Whilst such **Claim** referred to above is ongoing **RSA** shall advance all **Defence Costs** to any **Insured Persons** whilst they are named in any legal action or **Investigation**.

provided that such **Defence Costs** shall not be included in any allocation of the insured **Loss**.

- 2) If the **Insured** and **RSA** cannot agree on an 'insured vs. uninsured' allocation in respect of **Loss**, the **Insured** and **RSA** shall submit the issue of allocation to a Queen's Counsel. The identity of the Queen's Counsel shall be agreed between the parties and failing agreement within 30 calendar days of one party receiving written notice of a nomination being made by the other party, shall be chosen by the Chairman for the time being of the Bar Council whose decision shall be binding on **RSA** and the **Insured**. The Queen's Counsel shall be directed to apportion all costs of the determination between **RSA** and the **Insured** as the Queen's Counsel so determines.
- 3) All references to Queen's Counsel and Chairman of the Bar Council include, where proceedings have been commenced in jurisdictions outside England and Wales, a lawyer of similar status or equivalent appointee.

C Defence and Cooperation

- 1) **RSA** shall have the right (but is not obliged or required) to:
 - a) conduct, in the name of the **Insured**, the defence and settlement of any **Claim** insured, either in whole or in part, under this **Policy** and
 - b) appoint lawyers or other representatives for this purpose (even if any of the allegations against the **Insured** are groundless, false or fraudulent),

provided that **RSA's** right to conduct such defence or appoint such lawyer or other representatives shall cease upon exhaustion of the **Limit of Indemnity**.

- 2) With respect to any **Claim** or **Circumstance** notified under this **Policy**:
 - a) the **Insured** shall execute all papers required and shall do everything necessary to defend such **Claim** and provide **RSA** with all information, documentation, assistance and co-operation as **RSA** may reasonably request; and
 - b) **RSA** shall advance to the relevant **Insured** the amount of any **Defence Costs** in excess of any applicable **Excess**.

provided that if and to the extent it is finally established or determined that such **Defence Costs** (or any part thereof) are not insured under this **Policy**, the **Insureds**, severally according to their respective interests under this **Policy**, shall repay such uninsured **Defence Costs** to **RSA**.

- 3) The **Insured** shall not settle or offer to settle any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim**, without **RSA's** express prior written consent (such consent shall not be unreasonably denied, withheld or delayed). **RSA** shall not be liable for, and any applicable **Excess** shall not be depleted or exhausted by any settlement, **Loss** or **Defence Costs**, assumed obligation or admission to which **RSA** has not provided its express prior written consent (such consent shall not be unreasonably denied, withheld or delayed).
- 4) If a **Claim** arises the **Insured** shall:
 - a) do nothing that prejudices **RSA's** position or its potential or actual rights of recovery in respect of that **Claim**; and
 - b) at all times use reasonable endeavours to do, and concur in doing, all such things as are reasonably practicable to avoid or diminish any **Loss** that may arise in respect of that **Claim** and assist with the defence or settlement of any **Claim**.

RSA shall be entitled to undertake any investigation it deems necessary in respect of such **Claim**.

For the purposes of (b) above, "reasonable endeavours" in this context shall include, but not be limited to, the self-reporting to any regulator an actual or suspected material breach of a **Company's** or an **Insured Person's** legal or regulatory duties where the **Company** or **Insured Person** is required to give notice of such an actual or potential breach,

provided that:

- i) the cost incurred by the **Insured** in taking any such steps shall constitute **Defence Costs**; and
- ii) any self-reporting shall not constitute an admission of liability on the part of the **Insured** with regard to any **Claim**.

D Disputes as to Contesting Legal Proceedings

- 1) In the event of any disagreement arising between **RSA** and an **Insured** as to whether or not to contest or settle any legal proceedings or proceed with any appeal of a decision of a Court, the issue shall be remitted to a Queen's Counsel whose decision on the probability of successfully defending the **Claim** or the acceptability of the proposed terms of settlement or the probability of succeeding on appeal shall be final and **RSA** and the **Insured** shall be bound by that decision.
- 2) The identity of such Queen's Counsel referred to in Claims Condition D.1 above shall be agreed by **RSA** and **You** or, failing such agreement within 30 calendar days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council.
- 3) The costs and expenses of the Queen's Counsel referred to in Claims Conditions D.1 and D.2 above shall be deemed to form part of the **Defence Costs**.
- 4) All references in this Claims Condition D to Queen's Counsel and Chairman of the Bar Council include, where proceedings have been commenced in jurisdictions outside

England and Wales, a lawyer of similar status or equivalent appointee.

E Other Insurance

The insurance cover provided under this **Policy** shall only apply in excess of the cover and limits of any other valid and collectible contract of insurance providing cover to the relevant **Insured** (including, but not limited to, any insurance which is stated to be primary, contributory, excess, contingent or otherwise), unless such other contract of insurance and the cover and limits stated therein is specifically stated to operate in excess of this **Policy**.

If at the time of any **Loss** that is insured under this **Policy** there is any other contract of insurance effected by or on behalf of any **Insured** that covers the same **Loss**, the liability of **RSA** under this **Policy** to indemnify the **Insured** in respect of such **Loss** shall be limited to the **Insured's** rateable portion (as between this **Policy** and such other contract of insurance) of such **Loss**, subject always to the **Limit of Indemnity** and any applicable coverage Extensions.

Any **Loss** which is covered partly by this **Policy** and partly by another contract of insurance (including any contract of insurance of which this **Policy** is a renewal) issued by **RSA** to the **Insured** for which any previous applicable **Discovery Period** has not expired, shall be limited to the *larger amount and broader cover* of:

- a) that provided under such previous contract of insurance; and
- b) this **Policy**.

and shall not be cumulative.

F Related Claims

For the purposes of the cover provided under this **Policy** all **Related Claims** shall be deemed to be one **Claim**, and such **Claim** shall be deemed to have first arisen on the date the earliest of such **Related Claims** first arises, regardless of whether such date is before or during the **Period of Insurance** (or any applicable **Discovery Period**).

G Subrogation and Recoveries

- 1) If any payment is made by **RSA** to an **Insured** pursuant to this **Policy** in respect of any **Loss**:
 - a) **RSA** shall, to the extent of such payment, be subrogated to all the **Insured's** rights of recovery in respect of such **Loss**; and
 - b) the **Insured** shall do everything reasonably necessary to secure and preserve such rights of recovery referred to in (a) above (including, but not limited to, the execution of such documents as are necessary to enable **RSA** to bring proceedings or otherwise exercise its rights of subrogation in the name of the **Insured**).

- 2) Notwithstanding Claims Condition G.1 above, **RSA** shall not be entitled to exercise its rights of subrogation against an **Insured Person** unless such **Insured Person** has been fraudulent, committed a criminal act or obtained any profit or advantage to which such **Insured Person** was not legally entitled.
- 3) Any and all recoveries obtained by the **Insured** from any other party in respect of any **Loss** insured under this **Policy** shall be allocated, after the settlement of any **Claim**, from the top down in respect of such **Loss** as follows:
 - a) *firstly*, to the benefit of the **Insured** to reduce or extinguish the amount of the **Insured's Loss** if and to the extent that such **Loss** would have been paid under this **Policy** but for the fact that the amount of such **Loss** exceeds the **Limit of Indemnity** together with any applicable **Excess**;
 - b) *secondly*, to the benefit of **RSA** for all sums paid in settlement of any **Loss** arising under this **Policy**; and
 - c) *thirdly*, to the benefit of the **Insured** for the amount of any applicable **Excess**.

provided that:

- i) such allocation shall only apply after the deduction by the relevant party of the reasonable costs incurred by them (or on their behalf) in obtaining such recovery; and
- ii) any and all recoveries made prior to settlement of any **Claim** shall be held for the benefit of **RSA** and only be so allocated after that **Claim** has been settled (if applicable).

VIII. POLICY DEFINITIONS

1 Definitions

When used in this **Policy**:

A Benefits means perquisites, fringe benefits, amounts due or payments made in connection with an employee benefit plan or pension scheme, share or stock options or any other right to purchase, acquire or sell shares or stock, and any other obligation or payment, made to or for the benefit of an **Employee** other than salary (including bonus) or wages.

B Circumstance means an incident, occurrence, fact, matter, act or omission which might reasonably be considered to give rise to a **Claim**.

C Claim means:

- 1) service of a Claim Form, counterclaim, **Related Claim**, Application Notice, Notice of Appeal, Witness Summons or similar legal document (including an application for any related injunction) served upon any **Insured** in respect of a **Wrongful Act**;
- 2) any arbitration proceeding or request to nominate an arbitrator served upon any **Insured** in respect of a **Wrongful Act**;
- 3) any written communication (including electronic communications), whether or not containing a demand for compensation or damages, received by any **Insured** threatening commencement of proceedings in respect of a **Wrongful Act**, and any written demand against any **Insured Person** for monetary damages, reinstatement or other non-monetary relief for a **Circumstance**;
- 4) any criminal prosecution of an **Insured Person** resulting from a **Wrongful Act**;
- 5) any notice of an **Investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire or similar document:
 - a) into the affairs of the **Company** or the affairs of an **Outside Entity** as provided in Directors & Officers Liability Extension C.13 ("Outside Directorship/Entities") and where an **Insured Person** is required to attend or give evidence; or
 - b) involving a **Wrongful Act** alleged to have been committed by an **Insured Person** or in respect of which an **Insured Person** is required to attend or give evidence by reason of that **Insured Person** acting in their capacity as a **Director** or **Officer**,

and

- 6) any proceedings brought against any **Insured Person** during the **Period of Insurance** by any **Official Body** seeking:
 - a) extradition of an **Insured Person** where the allegations from which the extradition proceedings result arise from a **Wrongful Act** by reason of that **Insured Person** acting in their capacity of a **Director** or **Officer**;

- b) confiscation, assumption or ownership and control, suspension or freezing of rights of ownership of real property or personal assets of any **Insured Person**;
- c) a charge over real property or personal assets of such **Insured Person**;
- d) a temporary or permanent prohibition on such **Insured Person** holding the office or performing the function of a **Director** or **Officer** of the **Company**;
- e) restriction of such **Insured Person's** liberty to a specified domestic residence or an **Official Detention**; or
- f) deportation of an **Insured Person** following revocation of otherwise proper, current and valid immigration status for any reason *other than* an **Insured Person's** conviction of a crime,

provided that any **Claim** is first made against, or received by, an **Insured Person** during the **Period of Insurance**.

D Client means a party to whom an **Company** provides goods or services under written contract or for a fee.

E Company means **You** and **Your Subsidiaries**.

F Clean-Up Costs means:

- 1) rewriting or amending the software programs or systems where such rewriting or amending is necessary to correct the programs, systems or the security codes;
- 2) duplicating destroyed or damaged electronic data or computer programs from other electronic data or computer programs which shall have been furnished by the **Insured** and in the event that destroyed or damaged computer programs cannot be duplicated from other computer programs, the cost incurred for computer time, computer programmers, consultants or other technical specialists as is reasonably necessary to restore the computer programs to substantially the previous level of operational capability, but shall not include costs arising:
 - a) as a result of the reconstitution of **Data** recorded on magnetic or optical media if there are no analysis files specifications or backups of software or **Data** held outside the **Premises**; or
 - b) as a result of the reconstitution of **Data** if the **Insured** knowingly uses illegal copies of programs:
 - i) to render the information usable by replacement processing equipment; or
 - ii) to design update or improve the software or programs or to perfect their operation or performance; or
- 3) as a result of an alteration in **Data** held on magnetic media due to the effect of magnetic fields their incorrect use or the obsolescence of the **Computer System**.

G Computer Clean-Up Costs means reasonable **Clean-Up Costs** following the fraudulent use of computer hardware, software or **Computer System** which are the subject of a loss covered under this **Policy**.

H Computer Fraud means loss of **Covered Property**, **Money** or **Securities** due to any **fraudulent** or **dishonest** manipulation by a **Third Party** of the **Company's** computer hardware, software programs or **Computer System**.

For the avoidance of doubt, **Computer Fraud** does not include:

- 1) the use of any computer to fraudulently cause a transfer of funds belonging to the Insured or for which the **Insured** is responsible from an account maintained by the **Insured** at a financial institution; or
- 2) charges for which the **Insured** is legally liable directly resulting from the fraudulent and unauthorised access and use of a **Telecommunications System**.

I Computer System shall mean any **Company** computer network, software programmes or similar electronic social media content for which the **Company** is responsible.

J Contribution means **Excess**

K Covered Property means tangible property other than **Money** or **Securities**.

L Coverage Section shall mean the terms and conditions relating to each of I. Directors & Officers Liability, II. Corporate Liability, III. Employment Practices Liability.

M Criminal Act means theft, fraud or dishonesty committed with the clear intent of obtaining an improper personal financial gain for the **Employee** or for any other person or organisation intended to receive such gain; but in respect of trading or dealing in commodities, futures, options, currency, foreign exchange and the like this Fidelity Policy Section shall only apply if such act is committed by the **Employee** with the intent to cause the **Insured Fidelity Loss** and with the clear intent of obtaining an improper personal financial gain for the **Employee** or for any other person or organisation intended to receive such gain.

For the purposes of this definition "improper personal financial gain" shall not include salary, commissions, fees, bonuses, promotions or other emoluments or benefits earned in the normal course of employment.

H Cyber Liability Event means any **Wrongful Act** as provided in VII Directors & Officers Definitions. Wrongful Act CCC. I. ("an Insured Person") arising from use of any **Computer System** or **Data** for which the **Company** is legally liable.

N Data characters, or symbols on which operations are performed by a computer, being stored and transmitted in the form of electrical signals and recorded on magnetic, optical, or mechanical recording media the property of any **Company** or for which any **Company** is responsible that is required by law to be protected from public disclosure.

O Defence Costs means that part of a **Loss** or **Fidelity Loss** consisting of any reasonable and necessary costs, charges and fees (including, but not limited to, lawyers' and agents' fees and expenses) incurred by **RSA** or reasonably and necessarily incurred by the **Insured**:

- 1) in defending, investigating or settling any **Claim** or assisting **RSA** in investigating, defending or settling any **Claim** (including the amount of any premiums paid for any insurance instruments or bonds which may be required in certain jurisdictions to institute an appeal or enter a Court appearance);
- 2) in respect of the attendance or giving of evidence by any **Insured Person** at any **Investigation** into the affairs of the **Company** or the affairs of an **Outside Entity** as provided in Directors & Officers Liability Extension C.13 ("Outside Directorship/Entities");

- 3) in respect of any **Investigation** involving a **Wrongful Act** alleged to have been committed by any **Insured Person** or relating to which any **Insured Person** is required to attend or give evidence by reason of them acting in their capacity as a **Director** or **Officer**; or
- 4) in respect of an **Employment Wrongful Act Defence Costs** shall extend to include Preliminary Hearings where a **Claim** is **Probable**.

provided that **Defence Costs** shall not include any regular or overtime wages, salaries, fees or benefits of the **Directors**, **Officers** or **Employees** of the **Company**.

P Deprivation of Assets Expenses means the amount paid by the **Insured** directly to the provider of any:

- 1) schooling;
- 2) housing;
- 3) utilities; or
- 4) personal insurances,

as a direct result of any interim or interlocutory order confiscating or suspending the rights of ownership over personal assets or real property of any **Insured Person** during the **Period of Insurance** in circumstances where a personal allowance has been directed by a Court to meet such payments and that personal allowance has been exhausted.

Q Discovery/Discovered means when a director, equity partner, member, officer or senior manager of the **Company** (not in collusion with a dishonest **Employee**) first becomes aware of facts which would cause a reasonable person to believe that **Fidelity Loss** covered is likely to be incurred, regardless of when the act or acts causing or contributing to such **Fidelity Loss** occurred even though the exact amount or details of **Fidelity Loss** may not then be known.

Discovery also means when the **Insured** receives notice of an actual or potential claim against it alleging facts that if true would constitute a covered **Fidelity Loss**.

Discovery made by one **Company** shall constitute **Discovery** made by every **Company**.

R Director means any natural person who was, is, or becomes:

- 1) a **Director** of the **Company** (including a shadow **Director** (as defined under section 251 of the Company 2006 Act or any equivalent provision in the jurisdiction in which the **Company** is incorporated)) and any person named in any prospectus issued by the **Company** as a prospective **Director**;
- 2) a shadow **Director** of any **Company** directly as a result of that person's activities as a **Director** or **Officer** of the **Company**; or
- 3) a **Member**.

S Discovery Period means the period immediately following the expiry of the **Period of Insurance** during which **You** shall be entitled to continue to notify

- 1) **Claims** or **Circumstances** pursuant to the terms of:
 - a) Policy Condition H. ("Discovery Period"); or
 - b) Directors & Officers Extension C.17 ("Retired and Former Directors"), (each as applicable) of this **Policy**

- 2) **Discovery of Fidelity Loss** but only in respect of such loss occurring prior to the expiry of the **Period of Insurance**.

Any **Fidelity Loss Discovered** during the **Discovery Period** shall be deemed to have been **Discovered** during the immediately preceding **Period of Insurance**.

T Employee means any natural person who was, or is, or becomes during **the Period of Insurance**:

- 1) an employee (which shall include trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) of the **Company** whilst acting in such capacity; or
- 2) seconded to the **Company** and acting in such capacity.
- 3) An **Employee** of any **Company** is considered to be an **Employee** of every **Company**.

U Employment Wrongful Act means any error, misstatement, misleading statement, act, omission, neglect or breach of duty committed by any one or more **Insured Persons** in their capacities as such against any past, present or prospective **Employee, Director** or partner of **Yours**, in connection with any:

- 1) wrongful, unlawful or unfair dismissal, discharge or termination of employment;
- 2) breach of any written or oral employment contract or quasi-employment contract;
- 3) employment-related misrepresentation;
- 4) violation of employment discrimination laws (including sexual or other workplace harassment and discrimination on the grounds of racial or national origin, sex, sexual orientation, religion, maternity, pregnancy, age and disability);
- 5) violation or non-compliance with legislation regulating working hours;
- 6) wrongful failure to employ or promote;
- 7) wrongful demotion;
- 8) wrongful discipline;
- 9) wrongful deprivation of a career opportunity;
- 10) failure to grant tenure;
- 11) failure to adopt adequate workplace or employment policies and procedures;
- 12) **Retaliatory** treatment of whistleblowers or others;
- 13) negligent evaluation;
- 14) employment-related invasion of privacy;
- 15) employment-related breach of data protection legislation;
- 16) employment-related libel, slander, humiliation and defamation;
- 17) failure to furnish accurate job references;
- 18) employment-related wrongful infliction of mental anguish or emotional distress; or
- 19) breach of any obligation which has been transferred to the **Company** by virtue of the Transfer of Undertakings (Protection of Employment) Regulations 2014 or the EC

Acquired Rights Directive, save for any obligation which existed at or prior to the date of transfer.

V Expenses means the necessary and reasonable costs, charges and fees incurred by the **Insured** or by **RSA** in investigating, defending or settling any **Claim**

provided that Expenses shall not include

- 1) salaries, commissions, emoluments, fees or any other benefits from employment or costs and expenses normally incurred by the **Insured** in the absence of a **Claim**; or
- 2) costs and expenses incurred by a customer to whom the **Insured** provides goods or services under a written contract unless ordered by a court or other legally authorised tribunal; and
- 3) **Expenses** incurred without the prior written consent of **RSA**.

W Excess means that part of each and every **Claim** or **Loss**, as applicable, which shall not be indemnified by **RSA** and is payable by the **Insured**, the amount of which is specified in the **Policy Schedule**.

X Fidelity Limit of Indemnity shall mean the maximum aggregate shown in the Policy Schedule.

Y Fidelity Loss means direct financial loss sustained by the **Insured** (or for the purposes of V. Fidelity Extensions, B. Ownership & Client Coverage Extension, 2., direct financial loss sustained by a Client), arising from an act specifically insured under the Fidelity Insuring Clause within the Fidelity Section.

All **Fidelity Loss** of any kind, sustained as a result of one act, omission, or event or series of events shall be deemed to be one loss for the purpose of the calculation of the **Fidelity Limit of Indemnity** or **Retention** regardless of when during the **Period of Insurance** or prior thereto, such acts occurred or the number of **Insureds** who sustain such loss.

Z Funds Transfer Fraud means the **Fidelity Loss** of funds from an account maintained by the **Company** at a financial institution (from which the **Company** or their authorised representatives may request the transfer, payment or delivery of funds), following fraudulent electronic, telegraphic, cable, facsimile, teletype, telephone, or written instructions to debit such account and to transfer, pay or deliver funds from such account and which instructions purport to have come from the **Company**, but which are fraudulently transmitted or issued by a **Third Party**, are a forgery or fraudulently altered by a **Third Party**.

AA Financial Institution means any entity whose principal business activity is as a clearing bank, deposit/lending bank, building society, foreign exchange broker or trader, merchant bank, stockbroker, securities broker, commodity trader or broker, derivative trader or broker, hedge fund, insurance broker, insurance company (general or life), financial advisor (including independent financial advisors), asset management company, investment trust provider, Independent Saving Account provider, unit trust or other financial investment provider, credit provider or currency exchange operation or any other similar entity.

BB Full Annual Premium means the annual insurance premium payable by **You**, including any additional insurance premium which becomes payable immediately prior to the expiry of the **Period of Insurance**.

CC Identity means publicly available data held by an official registry or any other party which relates to the formation and identity of the **Company** and relied upon by investors or vendors in establishing the financial standing and credit worthiness of the **Company**.

DD Identity Fraud means the fraudulent modification, alteration or theft of **Identity** committed by an **Employee** or **Third Party**.

EE Identity Fraud Expenses means reasonable and necessary:

- 1) fees, costs and expenses incurred solely to correct or reinstate public records following an **Identity Fraud**;
- 2) legal fees, costs and expenses incurred in applying for civil or criminal proceedings to be dismissed or withdrawn on the basis that the alleged liability resides with the perpetrator of the **Identity Fraud**; or
- 3) fees, costs and expenses incurred to employ the services of a professional private investigation agency to investigate the identity of the perpetrator of the **Identity Fraud**.

FF Insured means:

- 1) the **Insured Persons**;
- 2) the **Company**; or
- 3) **You**,

declared to **RSA** prior to the commencement of the **Period of Insurance** and as may be acquired or created during the **Period of Insurance** pursuant to the terms of Policy Condition A. ("Acquisition or Creation of a Subsidiary").

GG Insured Persons means:

- 1) any natural person who was, is, or becomes during the **Period of Insurance**, a **Director**, manager or **Officer**;
- 2) any natural person falling within the definition of **Insured** in accordance with Definition K ("Director") who is incompetent, incapacitated, bankrupt or deceased and against whose estates, heirs, executives or other legal representatives claims are being pursued which would, absent such incompetence, incapacity, bankruptcy or death be covered by the **Policy**; and
- 3) in connection with **Employment Wrongful Acts** only, any **Employee** of the **Company** or any natural person (whether self-employed or employed by an entity other than the **Company**) who is contracted to and supervised by the **Company**,

provided that:

- a) the contract between that **Employee** of the **Company** or natural person and the **Company** provides for the **Company** to indemnify that **Employee** or natural person in respect of any **Claim** and the **Company** has agreed to do so; and
- b) **RSA** has agreed (at its sole and absolute discretion) to provide such cover and each such **Employee** or natural person is added to the **Policy Schedule** by written endorsement.

HH Investigation means any formal or official investigation (other than the **Company's** own internal investigation) or where an official investigation is **Probable**: examination, dawn raids, site raids, regulatory interviews or other proceedings made or

commenced during the **Period of Insurance** by a governmental body, professional body or other institution duly authorised to carry out such investigations.

II Investigation Expenses means expenses incurred solely to substantiate the amount of a **Fidelity Loss** covered but does not mean expenses paid by the **Company** for salaries, wages or similar expenses.

JJ Limit of Indemnity means the limit specified in the **Policy Schedule**.

KK Kidnap & Ransom Event means the unlawfully seizing and carrying away of an **Insured Person** by force or fraud, or seizing and detaining an **Insured Person** with an intent to carry that person away at a later time for a purpose.

LL Loss/Losses:

- 1) means:
 - a) damages, compensation, contributions, judgments or (if concluded with **RSA's** prior written consent) settlements;
 - b) claimant's legal costs and **Expenses**;
 - c) punitive, exemplary and aggravated damages if and to the extent such damages are insurable under the laws of the **United Kingdom**, Channel Islands or Isle of Man, *except where:*
 - i) such damages are awarded in respect of an **Employment Wrongful Act**; and
 - ii) such damages are awarded in respect of any **Claim** arising in or in relation to the **USA**.
 - d) all other costs and **Expenses** ordered by a court or other legally authorised tribunal, or incurred with **RSA's** prior written consent;
 - e) **Defence Costs**, in respect of a **Claim** made against, or received by, any **Insured**, jointly or severally; and
 - f) in respect of an **Employment Wrongful Act** only, the cost to the **Insured** of paying wages (but not **Benefits**) to an **Employee** for the period from the date of the purported dismissal or termination to the date on which the court or **Tribunal** of first instance delivered its judgment to the parties,

provided that **Loss** shall not include:

- a) any taxes;
- b) any fines;
- c) any penalties;
- d) any other form of **Loss** which is uninsurable under the law of the state or country to which the **Claim** is subject;
- e) the multiple portion of any multiplied damage award;
- f) any amount which the **Insured** is not legally liable to pay; or
- g) in respect of an **Employment Wrongful Act** only:

- i) any amount not indemnified by the **Company** for which the **Insureds** are absolved from payment by reason of any covenant, agreement or court order;
- ii) the value of any share or stock options or any other right to purchase, acquire or sell shares or stock;
- iii) taxes, fines or penalties imposed by law or the multiple portion of any multiplied damage award;
- iv) the cost of complying with any injunctive or other non-monetary relief or any agreement to provide any such relief; or
- v) matters uninsurable under the law in accordance with which this **Policy** is construed or such **Claim** is adjudicated.

MM Member means a member of a Limited Liability Partnership as defined under the Limited Liability Partnership Act 2000.

NN Merger means the occurrence of either of the following events:

- 1) **Your** consolidating with or merging into or selling all or substantially all of **Your** assets to any other person or entity or group of persons or entities acting in concert; or
- 2) any person or entity, whether individually or together with any other person or entity, acquiring an amount of share capital representing more than fifty per cent. (50%) of the voting power for the election of **Your Directors**, or acquiring the voting rights for such an amount of the shares.

OO Money means:

- 1) currency, coins and bank notes in current use and bullion; or
- 2) travellers cheques, postal orders, postage stamps, luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, and VAT stamps all in current use and unused credits in franking machines; or
- 3) monetary balances held at a financial institution to the credit of the **Company**.

PP Officer means:

- 1) any natural person who was, is, or becomes during the **Period of Insurance** an officer of the **Company**, other than its external auditor, liquidator, administrator, receiver or solicitor;
- 2) any **Employee** of the **Company** whilst acting in a managerial or supervisory capacity, including any **Employee** of the **Company** who at the specific written request of the **Company** is appointed to a managerial or supervisory position within any entity established for the sole purpose of any profit sharing, share option, sporting, social or welfare purpose and which exists predominantly for the benefit of any or all of the **Insured Persons** and **Employees** of the **Company** and their families and dependants;
- 3) any **Employee** of the **Company** who is named as a co-defendant in respect of a **Claim** made against a **Director** or **Officer** (and for the purpose of this **Definition** PP.3. **Officer** shall bear the meaning set out in **Definitions** PP.1. and PP.2. above); and

- 4) in respect of an **Employment Wrongful Act**, any **Employee** of the **Company**.

QQ Official Detention means the confinement of any **Insured Person** in secure custodial premises, operated by or on behalf of a governmental or judicial agency in connection with a **Claim** against such **Insured Person** regardless of whether such confinement is without charge or without a judicial finding of culpability or liability in relation to such **Claim**.

RR Original Inception Date means the date from which the **Company** has maintained uninterrupted equivalent liability insurance cover with an insurer, whether under this **Policy** or any preceding contract of insurance.

provided that where that cover has not been maintained uninterrupted the **Original Inception Date** shall be the inception date of the first **Period of Insurance** placed with the **Insurer**

SS Outside Entity means any company or non-profit organisation (other than a **Subsidiary**) *unless* that entity is either:

- 1) registered (for any purpose), domiciled or incorporated in the **USA**; or
- 2) has any of its **Securities** listed on any exchange in the **USA**,

provided that in the case of a company or non-profit organisation falling within this Definition, such entity shall constitute an **Outside Entity** and be insured under this **Policy** if:

- a) **RSA** has agreed to provide such insurance cover;
- b) such entity is listed as an **Outside Entity** in the **Policy Schedule** by written endorsement; and
- b) **You** hold share capital in such entity.

TT Pension Management Event means any **Wrongful Act** arising from any pension plan, fund, or scheme (including a personal pension scheme), stakeholder or Enrolment Pension Scheme which provides retirement income for **Employees** of any **Company**.

UU Period of Insurance means the period of time so specified in the **Policy Schedule**.

VV Policy means, collectively, the **Policy Schedule**, **Statement of Fact**, each **Policy Section** and the Terms and Conditions of this contract of insurance including any endorsements attaching and substitutions thereto.

WW Policy Schedule means the Management Liability Policy Schedule attaching to this **Policy**.

XX Pollutants means:

- 1) any air emission, odour, waste water, oil or oil products, infectious or medical waste, biological contaminants, asbestos or asbestos products, electric or magnetic or electromagnetic fields and noise, and any ionising radiations or contamination by radioactivity; and
- 2) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a country, state, county, municipality or locality counterpart thereof including, but not limited to, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials.

- YY Pollution** means the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere.
- ZZ Probable** shall mean where a **Director** has knowledge of such facts as would lead a reasonable person to believe that a particular governmental body, professional body, or other institution duly authorised is committing, has committed or is about to commit a formal interview or investigation. The **Director** must be able to articulate the facts and circumstances forming the basis for probable cause.
- AAA Public Relations Consultancy Fees** means fees necessarily incurred by the **Insured** to employ the services of an external public relations consultant solely for the purpose of providing advice to the **Insured** to review, develop or implement a crisis plan in order to minimise the impact of any adverse publicity following the occurrence of any **Loss** covered by this **Policy**.
- BBB Related Claims** means any and all **Claims** based on, arising out of, or in any way involving the same or related or series of; facts, acts, **Circumstances**, situations, transactions, original cause or source, error, omission or events and such **Claims** or **Losses** will be deemed to be a single policy **Claim**, reported at the date of the first such policy **Claim**.
- CCC Retaliation/Retaliatory** means a **Wrongful Act** of an **Insured** relating to, or alleged to be in response to:
- 1) the treatment of any **Employee** less favourably than any other **Employees**; or
 - 2) the victimisation of any **Employee** because that **Employee** threatens to bring proceedings, give evidence or information, take any action or make any allegation concerning the **Insured**, with reference to any applicable laws or legislation in the relevant jurisdiction relating to:
 - a) sex, race, or disability discrimination;
 - b) whistle blowing; or
 - c) any employment protection law generally.
- DDD Retires/Retirement** means the act of any **Insured Person** in voluntarily relinquishing their position from the **Company** with a resulting state of retirement whereby such **Insured Person** does not subsequently resume or assume the position of **Director, Officer** or **Employee**.
- EEE Retention** means that part of each and every **Claim** or **Fidelity Loss**, as applicable, which shall not be indemnified by the **Insurer** and is payable by the **Company**, the amount of which is specified in the Policy Schedule. **Retention** may also be referred to as Fidelity Excess in the Policy Schedule.
- FFF Retroactive Date** means the date specified in the **Policy Schedule**. Where Fidelity cover has not previously been purchased the **Retroactive Date** shall be the first **RSA Policy** inception date stated in the Schedule as the **Period of Insurance** "From Date".
- GGG Securities** means:
- 1) any note, stock, bearer instrument, derivative, bond, debenture, evidence of indebtedness, depositary receipt, share or other equity or debt security of any **Insured**; and
 - 2) any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or purchase, voting certificate relating to, certificate of deposit for, or other interest in any of the items referred to in (1.) above.
- 3) representing either **Money** or **Covered Property** but does not include:
 - a) **Money**; or
 - b) any items which are or purport to be travellers cheques, letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable, or any other bill, document or receipt similar in nature or effect or serving a similar purpose unless such Items result in a **Fidelity Loss** which would otherwise have been covered under Fidelity Insuring Clause A.1.
- HHH Spouse** means a lawful spouse, civil partner or any person deriving similar status by reason of the law applicable to the relevant territory or jurisdiction in which that person resides.
- III Statement of Fact** means the information contained in any document provided by **You** to **RSA** relating to the cover applied for under this **Policy**.
- III Sub-Limit** means the maximum aggregate liability of **RSA** from all **Claims** or **Related Claims** first made during the **Period of Insurance** (or any applicable **Discovery Period**) arising from an Extension to any **Insuring Clause** under this **Policy**. Any **Sub-Limit** shall be part of and not in addition to the **Limit of Indemnity** attaching to the applicable Insuring Clause.
- KKK Subsidiary** means any entity in which **You**:
- 1) hold directly or indirectly more than fifty per cent (50%) of the voting rights;
 - 2) have the right to appoint or remove a majority of the board of Directors; or
 - 3) hold more than half of the issued share capital,
- and where **You** are a partnership, an entity shall be a **Subsidiary** of the partnership where such holding or right is held for the benefit of the partnership.
- LLL Terrorism** means an act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the **United Kingdom** or any other government (whether such government is legally established or not).
- MMM Third Party** means any person other than:
- 1) an **Employee**, equity partner, member or director of the **Company**; or
 - 2) one who is or acts on behalf of the **Company** as any auditor, accountant, broker, investment adviser or investment manager, factor, commission merchant, consignee, or other similar agent or representative; or
 - 3) one providing a service pursuant to and under a contract with the **Company**.
- NNN Tribunal** means a tribunal constituted in accordance with the Employment Tribunals (Constitution and Rules of Procedures) Regulations 2013, and any statutory amendment or successor thereto.

OOO United Kingdom means the United Kingdom of Great Britain and Northern Ireland.

PPP USA means the United States of America and in each case its territories and possessions and any state or political subdivision thereof.

QQQ Wrongful Act means in respect of:

1) an **Insured Person**:

any error, misstatement, misleading statement, act, omission, neglect, breach of duty, breach of trust, libel, slander, breach of contract, breach of warranty of authority, wrongful trading as set out in section 214 of the Insolvency Act 1986 (or any equivalent situation in any jurisdiction in which the **Company** is incorporated), **Employment Wrongful Act**, any other matter asserted against a **Director** solely by reason of their status as such or other act actually or allegedly committed or attempted by any **Insured Person** in their duties or capacity as:

- a) a **Director** or **Officer**; or
- b) a **Director**, **Officer**, trustee, governor or incumbent of a position of equivalent status of any **Outside Entity**,

and

2) the **Company**:

any error, misstatement, misleading statement, act, omission, neglect, or breach of duty, breach of trust, breach of warranty of authority, or other act actually or allegedly committed or attempted by the **Company**.

RRR You/Your means the organisation so designated in the **Policy Schedule**.

IX. DIFFERENCE IN CONDITIONS AND LIMITS PROVISION

This Policy extension shall only apply where shown in the Policy Schedule.

RSA shall provide indemnity to the **You** for any difference in Condition or Difference in Sub Limit between this **RSA Policy** and the preceding Directors Liability Policy, of which this is a direct replacement.

This extension expires 36 months from the first **RSA** policy inception date stated in the Schedule as the **Period of Insurance** "From Date".

This agreement will only apply where **RSA** has been supplied with a copy of the previous policy wording and schedule which evidences the previous broader cover or sub-limit in the event of a **Claim**.

- f) Policy conditions; Dispute Resolution and Financial or Trade Sanctions.
- g) Claims Conditions; Defence and Co-operation.
- h) Legal Expenses or Legal Protection insurance.
- i) Public Liability, Products Liability or Employer's Liability insurance.
- j) Professional Indemnity insurance.
- k) Pension Trustee Liability.
- l) Help advice or other telephone services.
- m) The provision for Service providers, Panels or arrangements.

A Difference in Conditions and Limits Exclusions

1 Exclusions applicable to all types of Loss

RSA will not provide indemnity to **You** or any **Insured** under this extension in respect of:

- a) any Cover that is shown as "Not Insured" in the Schedule to the **RSA Policy**; or
- b) any Cover which was not insured under the Preceding Directors Liability Policy; or
- c) any differences in cover between the Preceding Directors Liability Policy and the **RSA policy** which exist because **RSA** has been asked to change, delete or reduce Cover or **Limits of Indemnity** under the **RSA Policy**; or
- d) Any **Financial Institution**

There are certain exceptions and limits of cover contained in the **RSA Policy** which will always apply in the way described no matter what the equivalent exceptions and limits in the Preceding Directors Liability Policy may have been. These are as follows;

- a) Unlimited run off period for any retiring director, manager, Officer, member or similar shall not apply. Run off cover for Retired and former Directors shall apply as set out in this Policy; 1. Directors & Officers Liability, Directors & Officers Extensions, 17 Retired and Former Directors.
- b) The **Limit of Indemnity** applicable to each Section; Directors & Officers, Corporate Liability, Employment Practices Liability & Fidelity.
- c) Any existing endorsement or wording relating to DIC/DIL extensions shall not apply.
- d) Any reinstatement of limits shall not apply where **RSA** provide cover on an Any One Claim basis.
- e) Any waiver of excess linked to a service provider.

Fair Processing Notice

How We Use Your Information

Please read the following carefully as it contains important information relating to the details that you have given us. You should show this notice to any other party related to this insurance.

Who we are

This insurance is underwritten by Royal & Sun Alliance Insurance plc.

You are giving your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group).

In this information statement, 'we' 'us' and 'our' refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises all the details we hold about you and your transactions and includes information obtained from third parties.

We may use and share your information with other members of the Group to help us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with you;
- Understand our customers' requirements;
- Develop and test products and services

We do not disclose your information to anyone outside the Group except:

- Where we have your permission; or
- Where we are required or permitted to do so by law; or
- To credit reference and fraud prevention agencies and other companies that provide a service to us, our partners or you; or
- Where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone we pass it to provides an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which you provided it. Details of the companies and countries involved can be provided on request.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object, you will consent to that change. We will not keep your information for longer than is necessary.

Sensitive Information

Some of the information we ask you for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about you or others except for the specific purpose for which you provide it and to carry out the services described in your policy documents. Please ensure that you only provide us with sensitive information about other people with their agreement.

How to contact us

On payment of a small fee, you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to:

Data Protection Liaison Officer

Customer Relations Office
 RSA
 Bowling Mill
 Dean Clough
 Industrial Estate
 Halifax, HX3 5WA

Complaints Procedure

Our Commitment to Customer Service

At RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Step 1

If your complaint relates to your policy then please contact the sales and service number shown in your schedule. If your complaint relates to a claim then please call the claims helpline number shown in your policy booklet.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post:

RSA
P O Box 255
Wyndham
NR18 8DP

Email: crt.halifax@uk.rsagroup.com

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Use the information from your complaint to proactively improve our service in the future.

Once we have reviewed your complaint we will issue our final decision in writing within 8 weeks of the date we received your complaint.

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints. They can be contacted at:

Post:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Telephone:

0800 0234567 (for landline users)
0300 1239123 (for mobile users)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the Financial Ombudsman Service. This does not affect your right to take legal action, however, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Thank you for your feedback

We value your feedback and at the heart of our brand we remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

