

### Special definitions for this section

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

<b>Claim</b>	Any written demand or civil, criminal, regulatory or arbitration proceeding first made against an <b>insured person</b> during the <b>period of insurance</b> seeking monetary damages or other legal relief or penalty alleging a <b>wrongful act</b> .
<b>Defence costs</b>	Costs incurred with <b>our</b> prior written agreement to investigate, settle or defend any <b>claim</b> made against an <b>insured person</b> or to fund an appeal, including any premium paid for an appeal bond or similar bond obtained in relation to it, arising from any judgment, decision or award in relation to any <b>claim</b> .
<b>Employee</b>	Any person under a contract of service with <b>you</b> .
<b>Employment claim</b>	Any <b>claim</b> by any <b>employee</b> or volunteer for any actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation of a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, retaliation, defamation, invasion of privacy arising solely as a result of the employment or non-employment by <b>you</b> of any current, former or prospective <b>employee</b> or volunteer.
<b>Extradition proceeding</b>	Any proceeding commenced under the provision of the United Kingdom Extradition Act 2003 or its equivalent in any other jurisdiction including any associated appeals.
<b>Health and safety/ manslaughter claim</b>	Any <b>claim</b> against any <b>insured person</b> alleging involuntary, constructive or gross negligence manslaughter or any <b>claim</b> under the provisions of the Health & Safety at Work etc. Act 1974 or its equivalent in any other jurisdiction.
<b>Insured person</b>	<ol style="list-style-type: none"> <li>1. Any natural person who was, is, or during the <b>period of insurance</b> becomes a director, partner, trustee, committee member or officer of <b>you</b>;</li> <li>2. any de facto director of <b>you</b> whilst acting in such capacity for <b>you</b>;</li> <li>3. any shadow director as defined under Section 250 of the Companies Act 2006 or equivalent legislation in any other jurisdiction;</li> <li>4. any <b>employee</b> of <b>you</b>;</li> <li>5. the lawful spouse, civil or unmarried partner of any person above solely because of their spousal, civil or unmarried partner relationship following a <b>claim</b> against that person;</li> <li>6. the estates, heirs or legal representatives of any person above who has died or become incapacitated, insolvent or bankrupt but only for a <b>claim</b> against that person.</li> </ol>
<b>Loss</b>	<p>In respect of a <b>claim</b> the amount any <b>insured person</b> becomes legally liable to pay for <b>defence costs</b>, awards of damages including punitive and exemplary damages where legally permissible, awards of costs including claimants legal costs and expenses and settlements with <b>our</b> prior written agreement.</p> <p><b>Loss</b> does not include any civil, regulatory or criminal fines or penalties, taxes, remuneration or employment related benefits, punitive and exemplary damages in relation to an <b>employment claim</b> or the multiplied portion of any damages award unless awarded for defamation.</p>
<b>Outside entity</b>	<p>Any organisation other than <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. that is tax exempt and not for profit; or</li> <li>2. in which you hold any issued share.</li> </ol>
<b>Pollutant</b>	Any contaminant, irritant or other substance including, but not limited to, asbestos, lead, smoke, vapour, water, oil, oil products, dust, fibres, soot, fumes, acids, alkalis, chemicals, waste (including materials that have been or are intended to be recycled, reconditioned or reclaimed).
<b>Pollution</b>	Actual, alleged or threatened discharge, seepage, treatment, removal, disposal, dispersal, emission, release or escape of any <b>pollutant</b> or any regulatory order, direction or request to test for, monitor, remove, contain, treat, detoxify, or neutralise any <b>pollutant</b> .

<b>Prior and pending litigation date</b>	The date stated as the prior and pending litigation date in the schedule.
<b>Securities</b>	Any debt or equity interest in <b>you</b> .
<b>Subsidiary</b>	<p>Any private limited company not domiciled outside of the United Kingdom of Great Britain and Northern Ireland or Republic of Ireland in which <b>you</b>:</p> <ol style="list-style-type: none"> <li>1. own directly or through one or more of <b>your</b> subsidiaries more than 50% of the share capital or a majority of the voting rights or have the right to appoint or remove a majority of the entity's board of directors; or</li> <li>2. control a majority of its voting rights under a written agreement with other shareholders or members.</li> </ol> <p>If an entity ceases to be a <b>subsidiary</b> during the <b>period of insurance</b>, cover will continue but only for a <b>claim</b> against <b>you</b> or an <b>insured person</b> arising from a <b>wrongful act</b> committed before it ceased to be a <b>subsidiary</b>.</p>
<b>Wrongful act</b>	<p>Any actual or alleged act, error or omission committed or attempted by an <b>insured person</b> arising from the performance of the <b>insured person's</b> duties solely in their capacity as <b>your</b> director, partner, trustee, committee member, officer or <b>employee</b> including:</p> <ol style="list-style-type: none"> <li>1. breach of any duty, including fiduciary or statutory duty;</li> <li>2. breach of trust;</li> <li>3. negligence, negligent misstatement, misleading statement or negligent misrepresentation;</li> <li>4. defamation;</li> <li>5. wrongful trading under section 214 of the Insolvency Act 1986 (or equivalent legislation);</li> <li>6. breach of warranty of authority;</li> <li>7. any other act, error or omission attempted or allegedly committed or attempted by an <b>insured person</b> solely because of their status as a director, partner, trustee, committee member, officer or <b>employee</b> of <b>you</b>.</li> </ol>
<b>You/your</b>	Also includes a <b>subsidiary</b> , and any <b>subsidiary</b> created or acquired during the <b>period of insurance</b> but only for a <b>claim</b> against an <b>insured person</b> arising from a <b>wrongful act</b> committed after the date of creation or acquisition of such <b>subsidiary</b> .

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## What is covered

Claims against an insured person	<b>We</b> will pay on behalf of any <b>insured person</b> the <b>loss</b> arising from a <b>claim</b> against any <b>insured person</b> for any <b>wrongful act</b> within the <b>geographical limits</b> .
Company reimbursement	<p><b>We</b> will pay on <b>your</b> behalf the <b>loss</b> which <b>you</b> are legally obliged or permitted to pay on behalf of an <b>insured person</b> arising from a <b>claim</b> against an <b>insured person</b> for a <b>wrongful act</b> within the <b>geographical limits</b>. <b>You</b> must pay the relevant <b>excess</b> shown in the schedule.</p> <p>If <b>you</b> are permitted or obliged to provide such payment but fail to do so for any reason other than <b>your</b> insolvency, <b>we</b> will pay the amount of the <b>claim</b> less the relevant <b>excess</b> regardless of whether <b>you</b> advanced payment or indemnified an <b>insured person</b> for such <b>loss</b>.</p>
Health and safety/ manslaughter	<b>We</b> will pay on <b>your</b> behalf <b>loss</b> which <b>you</b> are legally obliged or permitted to pay on behalf of an <b>insured person</b> arising from a <b>health and safety/manlaughter claim</b> , including any equivalent legislation in any other jurisdiction, against an <b>insured person</b> for a <b>wrongful act</b> within the <b>geographical limits</b> . <b>You</b> must pay the relevant <b>excess</b> shown in the schedule.
Pollution	<b>We</b> will pay on behalf of any <b>insured person</b> the <b>loss</b> in respect of a <b>claim</b> arising from <b>pollution</b> within the <b>geographical limits</b> .

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## What is not covered

<b>What is not covered</b>	<b>We</b> will not make any payment for any <b>claim</b> or <b>loss</b> :
Deliberate or dishonest acts	<ol style="list-style-type: none"> <li>1. based upon, attributable to or arising out of:             <ol style="list-style-type: none"> <li>a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation committed by any <b>insured person</b>;</li> </ol> </li> </ol>

- b. an act intended to secure or which does secure a personal profit or advantage to which any **insured person** was not legally entitled;
- c. an act intended to secure or which does secure a profit for any other company where an **insured person** is a director, partner, officer or employee of such company.

This exclusion will only apply after a judgment or other final adjudication or an admission by an **insured person** that such act did occur. **We** may request that an opinion be obtained from a mutually agreed Queens Counsel or equivalent in a different jurisdiction as to the prospects of a court finding that such act did occur. This exclusion shall apply if counsel is of the opinion that there are no reasonable prospects of the court finding that such act did not occur. Such opinion will be binding on **us** and the **insured person**. The costs of such opinion shall be met by **us**.

Prior claims and circumstances	2. based upon, attributable to or arising out of any <b>claim</b> or circumstance which <b>you</b> or any <b>insured person</b> were aware of, or that has been reported under any policy existing or expired, prior to the start of the <b>period of insurance</b> .
Prior litigation	3. based upon, attributable to or arising out of any prior or pending litigation or proceedings, including allegations deriving from the same or essentially the same facts, involving <b>you</b> or an <b>insured person</b> initiated prior to the <b>prior and pending litigation date</b> .
Defined benefit pension schemes	4. based upon, attributable to or arising out of an <b>insured person's</b> operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities.
Claims in the United States of America	5. based upon, attributable to or arising out of any <b>wrongful act</b> committed or attempted in the United States of America.
Matters insurable elsewhere	6. for mental or emotional distress, sickness, disease, bodily injury or death suffered by anyone, or the loss, damage or destruction of any tangible property including loss of use of such property.  This exclusion shall not apply to any <b>health and safety/manslaughter claim</b> .
Claims brought by a related party	7. based upon, attributable to or arising out of the use of any mechanically propelled vehicle for which compulsory insurance is required under any legislation.
Breach of professional duty	8. based upon, attributable to or arising out of any claim brought or maintained by <b>you</b> or an <b>insured person</b> .
Shareholders	9. based upon, attributable to or arising out of any <b>claim</b> relating to a breach of or failure to provide professional duties or services.
Takeovers and mergers	10. brought by or on behalf of anyone owning 15% or more of <b>your</b> issued share capital.
Share offerings	11. based upon, attributable to or arising out of any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> after <b>you</b> merge or consolidate with another company or any party acquires more than 50% of <b>your</b> issued share capital.  In the event of a <b>subsidiary</b> ceasing during the <b>period of insurance</b> to be a <b>subsidiary</b> cover under this section shall be amended to apply solely to <b>loss</b> arising out of any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> prior to the effective date of sale or dissolution.
Financial advantage	12. based upon, attributable to or arising out of any <b>claim</b> for a <b>wrongful act</b> committed by an <b>insured person</b> in relation to any actual public offering of <b>your</b> share capital unless <b>we</b> have given <b>our</b> prior written agreement and <b>you</b> have paid any additional premium and accepted any amendments <b>we</b> may require to the terms and conditions of this section.
Employment claims	13. based upon, attributable to or arising out of the gaining of any financial advantage to which the <b>insured person</b> was not entitled, including the repayment of any wrongfully received monies.
Extradition proceedings	14. based upon, attributable to or arising out of any <b>employment claim</b> .
Outside entities	15. based upon, attributable to or arising out of any <b>extradition proceeding</b> .
Outside entities	16. based upon, attributable to or arising out of any actual or alleged <b>wrongful act</b> committed by an <b>insured person</b> for or on behalf of an <b>outside entity</b> .

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## Special conditions

General terms	<p>The General definitions, General conditions and General claims conditions set out in the <b>General terms and conditions</b> all apply equally to each <b>insured person</b> and to <b>you</b>, except for General condition 3, Premium payment which applies only to <b>you</b>.</p> <p>General condition 1 and General claims condition 2 shall not apply to this section. Under this section only <b>we</b> waive <b>our</b> right to rescind the <b>policy</b> on the grounds of misrepresentation or making false claims.</p> <p>General condition 4. Cancellation shall only apply to this section at the end of the <b>period of insurance</b> or the anniversary date whichever comes first.</p> <p><b>You</b> agree to act on behalf of all the <b>insured persons</b> as regards paying the premium and giving or receiving notice of all matters relevant to this section.</p>
Information provided by an insured person	<p>All information which any <b>insured person</b> provided before <b>we</b> agreed to insure <b>you</b> will be considered as a separate application for each <b>insured person</b> and as such the knowledge of or any statement made by an <b>insured person</b> will not be imputed to any other <b>insured person</b> for the purposes of determining whether cover is available for any <b>claim</b> against such other <b>insured person</b>.</p>
Takeovers and mergers extended notification period	<p>In the event that <b>you</b> merge or consolidate with another company, or any party acquires more than 50% of <b>your</b> issued share capital, during the <b>period of insurance</b> <b>you</b> may on payment of an additional premium of 100% of the annual section premium request that this section continue in force for a period of 12 months from the expiry date of the current <b>period of insurance</b>, provided that such extension shall only apply to <b>claims</b> arising from any <b>wrongful act</b> committed or alleged prior to the date of such takeover or merger.</p>

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## How much we will pay

	<p>The most <b>we</b> will pay for the total of all <b>claims</b> and their <b>defence costs</b> is the limit of indemnity shown in the schedule irrespective of the number of <b>claims</b> made.</p> <p>The amount <b>we</b> will pay for <b>claims</b> and their <b>defence costs</b> includes any amount <b>we</b> pay on <b>your</b> behalf, and for <b>claims</b> against an <b>insured person's</b> spouse, civil or unmarried partner.</p> <p>Each <b>claim</b> shall be treated as first made when <b>we</b> receive notice of the first <b>claim</b>. <b>You</b> must pay the relevant <b>excess</b> shown in the schedule.</p>
Paying out the limit of indemnity	<p>At any stage of a <b>claim</b>, <b>we</b> can pay the <b>insured person</b> the applicable limit of indemnity or what remains after any earlier payment from that limit. <b>We</b> will then have no further liability for any <b>claim</b> or <b>loss</b>.</p>

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## Your obligations

Notification	<p><b>We</b> will not make any payment under this section:</p> <ol style="list-style-type: none"><li>unless <b>you</b> notify <b>us</b> promptly of the following within the <b>period of insurance</b> or at the latest within 14 days after it expires for any problem <b>you</b> become aware of within the seven days before expiry:<ol style="list-style-type: none"><li>the <b>insured person's</b> first awareness of any <b>wrongful act</b>;</li><li>any <b>claim</b> or threatened <b>claim</b> against an <b>insured person</b> or the <b>insured person's</b> lawful spouse, civil or unmarried partner;</li><li>the threat or commencement of any disqualification proceedings against any <b>insured person</b>;</li><li>the threat or commencement of proceedings against any <b>insured person</b> for <b>pollution</b>.</li></ol></li><li>if, when dealing with a third-party, <b>you</b> or the <b>insured person</b> admit that <b>you</b> or the <b>insured person</b> are liable for what has happened, or make any offer, deal or payment without <b>our</b> prior written agreement. <b>You</b> must also not reveal the amount of cover available under this insurance.</li><li>to any <b>insured person</b> who, prior to the <b>period of insurance</b>, had knowledge that the information provided to <b>us</b> upon which <b>we</b> agreed to insure <b>you</b> was inaccurate or incomplete.</li></ol>
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### Control of defence and payment of a claim

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

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

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

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

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

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