



## Bankers Professional Liability Policy

In consideration of the payment of the premium and subject to all terms, conditions and limitations of this Policy, the **Insureds** and **Insurer** agree:

### Section I Insuring Agreement

The **Insurer** shall pay on behalf of the **Insureds** all **Loss** as a result of a **Claim** first made against the **Insureds** during the **Policy Period** for a **Wrongful Act** and reported to the **Insurer** as required by this Policy.

### Section II Definitions

1. **"Application"** shall mean the application submitted to the **Insurer** for this Policy together with any written materials attached thereto or submitted to the **Insurer** in connection with the underwriting of this Policy. **Application** shall also include all publicly available documents filed by the **Company** with the Securities and Exchange Commission during the twelve (12) months preceding the effective date of this Policy. .
2. **"Company"** shall mean the **Parent Company** and any **Subsidiary**, including such company as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.
3. **"Claim"** shall mean:
  - a. a written demand against an **Insured**:
    - i. for monetary or non-monetary (including injunctive) relief, including a request to toll any statute of limitations, or
    - ii. to engage in arbitration or mediation,which shall be deemed first made upon receipt by the **Insured** of such demand;
  - b. a civil or criminal proceeding against an **Insured**, which shall be deemed first made upon:
    - i. the service of a complaint or similar pleading upon the **Insured**, or
    - ii. in the case of a criminal proceeding, an arrest, the return of an indictment or information, or the receipt or filing of notice of charges or similar document; or
  - c. an administrative or regulatory proceeding (other than an investigation) by an **Enforcement Authority** against an **Insured** which shall be deemed first made upon receipt of a notice of charges, complaint or similar document by the **Insured**;for a **Wrongful Act**.

4. **“Defense Costs”** shall mean that part of **Loss** consisting of:
- a. reasonable fees, costs and expenses incurred by the **Insureds** in the defense or appeal of any **Claim**, including the costs of an appeal bond, attachment bond or similar bond, but does not include the obligation to apply for or furnish such bonds; and
  - b. reasonable fees, costs and expenses incurred by the **Insureds** at the **Insurer’s** request to assist the **Insurer** in investigating a **Claim**.

**Defense Costs** shall not include (i) any salaries, wages, overhead, benefits or benefit expenses associated with any **Insured**, or (ii) any fees, costs or expenses incurred by an **Insured** prior to the time that the **Claim** is first made against the **Insured**.

5. **“Enforcement Authority”** shall mean any federal, state, local or foreign law enforcement or governmental authority (including the United States Department of Justice, the United States Securities and Exchange Commission and any federal or state attorney general) or the enforcement unit of any securities exchange or similar self-regulatory body.
6. **“Foreign Jurisdiction”** shall mean any jurisdiction, other than the United States or any of its territories or possessions.
7. **“Insured(s)”** shall mean any **Insured Person** and any **Company**.
8. **“Insured Person”** shall mean any natural person who was, is or shall be:
- a. a duly elected or appointed director, officer, partner, principal, trustee, regent, governor, general counsel, chief compliance officer, or risk manager of a **Company**;
  - b. a duly elected or appointed natural person general partner, managing member or member of a board of managers of a **Company**;
  - c. an official of a **Company**, including an **Company** organized or operated in a **Foreign Jurisdiction**, while serving in a functionally equivalent position to those described in subsections **a.** and **b.** above; or
  - d. a full or part time, seasonal or temporary employee of a **Company**.
9. **“Insurer”** shall mean the insurance company identified at **Item 2.** of the Declarations.
10. **“Loan Servicing”** shall mean any administrative services in connection with any loan, lease, extension of credit or other funding commitment.
11. **“Loss”** shall mean those amounts any **Insured** is legally obligated to pay as a result of a **Claim**, including, but not limited to:
- a. settlements and judgments, including costs and fees awarded pursuant to a covered judgment and pre-judgment and post-judgment interest on that portion of a covered judgment;

- b. compensatory, punitive, exemplary and multiple damages; and
- c. **Defense Costs.**

**Loss** (other than **Defense Costs**) shall not include any of the following:

- i. fines or penalties;
- ii. taxes;
- iii. any amount for which an **Insured** is legally absolved from payment;
- iv. the payment of any dividends or other distributions of corporate profits of the **Company** to any shareholder of the **Company**;
- v. any amount which constitutes disgorgement, restitution, the return of fees, commissions, charges or other compensation paid to, due to or claimed by an **Insured**;
- vi. compensation earned by the claimant in the course of employment but unpaid by any **Insured**, including salary, wages, commissions, bonus or incentive compensation;
- vii. any amount incurred to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
- viii. principal, interest, or other monies either paid, accrued or due as the result of any loan, lease or extension of credit by the **Company** unless such amounts are deemed to be part of insurable damages;
- ix. diminution in value or damages resulting from diminution in value of money or securities;
- x. actual money, securities, property or other items of value in the custody or control of an **Insured**;
- xi. amounts otherwise reimbursable to an **Insured** by any trust, estate, plan or fund or any similar entity or the sponsor of any such trust, estate, plan or fund or similar entity;
- ix. any amount not insurable under the law pursuant to which this Policy shall be construed; or
- x. costs incurred by an **Insured** to comply with any order for non-monetary relief (including injunctive relief) or with any agreement to provide such relief.

The insurability of matters within this definition shall be determined under the law of the applicable jurisdiction most favorable to such insurability, including, without limitation, the jurisdiction in which the **Company**, the **Insured Persons**, the **Insurer** or such **Claim** is located.

**12. "Management Control"** shall mean:

- a. owning an interest of an entity representing more than fifty percent (50%) of the power to manage or control said entity, including the power to elect, appoint or designate a majority of the board of directors or equivalent executives of such entity; or
  - b. having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity (including a limited liability company or joint venture), to elect, appoint or designate a majority of the board of directors or equivalent executives of such entity.
13. **“Parent Company”** shall mean the entity or organization identified in **Item 1.** of the Declarations.
14. **“Policy Period”** shall mean the period from the Inception Date of this Policy to the Expiration Date of this Policy as set forth in **Item 3.** of the Declarations (subject to its earlier cancellation in accordance with **Section XIII Cancellation or Non-Renewal**) and the Discovery Period, if applicable.
15. **“Pollutants”** shall mean any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on any list of hazardous substances issued by, the United States Environmental Protection Agency or any state, county, municipality or locality counterpart thereof including, but not limited to, nuclear material or nuclear waste. Such substances shall include, without limitation, solids, liquids, gaseous, biological, radiological or thermal irritants, contaminants or smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals or waste materials and any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products and any noise.
16. **“Professional Services”** shall mean those services allowed under the laws governing services by the **Insured** and performed, required to be performed, or failed to be performed by the **Insureds** (or on behalf of the **Insureds** by any person or entity), for the benefit of, or on behalf of a customer or prospective customer of the **Insureds**:
- (i) for a fee, commission or other consideration, including but not limited to interest margin, or
  - (ii) where a fee, commission or other monetary consideration would normally be received by the **Insureds** but for business or other reasons is waived by the **Insureds**.
- Provided, however, that **Professional Services** shall not include:
- (i) the actual performance of medical or health care services, real estate appraisal services, architectural or construction management services, the practice of law or the rendering of legal services, unless such legal services are performed by the **Insured** in support of, incident to, and in furtherance of **Professional Services**; or
  - (ii) services performed by any entity as to which the **Insureds** have acquired ownership or control as security for a loan or other extension of credit.
17. **“Related Wrongful Acts”** shall mean all **Wrongful Acts** that are logically or causally connected by any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

18. **“Responsible Manager”** shall mean any past, present or future individual listed in **Item 9.** of the Declarations Page.
19. **“Subsidiary”** shall mean any entity with respect to which the **Parent Company** has **Management Control.**
20. **“Wrongful Act”** shall mean any actual or alleged act, error, misstatement, misleading statement, neglect or breach of duty by any Insured in the rendering of **Professional Services.**

### Section III Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured:**

#### A. Conduct

based upon, arising out of, or relating to any deliberately fraudulent act or deliberately fraudulent omission or any intentional violation of any statute, rule or law by such **Insured** provided, however, that:

- i. this exclusion shall only apply if a final and non-appealable adjudication adverse to such **Insured** in an underlying proceeding establishes that such conduct occurred; and
- ii. In the event an act, omission or violation is treated as a criminal violation in a **Foreign Jurisdiction** but not in the United States, the imposition upon an **Insured** of a criminal fine or other criminal sanction in such **Foreign Jurisdiction** will not, in and of itself, be deemed conclusive proof that a deliberately fraudulent act, a deliberately fraudulent omission or any intentional violation of any statute, rule or law by such **Insured** has occurred

For purposes of determining the applicability of this Exclusion, the **Wrongful Acts** and knowledge of any **Insured Person** shall not be imputed to any other **Insured Person** and, only the **Wrongful Acts** and knowledge of any **Responsible Manager** shall be imputed to the **Company.**

#### B. Prior Notice

based upon or arising out of any **Wrongful Act**, fact, circumstance or situation which has been the subject of any written notice given before the inception of the **Policy Period** under any policy;

#### C. Contractual Liability

based upon or arising out of:

- a. an **Insured’s** alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees; or
- b. the liability of others an **Insured** assumes under any oral or written contract or agreement;

provided, however, this exclusion shall not apply to:

- i. an **Insured's** liability that exists in the absence of such contract or agreement; or
- ii. that part of any **Claim** against an **Insured** by a client or customer of the **Insured**, that alleges a breach of contractual obligations in the rendering of or failure to render **Professional Services**.

**D. Bodily Injury/Property Damage**

for any actual or alleged:

1. bodily injury, mental anguish, emotional distress, sickness, disease, death, libel, slander or defamation of any person; or
2. damage to or destruction of any tangible property, including the loss of use thereof;

**E. Insured v. Insured**

brought or maintained by or on behalf of any **Insured** in any capacity provided this Exclusion shall not apply to:

- i. any **Claim** that is in the form of a cross-claim, third party claim or otherwise for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded under this policy;
- ii. any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency receiver, trustee, examiner, conservator, liquidator, rehabilitator or creditors' committee (or equivalent in a foreign jurisdiction) of a **Company**, or any assignee of any of the foregoing; or
- iii. any **Claim** brought and maintained outside any common law jurisdiction, including the United States of America;

**F. Violation of Law**

1. for any actual or alleged violation of any of the responsibilities, obligations or duties imposed pursuant to the Employee Retirement Income Security Act of 1974, as amended, or any similar federal, state, local or foreign statutory law or common law; provided, however, this subsection shall only apply with respect to plans, programs and trusts established or maintained in whole or in part for the benefit of employees of the **Company**;
2. for any actual or alleged violation of the Fair Labor Standards Act or of any other federal, state, local or foreign law statutory or common governing wage, hour, labor, employment or payroll policies of any **Company**; or
3. based upon, arising out of, or related to the employment of any individual or any employment practice, including, but not limited to, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim;

**G. Counterparty Risk**

for the inability to make payment by any bank or banking institution or any broker or dealer in securities or commodities or selection of such, provided, however, that this exclusion shall not apply to **Defense Costs**;

**H. Lending**

based upon, arising out of or relating to the actual or alleged purchase, sale, origination, participation, funding, extension, restructuring, acceleration, transfer, repossession, withdrawal, termination, assignment or foreclosure of any loan, lease, extension of credit or other funding commitment, or the failure or refusal to do any of the foregoing, or the rendering of advice in connection with any loan, lease, extension of credit or other funding commitment or the operation or control of any entity or property acquired as security or collateral for any loan, lease, extension of credit or other funding commitment; provided, however, this exclusion shall not apply to **Loan Servicing**.

**I. Security Broker or Dealer**

based upon or arising out of any actual or alleged liability involving the activities of any **Insured** as a "broker" or "dealer" in securities, as defined in Sections 3(a)(4) or 3(a)(5), respectively, of the Securities Exchange Act of 1934, as amended;

**J. Investment Banking**

based upon or arising out of any actual or alleged liability involving any advice or service relating to or in connection with any aspect of corporate mergers, acquisitions, securities offerings, restructuring, divestitures or investment banking; or

**K. Electrical/Mechanical Failure**

based upon or arising out of any electrical or mechanical failure caused by a third party, acting independently of the **Insured**, by an event outside of the **Company's** responsibility, including, without limitation, electrical power interruption or surge, brownout, blackout, short circuit, over voltage, induction or power fluctuations.

**Section IV. Limit of Liability**

- A. Defense Costs** shall be part of, and not in addition to, the Limits of Liability stated in **Item 4.** of the Declarations. Such **Defense Costs** shall reduce the Limit of Liability.
- B.** The maximum liability of the **Insurer** for all **Loss** arising from all **Claims** shall be the amount stated in **Item 4.**

**Section V Retention**

- A.** The Retention specified in **Item 5.** of the Declarations shall apply to **Loss** resulting from each **Claim.**
- B.** The **Insurer's** liability with respect to covered **Loss** resulting from each **Claim** shall be excess of the applicable Retention specified in **Item 5.** of the Declarations. The applicable

Retention shall be borne by the **Company** uninsured under this Policy, and shall apply to all covered **Loss**, including **Defense Costs**.

## Section VI **Related Claims**

More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. In the event such single **Claim** triggers more than one Retention, the highest retention shall be applicable. All such **Claims** constituting a single **Claim** shall be deemed to have been first made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other Policy providing similar coverage, regardless whether such date is before or during the **Policy Period**. In no event shall a single lawsuit or proceeding constitute more than one **Claim** subject to more than one Retention.

## Section VII **Defense and Settlement**

### A. **Defense of Claims**

1. The **Insureds**, and not the **Insurer**, shall have the duty to defend all **Claims**.
2. The **Insureds** shall not incur **Defense Costs** in connection with any **Claim** without the prior written consent of the **Insurer**, which consent shall not be unreasonably withheld or delayed. The **Insurer** shall not be liable under this Policy for any **Defense Costs** incurred without such consent.
3. The **Insurer** shall advance such **Defense Costs** on a current basis but no later than ten (10) days after the **Insurer** receives itemized invoices for such **Defense Costs**; provided that to the extent it is finally established that any such **Defense Costs** are not covered under this Policy, the **Insureds**, severally according to their interests, shall repay such **Defense Costs** to the **Insurer**.

### B. **Settlement of Claims**

The **Insureds** shall not admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld or delayed. The **Insurer** shall not be liable under this Policy for incurred as a result of any such admission, offer or agreement to which the **Insurer** did not so consent.

### C. **Insurer's Right to Associate**

The **Insurer** shall at all times have the right, but not the duty, to associate with the **Insureds** in the investigation, defense or settlement of any **Claim** that may implicate coverage under this Policy. The **Insureds** shall cooperate with the **Insurer** and provide the **Insurer** with such information as it may reasonably require in the investigation, defense or settlement of any **Claim**. The failure of one **Insured Person** or **Company** to comply with this provision shall not impair the rights of any other **Insured Person** under this Policy.

### D. **Allocation**



If in any **Claim** the **Insureds** incur **Loss** jointly with others (including other **Insureds**) who are not afforded coverage under this Policy for such **Claim** or incur both **Loss** covered by this Policy and other amounts which are not covered by this Policy, the **Insureds** and the **Insurer** shall allocate such amounts between covered **Loss** and uncovered loss based on the relative legal and financial exposures of the parties to covered and uncovered matters. If the **Insureds** and the **Insurer** cannot agree on an allocation of **Defense Costs**, the **Insurer** shall advance **Defense Costs** which the **Insurer** believes to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially determined. In such event, such allocation shall be applied retroactively to all **Defense Costs**.

## **Section VIII Notice**

### **A. Claims**

The **Insureds** shall, as a condition precedent to their rights under this Policy with respect to a **Claim**, give the **Insurer** notice in writing of any such **Claim** which is made during the **Policy Period**. Any notice provided pursuant to this **Section VIII Notice** shall be given as soon as practicable after the **Responsible Person** of the **Parent Company** first learns of such **Claim**, but in no event later than sixty (60) days after the end of the **Policy Period**.

### **B. Late Notice – Prejudice Required**

If the **Insureds** fail to provide timely notice to the **Insurer** as specified above, the **Insurer** shall not be entitled to deny coverage based solely upon late notice unless the **Insurer** can demonstrate its interests were materially prejudiced by reason of such late notice.

### **C. Potential Claims**

During the **Policy Period** or the **Discovery Period** (if purchased), the **Insureds** may give written notice to the **Insurer** of circumstances that may reasonably be expected to give rise to a **Claim**; and

1. such notice shall set forth the **Wrongful Act** allegations anticipated and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved;
2. any **Claim** which is subsequently made against such **Insured** alleging, arising out of, based upon or attributable to such circumstances, shall be considered made at the time notice of such circumstances was first given to the **Insurer**; and
3. notice of any such subsequent **Claim** shall be given to the **Insurer** as soon as practicable after the risk manager or in-house general counsel of the **Parent Company** first learns of such **Claim**. No coverage shall be provided under this Policy for fees, costs, expenses or other loss incurred as a result of such circumstances prior to the time such subsequent **Claim** is actually made.

- D.** Except as otherwise provided in this Policy, all notices under any provision of this Policy shall be in writing and given by email, prepaid express courier or certified mail properly addressed to the appropriate party. Notice to the **Insureds** may be given to the **Parent Company** at the address shown in **Item 1.** of the Declarations. Notice to the **Insurer** shall be given to the respective address shown in **Item 6.** of the Declarations. If notice is given

as described above, it shall be deemed to be received and effective upon the date of transmittal, subject to proof of transmittal.

**Section IX Transactions: Coverage Implications of Mergers, Acquisitions and Sales of the Parent Company or any Subsidiary**

**A. Merger or Acquisition of Parent Company**

If during the **Policy Period** any of the following events occur:

1. the **Parent Company**: (i) sells all or substantially all of its assets to any other person or entity or affiliated group of persons or entities, or (ii) merges or consolidates with another entity such that the **Parent Company** is not the surviving entity; or
2. any person, entity or affiliated group of persons or entities acquires **Management Control** of the **Parent Company**;

then coverage under this Policy shall continue until expiration of the **Policy Period**, but only for **Wrongful Acts** taking place prior to the effective date of such transaction. The entire premium for this Policy shall be deemed earned as of the date of such transaction.

**B. Creation of a Subsidiary**

If during the **Policy Period** any entity is created by the **Parent Company** and meets the definition of a **Subsidiary**, then such **Subsidiary** and its **Insured Persons** shall be **Insureds**, but only with respect to **Wrongful Acts** occurring or allegedly occurring after such entity is created and/or qualified as a **Subsidiary**.

**C. Acquisition of a Subsidiary**

1. Except as set forth in the following subsection **C.2.** below, if during the **Policy Period** any entity first qualifies as a **Subsidiary**, then such **Subsidiary** and its **Insured Persons** shall be **Insureds**, but only with respect to **Wrongful Acts** occurring or allegedly occurring after such entity is created and/or qualified as a **Subsidiary**.
2. Except as set forth in subsection **B.** above, if an entity first qualifies as a **Subsidiary** during the **Policy Period** and if at that time such **Subsidiary's** total assets exceed twenty-five percent (25%) of the total consolidated assets of the **Company** as set forth in the **Company's** most recent audited consolidated financial statements, then coverage under this Policy for such **Subsidiary** and its **Insured Persons** as set forth in the subsection **C.1.** above shall cease ninety (90) days after such entity first qualifies as a **Subsidiary** unless:
  - a. the **Parent Company** within such ninety (90) days provides the **Insurer** with written notice of such creation or acquisition;
  - b. the **Parent Company** and the **Insurer** agree on any revisions to the Policy either party may require; and
  - c. the **Parent Company** pays any additional premium required by the **Insurer** as a result of the addition of the new **Subsidiary**;

and then only with respect to **Wrongful Acts** occurring or allegedly occurring after such entity qualified as a **Subsidiary**.

**D. Cessation of a Subsidiary**

If during or prior to the **Policy Period** any entity ceases to be a **Subsidiary**, then coverage for such former **Subsidiary** and its **Insured Persons** under this Policy shall only be available, subject to all other terms and conditions of this Policy, for **Wrongful Acts** occurring or allegedly occurring prior to the date it ceased to qualify as a **Subsidiary**.

**Section X Other Insurance and Subrogation**

**A. Other Insurance**

All amounts payable under this Policy will be specifically excess of, and will not contribute with, any other valid and collectible directors and officers liability insurance, professional liability insurance or employment practices liability insurance, or any other insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically excess of this Policy; provided this Policy shall apply on a primary basis with respect to any personal umbrella excess liability insurance Policy purchased by an **Insured Person**. This Policy will not be subject to the terms of any other insurance Policy.

**B. Subrogation**

1. In the event of any payment under this Policy, the **Insurer** shall be subrogated to all of the **Insureds'** rights of recovery and the **Insured Entity** and **Insured Persons** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured Persons** or the **Insured Entity**. The **Insurer** shall not exercise any available right of subrogation against an **Insured Person** under this Policy unless **Section III Exclusions A. Conduct** applies to such **Insured Person**.
2. In the event the **Insurer** recovers amounts it paid under this Policy, the **Insurer** will reinstate the applicable Limits of Liability of this Policy to the extent of such recovery, less the **Insurer's** costs incurred in obtaining such recovery. The **Insurer** assumes no duty to seek a recovery of any amounts paid under this Policy.

**Section XI Order of Payments**

- A.** The **Insurer** shall be entitled to pay **Loss** as it becomes due and payable under this Policy without consideration of other future payment obligations.
- B.** The bankruptcy or insolvency of any **Insured** shall not relieve the **Insurer** of any of its obligations to prioritize payment of covered **Loss** under this Policy as set forth above.

**Section XII Discovery Period**

- A.** In the event the **Insurer** refuses to renew this Policy or the **Insured Entity** cancels or non-renews this Policy, the **Insured Entity** and the **Insured Persons** shall have the right to elect an extension of the coverage provided by this Policy for the time period and subject to the additional premium set forth in **Item 7.** of the Declarations. Coverage for any **Claim** deemed first made during the **Discovery Period** shall apply only with respect to any

**Wrongful Act** committed or alleged to have been committed before the Expiration Date of the **Policy Period** as listed in **Item 3.** of the Declarations.

- B. As a condition precedent to the right to purchase the **Discovery Period**, the total premium for this Policy must have been paid and a written request to elect the **Discovery Period**, together with payment of the additional premium for the **Discovery Period**, must be provided to the **Insurer** no later than sixty (60) days following the effective date of such non-renewal or cancellation. The premium paid for the **Discovery Period** is deemed fully earned at the inception of the **Discovery Period**.
- C. The fact that the coverage provided by this Policy may be extended by virtue of the purchase of the **Discovery Period** shall not in any way increase the Limit of Liability stated in **Item 4.** of the Declarations. For purposes of the Limit of Liability, the **Discovery Period** is considered to be part of, and not in addition to, the **Policy Period**.

### Section XIII **Cancellation or Non-Renewal**

- A. This Policy may be cancelled by the **Parent Company** at any time by prior written notice to the **Insurer** stating the effective time of such cancellation. Upon cancellation, the **Insurer** shall be entitled to retain the *pro rata* proportion of the premium calculated from the effective date of such cancellation, unless **Section IX Transactions: Coverage Implications of Mergers, Acquisitions and Sales of the Parent Company or any Subsidiary, A**, above, applies, in which case the entire premium for this Policy shall be deemed fully earned.
- B. This Policy may be cancelled by the **Insurer** only for nonpayment of premium. Such cancellation shall be effective on the date specified in the written notice of cancellation given by the **Insurer** to the **Parent Company**, provided such date is at least ten (10) days after the date such notice is given. If the **Parent Company** pays in full the premium due prior to such effective date, the **Insurer's** notice of cancellation shall be ineffective.
- C. If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Parent Company** with no less than sixty (60) days advance written notice thereof.

### Section XIV **Application**

- A. The **Insureds** represent and acknowledge that statements made and information in the **Application** are accurate and complete, are the basis of this Policy and are incorporated in and constitute part of this Policy. If any statement in the **Application** was (i) not accurate and complete and (ii) either was made with the intent to deceive or materially affected the acceptance of the risk or hazard assumed by the **Insurer** under this Policy, then the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** based upon, arising out of or in consequence of the facts that were not accurately and completely disclosed in the **Application**.
- B. The **Insurer** shall not be entitled under any circumstances to rescind or void this Policy in whole or in part.

### Section XV **Dispute Resolution Process**

The **Insurer** and the **Insureds** shall attempt in good faith to resolve any dispute arising out of or relating to this Policy promptly by negotiation between executives with authority to

settle such dispute. If any dispute cannot be resolved through negotiation, the parties agree that they will submit the dispute to non-binding mediation. The parties will use best efforts to agree on the terms of any such mediation process, but if they do not agree within thirty (30) days of either party requesting mediation, the dispute will be submitted to JAMS for mediation. Each party will bear their own costs, regardless of the mediation process used. If the dispute is not settled at mediation, no party may commence an action against any other party until at least thirty (30) days after the final mediation session.

**Section XVI Action Against the Insurer**

- A.** No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy.
- B.** No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against an **Insured**, nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

**Section XVII Spouses, Domestic Partners, Estates and Legal Representatives**

- A.** The coverage provided by this Policy shall also apply to an **Insured Person's** lawful spouse or domestic partner under applicable law or the provisions of any formal program established by the **Company**, but only for a **Claim** arising out of any actual or alleged **Wrongful Acts** of such **Insured Person**.
- B.** The coverage provided by this Policy also shall apply to the estates, heirs, legal representatives or assigns of any **Insured Person** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of such **Insured Person**.

**Section XVIII Assignment**

This Policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be in the sole and absolute discretion of the **Insurer**.

**Section XIX Conformity to Statute**

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

**Section XX Territory and Loss in Foreign Jurisdictions**

**A. Worldwide Territory**

Coverage shall apply to **Claims** made and **Wrongful Acts** committed worldwide.

**B. Loss Incurred By a Company in a Foreign Jurisdiction**

Any **Loss** incurred by a **Company** in a **Foreign Jurisdiction** may be deemed a **Loss** of the **Parent Company** payable to the **Parent Company** at the address listed at **Item 1.** of the Declarations. Any such payment by the **Insurer** to the **Parent Company** pursuant to this

subsection shall fully discharge the **Insurer's** liability under the Policy for such **Loss** to such **Company**.

**Section XXI Compliance with Applicable Trade and Economic Sanction Laws**

This Policy does not provide coverage that would be in violation of any applicable laws or regulations concerning trade or economic sanctions, including, but not limited to, those administered and enforced by the United States Treasury's Office of Foreign Asset Control (OFAC). Payment of **Loss** under this Policy shall only be made in full and complete compliance with all economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by OFAC.

**Section XXII Currency**

All premiums, limits, retentions, **Loss** and other amounts under this Policy are and shall be expressed and payable in the currency of the United States of America. If any covered **Loss**, including judgments or settlements, is expressed in, calculated on or otherwise based upon any other currency, payment of such **Loss**, whether in such other currency or U.S. dollars, shall be made at the rate of exchange published in *The Wall Street Journal* on the date the **Insurer's** obligation to pay such **Loss** is established (or, if not published on that date, on the date of next publication).

**Section XXIII Bankruptcy**

Bankruptcy or insolvency of any **Company** or **Insured Persons** shall not relieve the **Insurer** of any of its obligations under this Policy. In such event the **Insureds** hereby waive and release any automatic stay or injunction in such proceeding which may apply to this Policy or its proceeds and agree not to oppose or object to any efforts by the **Insurer** or any **Insureds** to obtain relief from any such stay or injunction.

**Section XXIV Headings**

The descriptions in the headings of this Policy form no part of the terms and conditions of the coverage under this Policy.

**Section XXV Entire Agreement**

By acceptance of this Policy, all **Insureds** and the **Insurer** agree that this Policy (including the Declarations and **Application**) and any written endorsements attached hereto constitute the entire agreement between the parties. The terms, conditions and limitations of this Policy can be waived or changed only by written endorsement hereto.

**Section XXVI Authorization**

By acceptance of this Policy, the **Parent Company** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of any notice provide for in this Policy (except the giving of notice to apply for any Discovery Period), the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements, and the **Insureds** agree that the **Parent Company** shall act on their behalf.

SPECIMEN