

**EMPLOYED LAWYERS
PROFESSIONAL LIABILITY
INSURANCE POLICY**



**THIS IS A CLAIMS MADE POLICY
WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Underwriter, and subject to all of the terms and conditions of this Policy (including all endorsements hereto), the Underwriter, the **Company** and the **Insured** agree as follows:

I. INSURING AGREEMENTS

(A) Employed Lawyers Professional Liability Coverage:

On behalf of the **Insureds**, the Underwriter will pay **Defense Expenses** and **Loss**, in excess of the applicable retention, from any **Claim** first made during the **Policy Period** or any applicable Extended Reporting Period against an **Insured** for a **Wrongful Act**, except for such **Defense Expenses** and **Loss** which the **Company** pays to or on behalf of such **Insured** as indemnification; provided, that such **Claim** is reported in accordance with CONDITION (B) of this Policy.

(B) Company Indemnification Coverage:

On behalf of the **Company**, the Underwriter will pay **Defense Expenses** and **Loss**, in excess of the applicable retention, from any **Claim** first made during the **Policy Period** or any applicable Extended Reporting Period against an **Insured** for a **Wrongful Act**, which the **Company** pays to or on behalf of such **Insured** as indemnification; provided, that such **Claim** is reported in accordance with CONDITION (B) of this Policy.

II. DEFINITIONS

(A) “**Application**” means the application attached to and forming part of this Policy, including any materials submitted and statements made in connection therewith, all of which are on file with the Underwriter and are a part of this Policy, as if physically attached. If the **Application** uses any terms or phrases that differ from terms defined in this Policy, no inconsistency between any term or phrase used in the **Application** and any term defined in this Policy will waive or change any of the terms and conditions of this Policy.

- (B) “**Company**” means the entity named in Item 1 of the Declarations (hereinafter referred to as the “Parent Company”) and any **Subsidiary**.
- (C) “**Claim**” means:
- (1) any written notice received by an **Insured** that any person or entity intends to hold an **Insured** responsible for a **Wrongful Act**;
 - (2) any judicial, administrative, regulatory, bar association or other proceeding, including a criminal or alternative dispute resolution proceeding, against an **Insured** for a **Wrongful Act**; or
 - (3) any written request to toll or waive a statute of limitations relating to a potential **Claim**.
- (D) “**Defense Expenses**” means reasonable legal fees and expenses incurred in the investigation, defense or appeal of any **Claim**, including expenses pursuant to a disciplinary, disbarment or similar proceeding regarding solely an **Insured’s** status as a member of a bar or bar association, or as a licensed or accredited paralegal. **Defense Expenses** does not include remuneration, salaries, wages, fees, or overhead or benefit expenses of the Underwriter, the **Company** or an **Insured**.
- (E) “**Domestic Partner**” means any natural person qualifying as a domestic partner under the provisions of any federal, state or local law or regulation or under the provisions of any formal program established by the **Company**.
- (F) “**Employed Lawyer**” means any person admitted to practice law who is, was or becomes a full-time or part-time employee of the **Company** for the purpose of providing legal services to the **Company**.
- (G) “**Independent Contractor Attorney**” means any person admitted to practice law who:
- (1) performs legal services for the **Company**;
 - (2) is indemnified by the **Company** pursuant to an independent contractor services agreement between the **Independent Contractor Attorney** and the **Company**;
 - (3) is identified in the **Application** submitted for this Policy; and
 - (4) is not employed by or affiliated with a private law firm, other than as a sole practitioner.
- (H) “**Insured**” means:
- (1) an **Employed Lawyer**;

- (2) an **Independent Contractor Attorney**, solely in his or her capacity as an attorney performing legal services for the **Company**;
- (3) a **Paralegal**, solely in his or her capacity as an assistant to an **Employed Lawyer**;
- (4) a **Temporary Lawyer**, solely in his or her capacity as a **Temporary Lawyer** for the **Company**, but only if the **Company** agrees in writing, no later than thirty (30) days after a **Claim** is made, to indemnify the **Temporary Lawyer** for liability arising out of such **Claim**; and
- (5) any person identified in the **Application** who is employed in a position functionally equivalent to an **Employed Lawyer** in any **Subsidiary** chartered in any jurisdiction other than the United States and who is admitted or licensed to practice law in such jurisdiction.

In the event of the death, incapacity or bankruptcy of an **Insured**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured** for a **Wrongful Act** of such **Insured** will be deemed to be a **Claim** against such **Insured**.

Subject to all of its terms, conditions, limitations and exclusions, this Policy will apply to **Defense Expenses** and **Loss** from a **Claim** made against a person, who, at the time such **Claim** is made, is a lawful spouse or **Domestic Partner** of an **Insured**, but only if (a) the **Claim** against such spouse or **Domestic Partner** results from a **Wrongful Act** committed or allegedly committed by the **Insured** to whom the spouse is married or with whom the **Domestic Partner** is in a domestic partnership, and (b) such **Insured** and his or her spouse or **Domestic Partner** are represented by the same counsel in connection with such **Claim**.

- (I) “**Intra-Organization Defense Claim**” means a **Claim** by, on behalf of, for the benefit of, or in the name or right of, the **Company**, any **Joint Venture** or partnership in which the **Company** is a partner or member, or any security holder of the **Company**, whether directly or derivatively; provided, that **Intra-Organization Defense Claim** does not include any such **Claim**:
 - (1) where the security holder bringing such **Claim** is acting totally independently of, and totally without the solicitation, assistance, participation, or intervention of, any **Insured** or the **Company**, or any current or former officer, director or employee of the **Company**; or
 - (2) that is made against an **Insured** by a third party bankruptcy trustee, receiver, liquidator, conservator, rehabilitator, creditors’ committee, or any similar official who has been appointed to take control of, supervise, manage or liquidate the **Company**.

- (J) “**Joint Venture**” means any entity in which the **Company**, directly or through one or more **Subsidiaries**, maintains an equity interest of fifty percent (50%) or less, and in which the **Company** participates in the management and operation of such entity.
- (K) “**Loss**” means any damages or settlements which an **Insured** is legally obligated to pay as a result of a **Claim**, including punitive or exemplary damages if and to the extent that such damages are insurable by law in the jurisdiction most favorable to the insurability of such damages, where such jurisdiction has a substantial relationship to the **Company**, the **Claim** or the Underwriter. **Loss** also includes pre- and post-judgment interest awarded or imposed in any judgment, and premiums on appeal bonds required to be furnished with respect to any such judgment.

Loss does not include:

- (1) fines, penalties, sanctions or taxes (except as provided above with respect to punitive or exemplary damages);
 - (2) the multiplied portion of any multiplied damage award;
 - (3) the return, restitution or disgorgement of fees, costs or expenses;
 - (4) relief or redress in any form other than monetary compensation or monetary damages, including without limitation the cost of complying with any injunctive, declaratory or administrative relief; or
 - (5) matters which are uninsurable under applicable law; provided, that with respect to punitive or exemplary damages, “applicable” shall be determined by the standards set forth above in this DEFINITION (K).
- (L) “**Moonlighting Legal Services**” means legal services provided by an **Employed Lawyer** with the written consent of the **Company**, for natural person clients other than the **Company’s** directors, officers or employees, in connection with personal estate planning matters, personal estate or trust administration, probate proceedings, residential real estate closings, personal bankruptcies, incorporation of family businesses or traffic violations.
- (M) “**Non-Profit Outside Entity**” means an organization other than the **Company**, which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, as amended.
- (N) “**Outside Capacity Legal Services**” means legal services performed by an **Employed Lawyer** as a director, officer, trustee, regent, governor or equivalent executive of a **Non-Profit Outside Entity**, but only during such time that such position is held at the specific direction of the **Company**.
- (O) “**Paralegal**” means any person who is, was or becomes a full-time or part-time employee of the **Company** for the purpose of assisting an **Employed Lawyer** in performing legal

services for the **Company**, and includes paralegal assistants, legal assistants, law students or notaries public.

- (P) **“Personal Injury”** means false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of the right of private occupancy, abuse of process, malicious prosecution, the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual’s right of privacy.
- (Q) **“Personal Legal Services”** means legal services performed by an **Employed Lawyer** or **Paralegal** with the written consent of the **Company**, without compensation, for a director, officer or employee of the **Company** with regard to his or her personal legal matters.
- (R) **“Policy Period”** means the period from the Inception Date stated in ITEM 2(a) of the Declarations to the Expiration Date stated in ITEM 2(b) of the Declarations or to any earlier cancellation date of this Policy.
- (S) **“Professional Services”** means:
- (1) legal services provided by an **Employed Lawyer**, or an **Independent Contractor Attorney, Paralegal** or **Temporary Lawyer** while acting under the supervision and direction of an **Employed Lawyer**, but only if such legal services are performed for the **Company** and in the case of an **Employed Lawyer** or **Paralegal**, as an employee of the **Company**;
 - (2) pro bono legal services provided by an **Employed Lawyer**, or a **Paralegal** while acting under the supervision and direction of an **Employed Lawyer**, with the written consent of the **Company** without compensation for natural person indigent clients, non-profit public interest groups, or on behalf of non-profit service organizations pursuant to a public service program sponsored by the **Company** and subject to indemnification by the **Company**;
 - (3) **Personal Legal Services**;
 - (4) **Moonlighting Legal Services**; and
 - (5) **Outside Capacity Legal Services**.
- (T) **“Related Claims”** means all **Claims** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events, or the same or related series of facts, circumstances, situations, transactions or events, whether related logically, causally or in any other way.
- (U) **“Securities Wrongful Act”** means an actual or alleged violation of:

- (1) the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, any other federal securities law, or any rule or regulation of the United States Securities and Exchange Commission or any other governmental agency or authority with respect to the offer, sale or purchase of securities, or any amendment of any such law, rule or regulation;
 - (2) any state securities or “blue sky” securities law, rule or regulation, or any amendment of any such law, rule or regulation;
 - (3) any provision of any federal, state, local or foreign statute, rule or regulation, or the common law of any federal, state, local or foreign jurisdiction, imposing liability in connection with the offer to sell or purchase, or the sale or purchase of, securities; or
 - (4) the Sarbanes-Oxley Act of 2002 or any amendments thereto or any rules or regulations promulgated thereunder.
- (V) “**Senior Management**” means any of the following of the **Company**: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Director of Human Resources, Risk Manager, or anyone designated by the **Company** to receive complaints or service of process on behalf of the **Company**.
- (W) “**Subsidiary**” means any entity during any time in which the **Company**:
- (1) owns, directly or through one or more of its **Subsidiaries**, more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such entity’s members of its Board of Directors; or
 - (2) otherwise controls, directly or indirectly, the right to elect or appoint more than fifty percent (50%) of such entity’s members of its Board of Directors.
- (X) “**Temporary Lawyer**” means any person admitted to practice law who:
- (1) is neither an **Employed Lawyer** nor an **Independent Contractor Attorney**;
 - (2) works under the supervision and direction of an **Employed Lawyer** through a service agreement between the **Company** and a temporary agency;
 - (3) is identified in the **Application** submitted for this Policy; and
 - (4) is not employed by or affiliated with a private law firm, other than as a sole practitioner.
- (Y) “**Wrongful Act**” means any actual or alleged act, error, omission, neglect or breach of duty, including any **Securities Wrongful Act**, libel or slander by an **Insured**, but only in

connection with the performance of, or actual or alleged failure to perform, **Professional Services**.

III. EXCLUSIONS

(A) This Policy does not apply to, and no coverage will be available under this Policy for, **Defense Expenses** or **Loss** from any **Claim**:

(1) brought about or contributed to in fact by any dishonest, fraudulent or criminal act, error or omission or willful violation of any statute, rule or law by any **Insured**, or any **Insured** gaining any personal profit, remuneration or advantage to which he or she was not legally entitled; provided, that this EXCLUSION (A)(1) shall not apply unless such dishonest, fraudulent or criminal act, error or omission or willful violation of any statute, rule or law, or such gaining of personal profit, remuneration or advantage, is established by:

(a) a plea of guilty or nolo contendere by any **Insured**; or

(b) a final adjudication of the **Claim**, or final adjudication in any judicial, administrative or alternative dispute resolution proceeding;

and further provided, that the coverage otherwise afforded under this Policy shall continue to apply to an **Insured** who neither committed, personally knew of or acquiesced in such dishonest, fraudulent, or criminal conduct, or such willful violation of statute, rule or law, or such gaining of personal profit, remuneration or advantage;

(2) for any actual or alleged act, error, omission, neglect, breach of duty, libel or slander committed by an **Insured** before such person became, or after such person ceased to be, an **Employed Lawyer, Independent Contractor Attorney, Paralegal** or **Temporary Lawyer** of the **Company**;

(3) where an **Insured's** position as an **Insured** is with respect to any **Subsidiary** and such **Claim** is based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

(a) any **Wrongful Act** committed or allegedly committed before the date such entity became a **Subsidiary**; or

(b) any **Wrongful Act** committed or allegedly committed on or after the date such entity became a **Subsidiary** if a **Claim** based upon such **Wrongful Act**, together with a **Claim** based upon a **Wrongful Act** committed or allegedly committed before the date such entity became a **Subsidiary**, would constitute **Related Claims**;

- (4) for any actual or alleged act, error, omission, neglect, breach of duty, libel or slander committed or allegedly committed by an **Insured** as a fiduciary under the Employee Retirement Income Security Act of 1974 and any amendments thereto or any regulation or orders promulgated thereunder, or under any similar provisions of any federal, state or local statutes, regulations or common law, except to the extent that an **Employed Lawyer** is deemed to be a fiduciary solely by reason of legal advice provided with respect to an employee benefit plan;
- (5) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged bodily injury, sickness, disease or death of any person, or damage to or destruction of any property, including loss of use thereof, or assault, battery or loss of consortium; provided, that this EXCLUSION (A)(5) shall not apply to mental anguish, emotional distress or humiliation resulting from **Personal Injury**;
- (6) with respect to any property as to which an **Insured** is or is alleged to be an owner or operator in a fiduciary or any other capacity, based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
- (a) any actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, dispersal, escape, release, seepage, treatment, removal, disposal, processing or handling of, any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials (including materials which are intended to be or have been recycled, reconditioned or reclaimed), nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance or other irritants, pollutants or contaminants (any of which is referred to as a "Pollutant" in this EXCLUSION (A)(6)); or
 - (b) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any Pollutant, or any action taken in contemplation or anticipation of any such regulation, order, direction or request;
- including but not limited to any **Claim** for financial loss to the **Company**, any **Joint Venture**, any security holder or creditor of the **Company** or any **Joint Venture**, any **Non-Profit Outside Entity**, or any security holder, creditor or member of any **Non-Profit Outside Entity** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any matter described in this EXCLUSION (A)(6);
- (7) by, on behalf of, for the benefit of, or in the name or right of, any **Insured** or any other current or former director, officer or employee of the **Company**; provided, that this EXCLUSION (A)(7) shall not apply:

- (a) if such **Claim** is made by a current or former director, officer or employee of the **Company** to whom the **Insured** provided legal services at the direction of the **Company** regarding a matter within the scope of the director's, officer's or employee's duties with the **Company**;
 - (b) if such **Claim** is made by a current or former director, officer or employee of the **Company** for any actual or alleged discrimination, harassment or wrongful termination, to the extent such **Claim** is based upon employment-related legal advice provided by an **Employed Lawyer**;
 - (c) if such **Claim** is made by a current or former director, officer or employee of the **Company** regarding **Personal Legal Services**;
 - (d) if such **Claim** is made by a former director, officer or employee of the **Company** who has not served in the capacity of director, officer or employee of the **Company** for at least four (4) years prior to the date such **Claim** is first made, and who brings and maintains such **Claim** without any active assistance or participation by the **Company** or any other individual who has served in the capacity of director, officer or employee of the **Company** within such four (4) year period; or
 - (e) to **Defense Expenses** incurred in connection with any such **Claim** if such **Claim** is in the form of a cross-claim, third party claim or other claim for contribution or indemnity that is part of and results directly from a **Claim** that is not otherwise excluded by this Policy;
- (8) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the service of an **Insured** in his or her capacity as a partner, principal, director, officer, shareholder or employee of any entity other than the **Company**; provided, that this EXCLUSION (A)(8) shall not apply to any **Claim** for **Wrongful Acts** committed or allegedly committed by an **Employed Lawyer** in the performance of, or actual or alleged failure to perform, **Outside Capacity Legal Services**;
- (9) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Claim** or fact, circumstance, situation, transaction, event or **Wrongful Act** which, before the Inception Date of this Policy as set forth in ITEM 2(a) of the Declarations, was the subject of any notice given under any other insurance policy, including but not limited to any policy of which this Policy is a renewal or replacement, or which was identified in any summary or statement of claims or potential claims submitted in connection with the **Application** or an application for any policy of which this Policy is a renewal or replacement;
- (10) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any pending or prior demand, litigation, or judicial,

administrative, bar association or other proceeding, including a criminal or alternative dispute resolution proceeding, against any **Insured** as of the inception date of the first Employed Lawyers Professional Liability policy issued to the **Company** by the Underwriter, or the same or substantially the same fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;

- (11) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** known to any **Insured** or **Senior Management** individual as of the inception date of the first Employed Lawyers Professional Liability policy issued to the **Company** by the Underwriter, that a reasonably prudent person might expect to give rise to a **Claim** against an **Insured**;
 - (12) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Securities Wrongful Act** committed or allegedly committed by an **Insured** in the performance of, or actual or alleged failure to perform, **Outside Capacity Legal Services**;
 - (13) with respect to **Outside Capacity Legal Services**, by, on behalf of, for the benefit of, or in the name or right of (a) a **Non-Profit Outside Entity**, or (b) any director, officer, trustee, governor or equivalent executive of a **Non-Profit Outside Entity** in any capacity; provided, that this EXCLUSION (A)(13) shall not apply to any **Claim** brought or maintained derivatively on behalf of a **Non-Profit Outside Entity** by one or more security holders or members of the **Non-Profit Outside Entity** who are not directors, officers, trustees, governors or equivalent executives of such **Non-Profit Outside Entity** and brought and maintained without any active assistance or participation of, or solicitation by, any director, officer, trustee, governor or equivalent executive of such **Non-Profit Outside Entity**; or
 - (14) by, on behalf of, for the benefit of, or in the name or right of, a non-profit service organization regarding legal services rendered for such non-profit service organization pursuant to a public service program sponsored by the **Company**; provided, that this EXCLUSION (A)(14) shall not apply to any **Claim** by, on behalf of, for the benefit of, or in the name or right of, third party beneficiaries of such legal services.
- (B) The Underwriter will not pay **Loss**, but will pay **Defense Expenses**, up to the Limit of Liability set forth in ITEM 3(c) of the Declarations, from any **Intra-Organization Defense Claim** that is not otherwise excluded by this Policy.

IV. CONDITIONS

(A) LIMIT OF LIABILITY; RETENTION

- (1) The amount stated in:
 - (a) ITEM 3(a) of the Declarations shall be the maximum Limit of Liability of the Underwriter for all **Defense Expenses** and all **Loss** from each **Claim** or **Related Claim**, other than **Intra-Organization Defense Claims**, for which this Policy provides coverage;
 - (b) ITEM 3(b) of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriter for all **Defense Expenses** and all **Loss** from all **Claims** or **Related Claims** for which this Policy provides coverage; and
 - (c) ITEM 3(c) of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriter for all **Defense Expenses** from all **Intra-Organization Defense Claims** or **Related Claims** for which this Policy provides coverage;

provided, that the Limits of Liability described in subparagraphs (a) and (c) above shall be part of, and not in addition to, the amount set forth in ITEM 3(b) of the Declarations.

- (2) Each Limit of Liability described in paragraph (1) above shall apply regardless of the time of payment by the Underwriter, the number of persons included within the definition of **Insured** or the number of claimants who make **Claims** against the **Insureds**.
- (3) **Defense Expenses** are part of and not in addition to the Underwriter's Limits of Liability, and payment of **Defense Expenses** by the Underwriter will reduce, and may exhaust, such Limits of Liability.
- (4) The **Insured** and the **Company** shall be responsible for payment in full of the applicable retention set forth in ITEM 4 of the Declarations, and the Underwriter's obligation to pay **Defense Expenses** or **Loss** under this Policy shall be excess of such retention. The Underwriter shall have no obligation whatsoever, either to the **Insured**, the **Company** or to any other person or entity, to pay all or any portion of the applicable retention on behalf of the **Insured** or the **Company**. The Underwriter shall, however, at its sole discretion, have the right and option to do so, in which event the **Insured** and the **Company** will repay the Underwriter any amounts so paid, and the amounts so paid will be credited against and will reduce the Underwriter's Limits of Liability unless and until they are repaid to the Underwriter.

- (5) The retention applicable to INSURING AGREEMENT (B), as set forth in ITEM 4(b) of the Declarations, shall apply to **Defense Expenses** and **Loss** from any **Claim** if indemnification by the **Company** is required by law or is legally permissible, regardless of whether or not actual indemnification is made, unless the **Company** is unable to make such indemnification solely by reason of its financial insolvency. For the purposes hereof, the certificate of incorporation, bylaws and resolutions of the **Company** shall be deemed to provide indemnification to the **Insureds** to the fullest extent permitted by law.
- (6) If different retentions are applicable to different parts of any **Claim**, the applicable retentions shall be applied separately to each part of such **Claim**, and the sum of such retentions shall not exceed the largest applicable retention as set forth in ITEM 4 of the Declarations.

(B) **REPORTING OF CLAIMS AND CIRCUMSTANCES; WHEN A CLAIM IS FIRST MADE**

- (1) If, during the **Policy Period** or any applicable Extended Reporting Period, any **Claim** is first made against an **Insured**, as a condition precedent to any right to coverage under this Policy, the **Insured** or the **Company** shall give the Underwriter written notice of such **Claim** as soon as practicable thereafter and in no event later than sixty (60) days after such **Claim** is first made.

Timely and sufficient notice by one **Insured** or the **Company** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including, but not limited to: a description of the **Claim** and **Wrongful Act**; the identity of all potential claimants and any **Insureds** involved; a description of the injury or damages that resulted from such **Wrongful Act**; information on the time, place and nature of the **Wrongful Act**; and the manner in which an **Insured** or the **Company** first became aware of such **Wrongful Act**.

- (2) If, during the **Policy Period**, an **Insured** or the **Company** first becomes aware of any **Wrongful Act** that may subsequently give rise to a **Claim**, and the **Insured** or the **Company**:
 - (a) gives the Underwriter written notice of such **Wrongful Act** with full particulars as soon as practicable thereafter but in any event before the Expiration Date or earlier cancellation date of this Policy; and
 - (b) requests coverage under this Policy for any **Claim** subsequently arising from such **Wrongful Act**;

then any **Claim** not otherwise excluded from this Policy subsequently made against an **Insured** arising out of such **Wrongful Act** and for which written notice is given to the Underwriter as soon as practicable thereafter and in no event later than sixty (60) days after such **Claim** is first made,

shall, subject to CONDITION (C), be treated as if it had been first made during the **Policy Period**. Full particulars shall include, but are not limited to: a description of the **Wrongful Act**; the identity of all potential claimants and any **Insureds** involved; information on the time, place and nature of the **Wrongful Act**; the manner in which an **Insured** or the **Company** first became aware of such **Wrongful Act**; and the reasons an **Insured** or the **Company** believes the **Wrongful Act** is likely to result in a **Claim**.

- (3) A **Claim** as defined in DEFINITION (C)(1) and (3) is first made when any **Insured** or **Senior Management** individual receives a written notice or request as set forth therein, and a **Claim** as defined in DEFINITION (C)(2) is first made when any **Insured** or **Senior Management** individual first becomes aware, through service of process or otherwise, of the filing of a complaint, motion for judgment or similar document or pleading commencing a judicial, administrative, regulatory, bar association or other proceeding, including a criminal or an alternative dispute resolution proceeding, against an **Insured**.

(C) **RELATED CLAIMS**

All **Related Claims**, whenever made, shall be deemed to be a single **Claim**, regardless of:

- (1) the number of **Related Claims**;
- (2) the number or identity of claimants;
- (3) the number or identity of **Insureds** involved or against whom **Related Claims** have been or could be made;
- (4) whether the **Related Claims** are asserted in a class action or otherwise; and
- (5) the number and timing of the **Related Claims**, even if the **Related Claims** comprising such single **Claim** were made in more than one **Policy Period**.

All **Related Claims** will be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with CONDITION (B)(2) above, whichever is earlier.

(D) **DEFENSE AND SETTLEMENT OF CLAIMS**

- (1) The Underwriter will have the right and duty to defend any covered **Claim** through counsel of its choice, even if the allegations of such **Claim** are groundless, false, or fraudulent; provided, that the Underwriter's obligation to defend any covered **Claim** is subject to the applicable retention and the Underwriter's Limits of Liability set forth in the Declarations.

- (2) No **Insured** may incur any **Defense Expenses** or admit any liability for or settle any **Claim** without the Underwriter's written consent; provided, however, that the **Company**, with the written agreement of the **Insureds** against whom a **Claim** is made, may settle any **Claim** if the settlement amount and any **Defense Expenses** incurred in connection with such **Claim** are less than fifty percent (50%) of the applicable retention set forth in ITEM 4 of the Declarations. The Underwriter will have the right to make investigations and conduct negotiations and, with the consent of the **Insureds** against whom a **Claim** is made, enter into such settlement of any **Claim** as the Underwriter deems appropriate. If any **Insured** against whom a **Claim** is made refuses to consent to a settlement acceptable to the claimant in accordance with the Underwriter's recommendation, then, subject to the Underwriter's applicable Limits of Liability, the Underwriter's liability for such **Claim** will not exceed:
- (a) the amount for which such **Claim** could have been settled by the Underwriter plus any **Defense Expenses** incurred up to the date any **Insured** refused to settle such **Claim** (the "Settlement Amount"); plus
 - (b) seventy percent (70%) of any **Defense Expenses** and/or **Loss** in excess of the Settlement Amount incurred in connection with such **Claim**. The remaining thirty percent (30%) of **Defense Expenses** and/or **Loss** in excess of the Settlement Amount will be carried by the **Insureds** and the **Company** at their own risk and will be uninsured.
- (3) The Underwriter will have no obligation to pay **Defense Expenses** or **Loss**, or to defend or continue to defend any **Claim**, after the Underwriter's applicable Limits of Liability have been exhausted by the payment of **Defense Expenses** and/or **Loss**, as applicable.

(E) **TERRITORY**

This Policy applies to **Wrongful Acts** taking place, and **Claims** made, anywhere in the world.

(F) **ASSISTANCE AND COOPERATION**

In the event of a **Claim**, or after giving the Underwriter written notice of a **Wrongful Act** pursuant to CONDITION (B)(2), the **Insureds** and the **Company** shall provide the Underwriter with all information, assistance and cooperation that the Underwriter reasonably requests. At the Underwriter's request, the **Insureds** shall assist in: investigating, defending and settling **Claims**; securing any contribution or indemnification that may be available to any **Insured**; the conduct of actions, suits, appeals or other proceedings, including, but not limited to, attending trials, hearings and depositions; securing and giving evidence; and obtaining the attendance of witnesses.

(G) **SUBROGATION**

In the event of any payment hereunder, the Underwriter shall be subrogated to the extent of any payment to all the rights of recovery of the **Insureds** and the **Company**. The **Insureds** and the **Company** shall execute all papers and do everything necessary to secure such rights, including the execution of any documents necessary to enable the Underwriter effectively to bring suit in their name. The **Insureds** and the **Company** shall do nothing that may prejudice the Underwriter's position or potential or actual rights of recovery. The obligations of the **Insureds** and the **Company** under this CONDITION (G) shall survive the expiration or termination of this Policy.

(H) **CHANGES IN RISK**

- (1) If, during the **Policy Period**, the **Company** acquires or creates any other entity or **Subsidiary**, or acquires substantially all of the assets of another entity, or acquires or assumes the liabilities of another entity, or merges with another entity such that the **Company** is the surviving entity (any of which events is referred to as an "Acquisition" in this CONDITION (H)(1)), this Policy will provide coverage with respect to persons who became **Insureds** as a result of such Acquisition, but only with respect to **Claims** based solely upon **Wrongful Acts** committed or allegedly committed on or after the effective date of such Acquisition.
- (2) If, during the **Policy Period**, any **Subsidiary** ceases to be a **Subsidiary**, whether through sale, dissolution or otherwise, this Policy shall continue to apply with respect to such **Subsidiary**, but only for **Claims** against **Insureds** based solely upon **Wrongful Acts** committed or allegedly committed before the date such **Subsidiary** ceases to be a **Subsidiary**. There will be no coverage under this Policy for **Claims** made against **Insureds** with respect to such **Subsidiary** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** committed or allegedly committed after the date such **Subsidiary** ceases to be a **Subsidiary**.
- (3) If, during the **Policy Period**, any of the following events occur:
 - (a) the acquisition of the Parent Company, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the Parent Company into or with another entity such that the Parent Company is not the surviving entity;
 - (b) the appointment of a third party receiver, conservator, trustee, liquidator, or rehabilitator, or any similar official, for or with respect to the Parent Company; or
 - (c) the acquisition at any time or over a period of time during the **Policy Period** of record or beneficial ownership or control by any person, entity or affiliated group of persons or entities of fifty percent (50%) or more of

the outstanding securities representing the present right to vote for the election of directors of the Parent Company;

coverage under this Policy shall continue in full force and effect until the Expiration Date or any earlier cancellation date, but this Policy shall apply only to **Wrongful Acts** committed or allegedly committed before the effective date of such event. There will be no coverage under this Policy with respect to any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** committed or allegedly committed on or after the effective date of such event.

(I) **OTHER INSURANCE; OTHER INDEMNIFICATION**

This Policy is specifically excess of and will not contribute with:

- (1) any other valid and collectible insurance, including but not limited to:
 - (a) any Directors and Officers Liability Insurance Policy or similar insurance policy; and
 - (b) with regard to an **Independent Contractor Attorney** or **Temporary Lawyer**, any Lawyers Professional Liability Insurance Policy or similar insurance policy that may cover such **Independent Contractor Attorney** or **Temporary Lawyer**,

whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is specifically in excess of this Policy; and

- (2) any indemnification that may be available to an **Insured** from any entity other than the **Company**.

This Policy will not be subject to the terms of any other insurance.

(J) **EXTENDED REPORTING PERIOD**

If this Policy is canceled for any reason other than non-payment of premium or is not renewed by the Underwriter or the Parent Company, an additional period of time during which **Claims** may be reported under this Policy (an "Extended Reporting Period") shall be made available as described in this CONDITION (J), but any such Extended Reporting Period shall apply only to **Claims** for **Wrongful Acts** committed or allegedly committed before the effective date of such cancellation or non-renewal ("Termination Date") or the effective date of any event described in CONDITION (H)(3), whichever is earlier. No Extended Reporting Period shall in any way increase the Underwriter's Limits of Liability stated in ITEM 3 of the Declarations, and the Underwriter's Limit of Liability for all **Claims** made during any Extended Reporting Period shall be part of, and

not in addition to, the Underwriter's maximum aggregate Limit of Liability stated in ITEM 3(b) of the Declarations. The offer of renewal terms, conditions, limits of liability, retentions or premium different from those in effect prior to renewal shall not constitute cancellation or refusal to renew for purposes of this CONDITION (J). The Extended Reporting Period will apply as follows:

- (1) An Extended Reporting Period of sixty (60) days, beginning as of the Termination Date, will apply automatically and requires no additional premium; provided, that such Extended Reporting Period will remain in effect only as long as no other policy of insurance is in effect that would apply to any **Claim** made during such Extended Reporting Period.
- (2) The Parent Company may purchase an additional Extended Reporting Period for one of the periods of time stated in ITEM 6 of the Declarations by notifying the Underwriter in writing of its intention to do so no later than thirty (30) days after the Termination Date. The additional premium for this additional Extended Reporting Period shall be equal to the applicable amount stated in ITEM 6 of the Declarations and must be paid no later than thirty (30) days after the Termination Date.

If no election to purchase an additional Extended Reporting Period is made as described in CONDITION (J)(2) above, or if the additional premium for any such Extended Reporting Period is not paid within thirty (30) days after the Termination Date, there will be no right to purchase an additional Extended Reporting Period at any later time.

(K) CANCELLATION; NONRENEWAL

- (1) The Underwriter may not cancel this Policy except for failure to pay a premium when due, in which case twenty (20) days' written notice will be given to the Parent Company by the Underwriter.
- (2) Except as set forth in CONDITION (N), the Parent Company may cancel this Policy prospectively only by mailing the Underwriter written notice stating when thereafter such cancellation will be effective. In such event, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (3) The Underwriter will not be required to renew this Policy upon its expiration. The Underwriter will provide the Parent Company with sixty (60) days' written notice of any non-renewal. Any offer of renewal on terms involving a change in retention, premium, limit of liability, or other terms and conditions shall not constitute, nor be construed as, a failure or refusal by the Underwriter to renew this Policy.

(L) **REPRESENTATION; INCORPORATION OF APPLICATION**

The **Insureds** and the **Company** represent that the particulars and statements contained in the **Application** attached to this Policy are true, accurate and complete, and agree that:

- (1) this Policy is issued and continued in force by the Underwriter in reliance upon the truth of such representation;
- (2) those particulars and statements are the basis of this Policy; and
- (3) the **Application** and those particulars and statements are incorporated in and form a part of this Policy.

In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application**, this Policy shall be void with respect to any **Insured** who knew of such untruth, misrepresentation or omission.

In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application** known only by the person or persons who signed the **Application**, no coverage will be available under INSURING AGREEMENT (B) of this Policy with respect to any **Insured**.

(M) **NO ACTION AGAINST THE UNDERWRITER**

- (1) No action shall be taken against the Underwriter by the **Company** or any **Insured** unless, as conditions precedent thereto, the **Company** and the **Insureds** have fully complied with all of the terms of this Policy and the amount of the **Insureds'** obligation to pay has been finally determined either by judgment against the **Insureds** after adjudicatory proceedings, or by written agreement of the **Insureds**, the claimant and the Underwriter.
- (2) No individual or entity shall have any right under this Policy to join the Underwriter as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Underwriter be impleaded by any **Insured** or his or her legal representative in any such **Claim**.

(N) **EXHAUSTION**

If the Underwriter's maximum aggregate Limit of Liability, as set forth in ITEM 3(b) of the Declarations, is exhausted by the payment of **Defense Expenses** and/or **Loss**, the premium will be fully earned, all obligations of the Underwriter under this Policy will be completely fulfilled and exhausted, including any obligation to continue to direct the defense of any **Insured**, and the Underwriter will have no further obligations of any kind or nature whatsoever under this Policy.

(O) **AUTHORIZATION AND NOTICES**

The Parent Company will act on behalf of the **Company** and all **Insureds** with respect to: the giving and receiving of any notices under this Policy; the payment of premiums to, and the receiving of return premiums from, the Underwriter; the receiving and acceptance of any endorsements issued to form a part of this Policy; and the exercising or declining to exercise any Extended Reporting Period.

(P) **NOTICE**

- (1) Notice to the **Company** or any **Insured** shall be sent to the Parent Company at the address designated in ITEM 1 of the Declarations.
- (2) Notice to the Underwriter shall be sent to the address designated in ITEM 7 of the Declarations.

(Q) **CHANGES**

Notice to or knowledge possessed by any agent or other person acting on behalf of the Underwriter shall not effect a waiver or change in any part of this Policy or prevent or estop the Underwriter from asserting any right(s) under this Policy. This Policy can only be altered, waived or changed by written endorsement issued to form a part of this Policy.

(R) **INSOLVENCY**

The Underwriter will not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any **Insured** or his/her estate.

(S) **ASSIGNMENT**

No assignment of interest under this Policy shall bind the Underwriter without its written consent issued as a written endorsement to form a part of this Policy.

(T) **ENTIRE AGREEMENT**

The **Insureds** and the **Company** agree that this Policy, including the **Application**, Declarations and any endorsements, constitutes the entire agreement between them and the Underwriter or any of its agents relating to this insurance.

(U) **HEADINGS**

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

In witness whereof, the Underwriter has caused this Policy to be executed by its authorized representative.