
MANAGEMENT RISKS



omnyy[®]

Insurance Solutions

INTRODUCTION

Thank you for choosing omnyy LLP for your insurance needs.

Certain words contained within this document will be shown in black, **bold**-type font. These are specially defined terms, the meanings of which can be found in the relevant Definitions section. This does not apply to any capitalised heading.

This is your policy wording, it must be read alongside your policy schedule, as well as any endorsements and amendments we may issue as though they are one document. Together these documents form your policy.

We strongly recommend you take the time to thoroughly read through and familiarise yourself with the terms, conditions, limitations, and exclusions of your policy. If you have any questions or concerns regarding the cover provided or if it does not meet your requirements, please contact the person who arranged your insurance cover immediately.

ABOUT THE UNDERWRITER

Omnyy LLP is a limited liability partnership registered in England & Wales at The St Botolph Building, 138 Houndsditch, London, EC3A 7AG. Company number: OC359366. A list of the designated members of Omnyy LLP is available for inspection at the registered office.

Your policy is administered and underwritten by omnyy LLP on behalf of the **insurer** noted in your policy schedule and who's details are shown below.

ABOUT THE INSURER

Accelerant Insurance UK Limited is registered in England and Wales with company number 03326800 and has its registered office at One Fleet Place, London, England, EC4M 7WS. Accelerant Insurance UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Reference number 207658).

ADDITIONAL POLICY BENEFITS

Omnyy is committed to providing a first-class offering to our policyholders, and as part of that commitment we are pleased to have partnered with Caytons, a leading and nationally recognised law-firm, to offer a suite of additional benefits in addition to your policy cover, which offer free or discounted rate services to you as an omnyy customer.

Early advice and knowledge of risks can be vital in preventing issues from occurring or mitigating the negative effects of them.

ABOUT CAYTONS

Operating out of the City of London and with offices in Bristol and Dublin, Caytons provide legal and claims management services to professional practices, construction firms and the insurance industry. We investigate D&O liability claims and defend managers and entities in connection with wrongful trading / insolvency claims, regulatory, and health & safety matters. We also deal with the full range of employment related litigation as well as advising on non-contentious matters, such as employment contracts. We are supported by insurance and commercial specialists where particular expertise is required.

YOUR ADDITIONAL BENEFITS

FREE SERVICES

Legal Helpline

We recognise our policyholders are not all legal experts, and that often small queries or situations crop up and you want to rely on something a bit more solid than a google search. Legal advice can be expensive, and for what seems like a small matter, the cost of accessing help is often prohibitive.

Caytons will provide policyholders with free legal advice in relation to most legal matters which might impact directors or their business. This service provides initial legal advice and will not provide written advice as standard. This service is not suitable for assessing or discussing policy coverage, and you should refer to the person who arranged your insurance for any questions related to this. We reserve the right to refuse to provide advice on any topic where this may result in a conflict of interest or other similar scenario.

This service is not suitable for reporting claims or circumstances. This information is shown in the CLAIMS AND COMPLAINTS section of your policy.

The advice offered by the service is not subject to a strict time limit but is subject to reasonable use which we expect to not be in excess of around 1 hour per policy period.

You can make use of this service by calling **02039 27378** anytime between 8am and 6pm on normal working days.

Print/Digital Law Guide

Caytons, in cooperation with omnyy, has produced a free law guide for our policyholders, covering some key areas of law associated with running a business and the responsibilities of directors. These are:

1. Directors Duties under the Companies Act
2. Health & Safety and Corporate Manslaughter
3. An Overview of UK Employment Rights
4. Workplace Pensions: Responsibilities as a Scheme Trustee
5. Fraud: Good Practices and Early Detection

This guide is available upon request from omnyy via your agent.

CONCESSIONARY RATE SERVICES

Commercial Contract Advice

For specific, detailed advice concerning the terms of any contract you are asked to enter, or for assistance in negotiation contract terms, omnyy has agreed a reduced rate service for our policyholders to access this assistance via Caytons.

You will be charged a flat fee £120 - £180 + VAT per hour depending on the complexity of the contract matter to access this service.

You can send enquiries or documents to be reviewed via this service to:

omnyy.contract.review@caytonslaw.com

The cost of using this service is not covered by this policy.

Employment Practices Healthcheck

At your request, advisors from Caytons law will undertake a formal review of your employment practices and policies and provide a brief written RAG (Red, Amber, Green) report flagging legal and compliance concerns and making best practice suggestions. The production of this initial report will cost a fixed £250 + VAT fee.

If you wish to receive further advice after this initial report, including drafting of new or updated procedure documents or processes, Caytons can provide this for a reduced flat fee of £200 to £250 + VAT per hour depending on the complexity of the matter.

In the event you have undertaken this healthcheck and engaged Caytons to address any issues raised prior to any claim or circumstance being reported, your retention applicable to claims under Insuring Clause 1.3. Employment Practices Liability will be reduced by GBP 2,500 (subject to a GBP 2,500 minimum retention).

You can access this service by emailing omnyyEPLenquiries@caytonslaw.com

The cost of using this service is not covered by this policy.

DUTY OF FAIR PRESENTATION

In accordance with section 3 of the insurance act 2015, **you** must have made a fair presentation of the risk to **us** prior to entering this contract.

In summary **you** must:

- (a) Disclose to **us** every material circumstance which **you** know or ought to know. Failing that, **you** must give **us** sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium);
- (b) Make the disclosure in clause (a) above in a reasonably clear and accessible way; and
- (c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.

The duty of fair presentation is a continuing obligation and applies when there are changes in the **insured's** circumstances which materially affect the risk or relate to compliance with a warranty or condition in the policy. **You** must notify **your** broker, intermediary or agent of any such changes as soon as **you** become aware of them.

In the event that there is a breach of the duty to make a fair presentation of the risk, the **insurer** will have various remedies available to them under the insurance act 2015. If **you** are in any doubt as to the scope of the duty of fair presentation or whether any information is material and ought to be disclosed, please contact **your** insurance intermediary.

CLAIMS AND COMPLAINTS

The following information applies to all sections of this policy as specified. Further information can be found in the Policy Conditions and Section Conditions, which should be read carefully.

HOW TO MAKE A CLAIM

It is important that you understand this insurance policy is written on the following claims basis for each section:

“Claims made” in respect of Coverage Section: Management Liability. This means that any claim is dealt with under the terms of the insurance policy in force at the time the claim is made or first notified to the insurer, and not when the originating acts occurred.

“Loss/Crime first discovered and reported” in respect of Coverage Section: Commercial Crime. This means any claim is dealt with under the terms of the insurance policy in force at the time the crime is first discovered and notified to the insurer, and not when the originating acts occurred.

In the event you wish to make a claim, please notify the following in writing:



Telephone: +44 (0) 2073 987 624

Email: mlclaims@omnyy.com

By post: Caytons, 10A, Tower 42,
25 Old Broad Street, London EC2N 1HQ

The **insurer** will only be deemed to have been properly notified once **you** have notified the above in writing.

HOW TO MAKE A COMPLAINT

We always aim to provide our clients with a high standard of service. Consequently, should we fail to meet your expectations; we will aim to resolve your concerns promptly and fairly. If you have an enquiry or a complaint arising from a claim made on your policy, please use the below details:



Telephone: +44 (0) 2073 987 624

Email: mlclaims@omnyy.com

By post: Caytons, 10A, Tower 42,
25 Old Broad Street, London EC2N 1HQ

If you have an enquiry or a complaint about the policy or the service we offer please contact Omnyy LLP using the below details:



Telephone: +44 (0) 2079 332 100
Email: complaints@omnyy.com
By post: Omnyy, 9th Floor, John Stowe House
18 Bevis Marks, London EC3A 5AR

When making a complaint, please include in any initial correspondence, details of your complaint and policy, including your policy reference number, to enable the enquiry to be dealt with efficiently. If you remain dissatisfied after your complaint has been considered, or you have not received a final decision within eight (8) weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service using the below details:



**Financial
Ombudsman
Service**

Telephone: +44 (0) 8000 234 567
Email: complaint.info@financial-ombudsman.org.uk
By post: The Financial Ombudsman Service
Exchange Tower, Harbour Exchange,
London E14 9SR

Making a complaint does not affect your right to take legal action.

FINANCIAL SERVICES COMPENSATION SCHEME

You may be entitled to compensation from the Financial Services Compensation Scheme if Accelerant Insurance UK Limited is unable to meet its obligations to you under this insurance. If you were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of the insurance. Further information about the Scheme is available from the Financial Services Compensation Scheme (PO Box 300 Mitcheldean GL17 1DY) and on their website: www.fscs.org.uk

INSURER'S AGREEMENT

In consideration of the payment of or promise to pay within the terms of this policy, the premium, the **insurer** agrees to provide insurance in accordance with the terms, conditions, limitations, and exclusions of this policy during the **policy period** (and any applicable **discovery period** or extension to the **policy period** which may be agreed by **us** and for which **we** have accepted premium).

COVERAGE SECTION: MANAGEMENT LIABILITY

1. INSURING CLAUSES

1.1. Directors & Officers Liability

The **insurer** shall:

- (a) pay any **loss** on behalf of an **insured person** arising from **claims** first made against that **insured person** during the **policy period** in relation to any actual or alleged **wrongful act** or **employment wrongful act** to the extent the **insured person** has not been indemnified by the **company**.
- (b) reimburse to or pay on behalf of the **company** any **loss** arising from **claims** against an **insured person** first made during the **policy period** against that **insured person** in relation to any actual or alleged **wrongful act** or **employment wrongful act** to the extent that the **company** has provided or agreed to provide indemnity to the **insured person** for the **loss** where legally permissible.

1.2. Corporate Legal Liability

The **Insurer** shall pay any **loss** on behalf of the **company** arising from **claims** first made against the **company** during the **policy period** in relation to any actual or alleged **wrongful act**.

This Insuring Clause is only operative if stated on **your** policy schedule.

1.3. Employment Practices Liability

The **Insurer** shall

- (a) pay any **loss** on behalf of the **company** arising from **claims** first made against the **company** during the **policy period** in relation to any actual or alleged **employment wrongful act**.

This Insuring Clause is only operative if stated on **your** policy schedule.

1.4. Pension Trustee Liability

The **insurer** shall:

- (a) pay any **loss** on behalf of any **trustee** arising from **claims** first made against that **trustee** during the **policy period** in relation to any actual or alleged **pension wrongful act** to the extent the **trustee** has not been indemnified by the **company**, **pension plan**, or **corporate trustee**.
- (b) reimburse to or pay on behalf of the **company**, **pension plan** or **corporate trustee** any **loss** arising from **claims** against a **trustee** first made during the **policy period** against that **trustee** in relation to any actual or alleged **pension wrongful act** to the extent that the **company**, **pension plan** or **corporate trustee** has provided or agreed to provide indemnity to the **trustee** for the **loss** where legally permissible.
- (c) pay any **loss** on behalf of the **company**, **pension plan** or **corporate trustee** arising from **claims** first made against the **company**, **pension plan** or **corporate trustee** during the **policy period** in relation to any actual or alleged **pension wrongful act**.
- (d) pay any **loss** on behalf of the **pension plan** arising from **claims** against a **trustee** first made during the **policy period** against that **trustee** in relation to any actual or alleged **pension wrongful act** for which the **pension plan** has **exonerated** the **trustee** of liability for such **loss**.

This Insuring Clause is only operative if stated on **your** policy schedule.

2. COVERAGE EXTENSIONS

Coverage extensions apply only to specific insuring clauses as noted below and shall be subject to the same terms, conditions, exclusions, and limitations (including any **retentions**) as apply to the corresponding insuring clause. Cover is only given under the below extensions if the relevant insuring clause is operative. If an extension applies to more than one operative insuring clause, then any **sub-limit** noted on the policy schedule shall apply separately to each insuring clause for the portion of **loss** payable under that insuring clause.

Coverage Extensions applying only in respect of 1.1. Directors & Officers Liability

2.1. Bail Bond Costs

The **insurer** shall pay **bail bond costs** on behalf of any **insured person**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 in the aggregate.

2.2. Bodily Injury & Manslaughter

The **insurer** shall pay **defence costs** only arising solely from any **claim** against any **insured person** in respect of any allegation of corporate manslaughter, involuntary manslaughter, gross negligence manslaughter, or any breach of occupational health and safety law or regulation.

2.3. Court Attendance Costs

The **insurer** shall pay up to GBP 375 per day per **insured person**, and up to GBP 250 per day for any other **employee**, who is required to attend any court, tribunal, or other hearing in connection with a **claim** made under the applicable insuring clause at the request of a legal advisor and with the **insurer's** agreement (which shall not unreasonably be withheld or delayed).

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 in the aggregate.

2.4. Crisis & Reputational Costs

The **insurer** shall pay any reasonable and necessary costs incurred by an **insured person** with the **insurer's** prior consent (which shall not unreasonably be withheld or delayed) to employ a public relations consultant, crisis management firm, law firm or similar, to provide guidance and support in minimising or limiting any adverse publicity which:

- (a) could otherwise reasonably develop into a **claim** against an **insured person**; or
- (b) has occurred as the result of a **claim** first made under the applicable insuring clause.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.5. Deprivation of Assets

The **insurer** shall pay for **deprivation of assets expenses** in the event of an order being granted as the result of a **claim** against an **insured person** which confiscates or suspends rights of ownership over personal assets or real property of an **insured person** during the **policy period** and provided always that payment shall only be made after the exhaustion of any personal allowance granted in relation to the confiscation or suspension order.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.6. Emergency Costs

In the event the **insured** is unable to reasonably obtain the **insurer's** prior consent to incur **defence costs** required as the result of a **claim** made against an **insured person** under the applicable insuring clause, the

insurer shall retrospectively approve such reasonable and necessary **defence costs**, minus any applicable **retention**, provided that:

- (a) such costs are reported to **us** as soon as reasonably possible but not longer than 5 calendar days after being incurred;
- (b) the costs incurred would have been covered under this policy had the **insured** been able to obtain the **insurer's** prior consent (which would not have unreasonably been withheld or delayed); and that
- (c) in the event the **insurer** deems some or all of the **defence costs** claimed would not have been covered under the applicable insuring clause, the **insurer** shall have the right to proportionally reduce any payment made under this extension.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.7. Extradition Expenses

Where permissible by law, the **insurer** shall pay any reasonable and necessary costs and expenses of any **insured person** incurred with the **insurer's** prior written consent (which shall not be unreasonably withheld or delayed) in obtaining the discharge or revocation of any judicial order first entered during the **policy period** (including any appeal thereof) relating to any extradition decision by any governmental authority in respect of proceedings to remove the **insured person** to another territory against their will excluding any proceedings relating to any criminal charge or conviction.

2.8. Insolvency Hearing Costs

The **insurer** shall pay all reasonable and necessary fees and expenses incurred with the **insurer's** consent (which shall not be unreasonably withheld or delayed) for any investigation into any **insured person** in their capacity as such by an insolvency administration or receiver, liquidator or similar. Provided that such costs shall not include remuneration, time or general expenses and overheads of the **company** or any **insured person**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.9. Investigation Defence Costs

The **insurer** shall pay **defence costs** incurred by any **insured person** in defending themselves in respect of any **investigation** commenced by the filing of a notice of charge, formal investigative order, questionnaire, or similar document, provided that the **insurer** shall not pay for any remuneration, time, expenses, or any other associated benefit or overhead of any **insured person** or the **company**.

2.10. Pollution Defence Costs

The **insurer** shall pay **defence costs** only in respect of any **claim** against an **insured person** arising from or relating to **pollution** of any kind.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

Coverage Extensions applying only in respect of 1.2. Corporate Legal Liability

2.11. Bodily Injury

The **insurer** shall pay **defence costs** only arising from any **claim** against the **company** in respect of any allegation of any breach of occupational health and safety law or regulation.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.12. Contract Defence Costs

The **insurer** shall pay **defence costs** only arising from a **claim** brought against the **company** which alleges the **company** has breached the terms of a contract (whether written, oral, express, or implied).

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.13. Corporate Manslaughter

The **insurer** shall pay **defence costs** only arising from a **claim** brought against the **company** involving the Corporate Manslaughter and Corporate Homicide Act 2007.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.14. Court Attendance Costs

The **insurer** shall pay up to GBP 375 per day per **insured person**, and up to GBP 250 per day for any other **employee**, who is required to attend any court, tribunal, or other hearing in connection with a **claim** made under the applicable Insuring Clause at the request of a legal advisor and with the **insurer's** agreement (which shall not unreasonably be withheld or delayed).

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 in the aggregate.

2.15. Crisis & Reputational Costs

The **insurer** shall pay any reasonable and necessary costs incurred by the **company** with the **insurer's** prior consent (which shall not unreasonably be withheld or delayed) to employ a public relations consultant, crisis management firm, law firm or similar, to provide guidance and support in minimising or limiting any adverse publicity which:

- (a) could otherwise reasonably develop into a **claim** against the **company**; or
- (b) has occurred as the result of a **claim** first made under the applicable Insuring Clause.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.16. Emergency Costs

In the event the **insured** is unable to reasonably obtain the **insurer's** prior consent to incur **defence costs** required as the result of a **claim** made against the **company** under the applicable Insuring Clause, the **insurer** shall retrospectively approve such reasonable and necessary **defence costs**, minus any applicable **retention**, provided that:

- (a) such costs are reported to **us** as soon as reasonably possible but not longer than 5 calendar days after being incurred;
- (b) the costs incurred would have been covered under this policy had the **insured** been able to obtain the **insurer's** prior consent (which would not have unreasonably been withheld or delayed); and that
- (c) in the event the **insurer** deems some or all of the **defence costs** claimed would not have been covered under the applicable Insuring Clause, the **insurer** shall have the right to proportionally reduce any payment made under this extension.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.17. Intellectual Property Defence Costs

The **insurer** shall pay for **defence costs** only for any **claim** against the **company** for any actual or alleged infringement, misuse or other breach of any copyright, trademark, patent, design right, trade secret, or other intellectual property right.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.18. Pollution Defence Costs

The **insurer** shall pay for **defence costs** only in respect of any **claim** against the **company** arising from or relating to **pollution** of any kind.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

Coverage Extensions applying only in respect of 1.3. Employment Practices Liability

2.19. Court Attendance Costs

The **insurer** shall pay up to GBP 375 per day per **insured person**, and up to GBP 250 per day for any other **employee**, who is required to attend any court, tribunal, or other hearing in connection with a **claim** made under the applicable insuring clause at the request of a legal advisor and with the **insurer's** agreement.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 in the aggregate.

2.20. Crisis & Reputational Costs

The **insurer** shall pay any reasonable and necessary costs incurred by the **company** with the **insurer's** prior consent (which shall not unreasonably be withheld or delayed) to employ a public relations consultant, crisis management firm, law firm or similar, to provide guidance and support in minimising or limiting any adverse publicity which:

- (a) could otherwise reasonably develop into a **claim** against the **company**; or
- (b) has occurred as the result of a **claim** first made under the applicable insuring clause.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.21. Emergency Costs

In the event the **insured** is unable to reasonably obtain the **insurer's** prior consent to incur **defence costs** required as the result of a **claim** made against the **company** under the applicable insuring clause, the **insurer** shall retrospectively approve such reasonable and necessary **defence costs**, minus any applicable **retention**, provided that:

- (a) such costs are reported to **us** as soon as reasonably possible but not longer than 5 calendar days after being incurred;
- (b) the costs incurred would have been covered under this policy had the **insured** been able to obtain the **insurer's** prior consent (which would not have unreasonably been withheld or delayed); and that
- (c) in the event the **insurer** deems some or all of the **defence costs** claimed would not have been covered under the applicable insuring clause, the **insurer** shall have the right to proportionally reduce any payment made under this extension.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

Coverage Extensions applying only in respect of 1.4. Pension Trustee Liability

2.22. Crisis & Reputational Costs

The **insurer** shall pay any reasonable and necessary costs incurred by any **trustee** with the **insurer's** prior consent (which shall not unreasonably be withheld or delayed) to employ a public relations consultant, crisis management firm, law firm or similar, to provide guidance and support in minimising or limiting any adverse publicity which:

- (a) could otherwise reasonably develop into a **claim** against a **trustee**; or
- (b) has occurred as the result of a **claim** first made under the applicable insuring clause.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 100,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.23. Emergency Costs

In the event the **insured** is unable to reasonably obtain the **insurer's** prior consent to incur **defence costs** required as the result of a **claim** made against any **trustee, company, pension plan** or **corporate trustee** under the applicable insuring clause, the **insurer** shall retrospectively approve such reasonable and necessary **defence costs**, minus any applicable **retention**, provided that:

- (a) such costs are reported to **us** as soon as reasonably possible but not longer than 5 calendar days after being incurred;
- (b) the costs incurred would have been covered under this policy had the **insured** been able to obtain the **insurer's** prior consent (which would not have unreasonably been withheld or delayed); and that
- (c) in the event the **insurer** deems some or all of the **defence costs** claimed would not have been covered under the applicable insuring clause, the **insurer** shall have the right to proportionally reduce any payment made under this extension.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 or 10% of the **limit of indemnity** (whichever is less) in the aggregate.

2.24. Pension Ombudsman

The **insurer** shall pay on behalf of any **trustee** any monetary award made against them by either the Financial Ombudsman Service (FOS) or the Pension Regulator which is awarded as the result of a **claim** first made against a **trustee** or **corporate trustee** during the **policy period**, provided that this extension shall not include any criminal fines, penalties or punitive damages imposed in connection with any criminal act.

3. SECTION EXCLUSIONS

Section Exclusions applying to all Insuring Clauses

The **insurer** will not be liable to pay for any **claim** or **loss**:

3.1. Bodily Injury & Property Damage

arising from or related to any:

- (a) bodily injury, disease, illness, mental anguish or emotional distress or death of any person except for
 - (i) **defence costs** only for any **claim** for an **employment wrongful act** alleging mental anguish or emotional distress;
 - (ii) **defence costs** as allowed under extensions 2.2., 2.11 and/or 2.13.
- (b) damage to or destruction of any tangible property including the loss of use thereof including any consequential loss.

3.2. Breach of Professional Duties

arising from or related to any breach of a professional duty to any party who relies on advice, design, specification, or other service provided on a professional basis by or on behalf of the **insured**. However, this exclusion shall not apply to any **claim** arising from or based upon any actual or alleged failure by an **insured person** to supervise any **employee** in the provision or performance of such services.

3.3. Conduct

arising from, based upon, related to or in any way attributable to any:

- (a) deliberate fraudulent act or omission or other violation of law, regulation, or sanction by the **insured**;
or
- (b) **insured** gaining any illegal profit or advantage.

Provided that both (a) and/or (b) above must be established by either:

- (a) the written admission of the **insured**; or
- (b) a final, non-appealable judgement or equivalent

and until such facts are established **defence costs** for any **claim** shall continue to be advanced by the **insurer**.

3.4. Cyber Loss

arising from or related to any **cyber loss**.

3.5. Offering of Securities

arising from or related to any:

- (a) public offering of **securities**; or
- (b) private offering of **securities** for any amount greater than 25% of the **company's** shareholder equity at the time of the offer of **securities**, unless explicitly agreed in writing by **us** after **you** have provided **us** with all prospectuses and other material **we** may require to consider cover. Any cover agreed shall be on terms given entirely at **our** discretion.

3.6. Perfluoroalkyl And Polyfluoroalkyl Substances

- (a) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
- (b) Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

The following definition applies:

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
 - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
 - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
 - c. Perfluoropolyethers (PFPE);
 - d. Fluorotelomer-based substances; or
 - e. Side-chain fluorinated polymers; or
2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph 1 above.

3.7. Pollution

arising from or related to any **pollution** except as allowed under Coverage Extensions 2.10. and/or 2.18.

3.8. Post Transactional Change and Winding Up, Liquidation, or Similar

arising from or related to any **wrongful act, employment wrongful act, and/or pension wrongful act** committed or occurring after the date of any:

- (a) **transactional change** of any **company** or **pension plan**; or
- (b) appointment of a liquidator, provisional liquidator, receiver, administrative receiver, appointee, or fiduciary, in respect of any **insured**.

3.9. Prior & Pending Matters

based upon, arising from, or related to any fact, circumstance, or situation

- (a) of which notice has been, or should have been, given under any other policy of insurance which this policy directly or indirectly replaced or renews; or
- (b) alleged in or relating to any **claim** which is pending or commenced prior to the **continuity date** of this policy.

Section Exclusions applying only to Insuring Clauses 1.1. Directors & Officers Liability, 1.2. Corporate Legal Liability and 1.3. Employment Practices Liability

The **insurer** will not be liable to pay for any **claim** or **loss**:

3.10. Pension Trustee Liability

arising from, related to, or in any way attributable to any **insured person** or **company** acting in a trustee, administrator, or other fiduciary position, of any pension or employee benefit programme, scheme, or similar.

Section Exclusions applying only to 1.1. Directors & Officers Liability

The **insurer** will not be liable to pay for any **claim** or **loss**:

3.11. USA Outside Entity and Employment Claims

which is brought or maintained in the **USA**

- (a) for any **employment wrongful act**; or
- (b) against any **insured person** by virtue of their position as an **outside entity director**.

Section Exclusions applying only to 1.2. Corporate Legal Liability

The **insurer** will not be liable to pay for any **claim** or **loss**:

3.12. Contractual Liability

arising from or related to any actual or alleged liability of the **company** under any contract (whether written, oral, express, or implied) except as provided from by extension 2.12.

3.13. Employment Practices Liability

arising from or related to any **employment wrongful act**.

3.14. Unfair Trade Practices

for any actual or alleged violation of any law, whether statutory, regulatory, or common law, with respect to any of the following: anti-trust, business competition, unfair trade practices, or tortious interference in another's business or contractual relationships.

Section Exclusions applying only to 1.3. Employment Practices Liability

The **insurer** will not be liable to pay for any **claim** or **loss**:

3.15. Accommodation or Alteration Costs

arising from or related to any costs incurred in establishing or altering any workspace, office space, or similar, or any working practice for the accommodation of any persons other than **defence costs** only.

3.16. Contractual Monies

for any payment of monies (including but not limited to holiday pay, sick pay, wages, or other benefits) due to an **employee** under the terms of their contract of employment other than **defence costs** only.

3.17. National Minimum / Living Wage

based on, arising from, related to, or in any way attributable to any actual or alleged violation of any national minimum wage or national living wage regulations other than **defence costs** only.

3.18. Strikes, Collective Redundancies and Labour Disputes

arising from or related to any strikes, obligations to consult representatives and **employees** in relation to collective redundancies, lockouts, trade union disputes, labour disputes or negotiation, or other similar actions and all including but not limited to disputes in respect of recognition of those actions or organisations.

3.19. Violation of Health & Safety, Workers Compensation, or Similar

based upon, arising from, or related to any actual or alleged violations of the responsibilities, obligations, or duties, imposed by any law governing health and safety, workers' compensation, unemployment insurance, social security, disability benefits, or similar law, except where a **claim** relates to any actual or alleged **retaliatory treatment** of the claimant.

Section Exclusions applying only to 1.4. Pension Trustee Liability

The **insurer** will not be liable to pay for any **claim** or **loss**:

3.20. Failure to Fund or Collect

arising from or related to:

- (a) any failure to fund the **pension plan** in accordance with the scheme's trust document or similar; or
- (b) any failure to collect contributions of any kind owed to the **pension plan**.

3.21. Other Plans

arising from or related to any **pension wrongful act** which is alleged to have occurred in relation to a **pension plan** not administered and maintained for the benefit of the **company**.

3.22. Defined Benefit Plans

arising from or related to any the operation of any defined benefits **pension plan** or any other legislation relating to defined benefits **pension plans**.

4. SECTION DEFINITIONS

The following terms where shown in black, **bold** type-font throughout this section have the special meanings given to them below. Any references to the plural include the singular, and vice versa.

4.1. Bail Bond Costs

means the reasonable premium (but not collateral) for a bond or other financial instrument to guarantee for no more than 24 months an **insured person's** contingent obligations for a specific amount required by any court which is hearing a **claim** under this policy.

4.2. Claim

means any of the following:

- (a) a written demand for compensation, monetary damages, or non-monetary relief of any kind, or for the **insured** to engage in mediation, arbitration, adjudication, or any other for of alternative disputes resolution;
- (b) receipt of a formal notice of any administrative or regulatory investigation or proceeding; or

- (c) any civil or criminal proceedings, including receipt of a counterclaim

which has been first made against the **insured** during the **policy period** and is in relation to any actual or alleged:

- (a) **wrongful act** or **employment wrongful act** in respect of Insuring Clause 1.1.
- (b) **wrongful act** in respect of Insuring Clause 1.2.
- (c) **employment wrongful act** in respect of Insuring Clause 1.3.; or
- (d) **pensions wrongful act** in respect of Insuring Clause 1.4.

4.3. Company

means **you** and any **subsidiary company**.

4.4. Computer Network

means a group of **computer systems** and other electronic devices or network facilities connected via a form of communications technology, including the internet, intranet and virtual private networks (VPN), allowing the networked computing devices to exchange **data**.

4.5. Computer System

means any computer, hardware, software, application, process, code, programme, information technology, communications system, or electronic device owned or operated by the **insured** or any other party. This includes any similar system and any associated input, output or data storage device or system, networking equipment or back up facility.

4.6. Corporate Trustee

means a UK-incorporated private entity established and appointed to act as a trustee or other fiduciary role of any **pension plan**.

4.7. Cyber Loss

means any loss, damage, liability, expense, fines or penalties, or any other amount directly or indirectly caused by:

- (a) the use or operation of any **computer system** or **computer network**;
- (b) the reduction in or loss of ability to use or operate any **computer system**, **computer network** or **data**;
- (c) access to, processing, transmission, storage or use of any **data**;
- (d) inability to access, processes, transmit, store or use of any **data**;
- (e) any threat or hoax relating to (a) to (d) above; or
- (f) any error or omission or accident in respect of any **computer system**, **computer network**, or **data**.

4.8. Data

means information used, accessed, processes, transmitted or stored by a **computer system**.

4.9. Defence Costs

means all reasonable fees, costs, and legal expenses (including disbursements), incurred with the **insurer's** consent by or on behalf of the **insured** in the investigation, defence or settlement of a **claim** and appeal thereof. However, it shall not include however any remuneration, time, expenses, or any other associated benefit or overhead of any **insured**.

4.10. Deprivation of Asset Expenses

means payment (as far as legally permissible) of costs due for the following services:

- (i) schooling;

- (ii) housing;
- (iii) utilities;
- (iv) personal insurance premiums; and
- (v) other reasonable and necessary expenses incurred with the **insurer's** consent (not to unreasonably be withheld or delayed)

4.11. Discovery Period

means the agreed period of time immediately following the expiration of the **policy period** during which **you** may give notice to the **insurer** of any **claim** related to or arising from any **wrongful act, employment wrongful act or pension wrongful act** (as may apply to each covered Insuring Clause) first committed or alleged to have been committed prior to the expiration of the **policy period**.

4.12. Employee

means any natural person who is, was, or becomes during the **policy period**:

- (a) under a contract of service or apprenticeship with the **company**;
- (b) under a work experience scheme or similar;
- (c) is seconded to the **company** and acting in such capacity under the **company's** direct supervision or control; or
- (d) is considered for a position as described in (a) or (b) above.

4.13. Employment Wrongful Act

means any actual, attempted, or alleged breach of an **employee's** contract of service with the **company** or any related rights under employment law or regulations.

4.14. Exonerated

means any scenario in which any **trustee** has been absolved of their liability to pay, or the **pension plans** ability to recover from the **trustee**, any **loss** or any other sum potentially recoverable by the **pension plan** following a **pension wrongful act** by reason of a written provision within the governing deeds or rules of the **pension plan**.

4.15. Financial Institution

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

4.16. Insured Person

means any natural person who is, was or becomes during the **policy period**:

- (a) a director or officer of the **company** including any person named in any prospectus issued by the **company** as a prospective director; or
- (b) a shadow director of the **company** as defined by Section 251 of the Companies Act 2006 (or equivalent legislation in any jurisdiction the **company** is incorporated); or
- (c) a non-executive or de facto director; or
- (d) an approved person pursuant to Part V of the Financial Services and Markets Act 2000; or
- (e) a lawful spouse, civil partner or other domestic partner deriving similar status by reason of common law of any natural person included in (a), (b), (c) or (d) above but only to the extent that any **claim** is made against them solely by reason of their status as a lawful spouse, civil partner, or other domestic

partner or by reason of them having ownership interest in property that is sought as recovery in a **claim**; or

- (f) any **outside entity director** whilst acting in such capacity at the request of the **company** and only in excess of and following the exhaustion of any indemnification provided by the **outside entity** and any other valid and collectible insurance policy (including but not limited to any other management liability policy or similar); or
- (g) the estate, heirs, executors or legal representatives any natural person included in (a), (b), (c) or (d) above but only to the extent that any **claim** is made against them by reason of their status as the estate, heir, executor or legal representative due to the death, incapacitation, incompetence or bankruptcy of the natural person included in (a), (b), (c) or (d) above as the result of a **wrongful act** which would otherwise have been covered by this **policy**.
- (h) any **employee** acting in a managerial or supervisory capacity, but only for the purposes of any actual or alleged **employment wrongful act** claimed under Insuring Clause 1.1.

and excluding any auditor or any liquidator, administrator, or receiver appointed to the **company**.

4.17. Investigation

means any formal or official investigation (other than the **company's** own internal investigation), examination, dawn raid(s), site raid(s), regulatory interviews or other proceedings made or commenced during the **policy period** by a governmental or professional body.

4.18. Loss

means any:

- (a) awards, contributions, damages, judgements and, if concluded with the **insurer's** prior consent, settlements;
- (b) claimants legal costs and expenses as may be ordered by a court, tribunal or other adjudicating body or which the **insurer** has consented to;
- (c) civil fines and penalties to the extent allowed by any applicable law;
- (d) **defence costs**;
- (e) punitive, exemplary or aggravated damages, except those awarded for any **employment wrongful act**;
- (f) other costs to which the **insurer** has provided prior written consent.

Loss however shall not include:

- (a) costs incurred to comply with an order for non-monetary or injunctive relief;
- (b) fines or penalties of any kind not covered in 4.18(c) above;
- (c) taxes of any kind, except in regard to Insuring Clauses 1.1. only for any amount which an **insured person** is personally liable for non-payment of corporate taxes of the **company** which are due solely by reason of the **company's** insolvency;
- (d) wages or payment of other employment related benefits;
- (e) the multiple portion of any multiplied damage award; and
- (f) any other form of costs to which the **insurer** has not previously agreed or which the **insured** is not legally liable to pay.

4.19. Outside Entity

means any incorporated entity that is not a **subsidiary** except an entity which is:

- (a) registered (for any purpose) or incorporated in the **USA**;

- (b) a **financial institution**; or
- (c) has **securities** traded on any exchange or public market

unless such entity has been specifically agreed and endorsed by **us**.

4.20. Outside Entity Director

means any natural person who is, was or becomes during the **policy period** a trustee or holds a position equivalent to those of an **insured person** of any **outside entity** at the specific request of the **company**.

4.21. Pension Plan

means any pension, benefit, or welfare plan which is maintained by the **company** for the benefit of past, present and/or future **employees** or their beneficiaries and which is not a defined benefit plan (unless **we** have expressly agreed that plan).

4.22. Pension Wrongful Act

means any actual or alleged act, omission, error, misstatement, misleading statement, neglect, or breach of duty by a **trustee** or **corporate trustee** serving in their capacity as such of any **pension plan**.

4.23. Pollutants

means any substance exhibiting any characteristic hazardous to the environment or having an adverse impact on the environment, including but not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, soil, chemicals and waste materials, air emissions, odour, waste water, oil, oil products, infectious or medical waste, asbestos, asbestos products, electromagnetic fields, greenhouse gases, nuclear or any other radioactive materials, or any noise.

4.24. Pollution

means any:

- (a) actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of, any **pollutants**; or
- (b) regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise any **pollutants**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request.

4.25. Retaliatory Treatment

means an **employment wrongful act** of an **insured person** or the **company** relating to, or alleged to be in response to, the treatment of any **employee** less favourably than others, or the victimisation of that person, because that person threatens to bring proceedings, give evidence or information, take any action or make any allegation concerning the **insured** with reference to legislation relating to sex, race, or disability.

4.26. Securities

means any note, stock, bearer instrument, derivative, bond, debenture, evidence of indebtedness, depositary receipt, share or other equity or debt security of any **insured**, and shall include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or purchase, voting certificate relating to, certificate of deposit for, or other interest in any of the foregoing.

4.27. Subsidiary

means any entity in which **you** either directly or indirectly holds:

- (a) more than 50% of the issued share capital;
- (b) the right to appoint or remove a majority of the board of directors; or
- (c) more than half of the voting rights.

4.28. Trustee

means any natural person appointed and acting as a trustee or other fiduciary role of any **pension plan**.

4.29. Wrongful Act

means any actual or alleged act, omission, error, misstatement, misleading statement, neglect or breach of duty by:

- (a) an **insured person** acting in their capacity as such with the **company** or any matter claimed against them solely by reason of their serving in such capacity; or
- (b) the **company**.

5. SECTION CONDITIONS

5.1. Automatic Cover for New Subsidiaries

We agree that any **subsidiary** or **pension plan** which is first created or acquired by **you** during the **policy period** shall be automatically covered under this policy in relation to any actual or alleged **wrongful acts**, **employment wrongful acts** and/or **pension wrongful acts** (only as covered by each operative Insuring Clause) first committed on or after the date of acquisition, provided always that the **subsidiary** or **pension plan**:

- (a) complies with the relevant definition criteria outlined in this policy; and
- (b) is not a **financial institution**; and
- (c) is not incorporated or domicile in the **USA**; and
- (d) does not have a total asset value that exceeds more than 25% of the total asset value of the **company** or existing **pension plans** (as applicable) as valued at inception of this policy; and
- (e) does not increase the gross wage roll of the **company** by more than 50% as valued at inception of this policy.

If any **subsidiary** or **pension plan** does not meet the criteria for automatic coverage, **we** shall have no obligation to include the entity under this policy. Cover shall be considered entirely at **our** discretion after the receipt of any and all information which **we** may require and shall be on whatever terms **we** deem necessary.

Any **subsidiary** or **pension plan** which benefits from this automatic cover must be declared to **us** at renewal of this policy.

5.2. Bilateral Discovery Period

If **you** decide not to renew this policy, or **we** decline to offer renewal terms (except for reason of delayed or non-payment of the premium or the making of a false, fraudulent, or exaggerated claim), then the **insured** can purchase a **discovery period** on the following terms:

- (a) 60 days at no additional premium
- (b) 12 months for 100% of the premium due for the applicable Insuring Clause; or
- (c) 24 months for 125% of the premium due for the applicable Insuring Clause.

Any additional length of **discovery period** required will be provided entirely at **our** discretion on whatever terms **we** may require. The **insured** must give no less than 30 days' notice prior to the expiration of the **policy period** or from the date **we** provide written notice of **our** intent to not renew the policy of their intent to purchase a **discovery period**, whichever is earliest.

If a **transaction change** takes place, the **insured** shall not be entitled to purchase a **discovery period** on the above terms. However, the **insured** may request terms for a **discovery period** by giving **us** at least 30 days' notice prior to the date of the **transactional change** or the end of the **policy period** (whichever is earliest). **We** will, at **our** absolute discretion and with no obligation, consider and offer terms as **we** may require.

Any premium collected for a **discovery period** is deemed fully earned at inception of the **discovery period** and is non-refundable.

5.3. Circumstances First Notified

Any **claim** subsequently arising from a circumstance first notified during the **policy period** shall be deemed to have been made in the same **policy period** as the circumstance was notified to **us**.

5.4. Defence and Co-Operation

The **insurer** shall have the right but is not obliged to conduct in the name of the **insured** the defence and settlement of any **claim** covered by this policy, and to appoint lawyers or other representatives for this purpose even if any of the allegations against the **insured** are groundless, false or fraudulent. The **insurer's** right to defend shall cease upon exhaustion of the **limit of indemnity** applicable to this policy or any applicable individual Insuring Clause.

With respect to any **claim** or circumstance notified:

- (a) the **insured** shall execute all papers required and shall do everything necessary to defend such **claim** and provide the **insurer** with all information, documentation, assistance, and co-operation as the **insurer** reasonably requests; and
- (b) the **insurer** shall advance **defence costs** excess of any applicable **retention**, provided that if and to the extent it is finally established that any such **defence costs** are not covered under this **policy**, the **insureds**, severally according to their interests, hereby agree to repay the **insurer** any non-covered **defence costs**.

The **insured** shall not settle or offer to settle any **claim**, incur any **defence costs** or otherwise assume any contractual obligation or admit any liability with respect to any **claim** without the **insurer's** prior written consent (which shall not unreasonably be withheld or delayed). The **insurer** shall not be liable for, and any applicable **retention** shall not be depleted or exhausted by, any settlement, **loss** or **defence costs**, assumed obligation or admission to which the **insurer** has not consented.

The **insured** agrees that in the event of a **claim** the **insured** shall do nothing that shall prejudice the **insurer's** position or its potential or actual rights of recovery. The **insured** shall at all times use reasonable endeavours to do, and concur in doing, all such things as are reasonably practicable to avoid or diminish any **loss** and to assist with the defence or settlement of any **claim**. The **insurer** may make any investigation it deems necessary.

5.5. Defence Costs Inclusive

For clarity, **defence costs** are provided as part of, and not in addition to, any **limit of indemnity** or **sub-limit**.

5.6. Management Buy-Out

In the event of a **subsidiary** of **yours** ceasing to be owned by **you** as a result of a buy-out by existing management **we** agree to maintain this policy in respect of Insuring Clause 1.1. Directors & Officers Liability only for the **subsidiary** for a period of 30 days from the date of the buy-out for **wrongful acts** and **employment wrongful acts** committed subsequent to the buy-out. This extension shall be excess of any other insurance in force which provides cover in respect of such **wrongful acts** or **employment wrongful acts** and shall apply to existing **insured persons** of the original **subsidiary** only.

5.7. Order of Payments

Any **loss** payable under more than one Insuring Clause of this Coverage Section shall be paid in the following order:

- (a) The **loss** of any **insured person** or **trustee**; then
- (b) Reimbursement or payment to the **company** or any **pension plan** or **corporate trustee**.

5.8. Presumption of Company Indemnity

In the event the **company** is permitted to indemnify any **insured person** in the event of a **claim** but fails to do so by reason other than insolvency, the **insurer** agrees to indemnify that **insured person** as though the **company** had provided the indemnity.

However:

- (a) no cover for the **claim** shall be available under Insuring Clause 1.1(a) to the extent that indemnity could have been provided by the **company**; and
- (b) any **retention** which applies to Insuring Clause 1.1(b) shall remain payable by the **company** and must be advanced or reimbursed to the **insurer** upon their request.

5.9. Related Claims

All **claims** based on, arising out of, or in any way involving the same or related facts, acts, omissions, circumstances, situations, transactions, or events shall be deemed to be one **claim** under this **policy** and shall share a single **limit of indemnity** or **sub-limit** and shall be deemed to have been first made on the date the earliest **claim** is first made, regardless of whether such date is before or during the **policy period** or any applicable **discovery period**.

5.10. Retired and Former Directors Run-Off

In the event that any **insured person**

- (a) retires from their position as an **insured person** during the **policy period**, they shall be entitled to a free and automatic 72 months **discovery period** from the expiry of the **policy period**.
- (b) ceases to hold their position as an **insured person** during the **policy period** by reason other than retirement, they shall be entitled to a free and automatic **discovery period** of 180 days after the expiration of the **policy period**. Provided that they did not cease to hold their position as an **insured person** by reason of:
 - (i) disqualification from holding such a position;
 - (ii) dismissal by the **company**;
 - (iii) because of a **transactional change**; or
 - (iv) due to the winding up, cessation of trading or similar, of the **company**.

Provided always that any **discovery period** allowed under (a) or (b) above shall not apply where the **insured** has replaced this policy with an equivalent policy or where a **discovery period** has been purchased in accordance with Section Condition 5.2 Bilateral Discovery Period.

5.11. Severability of Exclusions

No fact or knowledge pertaining to or possessed by any **insured** shall be imputed to any other **insured** for the purposes of any exclusion of the Coverage Section.

COVERAGE SECTION: COMMERCIAL CRIME

1. INSURING CLAUSES

1.1. Commercial Crime

The **insurer** shall pay

- (a) for any **loss** sustained by the **company** as a direct result of any **fidelity crime** first **discovered** during the **policy period**.
- (b) for any **loss** sustained by the **company** as a direct result of any **third-party crime** first **discovered** during the **policy period**.

This Insuring Clause is only operative if stated on **your** policy schedule.

2. COVERAGE EXTENSIONS

Coverage Extensions shall be subject to the same terms, conditions, exclusions, and limitations (including any **retentions**) as apply to the corresponding Insuring Clause. Cover is only given under the below Coverage Extensions if the relevant Insuring Clause is operative. If a Coverage Extension applies to more than one operative Insuring Clause, then any **sub-limit** noted on the policy schedule shall apply separately to each Insuring Clause for the portion of **loss** payable under that Insuring Clause.

2.1. Care, Custody and Control

The **insurer** shall pay for any **loss** in respect of any **third-party money, securities or property** which is under the care, custody, or control of the **company** and for which the **company** is legally responsible arising as a direct result of any **fidelity crime** or **third-party crime** first **discovered** during the **policy period**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 100% of the **limit of indemnity** (whichever is less) in the aggregate.

2.2. Client Crime

The **insurer** shall pay for any **loss** sustained by the **company** in respect of any **client loss** arising directly as the result of any **fidelity crime** or **third-party crime** first **discovered** during the **policy period**.

2.3. Commercial Disruption Costs

The **insurer** shall pay any **commercial disruption costs** incurred by the **company** as a direct result of any **commercial disruption** following any **fidelity crime** or **third-party crime** first **discovered** during the **policy period**, provided that:

- (a) the **insurer** shall not be liable to pay any **commercial disruption costs** incurred in the first 48 hours following the **discovery** of the **fidelity crime**; and
- (b) the maximum period the **insurer** shall be liable to pay **commercial disruption costs** in any one **policy period** shall be no more than 90 days.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 100% of the **limit of indemnity** (whichever is less) in the aggregate.

2.4. Contractual Penalties

The **insurer** shall pay any **contractual penalties** incurred by the **company** as a direct result of any **fidelity crime** or **third-party crime** first **discovered** during the **policy period**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 100% of the **limit of indemnity** (whichever is less) in the aggregate.

2.5. Data Damage

The **insurer** shall pay any **data damage expenses** incurred by the **company** as a direct result of **data damage** first **discovered** during the **policy period**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 50,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

2.6. Expenses

The **insurer** shall pay any **expenses** incurred by the **company** as a direct result of any **crime** first **discovered** during the **policy period**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

2.7. Damage to Money and Securities

The **insurer** shall pay reasonable costs incurred by the **company** to replace **money** or **securities** as a direct result of **criminal damage** first **discovered** during the **policy period**, provided that the **criminal damage** occurs only:

- (a) to **money** or **securities** whilst on the **company's** business premises; or
- (b) to any **money** or **securities** whilst in the care of an **employee** or any other person authorised by the **insured** to have custody of the **money** or **securities**

2.8. Identity Fraud

The **insurer** shall pay any **identity fraud expenses** incurred by the **company** as a direct result of any **identity fraud** first **discovered** during the **policy period**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

2.9. Social Engineering Fraud

The **insurer** shall pay any **loss** sustained by the **company** as the result of any **social engineering fraud** first **discovered** during the **policy period**.

The **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

2.10. Telecommunications Fraud

The **insurer** shall pay any **telecommunication fraud charges** incurred by the **company** as the direct result of any **telecommunication fraud** first **discovered** during the **policy period**, provided that the **insured** shall not admit any liability to pay any **telecommunication fraud charges** without the **insurer's** prior written consent (which shall not be unreasonably withheld or delayed).

The **insurer** shall not be liable to pay any **loss** under this extension for any **telecommunication fraud charges** incurred more than 60 days after the **telecommunication fraud** is first **discovered** and in any event the **insurer's** maximum liability under this extension shall not exceed the **sub-limit** of GBP 250,000 or 25% of the **limit of indemnity** (whichever is less) in the aggregate.

3. SECTION EXCLUSIONS

The following exclusions apply to all Insuring Clauses

The **insurer** shall not be liable for any **loss**

3.1. Confidential Information and Intellectual Property

arising from the loss of or use of confidential information of any kind including but not limited to intellectual property rights, patents, trademarks, trade secrets, or confidential manufacturing, processing, or servicing

methods, except to the extent that such confidential information is used in the undertaking of a **crime** which otherwise would have been covered under any operative Insuring Clause.

3.2. Consequential or Indirect Loss

which is an indirect or consequential loss of any nature, including profit, dividends, interest, gains or other income, fines, penalties and multiple or punitive damages, except as allowed by Coverage Extension 2.4. Contractual Penalties above.

3.3. Insured Benefit

sustained by any **company** to the benefit of any other **insured**.

3.4. Kidnap, Ransom and Extortion (including Ransomware)

directly or indirectly based on, arising from or in any way involving any kidnap, ransom, or extortion event, including any attempted ransom or extortion for any **data** as the result of a ransomware attack or event.

3.5. Major Shareholder

arising from any **crime** committed by a shareholder or shareholder's representative who holds more than 15% of the issued share capital of the **company**,

However, if the **loss** would be covered in the absence of this exclusion, then the **insurer** shall pay **loss** which is excess of the value of their shareholdings (which shall be valued at the highest value held at any point within the 30 days preceding the date of **discovery** of the **crime**).

3.6. Prior Matters

which is first discovered on or first sustained on or prior to the **continuity date**.

3.7. Profit & Loss and Inventory Calculations

where proof of the **loss** is dependent solely upon any:

- (a) profit and loss calculation or comparison; or
- (b) comparison of inventory records with any actual physical count

Provided however that the **insured** may submit any inventory record or physical count as supporting evidence of any **loss** which is substantiated by any other suitable means.

3.8. Trading

arising directly or indirectly due to the authorised or unauthorised trading of **securities, money, property, funds**, or anything else of value, or their derivatives. However, where such **loss** contains **loss** arising from a **fidelity crime** which causes the **company** to sustain direct financial loss, the **insurer** shall pay that part of **loss** which constitutes the improper personal gain of the **employee** or any other person benefiting from that **employee's** actions. Improper personal gain shall not include salaries, commissions, emoluments, or any other benefits from employment.

3.9. Prior Knowledge

arising directly or indirectly from any **fidelity crime** after a director, officer, company secretary or equivalent, trustee, equity partner or member of any LLP, or any other **employee** of the finance, legal, or compliance department of the **company** acquires knowledge of the **fidelity crime**:

- (a) whilst employed by the **company**; or
- (b) prior to employment with the **company** where the assets involved in the **fidelity crime** were more than GBP 15,000.

4. SECTION DEFINITIONS

The following terms where shown in black, **bold** type-font throughout this section have the special meanings given to them below. Any references to the plural include the singular, and vice versa.

4.1. Client

means any person or entity to whom the **company** provides goods or services under a written contract, but only whilst the written contract is in force.

4.2. Client Loss

means **loss** sustained by a **client** which the **company** is legally liable to pay.

4.3. Commercial Disruption

means the **company's** total inability to continue to provide goods or services. The ability to continue to provide goods and services at a less than normal or optimal level shall not be deemed to be **commercial disruption**.

4.4. Commercial Disruption Costs

means the necessary and reasonable costs incurred by the **company**, with the **insurer's** prior written consent (not to be unreasonably withheld or delayed), to temporarily rent premises or equipment, or to hire temporary additional staff, for the purposes of carrying on business operations.

4.5. Company

means **you** and any **subsidiary** or **pension plan**.

4.6. Contractual Penalties

means a monetary penalty enforced against the **company** under a written contract, but excluding any damages for mental distress, or punitive damages for breach of contract.

4.7. Crime

means any **fidelity crime, third-party crime, social engineering fraud, criminal damage, or data damage**.

4.8. Criminal Damage

means destruction of or damage to **money** or **securities** caused by the criminal act of any **third-party**.

4.9. Data

means information contained in any record of the **company's** whether electronic or physical, including but not limited to books, manuscripts, tapes, disks, memory devices, servers, or computer systems.

4.10. Data Damage

means the criminal and malicious alteration, deletion or corruption of **data** where the **company** has been specifically and solely targeted, provided that the **company** has maintained all required and recommended operating and security updates on any electronic **data** or systems containing the electronic **data**.

4.11. Data Damage Expenses

means the necessary and reasonable costs and expenses incurred by the **company** with the **insurer's** prior written consent (which shall not be unreasonably withheld or delayed) to rectify **data damage** provided that the **company** has maintained all required and recommended operating and security updates on any electronic **data** or systems containing the electronic **data**.

Data Damage Expenses however shall not include costs and expenses:

- (a) to replace hardware;
- (b) to improve or optimise software; or
- (c) arising out of the incorrect use or use of obsolete hardware or software.

4.12. Discovered/Discovery

means after a director, officer, company secretary, or equivalent, trustee, equity partner or member of any LLP, or any other senior member for the finance, legal, or compliance department first:

- (a) learns of a **crime** or any acts that may reasonably be expected to cause **loss**; or
- (b) first suspects (even without knowledge of such acts) that a **crime** may have been committed which is likely to lead to a **loss**

regardless of when the acts first took place or the quantum of **loss**.

4.13. Discovery Period

means the agreed period of time immediately following the expiration of the **policy period** during which **you** may give notice to the **insurer** of any **loss** related to or arising from any **crime** (as may apply to each covered Insuring Clause) first committed or alleged to have been committed prior to the expiration of the **policy period**.

4.14. Employee

means any natural person who is:

- (a) under a contract of service or apprenticeship with the **company**;
- (b) under a work experience scheme or similar;
- (c) is seconded to the **company** and acting in such capacity under the **company's** direct supervision or control;
- (d) a member of the board of directors, board of trustees or equivalent management board, but not equity directors or partners (or members if the **company** is an LLP), of the **company**;
- (e) employed by an entity to which the **company outsources**; or
- (f) a former holder of any position described in (a) to (e) above, but only for the first 60 days following leaving or termination from that position (unless the termination was the result of a **crime**, fraud, or other dishonesty).

4.15. Expenses

means the reasonable and necessary costs incurred by the **company** with the **insurer's** prior written consent (which shall not be unreasonably withheld or delayed) to:

- (a) employ the services of a public relations consultants, crisis management firm, law firm, or similar to provide guidance and support in minimising or limiting any adverse publicity which has occurred as the result of a **crime** first **discovered** during the **policy period**;
- (b) reimburse any **employee** up to GBP 250 per day, and up to GBP 50,000 in the aggregate for the **policy period**, for each day they are required to attend any court, tribunal, or other hearing in connection with a **crime** first **discovered** during the **policy period**;
- (c) substantiate the amount of **loss**;
- (d) repair or replace (to an equivalent standard) a safe or vault belonging to the **company** which has been compromised as the result of a **crime** first **discovered** during the **policy period**;
- (e) reconstitute **data**;
- (f) pay for the reasonable and necessary legal fees incurred by the **company** in defending a claim brought against the **company** to establish liability for a **loss** resulting from a **crime**; and
- (g) pay for the simple interest on any principle amount which would have otherwise been earned on any **money** or **funds** lost as a result of any **crime** involving the **money** or **fund**, as calculated at the LIBOR (London Inter-Bank Offered Rate) as published in the Financial Times on the date of **discovery** of the **crime** or as otherwise agreed between the **company** and the lending party whichever is less

provided always that **expenses** shall not include salaries, commissions, emoluments or any other benefits from employment or costs and expenses normally incurred by the **company** in the absence of a **crime** or costs and expenses of any kind incurred by a **client**.

4.16. Fidelity Crime

means the criminal, fraudulent, or dishonest taking or appropriation of **money, securities, property, or funds**, by an **employee** to the deprivation of the **company**.

4.17. Funds

means credit balances in the **company's** name held by or at a bank, trust company, savings bank, credit union, savings and loan association or similar thrift institution, stock brokerage firm, mutual fund, liquid asset fund, or similar investment institution.

4.18. Identity Fraud

means the theft or fraudulent alteration of publicly available information pertaining to the identity of the **company** by an **employee, third party, or client** which the **company** is legally required to provide (including but not limited to memoranda and articles of association, annual financial reports and compliance records) or has legitimately authored, provided such information has been relied upon by investors, customers or vendors in establishing the financial standing and credit worthiness of the **company**.

4.19. Identity Fraud Expenses

means the necessary and reasonable legal fees incurred by the **company** with the **insurer's** prior written content to:

- (a) correct or reinstate the information following an **identity fraud**; or
- (b) dismiss legal actions against them on the grounds that they are not the perpetrator of the alleged wrongdoing or to employ a private investigation agency to investigate the identity of the perpetrator of the **identity fraud**.

4.20. Loss

means the direct financial loss of the **company** as the result of any **crime**.

4.21. Money

means currency, coins and bank notes in current use and bullion, traveller's cheques, postal orders, postage stamps, luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, VAT stamps, petrol cards in current use, and unused credits in franking machines.

4.22. Outsources

means the retention and authorisation by the **company** of a natural person or organisation to perform an administrative function on behalf of the **company** provided that:

- (a) such function is performed under a written contract; and
- (b) the **company** retains the right to audit the performance of such function and has exercised that right to audit reasonably and prudently (and in any event no less than every 24 months); and
- (c) the **company** can demonstrate that they have vetted the natural person or organisation for competency, financial stability and honesty prior to the retention and authorisation by the **company** of such natural person or organisation to perform such function.

4.23. Pension Plan

means any pension, benefit, or welfare plan which is maintained by the **company** for the benefit of past, present and/or future **employees** or their beneficiaries.

4.24. Property

means tangible property but shall not include **money, securities, or funds**.

4.25. Securities

means negotiable and non-negotiable instruments or contracts representing **money or property** (but does not include **money or property**), letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable or any other bill, document or receipt similar in nature or effect or serving a similar purpose.

4.26. Social Engineering Fraud

means the criminal, fraudulent or dishonest taking or appropriation of **money, securities, property or funds** to the deprivation of the **company** or a **client** in the event of **loss** or **client loss** arising due to or following any:

- (i) fraudulent or dishonest misuse or manipulation by a **third party** of the computer hardware, software programs or systems operated by the **company**;
- (ii) fraudulent electronic, telegraphic, cable, telephone or written instructions to debit a bank account and the transfer, par or deliver funds from such account and which instructions purport to have come from the **company** but which are fraudulently altered, transmitted or issued by a **third party** or are a forgery;
- (iii) authorised instructions from the **company** to a financial institution holding **funds** in an account to set up new payee account details or alter the payee account details of a **third party** with which the **company** already transacts business where such payee account details are shown to be false and to have originated from a **third party** whose intent was to gain fund to which they were not legally entitled.

4.27. Subsidiary

means any entity in which **you** either directly or indirectly holds:

- (a) more than 50% of the issued share capital;
- (b) the right to appoint or remove a majority of the board of directors; or
- (c) more than half of the voting rights.

4.28. Telecommunication Fraud Charges

means the charges raised by the telecommunications provider against the **company** from **telecommunication fraud**.

4.29. Telecommunications Fraud

means the unauthorised and criminal use of, or access to, a terrestrial telecommunications system, owned or leased by the **company** on their premises which is password protected and is also protected by other reasonable and documented security measures, provided that non-terrestrial mobile and data telecommunications systems shall not constitute a terrestrial telecommunications system.

4.30. Third-Party

means any natural person or organisation other than an **employee** or **client**.

4.31. Third-Party Crime

means the criminal, fraudulent, or dishonest taking or appropriation of **money, securities, property, or funds**, by any **third-party** to the deprivation of the **company**, but not including **social engineering fraud**.

5. SECTION CONDITIONS

5.1. Automatic Cover for New Subsidiaries

We agree that any subsidiary or pension plan which is first created or acquired by you during the policy period shall be automatically covered under this policy in relation to any fidelity crime or third-party crime

(only as covered by each operative Insuring Clause) first occurring (regardless of when the **crime** is **discovered**) on or after the date of acquisition, provided always that the **subsidiary** or **pension plan**:

- (a) complies with the relevant definition criteria outlined in this policy; and
- (b) is not a **financial institution**; and
- (c) is not incorporated or domicile in the **USA**; and
- (d) does not have a total asset value that exceeds more than 25% of the total asset value of the **company** or existing **pension plans** (as applicable) as valued at inception of this policy; and
- (e) does not increase the gross wage roll of the **company** by more than 50% as valued at inception of this policy.

If any **subsidiary** or **pension plan** does not meet the criteria for automatic coverage, **we** shall have no obligation to include the entity under this policy. Cover shall be considered entirely at **our** discretion after the receipt of any and all information which **we** may require and shall be on whatever terms **we** deem necessary.

Any **subsidiary** or **pension plan** which benefits from this automatic cover must be declared to **us** at renewal of this policy.

5.2. Bilateral Discovery Period

If **you** decide not to renew this policy, or **we** decline to offer renewal terms (except for reason of delayed or non-payment of the premium or the making of a false, fraudulent, or exaggerated claim), then the **insured** can purchase a **discovery period** on the following terms:

- (a) 60 days at no additional premium
- (b) 12 months for 100% of the premium due for the applicable Insuring Clause; or
- (c) 24 months for 125% of the premium due for the applicable Insuring Clause.

Any additional length of **discovery period** required will be provided entirely at **our** discretion on whatever terms **we** may require. The **insured** must give no less than 30 days' notice prior to the expiration of the **policy period** or from the date **we** provide written notice of **our** intent to not renew the policy of their intent to purchase a **discovery period**, whichever is earliest.

If a **transaction change** takes place, the **insured** shall not be entitled to purchase a **discovery period** on the above terms. However, the **insured** may request terms for a **discovery period** by giving **us** at least 30 days' notice prior to the date of the **transactional change** or the end of the **policy period** (whichever is earliest). **We** will, at **our** absolute discretion and with no obligation, consider and offer terms as **we** may require.

Any premium collected for a **discovery period** is deemed fully earned at inception of the **discovery period** and is non-refundable.

5.3. Connected Crimes

All **crimes** resulting from a single act, or any number of acts in which the same person or organisation is concerned or implicated, whether such act(s) occurred before or during the **policy period**, shall be deemed to be a single **crime** first **discovered** on the date when the first of such **crimes** was **discovered**.

For clarity, the **retention** shall apply only once to all **crimes** the **insurer** deems to be connected.

5.4. Data Damage Expenses and Reconstitution of Data

The **company** shall at all times:

- (a) Maintain at least weekly back up files of **data** so that the back-up is contained within an isolated systems segregated from the **data** in current usage which is unaffected by and available following a **crime**;

- (b) ensure that **data** is protected by appropriate security measures including but not limited to physical security where appropriate, passwords, firewalls and malware detection, prevention and deletion software; and
- (c) not use unlicensed software.

5.5. Defence and Co-operation

The **insurer** shall have the right but not the obligation to defend any claim against the **insured** or peruse any perpetrator(s) of a **crime**. Each **company** shall give the **insurer** their full co-operation as reasonably required to enable the **insurer** to establish its liability, defend any claim, or pursue any perpetrator(s) of a **crime**.

5.6. Joint Policy

Each **insured** is deemed for all purposes under this Coverage Section to be insured jointly and not separately for their respective several insurable interests.

5.7. Loss Mitigation and Waiver

The **insured** shall exercise due diligence and do all that is necessary and reasonable to avoid or minimise **loss** and shall do nothing that may prejudice the **insurer's** rights or remedies under, or in connection with, this policy in relation to such **loss**.

Provided that, where the **insured** is prevented from stopping or attempting to frustrate a **crime** as a direct result of a direction or instruction issued by an authority under the auspices of his majesty's government (and invested thereby with the powers to do so) the **insurer** shall waive any rights or remedies it may have for the failure of the **insured** to mitigate such **loss** in such circumstances.

5.8. Proof of Loss

In respect of any **crime** notified, the **insured** shall give to the **insurer** full proof of **loss** (as known to the **insured** at the time) no later than 6 months from the date of first **discovery**. This shall not remove the **insured's** obligation to provide initial notification of any **crime** as required by any other Policy or Section Condition.

5.9. Valuation of Loss

The **insurer** shall not be liable to pay more than:

- (a) the lesser of the market value of **securities** at the close of business on the day immediately preceding the day on which the **crime** was **discovered**, or the cost of replacing the **securities** including the costs of posting any required lost instrument bond (which costs shall be paid by the **insurer** on behalf of the **company**);
- (b) the cost of blank material such as paper, tapes, disks and other materials for storing **data** but not the value of the information contained therein;
- (c) the costs of labour for the copying or transcription of **data** furnished by the **company** in order to reinstate the **data**;
- (d) the value of a foreign currency calculated in pounds sterling at the mid-point rate of exchange published in the Financial Times on the day the **crime** is first **discovered**; and
- (e) the cash value of **property** at the time the **crime** is **discovered** or the costs of repairing or replacing the **property** with that of an equivalent standard whichever is the less.

POLICY EXCLUSIONS

The following exclusions apply to all Insuring Clauses of this policy and incorporate definitions as appropriate from either the Section or Policy definitions. These exclusions shall take precedence over any other term or condition of this policy.

The **insurer** shall not be liable for any **claim** or **loss**

1.1. Outside Territory Claims

which is:

- (a) made against or sustained by any **insured** who is domiciled or registered outside of the **territorial limits** applicable to each section; or
- (b) made subject to or brought against the **insured** under any law or regulation or in any court or other administrative body of any jurisdiction which is outside the **territorial limits** applicable to each section.

1.2. Radioactive Contamination

directly or indirectly arising from, related to, or in any way attributable to:

- (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- (b) the radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

1.3. War and Terrorism

arising from or related to any war, invasion, foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or the use of military or usurped power or any person's action on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing of or influencing by force or violence (or threat thereof), of any government whether legally established or not.

POLICY DEFINITIONS

The following terms where shown in black, **bold** type-font throughout this policy have the special meanings given to them below. Any references to the plural include the singular, and vice versa.

1.1. Insured

means:

In respect of Coverage Section: Management Liability

- (a) **you**;
- (b) any **insured person**;
- (c) the **company**;
- (d) any **trustee**;
- (e) any **corporate trustee**; or
- (f) any **pension plan**.

In respect of Coverage Section: Commercial Crime:

- (a) the **company**

1.2. Insurer

means the insurer(s) noted on the policy schedule as "The Insurer".

1.3. Limit of Indemnity

means the maximum amount payable by the **insurer** under this policy as stated on the policy schedule for each Insuring Clause and which shall always apply excess of any applicable **retention**.

1.4. Policy Period

means the time between and inclusive of the dates shown as the "Policy Period" on the policy schedule, and including any extension or amendment to these dates as may be agreed by **us**.

1.5. Retention

means the first part of each and every **claim** or **loss** as shown on the policy schedule for which the **insured** is responsible and which the **insurer** will deduct from any payment made under this policy (if the total payment is less than the policy **retention**, the **insured** must pay the **insurer** the outstanding value within 30 days of **our** request for **you** to do so).

1.6. Sub-Limit

means the maximum amount payable by the **insurer** for any **claim** or **loss** as specified and which shall form part of, and is not in addition to, the **limit of indemnity** and which shall always apply in excess of any applicable **retention**.

1.7. Territorial Limits

means the locations shown as the "Territorial Limits" on the policy schedule.

1.8. Transactional Change

means:

- (a) the merger or consolidation with, or acquisition of, **you** by any other person or entity, or the purchase of more than 50% of **your** voting rights by any persons or entities.

- (b) Any management buy-out; or
- (c) The purchase of all or substantially all of **your** assets by any persons or entities; or
- (d) The acquisition by any persons or entities of the rights to receive more than 50% of the income received from the sale of assets following the winding-up or liquidation of **you**.

1.9. USA

means the United States of America and its territories, possessions and dependencies.

1.10. We/Us/Our

means omnyy LLP who are authorised to underwrite and administer this insurance by the **insurer** in accordance with a binding authority agreement registered under the “UMR” shown on the policy schedule.

1.11. You

means the first entity listed as “The Insured” on the policy schedule.

POLICY CONDITIONS

The following conditions apply to all sections of this policy.

1.1. Allocation

If any **claim** or **loss** involves both matters which are covered under this **policy** and matters which are not covered under this **policy**, the **insurer** and **insured** shall engage in good faith to determine a fair and reasonable allocation of the portion of **loss** which will be covered under this **policy**. If the **insurer** and **insured** cannot reach an agreement on such amounts, the **insurer** and **insured** agree to submit the issue to arbitration as outlined in Policy Condition 1.3. Arbitration.

1.2. Alteration and Assignment

No change in, modification of, or assignment of interest under this policy shall be effective except when made by written endorsement to this policy issued by the **insurer**.

1.3. Arbitration

Any dispute arising out of or in connection with this policy shall be referred to a sole arbitrator, who shall be a King's Counsel specialising in insurance law. The sole arbitrator shall be appointed by agreement between the parties or, failing such agreement within 30 days of one party receiving written notice of a nomination being made by the other party, by the Chairman for the time being of the Bar Council. The arbitration shall be held in London and in the English language.

1.4. Authorisation

You agree to act on behalf of all **insureds** with respect to the giving and receiving of notice of **claims** or **crimes**, or termination of, the payment of premiums and the receiving of any return premiums that may become due under, this **policy**, including the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this **policy** and the **insureds** agree that **you** shall so act as such on their behalf.

1.5. Choice of Law

The construction, validity, or effect of cover in connection with this policy shall be governed by English law. Any dispute arising under or in respect of this policy shall be subject to and determined within the exclusive jurisdiction of the courts of England and Wales.

1.6. Disposal of Subsidiaries

This **policy** shall automatically terminate for any **subsidiary** upon another person or entity (whether acting alone or jointly) acquiring:

- (a) more than 50% of the issued share capital; or
- (b) the right to appoint or remove a majority of the board of directors; or
- (c) more than half of the voting rights

of the **subsidiary**.

However, any **insured person** may continue to notify any **claims** arising **wrongful acts** which occurred prior to the disposal of the **subsidiary** until the expiry of the **policy period**.

1.7. Equivalent or Amending Legislation

Any reference in this policy to any statutory or common law offence shall automatically include any equivalent reference in any other jurisdiction within the **territorial limits** and shall also including any amending or replacing legislation of such.

1.8. Fraudulent Claims

if any **insured** or any party acting on behalf of the **insured** knowingly makes a false, fraudulent, or exaggerated **claim** or any false, fraudulent, or exaggerated statement in respect of any **claim** or **loss**, or submits forged or knowingly inaccurate documents in support of any **claim** or **loss**:

- (a) the **insurer** shall have the right to decline to pay any **claim** or **loss** (or any part thereof); and
- (b) **we** shall have the right to declare this policy void from the date of the fraudulent act without return of any premium paid or due.

This does not affect or alter any other rights **we** may have in relation to false or fraudulent claims.

1.9. General Claims Conditions

(a) Reporting of Claims

You must give the **insurer** written notice of any **claim** or the **discovery** of any **crime** or **loss**. This notice must always be given:

- (i) during the **policy period** or any applicable **discovery period**; and
- (ii) as soon as practically possible, but in any event no more than 45 days after the **insured** first becomes aware of any **claim** or the **discovery** of any **crime** or **loss**

(b) Notification Contents

In respect of any notice given in accordance with 1.9.(a) Reporting of Claims above, **you** shall give the **insurer** all information they may reasonably require, which shall include (but is not limited to):

- (i) a description of the circumstances of the **claim** or circumstance (including the alleged **wrongful act, employment wrongful act, or pension wrongful act**) or the nature of any **crime discovered**; and
- (ii) the identity of the claimant(s) or perpetrator(s); and
- (iii) the nature and quantum of any remedies sought, including a breakdown of indemnity sought from the **insurer** under this policy as a result.

(c) Legal Representation Rates

You are not obligated to use **our** preferred legal partners in the event of making a **claim** or notifying a **loss** under this policy. However, when **you** do not choose to utilise **our** preferred legal partners, the **insurer** shall be liable to pay only the equivalent amount the **insurer** would have paid to a preferred legal partner for the same work. For the avoidance of doubt, the following hourly rates shall be the maximum the **insurer** shall be liable to pay to **your** chosen legal representative, and **you** shall be responsible for any shortfall or remaining monies owed for services rendered above these amounts.

- (i) Up to GBP 375 per hour for any partner or equivalent.
- (ii) Up to GBP 250 per hour for any senior associate (10 years or more PQE)
- (iii) Up to GBP 190 per hour for any associate solicitor (between 3 and 10 years PQE)
- (iv) Up to GBP 155 per hour for any junior solicitor (between 0 and 3 years PQE); and
- (v) Up to GBP 120 per hour for any trainee solicitor or paralegal.

1.10. Limit of Indemnity

The maximum liability of the **insurer** under this policy for the **policy period** shall not exceed the **limit of indemnity** for each Insuring Clause, or any applicable **sub-limit**.

Each Insuring Clause (being 1.1. Directors & Officers Liability, 1.2. Corporate Legal Liability, 1.3. Employment Practices Liability, and 1.4. Pension Trustee Liability of Coverage Section: Management Liability, and 1.1. Commercial Crime of Coverage Section: Commercial Crime) shall have a separate **limit of indemnity**, and no **limit of indemnity** for any Insuring Clause shall serve to reinstate or apply excess of or in any way increase the

liability of the **insurer** under any other Insuring Clause of this policy, nor shall any payment by the **insurer** reduce or otherwise impair the **insurer's** liability under any other Insuring Clause.

The purchase of any **discovery period** or extension to the **policy period** that **we** may agree will not increase or reinstate any **limit of indemnity**.

Where any **limit of indemnity** is stated on the policy schedule to be "in the aggregate", this is the most the **insurer** shall pay for any and all **claims** or **loss** (regardless of the number of **claims** or number of **insureds**) during the **policy period** and any payment shall reduce the remaining **limit of indemnity** by the amount paid.

Where any **limit of indemnity** is stated on the policy schedule to be "any one claim", this is the most the **insurer** shall pay for any one **claim** and any payment made shall reduce the **limit of indemnity** for that one **claim**.

Where any **limit of indemnity** is stated on the policy schedule to be "any one loss", this is the most the **insurer** shall pay for any one **loss** and any payment made shall reduce the **limit of indemnity** for that one **loss**.

1.11. Material Change of Risk

As outlined in the "Duty of Fair Presentation" section of this policy, the requirement to make a fair presentation of risk is a continuing obligation and applies when there are changes in the **insured's** circumstances which materially affect the risk or relate to compliance with a warranty or condition in the policy. **You** must notify **us** (usually via **your** broker, intermediary or agent) of any such changes as soon as **you** become aware of them.

If **we** deem that any change in circumstances is a material change to the risk, **we** shall have the right to amend the terms of this policy, including the charging of additional premium as **we** deem necessary.

1.12. Other Insurances

If at the time or any **claim** or **loss** there is any other insurance effected by or behalf of any **insured** covering the same **claim** or **loss** as covered by this policy, the liability of the **insurer** shall be limited to their rateable portion for the **loss**, subject always to the **limit of indemnity** or applicable **sub-limit**.

1.13. Other Rights of Cancellation

Except as provided by Policy Conditions 1.8. Fraudulent Claims and 1.14. Premium Payment Condition, **we** shall have no automatic right to cancel this policy within the **policy period**.

You may cancel this policy at any time by giving no less than 14 days written notice to **us**. If **you** cancel this policy, **we** will refund **you** the premium paid based on the proportion of the remaining **policy period**. If the amount **you** have paid **us** does not cover the period **you** have been covered, **you** must pay **us** the outstanding difference within 14 days.

However, **we** will not refund any premium in the event **you** have made a **claim** or suffered a **loss** or notified any circumstance which could develop into a **claim** or **loss** under this policy.

1.14. Premium Payment Condition

You must pay **us** the premium due for this policy in full within 60 days of the start of the **policy period** unless **we** expressly agree alternative payment conditions.

If **you** do not pay the premium due within the specified time period, **we** shall give **you** 14 days' written notice of **our** intent to cancel the policy effective from any of the following (which **we** shall specify in **our** notice to **you**):

- (a) inception of the **policy period**;
- (b) the latest date in the **policy period** for which **we** have received premium; or
- (c) the date given in any notice **we** give **you** in accordance with this condition.

If **you** pay the outstanding premium due within the 14-day notice period, **our** notice to cancel shall automatically be withdrawn. If **you** do not pay within the 14-day notice period, this policy shall automatically cancel for all **insureds** and **we** will have no obligation to reinstate cover if payment is subsequently made after expiration of the notice period.

If, at any time during the payment or notice period **you** have made a **claim** or suffered a **loss** or notified any circumstance which could develop into a **claim** or **loss** under this policy, **we** shall not refund any premium and the full premium shall remain payable regardless of the date of cancellation.

1.15. Retention

The **insurer's** liability for **loss** under this policy shall only apply to that part of **loss** which is excess of any applicable **retention**. Any **retention** does not form part of the **limit of indemnity** and is payable by the **insured** before the application of the **limit of indemnity**.

1.16. Rights of Third Parties

A person who is not a party to this policy has no right under the contracts (rights of third parties) act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from that act.

1.17. Sanctions Suspension Condition

It is a condition of this policy that the provision of any cover, the payment of any **claim** or **loss** and the provision of any benefit hereunder shall be suspended, to the extent that the provision of such cover, payment of such claim or provision of such benefit by **us** or the **insurer** would expose by **us** or the **insurer** to any sanction, prohibition, or restriction under any:

- (a) United Nations' resolution(s); or
- (b) the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, or the **USA**.

Such suspension shall continue until such time as **we** and/or the **insurer** would no longer be exposed to any such sanction, prohibition, or restriction.

1.18. Subrogation

In the event of any payment under this policy, the **insurer** shall be subrogated to the extent of such payment to all the **insured's** rights of recovery. The **insured** shall do everything necessary to secure and preserve such rights, including the execution of such documents as are necessary to enable the **insurer** effectively to bring proceedings in the name of the **insured**.

DATA PROTECTION NOTICE

WHO WE ARE

Omnyy LLP is a “data controller” providing regulated insurance services on behalf of Accelerant Insurance UK Limited Branch.

THE BASICS

We collect and use relevant information about you to provide our insurance mediation services to you, including (as applicable) arranging the insurance cover from which you benefit or handling your claims, and to meet our legal obligations.

This information includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance mediation services we provide to you. This information may include more sensitive details such as information about your health and any criminal convictions you may have.

In certain circumstances, we may need your consent to process certain categories of information about you (including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide our insurance mediation services to you, including (as applicable) arranging the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance mediation services that we provide and to the extent required or permitted by law.

OTHER PEOPLE’S DETAILS THAT YOU PROVIDE TO US

Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

FURTHER DETAILS

For more information about how we use your personal information please see our full privacy notice, which is available online on our website (www.omnyy.com) or in formats on request.

CONTACTING US AND YOUR RIGHTS

You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice, please contact our Data Protection Manager at:



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