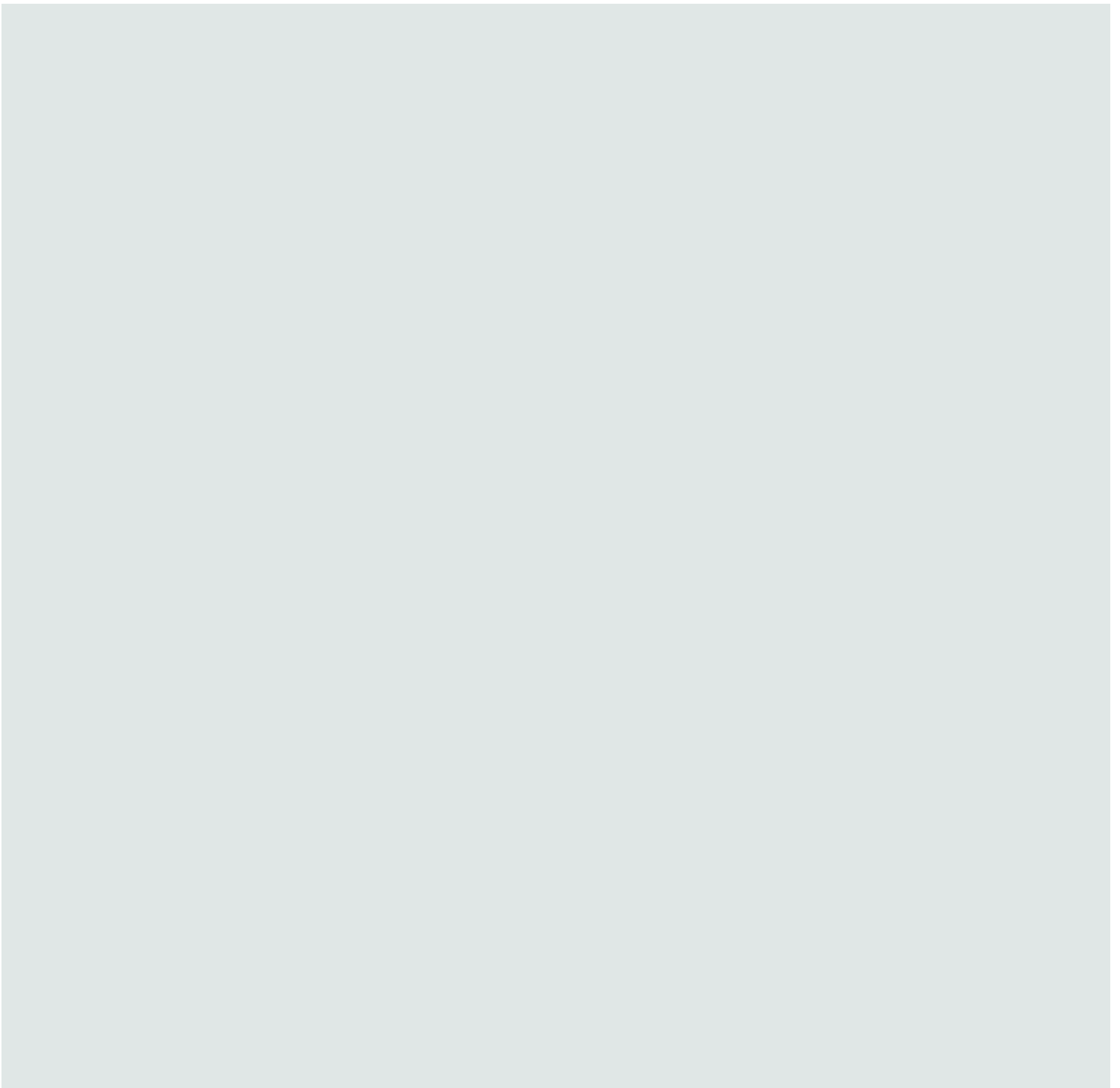


Executive Risk Solutions for Charities and not-for-profit associations

Policy document



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A warm welcome to Zurich

Thank **you** for taking out **your** Executive Risk Solutions for Charities and not-for-profit associations insurance policy with **us** and welcome to Zurich Insurance plc.

Zurich Insurance plc is a member of group of companies of which the ultimate parent company is Zurich Insurance Group Ltd, a company registered in Switzerland (Zurich). Zurich has a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

At Zurich **we** have **your** future in mind and look forward to working closely with **you**.

www.zurich.co.uk

Your Executive Risk Solutions for Charities and not-for-profit associations policy

This policy is a contract between **you** and **us**.

This policy, statement of fact, and any schedule and endorsements should be read as if they are one document.

We will insure **you** under those sections stated in the schedule during any period of insurance for which **we** have accepted **your** premium. **Our** liability will in no case exceed the amount of any limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

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

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

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

Law applicable to this contract

In the UK the law allows both **you** and **us** to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address stated in the schedule. If there is any dispute as to which law applies it will be English law.

The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy, statement of fact and any schedule and endorsement carefully and if they do not meet **your** needs contact **us** or **your** broker or insurance intermediary.

How we use Personal Information

We hold personal information in accordance with the Data Protection Act 1998. The information supplied to **us** by **you** may be held on computer and passed to other insurers and reinsurers for underwriting and claims purposes. **You** should show this to anyone whose personal information may be processed to administer this policy including handling any claims.

We use a variety of security technologies and procedures to help protect personal information from inappropriate use, and **we** will continue to revise procedures and implement additional security features as new technology becomes available.

We may use personal information for underwriting and claims purposes, statistical analysis, management information, market research, audits on the handling of claims, systems integrity testing, and risk management. **We** will only share personal information as described in this notice, or where **we** are required or allowed to do so by law.

We may record or monitor telephone calls for security and regulatory purposes.

Policy administration

In order to administer **your** insurance policy and any claims made against this policy **we** may share personal information provided to **us** with other companies within the Zurich Insurance Group and with business partners including companies inside and outside the European Economic Area. If **we** do transfer personal information including where **we** propose a change of underwriter **we** make sure that it is appropriately protected.

We may conduct searches about anyone whose personal information may be processed to administer this policy (including handling any claims) using publicly available sources. Examples are the edited electoral roll, county court judgments / Scottish decrees, bankruptcy registers and other public databases. This helps **us** assess applications for insurance, provide renewal quotations and check the accuracy of information. These searches may be recorded by credit reference agencies but they will not affect any credit standing.

Claims history

When **you** tell **us** about an incident or claim **we** may pass information relating to it to any relevant claims related database.

We and other insurers may search these databases when **you** apply for insurance, in the event of any incident or claim or at time of renewal to validate **your** claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

Fraud prevention and detection

In order to prevent and detect fraud **we** may at any time:

- a) share information about **you** with other organisations including the police
- b) conduct searches using publicly available databases
- c) undertake credit searches
- d) check and share **your** details with fraud prevention and detection agencies.

If false or inaccurate information is provided and fraud is identified details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. **We** and other organisations may also access and use this information to prevent fraud and money laundering for example when:

- a) checking details on applications for credit and credit related or other facilities
- b) managing credit and credit related accounts or facilities
- c) recovering debt and tracing beneficiaries
- d) checking details on proposals and claims for all types of insurance
- e) checking details of job applicants and employees.

Please contact **us** if **you** want to receive details of the relevant fraud prevention agencies. **We** and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

Data protection rights

Individuals have certain rights under the Data Protection Act 1998, including the right to ask for a copy of the information **we** hold about them. **We** may make a small charge for this. Individuals also have the right to ask **us** to correct their information if it is inaccurate.

If **you** want to know more about how **we** use personal information or have any data protection questions, please contact the Data Protection Officer, Zurich Insurance plc, 3000 Parkway, Whiteley, Fareham, Hants, PO15 7JZ.

Helpline numbers

Below are all the helpline numbers **you** may require.

Zurich's Risk Management Advice Line

Call 0800 302 9052 when you require risk management advice

To help **you** proactively identify and manage issues before they occur, this helpline operates during normal business hours, providing free practical guidance on risk issues such as property, security, food hygiene, business continuity, environmental and health and safety management.

Please note that this helpline includes services provided by Zurich Management Services Ltd and Santia Consulting Ltd under contract to Zurich Insurance plc.

The following helpline services are provided by DAS Law Limited and/or a preferred law firm on behalf of DAS Legal Expenses Insurance Company Ltd (DAS, we, us or our for the purposes of these services).

In using these services you acknowledge that all rights and obligations relating to the provision of these services rest with DAS and that you will have no recourse to Zurich in this regard.

Commercial Legal Assistance

Legal advice and protection for your business

Helpline services

You can contact **our** UK-based call centres 24 hours a day, 7 days a week. However, **we** may need to arrange to call **you** back depending on the enquiry. To help **us** check and improve **our** service standards, **we** record all inbound and outbound calls, except those to the counselling service. When phoning, please tell **us your** policy number and the name of the insurance provider who sold **you** the policy.

Legal advice helpline

Call 0344 893 9022 when you require legal advice

We provide confidential legal advice over the phone on any commercial legal problem affecting the business, under the laws of any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway.

Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal advisor. However if this is not possible they will arrange a call back at a time to suit **you**.

Our legal advisors provide advice on the laws of England and Wales 24 hours a day, 7 days a week, 365 days a year. Where advice is sought in an area of law beyond this jurisdiction or in respect of very specialist matters, **we** will refer **you** to one of **our** specialist advisors. This will include European law and certain areas of law for Scotland and Northern Ireland.

Specialist advice is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, **we** will call **you** back.

Tax advice service

Call 0344 893 9022 when you require tax advice

We offer confidential advice over the phone on any tax matters affecting the business, under the laws of the United Kingdom.

Tax advice is provided by tax advisors 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, **we** will call **you** back.

Counselling service

Call 0344 893 9025 for confidential counselling

We will provide **your** employees, including any members of their immediate family who permanently live with them, with a confidential counselling service over the phone including, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by **us**.

The counselling service helpline is open 24 hours a day, seven days a week.

Health and medical information service

Call 0344 893 9022 for health and medical information

We will give **your** employees information over the phone on general health issues and advice on a wide variety of medical matters. **We** can give **your** employees information on all health services including NHS Dentists.

Health and medical information is provided by qualified nurses 9am-5pm, Monday to Friday, excluding public and bank holidays. If **you** call outside these times, a message will be taken and a return call arranged within the operating hours.

If **you** have a complaint about the service or about the way **you** have been treated, please write to: DAS Customer Relations Department at: DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

Alternatively **you** can contact DAS by telephone on: 0117 934 0066, or email: customerrelations@das.co.uk.

To help check and improve service standards calls are recorded other than calls to the Counselling Service.

Online law guide and document drafting

DAS Employment Manual

Visit www.das.co.uk and click on the **Employment Manual icon**

The DAS Employment Manual offers comprehensive, up to date guidance on rapidly changing employment law. To view it, please visit www.das.co.uk and select Employment Manual. All the sections of this web-based document can be printed off for **your** own use. Contact **us** at employmentmanual@das.co.uk with **your** email address, quoting **your** policy number and **we** will contact **you** by email to inform **you** of future updates to the information.

DASbusinesslaw

Visit www.dasbusinesslaw.co.uk for online legal advice and documents. When registering, please use the following code which will provide you with access to a range of free documents: **DAS472301**

Using www.dasbusinesslaw.co.uk **you** can create ready-to-sign contracts, agreements and letters in minutes. Developed by solicitors and tailored by **you** using **our** smart document builders. **You** can also buy legal documents from the site, ranging from simple debt recovery letters to employment contracts.

The service also provides useful tools, articles and information on matters such as new legislation, employment issues, property law and taxation all regularly updated by legal experts to help **you** keep **your** business one step ahead.

DAS, Santia Consulting Ltd, Zurich Management Services Ltd and Zurich Insurance plc will not accept responsibility if any of the helpline services are unavailable for reasons DAS, Santia Consulting Ltd, Zurich Management Services Ltd and Zurich Insurance plc cannot control.

Definitions

Certain words in this policy have special meanings. These meanings are given below and apply where the words appear in bold.

Certain words have special meanings that only apply to a particular section of this policy. These are stated at the beginning of the relevant section as special definitions and will apply in that section wherever the defined words are shown in bold italics.

Benefits

Any type of compensation or the equivalent value thereof other than salary and wages including but not limited to:

- a) perquisites, fringe benefits, bonus payments
- b) incentive or deferred compensation
- c) the value of any actual, beneficial or contingent rights to benefits, incentives or other compensation whose value is imputed or derived in any way from the value of **your securities** including but not limited to, share options, share grants, restricted shares or share warrants.
- d) medical or insurance benefits and payments due to any person in connection with an employee benefit plan or **pension scheme**.

Change of control

Where any person, entity or group:

- a) acquires more than 50% of **your** share capital
- b) acquires the majority of the voting rights in **you**
- c) assumes the right to appoint or remove the majority of **your** board of directors or equivalent positions
- d) assumes control pursuant to written agreement with other shareholders over the majority of the voting rights in **you**
- e) merges with **you** such that **you** are not the surviving entity
- f) is appointed to **you** as a trustee in bankruptcy, receiver, liquidator or administrator or similar official or person.

Civil fines and penalties

Civil, administrative or regulatory money penalties directly assessed against a **director or officer** or an **outside entity executive** for a violation of any law, regulation or statute, not including punitive, exemplary or multiple damages but only where:

- a) such violations are not knowing, wilful or criminal; and
- b) such penalties are insurable under the internal laws of the jurisdiction in which such penalties were assessed or levied.

Claim

- a) A written demand for compensation, monetary damages or non-monetary relief alleging any **wrongful act**
- b) a civil proceeding, suit or counter-claim for compensation, monetary damages or non-monetary relief commenced by the service of a claim form or similar pleading alleging any **wrongful act**
- c) a formal notice of a criminal proceeding alleging any **wrongful act**
- d) a formal notice of an arbitration proceeding alleging any **wrongful act**
- e) a formal administrative or regulatory proceeding commenced by the service on an **insured** of a notice of charges or similar document against an **insured** alleging any **wrongful act**
- f) an **investigation** of the **insured organisation** when identified in writing by any **official body** where a criminal, administrative or regulatory proceeding may be commenced
- g) an investigation of an **insured person** in their insured capacity as such when that **insured person** is identified in writing by an **official body** as a person against whom a criminal, administrative or regulatory proceeding may be commenced.

Provided always that a claim will not include any labour or grievance arbitration or other proceeding pursuant to an employment collective bargaining or union agreement.

Defence costs

Reasonable fees, costs, charges or expenses necessarily incurred by an **insured** with **our** prior written consent in the investigation, defence, adjustment, settlement or appeal of any **claim** made or brought against that **insured**.

Provided always that defence costs will not include **investigation costs** and will not include remuneration payable to **you** or an **insured person** or **employee**, cost of their time or costs or overheads of the **insured organisation**.

Director or Officer

Any natural person who is:

- a) a past, present or future trustee, director, officer, management committee member, member of the board of managers, supervisory board member, management board member or governor of **you** elected or appointed according to law
- b) a past, present or future de facto director or officer or any natural person who is deemed a shadow director as defined in section 251 of the Companies Act 2006 of **you**

- c) employed by **you** to whom the Financial Conduct Authority has given its approval to perform one or more of the controlled functions 1-30 for a company pursuant to Section 59 of the Financial Services and Markets Act of 2000 (as amended).

Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with **you**
- b) under a work experience or similar scheme
- c) a labour master or labour only subcontractor or person supplied by any of them
- d) hired or borrowed by **you** from another employer
- e) a volunteer

and working under **your** direct control or supervision in connection with **your** business.

Employment claim

- a) A **claim** in respect of an **employment wrongful act** which is brought and maintained by or on behalf of any past, present, future or prospective **employee** of **you** or employee of an **outside entity** against an **insured**.
- b) A **claim** brought by any natural person who is not an **employee** alleging harassment or discrimination

Employment wrongful act

In relation to an **insured** or where applicable the **outside entity** any actual or alleged:

- a) wrongful or unfair dismissal, discharge or termination of employment
- b) breach of any oral or implied employment contract or quasi-employment contract
- c) employment related misrepresentation
- d) violation of employment discrimination laws
- e) illegal workplace harassment including sexual harassment
- f) wrongful failure to promote
- g) wrongful discipline
- h) wrongful deprivation of a career opportunity
- i) wrongful demotion
- j) negligent evaluation
- k) negligent retention
- l) employment related invasion of privacy
- m) employment related defamation, humiliation, libel or slander
- n) failure to adopt workplace or employment practices policies and procedures

- o) illegal retaliatory treatment or victimisation of **employees** including retaliation in violation of whistleblower statutes
- p) employment related infliction of emotional distress in connection with a violation listed above in this definition.

Excess

The amount stated in this policy, the schedule or any endorsement for which **you** will be responsible and which will be deducted from any payment under this policy after all other terms and conditions have been applied. The excess will be applicable to **defence costs**.

Extradition

A formal request, **claim**, warrant for arrest or other proceedings pursuant to the provisions of the Extradition Act 2003 or similar legislation in any other jurisdiction around the world.

Financial institution

Any bank including any merchant or investment bank, finance company, hedge fund, insurance or reinsurance company, mortgage bank, savings and loan association, building society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally for the purpose of carrying out commodities, futures or foreign exchange trading or any other similar entity.

Financial loss

- a) Damages, judgments, awards or settlements in respect of any **wrongful act** that **you** or an **insured person** become legally liable to pay
- b) **defence costs**
- c) **investigation costs**
- d) reasonable legal fees, costs and expenses necessarily incurred by an **insured person** with **our** prior written consent to obtain legal advice or to bring or defend proceedings including by way of judicial review or by way of other challenge to the political executives decision to order an **insured person's extradition** and to pursue appeals including appeals to the European Court of Human Rights.
- e) **prosecution costs**
- f) the reasonable premium but not collateral for a bond or other financial instrument to guarantee for up to 12 months an **insured person's** contingent obligation for a specific amount required by a court hearing a **claim**
- g) punitive, exemplary, aggravated and multiple damages imposed upon **you** or an **insured person** if and only to the extent that such damages are insurable under the internal laws of the applicable jurisdiction most favourable to **you** including without limitation the jurisdiction in which the **insured, we** or such **claim** is located.

Provided always that financial loss will not include:

- i) taxes, other than Section A – Additional Covers – 13. Taxes and employee compensation
- ii) employee compensation, other than Section A – Additional Covers – 13. Taxes and employee compensation and damages awarded to an **employee** in settlement of an **employment claim**
- iii) social security contributions
- iv) fines or penalties imposed by law, other than Section A – Additional Covers – 3. Civil fines and penalties
- v) damages that are uninsurable under the law pursuant to which this policy will be construed
- vi) **benefits**
- vii) the costs to comply with any injunctive, interim or other non-monetary relief or any agreement to provide such relief
- viii) expenses including but not limited to legal and professional fees incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralising, detoxifying or assessing the effects of **pollutants**.

Greenhouse gases

Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆), or any other emission or substance defined by applicable law as a greenhouse gas.

Indemnifiable financial loss

Financial loss of the **insured person** which the **insured organisation** has indemnified or is permitted, required, entitled to indemnify or is not prohibited from indemnifying unless the **insured organisation** fails or refuses to indemnify the **insured person** due to the status of the **insured organisation** resulting from the appointment by any governmental or provincial agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the **insured organisation**.

Insured

- a) An **insured person**
- b) the **insured organisation**

Insured Organisation

- a) **You**
- b) any past, present or future **subsidiary company**

Insured person

Any natural person who is:

- a) a **director or officer**
- b) an **outside entity executive**

- c) an **employee** who is **your** risk manager or equivalent position
- d) an **employee** while acting in a managerial or supervisory capacity for **you**
- e) an **employee** including while acting as a lawyer on behalf of **you** for:
 - i) any **employment claim**
 - ii) any other **claim** against such **employee** where such **claim** is also made and is continuously maintained against a **director or officer**.

Provided always that insured person will not include any consultant, external auditor, or liquidator, administrator or receiver of **you**.

Investigation

An official examination, enquiry, investigation or other proceeding into the **insured organisation's** affairs ordered or commissioned by an **official body**.

Investigation costs

Reasonable costs or expenses necessarily incurred by an **insured** with **our** written consent for representation at an **investigation** when such **insured** has been legally required in writing to attend.

Provided always that **investigation costs** will not include:

- a) fines or penalties levied or imposed in connection with the **investigation**
- b) remuneration payable to any **insured person** or **employee** of **you**, cost of their time or **your** costs or overheads.

Limit of indemnity

Our maximum liability in the aggregate including **defence costs** payable under each section of this policy. The limit of indemnity applies over and above any **excess**.

Official body

Any regulator, government body, government agency or official trade body or the enforcement arm of such body that is empowered by statute or statutory regulation to investigate the affairs of the **insured organisation**, an **outside entity** or an **insured person**.

Outside entity

Any not-for-profit entity

Outside entity executive

Any **director or officer** or any **employee** while serving or acting in the capacity of a director or officer of an **outside entity** at **your** specific direction and request.

Pension scheme

Your sponsored scheme, plan or arrangement.

Pollutants

Any solid, liquid, gaseous irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, toxic mould or any thermal irritant or contaminant, ionising radiation or radioactivity from any nuclear fuel and waste including but not limited to nuclear waste or materials which are intended to be or have been recycled, reconditioned or reclaimed and any other similar substance of any kind or nature whatsoever including electromagnetic fields, asbestos, asbestos products and any noise.

Pollution

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

Proposal

Any information, statements or materials supplied to **us** by **you**.

Professional Services

Services or advice performed or provided by the **insured organisation** in the furtherance of the **insured organisation's** charitable or not-for-profit purpose.

Prosecution costs

Reasonable fees, costs, charges or expenses necessarily incurred by an **insured person** with **our** prior written consent as part of a covered **claim** in bringing a proceeding for a declaration and/or injunction to oppose an **official body** seeking:

- a) a confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of such **insured person**
- b) a charge over real property or personal assets of such **insured person**
- c) a temporary or permanent prohibition on such **insured person** from holding the office of or performing the function of a director or officer or equivalent of any entity
- d) a restriction of such **insured person's** liberty to a specified domestic residence or an official detention
- e) deportation of such **insured person** following revocation of otherwise proper, current and valid immigration status for any reason other than such **insured persons** conviction of a crime.

Securities

Any bond, debenture, note, share, stock or other equity or security for debt, and will include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, or other interest in any of the foregoing items representing money or property.

Subsidiary company

Any entity in which **you** directly or indirectly:

- a) hold more than 50% of the voting rights
- b) appoint a majority of the board of directors
- c) have the right to appoint a majority of the board of directors subject to a written agreement with other shareholders.

Third party

Any person or entity other than an **insured** or **outside entity**.

We, us, our

Zurich Insurance plc.

Wrongful act

Any actual, alleged or attempted breach of duty, breach of trust, breach of warranty of authority, neglect, error, misstatement, misleading statement, libel, slander or defamation, **employment wrongful act**, a proposed act, error or omission with respect to a shareholder derivative demand or any other wrongful act or omission committed or attempted by or allegedly committed or attempted by:

- a) any **insured person** while acting in their capacity on behalf of **you** or any matter claimed against such **insured person** solely by reason of their status as such
- b) any **insured person** while acting in the capacity as a director or officer of an **outside entity** at **your** specific direction or request
- c) the **insured organisation** but solely with respect to sections B, and C

You, your, yours, yourselves

The charity, not-for-profit club or not-for-profit association designated in the schedule.

Section A – Directors’ and officers’ liability

Special definitions

Pre-claim costs

Reasonable fees, costs, charges or expenses necessarily incurred with **our** prior written consent by an **insured person** in retaining advisors separate from **you** or any **outside entity**

- a) to provide legal advice directly related to a **pre-claim event**
- b) to prepare a report and any supplementary reports as necessary to an **official body** in response to a **pre-claim event** provided always that pre-claim costs will not include **indemnifiable financial loss**.

We will not unreasonably withhold or delay such consent.

Pre-claim event

With respect to an **insured person** in their capacity as such:

- a) A raid on, or on site visit to the **insured organisation** or any **outside entity** by an **official body** that involves the production, review, copying or confiscation of documents or interviews of such **insured person**
- b) Any formal written notification to an **official body** by the **insured organisation**, by the **outside entity** or by such **insured person** of a suspected material breach of such **insured persons** legal or regulatory duty
- c) The receipt by such **insured person** of a formal notice from an **official body** which legally compels such **insured person** to produce documents to, or answer questions by, or attend interviews with that **official body** directly as a result of a **self report**.

Provided always that such raid, visit, announcement, notification and receipt of notice must be first take place or first occur during the period of insurance. A pre-claim event will be deemed to be first made against the **insured organisation** or an **insured person** when such raid, visit, announcement, notification and receipt of notice first occurred.

Provided always that a pre-claim event will not include industry-wide or sector investigations, hearings, examinations or inquiries or any routine or regular regulatory audit, examination, inspection or review.

Self report

A written report or notification to an **official body** by **you**, an **outside entity** or an **insured person** pursuant to a legal obligation to inform such **official body** of matters giving rise to an actual or potential regulatory issue where failure to provide such a report or delay in reporting can itself give rise to enforcement consequences to **you** or an **insured person** from such **official body**.

Cover

The following insurance covers are afforded for **claims** first made against **you** or an **insured person** during the period of insurance and notified to **us** as required by this policy.

Insured person

We will pay on behalf of any **insured person**:

- a) the **financial loss** of any **claim** made against such **insured person** other than to the extent that such **insured person** is indemnified by the **insured organisation** and
- b) **pre-claim costs**.

Company reimbursement

We will pay the **financial loss** of the **insured organisation** that arises from a **claim** made against an **insured person** but only to the extent that the **insured organisation** has indemnified such **insured person**.

Additional cover and extensions applicable to Section A

1. Automatic acquisition

We will pay the **financial loss** on behalf of an **insured person** of a **subsidiary company** which **you** founded or acquired after the inception date of this policy provided always that the newly founded or acquired **subsidiary company**:

- a) is not domiciled outside the European Union
- b) does not have publicly traded **securities**
- c) is not a **financial institution**
- d) does not have assets which exceed 25% of **your** total assets as stated in **your** last published accounts.

2. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 90 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 50% of the last annual premium stated in the schedule only in respect of any **wrongful act** committed prior to the effective date of such non-renewal.

Provided always that:

- i) **you** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension
- ii) in the event of **change of control** the extended reporting period will not be available.

3. Civil fines and penalties

We will pay **civil fines and penalties** of a **director or officer** and an **outside entity executive** that arise from a **claim** made against such **insured person** but only to the extent that such **civil fines and penalties** are not **indemnifiable financial loss**.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

4. Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred with respect to any covered **claim we** will give retrospective approval for such **defence costs**.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

5. Environmental mismanagement claim

We will pay the **financial loss** of an **insured person** and the **insured organisation** that arises from any **claim** based upon, arising out of or attributable to:

- a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **pollutants** or **greenhouse gases** into or on real or personal property, water or the atmosphere
- b) any direction or request that the **insured organisation** or the **insured persons** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **pollutants** or **greenhouse gases**, or any voluntary decision to do so, whether or not such **greenhouse gases** are **pollutants**

if and to the extent such **claim**:

- i) is an **employment claim** against an **insured person** including without limitation any such **claim** for retaliatory treatment
- ii) is against an **insured person** for **wrongful acts** in connection with misrepresenting or failing to disclose information related to **greenhouse gases** or actual or alleged global warming or climate changes
- iii) results in **financial loss** incurred by any **insured person**.

6. Estates, heirs or legal representatives

We will pay on behalf of any estates, heirs or legal representatives of any **insured person** such **financial loss** as arises from or in consequence of any **claim** arising from a **wrongful act** by such **insured person** committed prior to the death, incapacity, insolvency or bankruptcy of the **insured person** provided that such estates, heirs or legal representatives observe and will be subject to the terms and conditions of this policy in so far as they can apply.

7. Investigation of the insured organisation

We will pay on behalf of any **insured person** such **investigation costs** as arise from or are a consequence of an **investigation** into the **insured organisation's** affairs commenced or brought by an **official body** once an **insured person** is legally required to attend including any formal or official request or demand from an **official body**:

- a) to interview or depose an **insured person**
- b) for the production of documents from an **insured person** in connection with such **investigation**.

An **investigation** will be deemed to be first made when the **insured person** is first so required in writing to attend such **investigation**

8. Loss of documents

We will pay reasonable costs incurred by an **insured person** with **our** consent for the restoration or replacement of records associated with **your business** or charitable activities including computer systems records but excluding negotiable instruments of any kind held by **you** or for which **you** are legally responsible which have been accidentally lost or damaged. Provided always that any computer systems records are backed up no less frequently than once every 7 days or as otherwise agreed by **us** and are held at a separate location.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

9. Marital estates

We will pay **financial loss** arising from or in consequence of any **claim** first made against the lawful spouse or domestic partner of any **insured person** during the period of insurance arising solely out of their capacity as the spouse or domestic partner of any **insured person**. The cover provided by this extension is limited to **financial loss** arising from actions or proceedings for the enforcement of judgments or damages against an **insured person** resulting from a **claim** covered under this section where such enforcement relates to the ownership of property including marital community property jointly

held by the **insured person** and their spouse or domestic partner. This clause will not cover any claim arising out of any wrongful act of the spouse or domestic partner.

10. Outside entity executive

We will pay on behalf of the **outside entity executive** the **financial loss** of such **outside entity executive** in respect of any **claim** made against such **outside entity executive** and **pre-claim costs** but only excess of any indemnification provided by an **outside entity** and excess of any Directors' and Officers' Liability insurance coverage afforded to an **outside entity** or its directors or officers.

11. Reputational recovery costs

We will pay on behalf of an **insured person** the reasonable fees and expenses payable to outside public relations professionals incurred by such **insured person** with **our** prior written consent in order to mitigate damage to their reputation due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided always that such **claim** is first made against an **insured person** during the period of insurance and notified to **us** in accordance with the **claim** notification condition on this policy.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

12. Retired and resigned directors and officers

If this policy is not renewed or replaced or where such renewal or replacement does not specifically provide cover for such **directors or officers** we will provide an unlimited extended reporting period under this policy for any **director or officer** who has resigned or retired all of their positions as **director or officer** with **you** during:

- a) the period of insurance of this policy
- b) the period of insurance of any other directors and officers insurance policy issued by **us** to **you** of which this policy is a continuous renewal.

This cover will not apply to **indemnifiable financial loss** or to any **directors or officers** who resigned or retired their positions with **you** by reason of, in connection with or after a **change of control**.

13. Taxes and employee compensation

We will pay on behalf of **directors or officers** all **financial loss** relating to:

- a) corporate taxes owed by **you**; and
- b) **employee** compensation other than any bonus owed by **you**

to the extent that:

- i) it is determined by law that the **directors or officers** are personally liable for such taxes and compensation; and
- ii) it is not **indemnifiable financial loss**; and
- iii) **you** have become insolvent; and
- iv) such taxes and compensation are not owed as the result of any intentional, criminal or wilful act to breach any statutory or contractual duty governing the payment of such taxes or compensation by such **director or officer**.

Our liability will not exceed £50,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

Exclusions applicable to Section A

This section does not cover **financial loss**:

1. Bodily injury and property damage

in respect of any **claim** for:

- a) bodily injury, sickness, disease or death of any person and any consequential loss directly resulting therefrom
- b) any damage to or destruction of any tangible property including loss of use thereof and any consequential loss directly resulting therefrom other than loss, damage or destruction of documents or records.

Provided always that this exclusion will not apply to:

- i) **defence costs**;
- ii) mental or emotional distress in connection with an **employment claim**;
- iii) **financial loss** other than **defence costs** that is not **indemnifiable financial loss**

2. Conduct

arising from, based upon, attributable to or as a consequence of:

- a) any **insured** having gained any profit or advantage to which they had or have no legal entitlement
- b) any intentionally dishonest or intentionally fraudulent act or omission committed by any **insured person**;

- c) any act or omission committed by an **insured person** in reckless disregard of whether or not such act or omission might constitute a **wrongful act**

in the event that any of a) b) or c) is determined or established by:

- i) a written admission by such **insured**
- ii) a judgment or other final, non-appealable adjudication or proceeding adverse to such **insured**.

Until such determination **defence costs** will be advanced by **us**.

3. Medical malpractice

any **claim** arising from or in consequence of medical services or treatment.

4. Pension Trustee

in respect of any **claim** arising from or in consequence of infringement of obligations imposed by any statute, regulation or common law while acting in the capacity of trustee of any pension, superannuation scheme, profit sharing or other employee benefit scheme.

5. Prior circumstances and claims

in respect of any **claim**:

- a) arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any **claim** that was reported under any other insurance policy prior to inception of this policy or that was disclosed on **your** latest **proposal to us**; or
- b) alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any **claim** made against **you** or an **insured person** prior to inception of this policy.

Section B

– Corporate liability

Cover

We will pay on behalf of the **insured organisation** the **financial loss** of the **insured organisation** in respect of any **claim** first made against the **insured organisation** during the period of insurance including but not limited to

- a) any **claim** in respect of criminal proceedings brought in respect of a charge or investigations relating to a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007
- b) any **claim** arising from the provision of or failure to provide **professional services**.

Additional cover and extensions applicable to Section B

1. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 90 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 50% of the last annual premium stated in the schedule only in respect of any **wrongful act** committed prior to the effective date of such non-renewal.

Provided always that:

- i) **you** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension
- ii) in the event of **change of control** the extended reporting period will not be available.

2. Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred with respect to any covered **claim we** will give retrospective approval for such **defence costs**.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

3. Loss of documents

We will pay reasonable costs incurred by **you** with **our** consent for the restoration or replacement of records associated with **your business** or charitable activities including computer systems records but excluding negotiable instruments of any kind held by **you** or for which **you** are legally responsible which have been accidentally lost or damaged. Provided always that any computer systems records are backed up no less frequently than once every 7 days or as otherwise agreed by **us** and are held at a separate location.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

4. Reputational recovery costs

We will pay on behalf of **you** the reasonable fees and expenses payable to outside public relations professionals incurred by **you** with **our** prior written consent in order to mitigate damage to **your** reputation due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided that such **claim** is first made against **you** during the period of insurance and notified to **us** in accordance with the **claim** notification condition on this policy.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

Exclusions applicable to Section B

This section does not cover **financial loss**:

1. Bodily injury and property damage

in respect of any **claim** for:

- a) bodily injury, sickness, disease or death of any person and any consequential loss directly resulting therefrom
- b) any damage to or destruction of any tangible property including loss of use thereof and any consequential loss directly resulting therefrom other than loss, damage or destruction of documents or records.

Provided always that this exclusion will not apply to **defence costs**.

2. Conduct

arising from, based upon, attributable to or as a consequence of:

- a) any **insured person** or **insured organisation** having gained any profit or advantage to which they had or have no legal entitlement
- b) any intentionally dishonest or intentionally fraudulent act or omission committed by any **insured person** or **insured organisation**;

in the event that either of a) or b) is determined or established by:

- i) a written admission by such **insured**
- ii) a judgment or other final, non-appealable adjudication or proceeding adverse to such **insured**

until such determination **defence costs** will be advanced by **us**

3. Contracts

in respect of any breach of any oral or written contract or agreement except to the extent that the **insured organisation** would have been liable in the absence of the contract or agreement.

4. Employment benefits

in respect of any **claim** arising from or in consequence of any violation or infringements of any responsibilities, obligations or duties imposed by statute, common law, rule or regulation in respect of employers liability, disability benefits, working time regulations, redundancy pay, benefits, unemployment benefits, social security, retirement benefits, disability benefits or any similar law, rule or statute or portion of any law, rule or statute.

Provided always that this exclusion will not apply to any allegation of retaliation or retaliatory treatment of the claimant by **you** on account of the claimant exercising their rights pursuant to any such statute, law, rule or regulation.

5. Employment claim

in respect of any **employment claim**

6. Medical malpractice

any **claim** arising from or in consequence of medical services or treatment.

7. Monopolies

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

8. Pension scheme

in respect of any **claim** arising from or in consequence of infringement of obligations relating to the operation of any pension, superannuation scheme, profit sharing or other employee benefit scheme.

9. Pollution

in respect of any **claim** alleging, arising from, based upon, attributable to or as a consequence of **pollution**

10. Prior circumstances and claims

in respect of:

- a) any **claim** arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any **claim** that was reported under any other insurance policy prior to inception of this policy or that was disclosed on **your** latest **proposal to us**; or
- b) any **claim** alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any **claim** made against **you** prior to inception of this policy.

11. Professional services

in respect of the rendering of or the failure to render **professional services** to a **third party** for a fee.

12. Securities offering

in respect of any public or private offering of **securities** made by **you** during the period of insurance.

Section C

– Entity employment practice liability

Cover

We will pay on behalf of any **insured organisation** the **financial loss** of the **insured organisation** in respect of any **employment claim** first made against the **insured organisation** during the period of insurance.

Additional cover and extensions applicable to Section C

1. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 90 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 50% of the last annual premium stated in the schedule only in respect of any **employment wrongful act** committed prior to the effective date of such non-renewal.

Provided always that:

- i) **you** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension
- ii) in the event of **change of control** the extended reporting period will not be available.

2. Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred with respect to any covered **claim we** will give retrospective approval for such **defence costs**.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

3. Loss of employee data

We will pay all reasonable costs necessarily incurred by an **insured organisation** for the hiring of a security consultant to review and revise existing data protection policies or develop an internal incident response plan in connection with a covered **claim** in case of a loss of or failure to secure a **insured organisation's employee** data.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of

and not be in addition to the **limit of indemnity** stated in the schedule.

4. Reputational recovery costs

We will pay on behalf of a **insured organisation** the reasonable fees and expenses payable to outside public relations professionals incurred by a **insured organisation** with **our** prior written consent in order to mitigate damage to the reputation of a **insured organisation** due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided that such **claim** is first made against the **insured organisation** during the period of insurance and notified to **us** in accordance with the claim notification condition on this policy.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

5. Training and programme costs

We will pay all reasonable costs necessarily incurred by an **insured organisation** for educational, sensitivity or diversity training or minority development programmes in connection with a covered **claim** and required under the terms of a judgment or final consent decree.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

Exclusions applicable to Section C

This section does not cover **financial loss**:

1. Assumed Liability

in respect of any **claim** based upon, arising out of, or attributable to liability of others assumed by the **insured organisation** under any contract or agreement either oral or written.

Provided always that this exclusion will not apply to the extent the **insured** would be liable for such **financial loss** in the absence of such contract or agreement

2. Bodily injury

in respect of any **claim** for bodily injury sickness, disease or death of any person and any consequential loss directly resulting therefrom.

Provided always that this exclusion will not apply to mental or emotional distress in connection with an **employment claim**.

3. Conduct

arising from, based upon, attributable to or as a consequence of:

- a) any **insured** having gained any profit or advantage to which they had or have no legal entitlement
- b) any intentionally dishonest or intentionally fraudulent act or omission committed by any **insured**;

in the event that either of a) or b) is determined or established by:

- i) a written admission by such **insured**
- ii) a judgment or other final, non-appealable adjudication or proceeding adverse to such **insured**

until such determination **defence costs** will be advanced by **us**

4. Employment benefits

in respect of any **claim** arising from or in consequence of any violation or infringements of any responsibilities, obligations or duties imposed by statute, common law, rule or regulation in respect of employers liability, disability **benefits**, working time regulations, redundancy pay, benefits, holiday pay, notice pay, unemployment benefits, social security, retirement benefits, occupational pension scheme benefits, disability benefits, health and safety or any similar law, rule or statute or portion of any law, rule or statute.

Provided always that this exclusion will not apply to any allegation of retaliation or retaliatory treatment of the claimant by **you** on account of the claimant exercising their rights pursuant to any such statute, law, rule or regulation

5. Prior circumstances and claims

in respect of:

- a) any **claim** arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any **claim** that was reported under any other insurance policy prior to inception of this policy or that was disclosed on **your** latest **proposal to us**; or
- b) any **claim** alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any **claim** made against **you** prior to inception of this policy.

6. T.U.P.E.

in respect of any **claim** alleging the failure by **you** to inform or consult any **employee** through representatives or any actual or alleged violation of the rights of **employees** to engage in or to refrain from engaging in union or other collective activities in accordance with:

- a) the Transfer of Undertakings (Protection of Employment) Regulations of 2006
- b) a protective award in the United Kingdom

Section D – Crime

Special definitions

Act of fraud or dishonesty

Any single, continuous or repeated act of fraud or dishonesty.

Discovery or Discovered

The moment at which **you** or any trustee, **director or officer**, departmental head or other senior manager or the equivalent thereof becomes aware of any fact or facts that give reasonable grounds to believe that loss as insured by this Section has been or may be incurred even though the exact amount or details of the loss may not then be known.

Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with **you**
- b) under a work experience or similar scheme
- c) a labour master or labour only subcontractor or person supplied by any of them
- d) hired or borrowed by **you** from another employer
- e) a volunteer

and working under **your** direct control or supervision in connection with **your** charitable or not-for-profit purpose or business.

Provided always that for the purposes of this Section any broker, factor commission merchant, consignee, contractor or other agent or representative of the same general character are excluded.

Forgery

The signing by hand of another natural persons name, or the endorsing or amending by hand without authority of any cheque, draft, promissory note or bill of exchange given or received by **you** with the intent to deceive in consequence of which **you** have acted or transferred funds or goods.

Loss

Direct financial loss of any **property**, money or **securities** sustained by **you** as a direct result of any **act of fraud or dishonesty**.

Property

Your tangible property other than money or **securities**.

Cover

We will indemnify **you** for **loss** for which **you** are responsible at law committed by an **employee** acting alone or in collusion with others which is first **discovered** during the period of insurance.

Additional cover and extensions applicable to Section D

1. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 90 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 50% of the last annual premium stated in the schedule only in respect of any **act of fraud or dishonesty** committed prior to the effective date of such non-renewal.

Provided always that:

- i) **you** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension
- ii) in the event of **change of control** the extended reporting period will not be available.

2. Computer fraud

We will indemnify **you** for the theft of any of **your** money, **securities** or goods due to any fraudulent or dishonest misuse or manipulation by a **third party** of the computer systems and programs operated by **you**.

3. Employee benefit plans

We will indemnify the trustees of any pension scheme or other employee benefits scheme set up by **you** to provide benefit to **employees** in respect of **loss** as insured in this section.

Provided always that payment under this extension will not increase **our** maximum liability under this section.

4. Forgery

We will indemnify **you** for loss of money or **securities** resulting from **forgery**.

5. Funds transfer fraud

We will indemnify **you** for the theft of any of **your** funds from an account maintained by **you** at a **financial institution** following fraudulent electronic, telegraphic, cable, teletype, telephone or written instructions to debit such account and to transfer, pay or deliver funds from such account and which instructions purport to have come from **you** but which are fraudulently transmitted or issued, are a **forgery** or fraudulently altered by another.

6. Investigation costs

We will indemnify **you** in respect of reasonable fees and costs other than remuneration payable to any **employee**, trustee, **director or officer** of **you** cost of their time or costs or overhead necessarily incurred by **you** with **our** written consent to establish the amount of loss covered under this section.

Provided always that payment under this extension will not increase **our** maximum liability under this section.

7. Money orders

We will indemnify **you** for **your** direct financial loss arising from **your** acceptance in good faith in exchange for money, goods or services of any post office or express money order issued or purporting to have been issued by any post office or express office if such money order is not paid on presentation.

8. New entities

If **you**:

- a) consolidate or merge with
- b) acquire majority voting rights, control of
- c) acquire the assets of another entity cover is immediately provided to such entity where such entity:
 - i) has gross annual turnover which is less than 10% of **your** gross annual turnover and has less than 10% of **your** total **employees**
 - ii) does not undertake any activities which vary materially from **your** activities as advised to **us**
 - iii) complies with the controls and procedures adopted by **you** as advised to **us**
 - iv) has not in the preceding 3 years suffered loss of a type covered by this section whether insured or not which was greater than 25% of the amount of the **excess** stated in the schedule.

Provided always that:

- 1) **you** will give notice to **us** of all entities added to the insurance under this section by virtue of this extension within 30 days of the date of such addition. Failure to give such notice will be an election by **you** for that entity not to be included under this section
- 2) **you** will provide **us** with all information concerning the addition that **we** may require and will pay any additional premium required by **us**. Failure to pay such additional premium within 30 days of request by **us** will be an election by **you** for that entity not to be included under this section
- 3) the insurance provided under this extension will only apply to losses occurring after the date of any addition to this section.

9. Paper currency

We will indemnify **you** for **your** direct financial loss arising from **your** acceptance in good faith in the regular course of business of counterfeit paper currency other than paper currency accepted as a gift, bequest or charitable donation of any kind.

10. Reconstitution costs

We will indemnify **you** for the reasonable costs incurred in rewriting or amending the software programs or systems where such rewriting or amendment is necessary to correct the programs or amend the security codes following the fraudulent use of the computer hardware or software programs or systems operated by **you** and which was the subject of a claim under this section.

Our liability will not exceed £25,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

Exclusions applicable to Section D

This section does not cover:

1. Consequential loss

consequential or indirect loss of any description

2. Damages and fines

damages, fines, penalties or taxes of any description

3. Defence costs

the costs of defending any legal proceedings brought against **you** or the fees, costs or expenses incurred or paid by **you** in prosecuting or defending any legal proceedings whether or not such legal proceedings result or would result in a loss under this section except as may be stated specifically elsewhere in this section

4. Extortion kidnap and ransom

loss arising out of or in connection with kidnap or ransom or any threat thereof or extortion other than extortion by an **employee**

5. Fees, costs or expenses

any fees, costs or expenses incurred by **you** in establishing the existence of or the amount of loss covered under this section except as provided for by Extension 6

6. Fraudulent employee

loss caused by any **employee** whom **you** were aware had previously committed a criminal act before or after the date of commencement of employment with **you**

7. Inter insured

loss sustained by one part of **you** to the benefit of any other part of **you**

8. Proprietary information and trade secrets

loss of intangible property howsoever caused including but not limited to intellectual rights, trade secrets, proprietary information, patents, trademarks, copyrights, computer programs, customer information confidential processing methods or other confidential information of any kind

Conditions

Claims conditions applicable to Sections A-C

1. Claims notification

Upon learning of any circumstance or receiving verbal or written notice of any **claim you** must tell **us** as soon as reasonably possible and in any event no later than 45 days after the expiry of the period of insurance of:

- a) any **claim**
- b) any **insured person** being required to attend an **investigation**.

If an **insured** becomes aware of any circumstances which may reasonably be expected to give rise to a **claim** being made against **you** or an **insured person** then **you** will have the right to give written notice to **us** of those circumstances within the period of insurance such notice to comprise the **wrongful act** allegations anticipated and the reasons for anticipating such a **claim**.

Written notice must include but is not limited to a description of the **claim, investigation** or circumstance as applicable, the nature of the alleged or potential damage, the names of the actual or potential claimants and the date and manner in which the **insured** first became aware of the **claim, investigation** or circumstance.

2. Claims series

Any **claim** or **investigation** whether made before, during or after the period of insurance or series of such **claims** or **investigations** which arise out of the same **wrongful act** or which have the same originating cause or are otherwise causally connected will constitute a single **claim** or **investigation** for the purposes of this policy.

All such **claims** and such **investigations** that constitute a single **claim** or **investigation** under this condition will be deemed to have been made during the period of insurance if either the first such **claim** or first such **investigation** was first made during the period of insurance.

Providing always that if the first such **claim** or first such **investigation** was made prior to the period of insurance then all such **claims** and **investigations** will be deemed to have been made prior to the period of insurance and therefore excluded from cover.

3. Defence of claim

It is the duty of **you** or an **insured person** when receiving a **claim** to take all reasonable steps to defend such **claim** and not do anything which may prejudice **our** position.

We will have no duty to defend any **claim** made under this policy.

Provided always that for any **claim** which may be covered under this policy **we** will have the right to be provided with all such information regarding the **claim** as **we** will reasonably require and **we** will be kept fully informed regarding all matters regarding the investigation, defence or settlement of any **claim** and will have the right to receive copies of all relevant documents.

In the event of any dispute between **you** and **us** regarding whether or not to contest any **claim** then the arbitration procedure described by General Condition 1 will apply.

4. Fair allocation

If a **claim** made against any **insured** and any defendant not insured under this policy includes both **financial loss** which is covered under this policy and financial loss together with associated defence costs which are not covered then **we** and **you** will use all reasonable endeavours to determine a fair allocation between **financial loss** which is covered and financial loss which is not covered under this policy.

5. First settlement offer

If **you** consent to the first reasonable settlement offer made by the claimant which **we** support and recommend with regard to a **claim** which results in a settlement of the **claim** then the applicable **excess** amount will be retroactively reduced by 50% provided always that **you** agree to such settlement within 21 days of the settlement first being recommended by **us** and that the **financial loss** of the **claim** exceeds the **excess**.

6. Payments

We will pay **defence costs** covered under this policy to **you** or an **insured person** as and when those **defence costs** fall due. If **you** or an **insured person** have no entitlement to payment for **financial loss** under the terms and conditions of this policy **you** or the **insured person** must repay **us** any payments of **defence costs** which have been made by **us**.

7. Payments on behalf of insured persons

If the **insured organisation** fails for reasons other than insolvency to indemnify the **insured person** to the fullest extent permitted or required by law in respect of **financial loss** covered under this policy **we** will pay such **financial loss** on behalf of the **insured person**. **We** will then be entitled to obtain reimbursement from the **insured organisation** for all payments made by **us** that would not have been made if the indemnity had been provided by the **insured organisation**.

8. Written consent

You must obtain **our** written consent before:

- a) any **defence costs** are incurred
- b) any legal representative is retained to defend any **insured** or to take any steps in connection with any legal proceedings that may potentially be covered under this policy
- c) any **claim** is settled.

Provided always that paragraphs a) and b) will not apply in the case of emergency costs.

Claims conditions applicable to Section D

1. Claims notification

Upon the **discovery** of loss that may give rise to a claim **you** will notify **us** in writing as soon as reasonably possible but in all events no later than 45 days after the expiry of the period of insurance or the extended reporting period if applicable. Such notice will include but not be limited to a description of the circumstances leading to the loss and the names if known of the persons causing such loss.

2. Claims series

Where more than one loss that may give rise to a claim arises from one **act of fraud or dishonesty** or from a series of **acts of fraud or dishonesty** which are connected causally with another or which are by any means inter-related or inter-connected they will be deemed to be a single loss notwithstanding the number of loss notifications that have been made and such single loss will be attributed solely to the period of insurance during which the first loss arising from such series of **acts of fraud and dishonesty** was **discovered**.

3. Limitation

Our aggregate liability for loss sustained by any or all of the persons, companies or other entities forming part of **you** will not exceed the amount for which **we** would be liable if all losses were sustained by any one of the persons, companies or other entities forming part of **you**.

4. Loss settlement

We may with **your** consent settle any claim for loss of property with the owner thereof. Any property for which **we** have made indemnification will become **our** property. **We** may at **our** discretion pay such actual cash value or make such repairs or replacements. If **we** and **you** cannot agree upon such cash value or such cost of repairs or replacements such cash value or such cost will be determined by arbitration.

5. Submission of records

In the event of a loss **you** will immediately upon **our** request deliver to **us** all pertinent records, information, explanation and other evidence as may be reasonably required for the purposes of investigating or verifying the loss together with a statutory declaration of the truth of the loss and of any matters connected with it if required.

Special conditions applicable to Section D

1. Cancellation on discovery

The insurance under this section in respect of any **employee** will be deemed to be cancelled immediately upon **discovery** by **you** or any **director or officer**, departmental head, senior manager or the equivalent thereof not in collusion with such **employee** of **any act of fraud or dishonesty** committed by that **employee** and any further **acts of fraud or dishonesty** committed by that **employee** are not insured.

2. Dealing and trading

In respect of any **act of fraud or dishonesty** committed by any **employee** who is engaged in trading or dealing in **securities**, valuable papers, commodities, foreign exchange, derivatives, loans, transactions in the nature of a loan or other extension of credit and the like **you** will prove conclusively that such **acts of fraud or dishonesty** were committed by the **employee** with the clear intention of causing **you** to suffer such **loss** and to obtain and resulting in improper financial gain for that **employee** or any other person or entity intended by the **employee** to receive such gain. Salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions and other **benefits** will not constitute improper financial gain.

3. Joint insured

- a) If **you** comprise more than one party the company, charity, association or entity set out as **you** in the schedule will act for itself and be deemed to act as the sole agent for **you**. All parties comprising **you** are deemed to have consented and agreed that rights of action under this Section are not assignable except with **our** prior written consent
- b) **you** have the sole right to file notice or proof of loss, adjust, receive or enforce payment of any loss
- c) payment of any loss will fully release **us** on account of such loss. If **we** agree to make payment to an entity other than **you** such payment will be deemed to have been made to **you**
- d) **you** have the sole right to bring legal proceedings arising under or in connection with this section.

4. Knowledge

Knowledge possessed or **discovery** made by any **insured** forming part of **you** or by any trustee, **director or officer**, departmental head or other senior manager or the equivalent thereof will be deemed to constitute knowledge possessed or **discovery** made by all other persons, companies or entities forming part of **you**.

5. Non-identification

If a loss is alleged to have been caused by an **act of fraud or dishonesty** by any **employee** and **you** are unable to discover the identity of the actual **employee** **we** will indemnify **you** provided that the evidence submitted proves beyond reasonable doubt that the loss was caused by the fraudulent or dishonest acts of one or more **employee**.

6. Prosecution

You will if and when required by **us** but at **our** expense if a conviction is obtained use all diligence in prosecuting to conviction any person by whose dishonesty a claim will have been made under this section.

7. Valuation

a) Securities

In no event will **we** be liable in respect of **securities** for more than the actual cash value thereof at the close of business on the business day preceding the day on which the direct financial loss of **securities** sustained by **you** as a direct result of any **act of fraud or dishonesty** was **discovered**

b) Books of accounts and records

In the case of loss of or damage to **property** consisting of books of accounts or other records other than electronic data used by **you** in the conduct of **your** charitable or not-for-profit purpose or business **we** will be liable under this section only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which will have been furnished by **you** in order to reproduce such books and other records

c) Electronic data

In the event that a loss as covered under this section results in the destruction, erasure or theft of electronic data used by **you** while such data is stored within **your** computer systems **we** will be liable under this section if such data is actually reproduced and cover hereunder will only apply to the cost of labour for the actual transcription or copying of data, which will have been furnished by **you** in order to reproduce such electronic data

d) **Damage to premises**

In the event that a loss results in damage to **your** premises **we** will not be liable for more than the actual cost of repairing such premises with material of like quality and value

e) **Foreign currency**

If a foreign currency being a currency other than the currency in which this section is written is involved in a loss sustained by **you** under this section then for the purpose of any calculation required in the settlement of a loss the rate of exchange will be the rate as offered by **our** London Clearing Bank on the date of such settlement

f) **Other property**

In no event will **we** be liable as respects other **property** not included in the above for more than the actual cash value thereof at the time of loss or for more than the actual cost of repairing such other **property** or of replacing it with **property** or material of like quality and value. Provided always that the actual cash value of such other **property** held by **you** as a pledge, or as collateral for an advance or a loan will be deemed not to exceed the value of the **property** as determined and recorded by **you** when making the advance or loan nor in the absence of such record the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

General conditions

For the purposes of these general conditions 'claim' will mean **claim, employment claim, financial loss or loss**.

1. Arbitration

All disputes and differences arising under or in connection with this contract will be referred to arbitration under ARIAS Arbitration Rules.

The Arbitration Tribunal will consist of three arbitrators, one to be appointed by the claimant, one to be appointed by the respondent and the third to be appointed by the two appointed arbitrators. The third member of the Tribunal will be appointed as soon as practicable and no later than 28 days after the appointment of the two party-appointed arbitrators. The Tribunal will be constituted upon the appointment of the third arbitrator.

The arbitrators will be persons (including those who have retired) with not less than 10 years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry. Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time prior to their appointment by ARIAS (UK) the party or arbitrators in default may make such appointment. The Tribunal may in its sole discretion make such orders and directions as it considers necessary for the final determination of the matters in dispute. The Tribunal will have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

2. Cancellation notice

In the event of non payment of premium **we** have the right to cancel this policy or any section or part of it by giving 14 days notice in writing by special delivery mail to **your** last known address.

3. Change of control

If there is a **change of control** during the period of insurance then the cover provided by this policy only applies in respect of **wrongful acts** occurring prior to the effective date of that **change of control**. **You** must give written notice to **us** of the **change of control** as soon as reasonably possible.

4. Change in circumstances

You must notify **us** as soon as possible during the period of insurance if there is any change in circumstances or to the material facts previously disclosed by **you** to **us** or stated as material facts by **us** to **you** which increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the period of insurance. If the changes make the risk unacceptable to **us** then **we** are under no obligation to agree to make them and may no longer be able to provide **you** with cover.

If **you** do not notify **us** of any such change **we** may exercise one or more of the options described in clauses c) i), ii) and iii) of General Condition 8 but only with effect from the date of the change in circumstances or material facts.

5. Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 this policy is not enforceable by any third party.

6. Contractual right of renewal (tacit)

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme **we** will have the right which **we** may choose not to exercise to renew the policy each year and continue to collect premiums using this method. **We** may vary the terms of this policy including the premium at renewal. If **you** decide that **you** do not want **us** to renew this policy provided **you** tell **us** or **your** insurance intermediary before the next renewal date **we** will not renew it.

7. Excess

We will only pay that amount of **financial loss** or loss in respect of each claim that is in excess of the applicable **excess** stated in the schedule. The **excess** is not part of **our limit of indemnity** and is to be borne by **you** and will remain uninsured. If more than one **excess** is applicable to a single claim, then the applicable **excess** will be applied separately to each part of such claim but the maximum total **excess** applicable to such claim will not exceed the largest applicable **excess**.

8. Fair presentation of the risk

a) At inception and renewal of this policy and also whenever changes are made to it at **your** request **you** must:

- i) disclose to **us** all material facts in a clear and accessible manner; and
- ii) not misrepresent any material facts.

b) If **you** do not comply with clause a) of this condition **we** may:

- i) avoid this policy which means that **we** will treat it as if it had never existed and refuse all claims where any non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless in which case **we** will not return the premium paid by **you**; and
- ii) recover from **you** any amount **we** have already paid for any claims including costs or expenses **we** have incurred.

c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless this policy may be affected in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:

- i) if **we** would not have provided **you** with any cover **we** will have the option to:
 - 1) avoid the policy which means that **we** will treat it as if it had never existed and repay the premium paid; and
 - 2) recover from **you** any amount **we** have already paid for any claims including costs or expenses **we** have incurred
- ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply. **We** may recover any payments made by **us** on claims which have already been paid to the extent that such claims would not have been payable had such additional terms been applied
- iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

9. Fraudulent claims

If **you** or anyone acting on **your** behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

we will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

We may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of **you** this condition should be read as if it applies only to that insured person's claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

10. Limit of indemnity

The **limit of indemnity** is the total aggregate amount payable by **us** under each section of this policy for all **financial loss** or loss irrespective of the number of claims or the number of **insureds** who may claim under this policy and irrespective of the amounts of any such claims or when they are made.

11. New subsidiary companies and cessation of subsidiary companies

This policy will only apply to **claims** made against an **insured person** of a **subsidiary company** or the **subsidiary company** which arise from circumstances occurring after becoming a **subsidiary company** or prior to ceasing to be a **subsidiary company**.

12. Other Insurances

If a **claim** or loss under this policy would but for the existence of this policy be insured by any other valid and collectable:

- a) Directors' and Officers' Liability or Management Liability policy or indemnity
- b) Employment Practices Liability insurance policy
- c) General Liability insurance policy
- d) Pollution Liability insurance policy
- e) Employee dishonesty or Crime policy
- f) any other insurance which has a duty to defend such claim

we will only be liable for any amount above that collectable under such other policy.

In the event of a claim made against an **outside entity executive** coverage afforded by this policy will be specifically excess of:

- a) any indemnification provided by an **outside entity**; and
- b) any insurance coverage afforded to an **outside entity** or its directors or officers or equivalent executive or management position.

In the event such other Directors' and Officers' or Management Liability insurance coverage afforded to the **outside entity** or any of its directors or officers is provided by **us** or other companies within the Zurich Insurance Group or would be provided but for the application of the retention amount, exhaustion of the **limit of indemnity** or failure to submit a notice of a claim as required then **our** maximum aggregate **limit of indemnity** for all **financial loss** under this policy in respect of such cover will be reduced by the amount of the **limit of indemnity** as stated in the schedule of the other Zurich Insurance Group insurance provided to such **outside entity**.

13. Payment by instalments

Where **we** refer in the policy to the payment of premiums this will include payment by monthly instalments. If **you** pay by this method the policy remains an annual contract. The date of payment and the amount of the instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then the credit agreement and the policy will be cancelled immediately.

14. Representations and severability

This clause is applicable only to sections A, B and C.

The **proposal** will be construed as a separate **proposal** for coverage by each **insured**. No statement in the **proposal** or knowledge possessed by **you** will be imputed to any other **insured person** for the purpose of determining if coverage is available. The declarations, representations and warranties in the **proposal** and knowledge possessed by any past, present or future Chief Executive Officer, Chief Financial Officer, Director of Human Resources, and/or in house General Counsel of the **insured organisation** will be imputed to the **insured organisation** for determining if coverage is available with respect to **claims** against such party under the applicable section of the policy.

15. Sanctions

Notwithstanding any other terms of this policy **we** will be deemed not to provide cover nor will **we** make any payment or provide any service or benefit to **you** or any other party to the extent that such cover, payment, service or benefit would violate any applicable trade or economic sanctions law or regulation.

16. Subrogation

Upon any payment made or to be made under any section of this policy **we** will be entitled to assume conduct of all rights of recovery available to **you** and **you** will render all reasonable assistance to **us** in the prosecution of such rights by **you** including but not limited to trying to recover from the **insured organisation** any deductible paid by **us**.

You will execute all papers reasonably required and will take all reasonable action that may be necessary to secure any and all of **our** subrogation rights. With respect to section A only in no event will **we** exercise **our** rights of subrogation against an **insured person** under this policy unless it is determined by a written admission, a final judgment or other adjudication in the underlying action or in a separate action or proceeding that such **insured person** had obtained an illegal profit or advantage or committed an intentionally dishonest act or omission or intentionally fraudulent act or omission.

17. Territorial limits

Coverage under this policy will apply to:

- a) in respect of Section A, B, & C **financial loss** resulting from any **claim** or **wrongful act**
- b) in respect of Section D loss arising from **acts of fraud or dishonesty**

occurring in the United Kingdom, the Isle of Man or the Channel Islands.

Our complaints procedure

Our commitment to customer service

We value the opportunity to look into any concerns **you** may have with the service **we** have provided and **we** are committed to handling all complaints fairly, consistently and promptly.

Who to contact in the first instance

Many concerns can be resolved straight away therefore in the first instance please get in touch with **your** usual contact at Zurich or **your** broker or insurance intermediary as they will generally be able to provide **you** with an immediate response to **your** satisfaction.

Contact details will be provided on correspondence that **we** or **our** representatives have sent **you**.

If **we** cannot resolve **your** complaint straight away **we** will aim to resolve **your** concerns as soon as possible and **we** will keep **you** informed of progress while **our** enquiries are continuing.

The majority of complaints **we** receive are resolved within four weeks of receipt.

The Financial Ombudsman Service (ombudsman)

If **we** are unable to resolve **your** complaint to **your** satisfaction within eight weeks or if **you** remain dissatisfied following receipt of **our** final response letter **you** may be able to ask the ombudsman to formally review **your** case. **You** must contact the ombudsman within six months of **our** final response.

The ombudsman contact details are as follows:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

You can telephone for free on:

08000 234 567 for people phoning from a "fixed line"
(for example a landline at home)

0300 123 9 123 for mobile-phone users who pay a
monthly charge for calls to numbers starting 01 or 02

or e-mail: complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and **you** are entitled to contact the ombudsman at any stage of **your** complaint.

The ombudsman can help with most complaints if **you** are:

- a consumer
- a business employing fewer than 10 persons that has an annual turnover or balance sheet that does not exceed €2 million
- a charity with an annual turnover of less than £1 million
- a trustee of a trust with a net asset value of less than £1 million.

If **you** are unsure whether the ombudsman will consider **your** complaint or for more information please contact the ombudsman directly, or visit <http://www.financial-ombudsman.org.uk>

The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) which means that **you** may be entitled to compensation if we are unable to meet our obligations to **you**. Further information is available on www.fscs.org.uk or by contacting the FSCS directly on 0800 678 1100



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Registered in England and Wales | Company number 103274. Website: www.das.co.uk

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Zurich Insurance plc

A public limited company incorporated in Ireland. Registration No. 13460.

Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland. UK Branch registered in England and Wales Registration No. BR7985. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

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