
DIRECTORS AND OFFICERS LIABILITY INSURANCE

1. PREAMBLE

Whereas Underwriters have received a signed Proposal Form together with accompanying documents which are hereby agreed to be the basis of this Policy and to be considered as incorporated herein and provided the Premiums stated in the Schedule attached to this Policy have been duly paid.

2. INSURING CLAUSE

Underwriters agree, subject to the terms, conditions, limitations and exclusions of this Policy, to:

- (A) Pay on behalf of the Directors or Officers of the Company Loss arising from any Claim first made against them during the Period of Insurance and notified to Underwriters during the Period of Insurance by reason of any Wrongful Act committed in the capacity of Director or Officer of the Company except for and to the extent that the Company has indemnified the Directors or Officers.
- (B) Pay on behalf of the Company Loss arising from any Claim first made against the Directors or Officers during the Period of Insurance and notified to Underwriters during the Period of Insurance by reason of any Wrongful Act committed in the capacity of Director or Officer of the Company but only when and to the extent that the Company shall be required or permitted to indemnify the Directors or Officers pursuant to the law, common or statutory, or the Memorandum and Articles of Association.

3. DEFINITIONS

(The following words shall have the same meaning throughout this Policy, whether expressed in the singular or the plural)

- (a) 'Director or Officer' shall mean:
 - (i) any natural person who was or is or may hereafter be a Director or Officer of the Company or is construed so to be within the meaning of any applicable law or regulation governing such matters, and
 - (ii) in the event of the death or incompetency of any person that falls within 3(a)(i) hereof, their estate, heirs, legal representatives or assigns, for legal liabilities incurred due to any Wrongful Act of any person that falls within 3(a)(i) hereof.
- (b) 'Company' shall mean the Company stated in the Schedule and shall include all Subsidiary Companies.
- (c) 'Subsidiary Company' shall mean:
 - (i) any company of which the Company (either directly or indirectly through one or more of its Subsidiary Companies as defined herein) before the inception date of this Policy:
 - (a) Controls the composition of the Board of Directors, or
 - (b) Controls more than half of the voting power, or
 - (c) Holds more than half of the issued share capital.
 - (ii) 'Subsidiary Company' shall also mean any company that falls within 3(c)(i) hereof, acquired or created on or subsequent to the inception date of this Policy the total assets of which do not exceed the amount of TOTAL ASSETS stated in the Schedule, provided that this Policy shall only apply in respect of a Wrongful Act committed or alleged to have been committed by the Directors or Officers of such company subsequent to the date of acquisition or creation and provided that such company is not domiciled or incorporated in the United States of America or Canada.
 - (iii) 'Subsidiary Company' shall not mean any company which does not fall within 3(c)(i) or 3(c)(ii) hereof, unless with the prior written consent of Underwriters.
- (d) 'Period of Insurance' shall mean the period stated in the Schedule. However,
 - (i) In the event that Underwriters refuse to renew this Policy, the Directors and Officers and the Company shall have the right to an extension of the cover granted by this Policy in respect of any Wrongful Act committed or alleged to have been committed prior to the expiry date of this Policy provided that this right is exercised by written notice to Underwriters within ten (10) days of cessation of this Policy.

It being understood and agreed that:

- (a) the cover granted by 3(d)(i) hereof shall be for a period of ninety (90) days beginning from the expiry date of this Policy, and

(b) the quotation by Underwriters of different premiums and/or different terms and/or different conditions and/or different limitations and/or different exclusions and/or a different Limit of Underwriters' Aggregate Liability at renewal does not constitute a refusal to renew.

(ii) In the event of the takeover or merger of the Company as stated in 7 TAKEOVER AND MERGER of the Policy 3(d)(i) hereof is deleted and "Period of Insurance" shall mean the period stated in the Schedule plus one hundred and eighty (180) days thereafter. Notwithstanding 3(d)(ii) hereof, 'Period of Insurance' shall not exceed a period of eighteen (18) calendar months from the earliest date stated in the Schedule.

The Limit of Underwriters' Aggregate Liability stated in the Schedule shall not in any way be increased by virtue of 3(d)(i) or 3(d)(ii) hereof.

(e) 'Wrongful Act' shall mean any actual or alleged wrongful act or omission by Directors or Officers, individually or collectively, by reason of their being Directors or Officers of the Company. Related or continuous or repeated or causally-connected Wrongful Acts shall constitute a single Wrongful Act.

(f) 'Loss' shall mean legal liability of the Directors or Officers to pay:

(i) damages or costs awarded against the Directors or Officers,

(ii) settlements as agreed by Underwriters (such agreement shall not unreasonably be withheld),

(iii) Costs and Expenses.

(g) 'Costs and Expenses' shall mean all reasonable and necessary fees and expenses incurred by or on behalf of the Directors or Officers with the written consent (such consent shall not unreasonably be withheld) of Underwriters resulting solely from the investigation and/or defence and/or monitoring and/or settlement of any Claim and appeals there from.

(i) Underwriters shall also pay on behalf of the Directors and Officers, Costs and Expenses arising out of the prosecution (criminal or otherwise) of any Director or Officer or the attendance of any Director or Officer at any official investigation, examination, inquiry or other proceedings ordered or commissioned by any official body by reason of a Wrongful Act.

(ii) Underwriters shall also pay on behalf of the Company, Costs and Expenses incurred by any shareholder of the Company in pursuing a Claim during the Period of Insurance against any Director or Officer of the Company which the Company is legally obligated to pay pursuant to an order of the court.

'Costs and Expenses' shall not mean salaries, commissions, expenses or other benefits of the Directors or Officers or employees of the Company.

(h) 'Claim' shall mean:

(i) any writ or summons or other application of any description whatsoever or cross-claim or counter claim issued against or served upon any Director or Officer for any Wrongful Act, or

(ii) any written communication alleging a Wrongful Act communicated to any Director or Officer.

4. EXCLUSIONS

Underwriters shall not pay any Loss arising from any Claim:

(i) where legal action or litigation is brought in a court of law within the Excluded Territories stated in the Schedule or where legal action or litigation is brought in a court of law outside those territories to enforce a judgment in those territories whether by way of reciprocal agreement or otherwise.

(ii) to the extent that an indemnity or payment is available from any source, other than this Policy.

(iii) for any actual or alleged bodily injury, sickness, disease or death of any person or any actual or alleged damage to or destruction of any tangible property, including loss of use thereof.

(iv) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged seepage, pollution or contamination of any kind

(v) brought about by or contributed to by or consequent upon any dishonesty, fraud or malicious conduct of the Directors or Officers provided, however, that Underwriters shall pay on behalf of the Directors and Officers:

(a) Costs and Expenses incurred in successfully defending proceedings brought in respect of such Wrongful Act.

(b) Loss where the final judgment or other final adjudication of the court hearing proceedings against any Director or Officer determines that he/she is legally liable in respect of a Wrongful Act on some cause of action which is not dependent on the existence of a dishonest, fraudulent or malicious purpose or intent and makes no finding that he/she was guilty of dishonesty, fraud or malicious conduct in relation to the Wrongful Act in question.

- (vi) brought about by or contributed to by or consequent upon any Director or Officer gaining any profit or advantage or receiving any remuneration to which he/she was not legally entitled.
- (vii) for the return by the Directors or Officers of any remuneration paid to them without the previous approval of the shareholders of the Company which payment, without such previous approval, shall be held by the court to be in violation of the law.

(For the purpose of determining the applicability of 4(v) and (vi) and (vii) hereof the Wrongful Act of one Director or Officer shall not be imputed to any other Director or Officer).
- (viii) made by any third party based upon or alleging or originating from breach of any professional duty owed to such third party.
- (ix) arising out of any pension or superannuation scheme or programme.
- (x) made by or on behalf of the Company or by or on behalf of any Director or Officer and at the instigation of any person or entity who is or was also a Director or Officer or agent of the Company however this Exclusion shall not apply to any Claim made by or on behalf of any employee of the Company (except one who is or was a Director) in respect of employment disputes.
- (xi) brought about by, or contributed to by, or consequent upon, any circumstances existing prior to or at the inception date of this Policy and which the Directors or Officers or the Company knew or ought reasonably to have known could give rise to a Claim.
- (xii) for taxes or fines or penalties or punitive or exemplary or multiple damages or any Claim deemed uninsurable under law.
- (xiii) brought about by or contributed to by or consequent upon:
 - (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss,
 - (b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,
 - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

5. LIMIT AND RETENTION

- (a) Underwriters total aggregate liability under both 2 INSURING CLAUSE (a) and (b) together shall not exceed the Limit of Underwriters' Aggregate Liability stated in the Schedule, which amount shall be inclusive of Costs and Expenses.
- (b) Underwriters shall only be liable under 2 INSURING CLAUSE (a) to pay in excess of the amount stated as Retention (a) in the Schedule which amount applies to each and every Loss for each individual Director or Officer against whom a Claim is made subject to a maximum of the amount stated as Retention (b) in the Schedule when a Claim is made against more than one individual Director or Officer. Such amounts include all Costs and Expenses and are to be borne by the Director or Officer and are not to be insured.
- (c) (i) Underwriters shall only be liable under 2 INSURING CLAUSE (b) to pay in excess of the amount stated as Retention (c) in the Schedule which amount applies to each and every Loss. Such amount includes all Costs and Expenses and such amount is to be borne by the Company and is not to be insured.

(ii) The amount stated as Retention (c) in the Schedule shall apply to Loss resulting from any Claim if indemnification by the Company is required by law or is legally permissible to the fullest extent permitted by law, regardless of whether or not actual indemnification or payment is made, unless the Company is unable to make such actual indemnification or payment solely by reason of its insolvency.

6. CLAIMS PROVISIONS

6(a) and 6(b) and 6(c) and 6(d) hereof are conditions precedent to the right of the Directors and Officers and the Company under this Policy).

- (a) The Directors and Officers and the Company shall give to Underwriters immediate notice in writing of any Claim.
- (b) The Directors and Officers and the Company shall give to Underwriters written notice as soon as practicable of any circumstances of which the Directors or Officers or the Company shall become aware which might reasonably be expected to give rise to a Claim against the Directors or Officers, giving reasons for the anticipation of such Claim, with full particulars as to dates and persons involved.

Such notice having been given as required by 6(b) hereof, any subsequent Claim made shall be deemed to have been made during the Period of Insurance.

- (c) The Directors and Officers and the Company shall give Underwriters such information and cooperation as Underwriters may reasonably require and shall not disclose to anyone the existence of this Policy without Underwriters consent, unless as a consequence of the requirements of the law.
- (d) The Directors and Officers and the Company shall not admit liability for or settle or attempt to settle any Claim or incur any Costs and Expenses without the written consent of Underwriters who shall be entitled at any time to take over and conduct in the name of the Directors or Officers or the Company the defence or settlement of any Claim or to prosecute in the name of the Directors or Officers or the Company for their own benefit any Claim for payment, indemnity or damages or otherwise against any third party. In any event no action shall be taken which might prejudice Underwriters.
- (e) The Directors or Officers or the Company shall not be required to contest any legal proceedings unless Counsel (to be mutually agreed upon by the Directors and Officers, the Company and Underwriters) shall advise that such proceedings should be contested.
- (f) Underwriters shall not settle any Claim without the consent of the Directors or Officers or the Company. If however the Directors or Officers or the Company shall refuse to consent to any settlement recommended by Underwriters and shall elect to contest or continue any legal proceedings in connection with such Claim, then Underwriters liability for the Claim shall not exceed the amount by which the Claim could have been so settled inclusive of Costs and Expenses incurred with their consent up to the date of such refusal, and then only up to the Limit of Underwriters' Aggregate Liability stated in the Schedule.
- (g) With respect to Costs and Expenses and any joint settlement of any Claim made against both the Company and the Directors and Officers, such Costs and Expenses and joint settlement having been consented to by Underwriters (such consent shall not unreasonably be withheld), the Company and the Directors and Officers and Underwriters agree to use their best efforts to determine a fair and proper allocation of the amount as between the Company and the Directors and Officers and Underwriters.
- (h) Underwriters shall be entitled to nominate a solicitor and, if appropriate a barrister or an attorney, to represent the Directors or Officers

7. TAKEOVER AND MERGER

In the event of the takeover or merger of the Company by or with any other organisation any payment with respect to Loss arising from a Claim hereunder is amended to apply only to any Loss by reason of Wrongful Acts committed by the Directors or Officers prior to the date of such takeover or merger.

8. ADVANCEMENT OF COSTS AND EXPENSES

- (a) Under 2 INSURING CLAUSE (a) Underwriters may, in their absolute discretion, advance Costs and Expenses prior to the final settlement of the Claim, unless such Costs and Expenses have been advanced by the Company.
- (b) Under 2 INSURING CLAUSE (b) Underwriters may, in their absolute discretion, advance Costs and Expenses prior to the final settlement of the Claim.

Such advance payments of Costs and Expenses as referred to in 8(a) and 8(b) hereof, shall be repaid to Underwriters by the Directors and Officers and the Company severally according to their respective interests, in the event and to the extent that they shall not be entitled under this Policy to payment of such Loss.

9. CONDITIONS

- (a) In the event of Underwriters being entitled to avoid this Policy ab initio, Underwriters may at their election instead give notice in writing to the Directors and Officers and the Company that they regard this Policy as of full force and effect save that there shall be excluded from any payments afforded hereunder any Loss which has arisen or which may arise and which is related to the circumstances which entitle Underwriters to avoid this Policy.

This Policy shall then continue in full force and effect but shall be deemed to exclude as if the same had been specifically endorsed ab-initio the particular Loss or possible Loss referred to in the said notice.

- (b) If the Directors or Officers or the Company shall make any request for payment in respect of any Loss knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all requests for payment in respect of any Loss hereunder shall be forfeited.
- (c) The Proposal Form shall be construed as a separate application by each Director or Officer. With respect to the signed Proposal Form together with the declarations and statements contained therein, no statements in such Proposal Form or knowledge possessed by any Director or Officer shall be imputed to any other Director or Officer for the purpose of determining the availability of any payment hereunder for Loss arising from a Claim made against any Director or Officer.

- (d) Underwriters shall not avoid this Policy by reason only that they may be so entitled by virtue of any statute or rule of law that makes or deems void any provision or contract to indemnify or make payment to any Director or Officer of the Company against liability for any Wrongful Act. Underwriters' rights to avoid this Policy for any other reason, including but not limited to misrepresentation or non-disclosure, remain unaffected.

SPECIMEN