



BEAZLEY ARMOUR SIDE A DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

In consideration of the payment of the premium, in reliance on all statements made in the application and subject to all of the provisions of this Policy, Underwriters and the **Insureds**, agree as follows:

I. INSURING CLAUSE

Underwriters shall pay on behalf of the **Insureds** all **Loss** resulting from any **Claim** first made against the **Insureds** during the **Policy Period** or any optional extension period, if purchased, for a **Wrongful Act** except to the extent that such **Loss** is paid by any other insurance or as indemnification from any source, subject to Clause VI. of this Policy. In no event will this Policy cover the **Company** or any **Outside Entity** with respect to any claims made against them or cover any amounts that the **Company** or any **Outside Entity** pays on behalf of or as indemnification to the **Insureds**.

II. INSUREDS

Coverage under this Policy shall be limited to **Insureds** which whenever used in boldface type shall mean the following:

- A. all persons who were, now are, or shall be duly elected or appointed directors, officers, trustees or **Managers** of the **Company** and all persons serving in a functionally equivalent role for the **Company** if serving in such a position outside the United States; and
- B. the lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable federal, state, or local law in the United States, of any of the persons set forth in paragraph A. above, but solely by reason of such spousal status or such spouse's ownership interest in property or assets that are sought as recovery for **Wrongful Acts** including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy. No **Company** or **Outside Entity** is covered in any respect under this Policy.

Coverage afforded under this Policy to a spouse as provided for under paragraph B. above does not apply to any **Claim** alleging any act, error or omission by such spouse.

III. DEFINITIONS

The following terms whenever used in this Policy in boldface type shall have the meanings indicated.

A. **"Claim"** means:

1. a written demand or request for monetary damages or non-monetary relief against the **Insureds** or to toll or waive a statute of limitations;
2. a civil, criminal, administrative, investigative or regulatory proceeding initiated against any of the **Insureds**, including any proceeding before the Equal Employment Opportunity Commission or any similar federal, state or local governmental body, commenced by:
 - a. the service of a complaint or similar pleading;
 - b. the filing of a notice of charges, investigative order or similar document; or
 - c. written notice or subpoena from an investigatory authority identifying such **Insureds** as individuals against whom a formal proceeding may be commenced; or
3. an official request for **Extradition** of any **Insured** or the execution of a warrant for the arrest of any **Insured** where such execution is an element of **Extradition**.

B. **"Company"** means:

1. the **Parent Company** and its **Subsidiaries**, including any such organization as a debtor in possession within the meaning of the United States Bankruptcy Code or similar legal status under foreign law; and
2. any foundation, charitable trust or political action committee controlled by the **Parent Company** and/or its **Subsidiaries**.

C. **"Defense Costs"** means reasonable and necessary legal fees and expenses to which Underwriters consent and which are incurred by or on behalf of the **Insureds** in: (i) defending, settling, appealing or investigating any **Claim** and the cost of appeal, attachment or similar bonds; or (ii) opposing, challenging, resisting or defending against any request for or any effort to obtain the

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Extradition of any **Insured**, or appealing any order or other grant of **Extradition** of any **Insured**, but shall not include:

1. salaries, regular or overtime wages, fees or benefit expenses associated with directors, officers or employees of the **Company** or the **Company's** overhead expenses; or
2. any amounts incurred in defense of any **Claim** for which any other insurer has a duty to defend.

Underwriters shall have no obligation to apply for or furnish any bond for appeal, attachment or any similar purpose.

- D. "**Extradition**" means any formal process by which any **Insured** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.
- E. "**Interrelated Wrongful Acts**" means any and all **Wrongful Acts** which have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.
- F. "**Loss**" means the amounts which the **Insureds** become legally obligated to pay on account of a **Claim**, including damages, judgments, any award of pre-judgment or post-judgment interest, costs and fees awarded pursuant to judgments, settlement amounts, punitive, exemplary or multiplied damages (for purposes of determining the insurability of punitive, exemplary and multiplied damages, the law in any applicable jurisdiction which most favors coverage for punitive, exemplary or multiplied damages shall apply), and **Defense Costs** incurred by any of the **Insureds**, but shall not include:
1. matters deemed uninsurable under the law pursuant to which this Policy shall be construed; provided, that the Underwriters shall not assert that the portion of any settlement in connection with any **Claim** arising out of a public offering of shares of the **Company** constitutes uninsurable loss due to alleged violations of Section 11 or 12 of the Securities Act of 1933 as amended; or
 2. taxes or the loss of tax benefits, or fines or penalties imposed by law.

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- G. **"Managers"** means all persons who were, now are, or shall be managers, managing members, members of the board of managers or equivalent executives of a company that is a limited liability corporation.
- H. **"Outside Entity"** means any non-profit corporation, community chest, fund or foundation that is not included in the definition of the **Company** and any other entity specified in Item 7. of the Declarations.
- I. **"Outside Executive Position"** means the position of director, officer, trustee or other equivalent executive position held by any of the **Insureds** in an **Outside Entity** if service in such position is at the specific request of the **Company**.
- J. **"Parent Company"** means the company designated in Item 1. of the Declarations.
- K. **"Policy Period"** means the period from the effective date and hour of this Policy to the Policy expiration date and hour as set forth in Item 2. of the Declarations, or its earlier termination, if any.
- L. **"Subsidiary"** means:
1. any entity while more than 50% of the outstanding voting securities representing the present right to vote for the election of such entity's directors are owned by the **Parent Company** directly or indirectly if such entity or corporation was so owned on or prior to the inception date of this Policy;
 2. any limited liability corporation while the right to elect or otherwise appoint or designate more than 50% of such limited liability corporation's **Managers** is owned or controlled by the **Parent Company** directly or indirectly if such entity or corporation was so owned on or prior to the inception date of this Policy;
 3. any joint venture, which is a corporate entity, while the **Parent Company** has managerial control, or while the right to elect or otherwise appoint more than 50% of such entity's directors, trustees or other equivalent executive is owned or controlled by the **Parent Company** directly or indirectly if such entity or corporation was so owned on or prior to the inception date of this Policy; or

4. any entity which the **Company** forms or acquires during the **Policy Period** that otherwise qualifies as a subsidiary under paragraphs 1., 2. or 3. above.

M. **“Wrongful Act”** means:

1. any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, act or omission by any of the **Insureds** in their capacity as a director, officer, trustee or **Manager** of the **Company** or a person serving in a functionally equivalent role for the **Company** outside the United States or while serving in an **Outside Executive Position**; or
2. any matter claimed against any of the **Insureds** by reason of their serving as a director, officer, trustee or **Manager** of the **Company** or in a functionally equivalent role for the **Company** outside the United States or in an **Outside Executive Position**.

IV. EXCLUSIONS

The Underwriters shall not be liable to make any payment for **Loss** in connection with any **Claim**:

A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

1. any **Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice given prior to the **Policy Period** under any other similar insurance policy;
2. any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** which has been the subject of such notice, would constitute **Interrelated Wrongful Acts**; or
3. any demand, suit or other proceeding pending, or order, decree or judgment entered, against any **Insured** on or prior to the Pending or Prior Litigation Date set forth in Item 6. of the Declarations, or any **Wrongful Act**, fact, circumstance or situation underlying or alleged therein;

B. for:

1. any deliberately dishonest, fraudulent or criminal act or omission by any of the **Insureds**,

2. any personal profit or advantage gained by any of the **Insureds** to which they were not legally entitled, or
3. the return by any of the **Insureds** of any remuneration paid to them without the previous approval of the appropriate governing body of the **Company**,

as determined by a judgment or a final adjudication in the underlying action; provided, however; this exclusion shall not apply to **Defense Costs** in connection with any such **Claim** until such judgment or final adjudication in the underlying action and provided, further that this exclusion shall not apply to that portion of any settlement resulting from alleged violations of Section 11 or 12 of the Securities Act of 1933 as amended; or

- C. against any of the **Insureds** of any **Subsidiary** based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 1. any **Wrongful Act** occurring prior to the date such entity became a **Subsidiary** or subsequent to the date such entity ceased to be a **Subsidiary**, or
 2. any **Wrongful Act** occurring while such entity was a **Subsidiary** which together with a **Wrongful Act** occurring prior to the date such entity became a **Subsidiary**, would constitute **Interrelated Wrongful Acts**.

For the purpose of determining the applicability of any Exclusion above, no **Wrongful Acts** of any **Insured** shall be imputed to any other **Insured**.

V. LIMIT OF LIABILITY

- A. The amount shown in Item 3. of the Declarations shall be the maximum aggregate Limit of Liability of Underwriters under the Policy. If the limit is reinstated pursuant to paragraph E. below, then Underwriters' maximum aggregate limit shall be an amount twice the amount shown in Item 3. of the Declarations.
- B. **Defense Costs** are part of, and not in addition to, the Limit of Liability set forth in Item 3. of the Declarations. The payment of **Defense Costs** by Underwriters shall reduce and may totally exhaust the Limit of Liability.

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- C. If the Limit of Liability set forth in Item 3. of the Declarations and the reinstated limit set forth in paragraph E. below, if applicable, are exhausted by the payment of **Loss**, Underwriters' obligations under this Policy shall be completely fulfilled and extinguished.
 - D. More than one **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the time at which the earliest **Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** is first made or deemed to have been made.
 - E. If the Limit of Liability set forth in Item 3. of the Declarations is exhausted by payment of **Loss**, then the Limit of Liability shall be reinstated a single time. Such reinstated limit shall only apply to **Loss** incurred by any independent, non-employee director of the **Company** and shall not apply to any **Claim** deemed made prior to the **Claim** which first exhausts the Limit of Liability. The reinstated limit shall be excess of any insurance which is specifically excess of this Policy.

VI. OTHER INSURANCE, INDEMNIFICATION, DROP DOWN AND DIFFERENCE IN CONDITIONS

The **Insureds** and Underwriters agree that all coverage under this Policy is excess over and will not contribute with:

- A. all other insurance, whenever purchased, whether such other insurance is stated to be primary, contributing, excess, contingent or otherwise; and
- B. all indemnification to which the **Insureds** may be entitled from any source, including without limitation the **Company** or any **Outside Entity**

and the premium for this Policy has been calculated accordingly. However, if **Loss** is not paid by such other insurance or as indemnification for any reason, including without limitation refusal of any entity to indemnify an **Insured**, attempted rescission of any other insurance policy, exclusion under any other insurance policy or pursuant to any automatic stay of bankruptcy, this Policy will pay such **Loss** on behalf of the **Insureds**, subject to all of its terms, conditions and limitations, including without limitation Clause VII.C. below and Clause VIII.B. Assistance, Cooperation and Subrogation.

VII. SETTLEMENT AND DEFENSE

- A. It shall be the duty of the **Insureds** and not the duty of Underwriters to defend **Claims**. Underwriters shall have the right and shall be given the opportunity to effectively associate with the **Insureds** in the investigation, defense and settlement of any **Claim** that appears reasonably likely to be covered in whole or in part hereunder.
- B. The **Insureds** shall not settle any **Claim**, select any defense counsel, incur any **Defense Costs**, admit or assume any liability, stipulate to any judgment or otherwise assume any contractual obligation without Underwriters' prior written consent, which shall not be unreasonably withheld. Underwriters shall not be liable for any settlement, **Defense Costs**, assumed obligation, admission or stipulated judgment to which it has not consented or for which the **Insureds** are not legally obligated.
- C. In the event that:
1. the **Company** or any **Outside Entity** is required or permitted to indemnify the **Insureds** for **Defense Costs** or to advance on behalf of any **Insureds** any **Defense Costs** in any **Claim**, whether such indemnity or advancement is pursuant to law, charter or other similar formative document, by-laws or written agreements of the **Company** or any **Outside Entity**, and
 2. the **Company** or any **Outside Entity** refuses or is financially unable to indemnify the **Insureds** for such **Defense Costs**,

then, at the written request of the **Insureds**, Underwriters will advance on a current basis any **Defense Costs** which the **Company** or **Outside Entity** has not indemnified or advanced.

If Underwriters advance such **Defense Costs**, the **Insureds** agree to assign to Underwriters their right to recover indemnity from the **Company** or the **Outside Entity** and to comply with Clause VIII.B. Assistance, Cooperation and Subrogation to assist Underwriters to recover against the **Company** or **Outside Entity** for indemnification or advancement of **Defense Costs** due but not paid. Underwriters shall pay **Defense Costs** no more than once every 90 days.

VIII. REPRESENTATIONS, ASSISTANCE, COOPERATION AND SUBROGATION

- A. Representation Clause

By acceptance of this Policy, the **Insureds** agree:

1. that the statements in the application are their representations and that this Policy is issued in reliance upon the truth of such representations; and
2. that in the event that the application contains misrepresentations made with the actual intent to deceive, or contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by Underwriters under this Policy, this Policy shall not afford any coverage with respect to those **Insureds** who made or had knowledge of such misrepresentations. For purposes of determining the applicability of this Clause VIII.A.2., no knowledge or information possessed by any **Insured** shall be imputed to any other **Insured** to determine whether coverage shall be available.
3. Notwithstanding the foregoing, Underwriters shall not be entitled to rescind this Policy at any time.

B. Assistance, Cooperation and Subrogation Clause

The **Insureds** agree to provide Underwriters with such information, assistance and cooperation as Underwriters or their counsel may reasonably request, and they further agree that they shall not take any action which in any way increases Underwriters' exposure under this Policy.

In the event of payment under this Policy, Underwriters shall be subrogated to the **Insureds'** rights of recovery against any person or entity, including without limitation for indemnification by the **Company** or any **Outside Entity**, to the extent of such payment. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents as are necessary to enable Underwriters effectively to bring suit in their name, and shall provide all other assistance and cooperation which Underwriters may reasonably require, including without limitation, an action against the **Company** or any **Outside Entity** for non-payment of indemnity due and owing to the **Insureds**.

IX. AUTOMATIC COVERAGE FOR ACQUIRED ENTITIES

In the event the **Parent Company**, after the inception date of this Policy, acquires any other entity or acquires substantially all of the assets of another entity, or merges with another entity such that the **Parent Company** is the surviving entity, or creates or acquires a **Subsidiary**, coverage shall be afforded under this Policy for any **Loss** in

any way involving the directors, officers, trustees or managers of the entity acquired or merged with.



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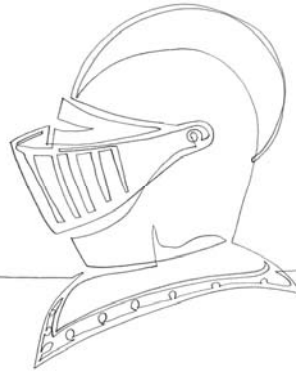
SCHEDULE OF UNDERLYING INSURANCE

Primary Policy:

Insurer:	
Policy No.:	
Limit of Liability:	
Retention:	

Excess Policies:

Insurer:	
Policy No.:	
Limit of Liability:	



**BEAZLEY ARMOUR SIDE A DIRECTORS AND OFFICERS
LIABILITY INSURANCE POLICY**

**FOLLOW FORM OF UNDERLYING TERMS AND CONDITIONS
CLAUSE**

X. UNDERLYING INSURANCE

Except as otherwise provided, this Policy shall follow form of the underlying insurance set forth in the Schedule of Underlying Insurance. To the extent that the terms of this Policy conflict with the terms of any underlying insurance, the terms of this Policy shall apply; provided, however, in the event that any defined term in any underlying insurance conflicts with any defined term in Clause III. of this Policy, then the broadest applicable definition shall apply. Furthermore, only the exclusions set forth in Clause IV. of this Policy shall apply to any **Claim**. No additional exclusions under any underlying insurance shall apply to this Policy.