



INSURANCE COMPANY DIRECTORS & OFFICERS LIABILITY AND ERRORS & OMISSIONS LIABILITY POLICY

In consideration of, and subject to, the payment of the premium, and in reliance upon the particulars, statements, attachments and exhibits contained in and submitted with the Proposal and which shall be the basis of this Policy and shall be deemed to be incorporated herein, and subject to all the terms and conditions of this Policy, the Insurer and the Insureds agree as follows:

I. INSURING AGREEMENTS

A. Directors' and Officers' Liability

Except for Loss which the Insurer pays pursuant to Insuring Agreement B of this Policy, the Insurer will pay on behalf of the Directors and Officers Loss which the Directors and Officers shall become legally obligated to pay as a result of a Claim first made during the Policy Period or Discovery Period, if applicable, against the Directors and Officers for a Wrongful Act which takes place during or prior to the Policy Period.

If the Company is permitted or required by law to ultimately indemnify the Directors and Officers, or to advance Claims Expenses on their behalf, and does not in fact do so other than for reasons of Financial Insolvency, then the Insurer shall pay Loss on behalf of the Directors and Officers, subject to the retention amount set forth in Item 4(b) of the Declarations of this Policy. For purposes of this paragraph, the shareholder and board of directors resolutions of the Company shall be deemed to provide indemnification for such Loss to the fullest extent permitted or required by law.

B. Company Reimbursement

The Insurer will pay on behalf of the Company Loss for which the Company has, to the extent permitted or required by law, indemnified the Directors and Officers, and which the Directors and Officers have become legally obligated to pay as a result of a Claim first made during the Policy Period or Discovery Period, if applicable, against the Directors and Officers for a Wrongful Act which takes place during or prior to the Policy Period.

C. Errors and Omissions Liability Policy

The Insurer will pay on behalf of the Insureds Loss which the Insureds shall become legally obligated to pay as a result of a Claim first made against the Insureds during the Policy Period or the Discovery Period, if applicable, for a Wrongful Act in the performance of Professional Services which takes place during or prior to the Policy Period.

Provided, however, as a condition precedent to any such coverage under Insuring Agreements A., B., and C., the Insureds shall report such Claim to the Insurer as soon as practicable but in no event later than sixty (60) days after the termination of the Policy Period or Discovery Period, if applicable.

II. DEFINITIONS

The following terms, whenever used in this Policy, shall have the meanings indicated:

- A. "Claim" means:
- (a) a written demand for civil damages or other civil relief that appears reasonably likely to involve payment under this Policy commenced by the Insured's receipt of such demand,
 - (b) a civil proceeding commenced by the service of a complaint or similar pleading, or
 - (c) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document.
- B. "Claims Expenses" means that portion of Loss consisting of reasonable and necessary fees (including attorneys' fees and experts' fees) and expenses incurred in the defense or appeal of a Claim, but shall not include the wages, salaries, benefits or expenses of the Insureds.
- C. "Company" means the Parent Company and any Subsidiary.
- D. "Directors and Officers" means: (1) one or more natural persons who were, now are or shall in the future be duly elected or appointed directors or officers of the Company, or, with respect to a Subsidiary incorporated outside the United States, their functional equivalent; and (2) with respect to Insuring Agreement C. only, any other natural persons who were, now are or shall hereafter be employees of the Company.
- E. "Discovery Period" means the period set forth in Item 7(b) of the Declarations.
- F. "Executive Officer" means the president, chief executive officer, chief operating officer, chief financial officer, in-house general counsel, managing director, any executive vice president and any equivalent executive officer of the Company.
- G. "Financial Insolvency" means the status of the Company as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the Company, or the Company becoming a debtor in possession.
- H. "Insureds" means:
- (1) one or more Directors and Officers; and
 - (2) solely with respect to Insuring Agreements B. and C., the Company.
- I. "Interrelated Wrongful Acts" means Wrongful Acts that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- J. "Loss" means sums which the Directors and Officers or, with respect to Insuring Agreement C., the Company, are legally liable to pay solely as a result of any Claim insured by this Policy, including Claims Expenses, compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments and punitive and exemplary damages and the multiplied portion of multiple damages, but excluding fines, penalties, taxes, any amount allocated to uncovered loss pursuant to Section VI. of this Policy, or any amount or Loss which is uninsurable pursuant to applicable law.
- K. "Parent Company" means the entity designated in Item 1 of the Declarations.
- L. "Policy Period" means the period set forth in Item 2 of the Declarations, subject to prior termination pursuant to Section IX.B.
- M. "Professional Services" means services performed solely by any of the Insureds in underwriting, claim handling and adjusting, safety inspections, loss control, safety engineering, premium financing, insurance consulting, actuarial consulting, risk management, personal injury rehabilitation operations, subrogation and salvage operations, or investment advice incidental to the purchase or servicing of the Company's insurance products.

N. "Subsidiary" means any corporation in which more than fifty-percent (50%) of the outstanding securities or voting rights representing the present right to vote for election of directors or equivalent position is owned, in any combination, by one or more Companies.

O. "Wrongful Act" means:

- (1) any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty, committed or attempted by the Directors and Officers, individually or collectively, in their capacity as such, or in an Outside Position, or, with respect to Insuring Agreement C., by the Company, or
- (2) any matter claimed against the Directors and Officers solely by reason of their serving in such capacity or in an Outside Position.

III. EXCLUSIONS

A. Exclusions Applicable to all Insuring Agreements

The Insurer shall not be liable to make any payment for Loss in connection with any Claim made against the Insureds:

1. for bodily injury, sickness, disease, emotional distress, mental anguish, outrage, humiliation, death, false arrest or imprisonment, abuse of process, malicious prosecution, defamation, violation or invasion of any right of privacy or private occupancy, trespass, nuisance or wrongful entry or eviction, or for damage to or destruction of any tangible property including loss of use thereof;
2. for any actual or alleged Wrongful Act by Directors and Officers of any Subsidiary in their capacities as such or, with respect to Insuring Agreement C., by any Subsidiary if such Wrongful Act actually or allegedly occurred when such corporation was not a Subsidiary;
3. for, based upon, arising from, or in any way related to any claim, Wrongful Act, or circumstance if notice thereof is given under any directors and officers liability policy or insurance company errors and omissions liability policy the term of which incepted prior to the Inception Date of this Policy;
4. for, based upon, arising from, or in any way related to any Insured serving in the capacity of trustee, fiduciary or administrator of an employee pension benefit plan or employee welfare benefit plan established for the benefit of the Directors and Officers and/or employees of the Company and based upon or arising from an actual or alleged violation of the Employee Retirement Income Security Act of 1974, amendments thereto or regulations promulgated thereunder, or similar federal, state, local or common law;
5. for, based upon, arising from, or in any way related to their gaining in fact any profit or advantage or receiving any remuneration to which such Insured was not legally entitled;
6. for, based upon, arising from, or in any way related to any deliberately dishonest, malicious, fraudulent act or omission or any willful violation of law by such Insured if a judgment or other final adjudication adverse to such Insured establishes such act, omission or willful violation; provided, however, this exclusion shall not apply to Insuring Agreement C. for Loss in connection with any Claim which includes allegations of both fraud and bad faith in rendering or in failing to render Professional Services;
7. for liability assumed under any contract or agreement, except for liability which would have attached to the Insured even in the absence of such contract or agreement; or
8. for, based upon, arising from, directly or indirectly resulting from, or in any way related to:
 - (i) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; or
 - (ii) any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, nuclear material or nuclear waste; including without limitation any Claim by or on behalf of the Company or its shareholders in their capacity as such; provided, however, this exclusion shall not apply to any Loss in connection with any Claim otherwise covered

under Insuring Agreement C. and which is brought by a policyholder of the Company seeking coverage under an insurance policy issued by the Company.

Pollutants include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including without limitation smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste and any electric, magnetic or electromagnetic field of any frequency. Waste includes, but is not limited to, material to be recycled, reconditioned or reclaimed.

B. Exclusions Applicable to Insuring Agreements A. and B.

The Insurer shall not be liable to make any payment for Loss under Insuring Agreements A. or B. in connection with any Claim made against the Directors and Officers:

1. for, based on, arising from, directly or indirectly resulting from, or in any manner relating to the rendering or failure to render Professional Services by any Insured except for any Claim brought by or on behalf of the Company directly or derivatively or by or on behalf of the policyholders or securityholders of the Company individually or as a class, so long as such policyholders and/or securityholders are acting totally independent of, without the solicitation of, or assistance of, or participation of, or intervention of, any of the Directors and Officers, or the Company;
2. for, based upon, arising from, or in any way related to such Director and Officer serving as a director, officer, general partner, trustee, regent, governor or employee of any entity other than the Company, even if such service is at the direction or request of the Company; provided that this exclusion does not apply with respect to a Claim for a Wrongful Act by a Director and Officer while serving in an Outside Position if such Claim is brought and maintained without the solicitation, assistance or participation of the entity in which such Director and Officer serves in such Outside Position or any director, officer, trustee, regent, governor or employee of such entity;
3. for, based upon, arising from, or in any way related to an accounting of profits made from the purchase or sale by such Directors and Officers of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state, local or common law;
4. brought or maintained by or on behalf of an Insured in any capacity, except:
 - (i) a Claim that is a shareholders' derivative action brought or maintained on behalf of the Company by one or more securityholders who are not Directors and Officers and who bring or maintain the Claim without the solicitation, assistance or participation of the Company or any of the Directors and Officers;
 - (ii) a Claim by any of the Directors and Officers for the actual or alleged wrongful termination, discrimination or sexual harassment of such Director and Officer;
 - (iii) a Claim for contribution or indemnity, if the Claim directly results from another Claim that is otherwise covered under this Policy; or
 - (iv) a Claim brought by an Insured who is a natural person in the capacity of a policyholder of any policy issued by the Company;
5. for, based upon, arising from, or in any way related to any demand, suit or other proceeding against any Insured which was pending on or existed prior to the applicable Prior Litigation Date specified in Item 5(a) of the Declarations, or the same or substantially the same facts, circumstances or allegations which are the subject of or the basis for such demand, suit or other proceeding.

The Wrongful Act of any Directors and Officers shall not be imputed to any other Directors and Officers for purposes of applying the exclusions set forth in Sections III.A. and III.B.

C. Exclusions Applicable to Insuring Agreement C.

The Insurer shall not be liable to make any payment for Loss under Insuring Agreement C. in connection with any Claim made against the Insureds:

1. brought against the Company by any Insured; provided, however, this exclusion does not apply to any Claim brought by an Insured who is a natural person in the capacity of a policyholder of any policy issued by the Company;
2. for, based upon, arising from, directly or indirectly resulting from, or in any way related to Financial Insolvency;
3. by any pool or association (including any director, officer or employee thereof) in which any Insureds are participants or by any participant (including any director, officer or employee thereof) in any such pool or association involving the business or operations of such pool or association;
4. for, based upon, arising from, directly or indirectly resulting from, or in any way related to the adequacy, accuracy or redundancy of claim reserves;
5. for, based upon, arising from, or in any way related to express warranties or guarantees made in connection with Professional Services;
6. for any actual or alleged obligation assumed by the Company as an insurer or reinsurer under any policy or contract or treaty of insurance, reinsurance, suretyship, annuity, or endowment;
7. for, based upon, arising from, or in any way related to the failure to purchase or maintain adequate reinsurance and/or retrocession arrangements;
8. for any actual or alleged discrimination in the underwriting or sale of any insurance product;
9. for premiums, return premiums, brokerage fees or commissions, tax monies, or the commingling of funds;
10. for, based upon, arising from, or in any way related to underwriting results;
11. for, based upon, arising from, or in any way related to, the termination or administration of any agency or brokerage contract or agreement;
12. for, based upon, arising from, or in any way related to any demand, suit or other proceeding against any Insured which was pending or existed prior to the applicable Prior Litigation Date specified in Item 5(b) of the Declarations, or the same or substantially similar facts, circumstances or allegations which are the subject of or the basis for such demand, suit or other proceeding; or
13. which is brought by or on behalf of any reinsurer of the Company.

IV. CLAIMS EXPENSES, SETTLEMENTS AND COOPERATION

- A. No Claims Expenses shall be incurred or settlements made, contractual obligations assumed or liability admitted with respect to any Claim without the Insurer's prior written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any Claims Expenses, settlement, assumed obligation or admission to which it has not consented.
- B. The Insurer shall have the right to associate itself in the defense and settlement of any Claim that appears reasonably likely to involve this Policy. The Insurer may make any investigation it deems appropriate. However, it shall be the duty of the Insureds, not the Insurer, to defend any Claim.

- C. Subject to Section VI. of this Policy, the Insurer shall advance on behalf of the Insureds Claims Expenses which Directors and Officers or, solely with respect to Insuring Agreement C., the Company, have incurred in connection with Claims made against them, prior to disposition of such Claims, provided always that to the extent it is finally established that any such Claims Expenses are not covered under this Policy, the Insureds, as appropriate, agree to repay the Insurer such non-covered Claims Expenses.
- D. The Insurer may, with the written consent of the Insured, settle a Claim covered under Insuring Agreement C. for solely a monetary amount which the Insurer deems reasonable. If the Insured withholds consent to such settlement, the Insurer's liability for all Loss on account of such Claim shall not exceed the amount for which the Insurer could have settled such Claim plus Claims Expenses accrued as of the date such settlement was proposed in writing by the Insurer to the Insured.
- E. The Insureds shall, as a condition precedent to their rights under this Policy, give to the Insurer all information and cooperation as the Insurer may reasonably require and shall do nothing that may prejudice the Insurer's position or actual rights of recovery.

V. LIMITS OF LIABILITY AND RETENTION

- A. The Insurer's aggregate Limit of Liability for all Loss otherwise covered under this Policy shall be the amount identified in Item 3 of the Declarations, whether such Loss is covered under one or more Insuring Agreements. The Limit of Liability in the Discovery Period shall be a part of, and not in addition to, the Limit of Liability identified in Item 3 of the Declarations.
- B. The Insurer's liability in respect of Loss arising from each Claim made against any Insured shall apply only to that part of Loss which is excess of the applicable Retention identified in Item 4 of the Declarations.
- C. All Claims arising out of the same Wrongful Act or Interrelated Wrongful Acts of one or more of the Insureds shall be considered a single Claim. Such Claims shall be deemed to be first made when the first such Claim is made or deemed to be made pursuant to Section VII. of this Policy, regardless of whether such date is before or during the Policy Period.
- D. If Loss arising from a single Claim is covered in whole or in part under more than one Insuring Agreement, the applicable Retention shall be applied separately to that part of the Loss covered by each Insuring Agreement and the sum of the Retentions so applied shall constitute the Retention applicable to such Claim; provided, however, the largest Retention amount identified in Item 4(c) of the Declarations shall be the maximum Retention applicable to such Claim.
- E. The Limit of Liability available to pay judgments or settlements shall be reduced by Claims Expenses.

VI. ALLOCATION

If both Loss covered by this Policy and loss not covered by this Policy are incurred, either because a Claim against an Insured includes both covered and uncovered matters or because a Claim not covered under Insuring Agreement C. is made against both a Director and Officer and others, including the Company, the Insureds and the Insurer shall fairly and reasonably allocate such amount between covered Loss and uncovered Loss.

If there can be an agreement on an allocation of Claims Expenses, the Insurer shall advance on a current basis Claims Expenses allocated to covered Loss. If there can be no agreement on allocation of Loss:

- A. no presumption as to allocation shall exist in any arbitration, suit or other proceeding; and
- B. the Insurer shall advance on a current basis Claims Expenses which the Insurer believes to be covered under this Policy until a different allocation is negotiated, arbitrated or judicially determined; and
- C. the Insurer, if requested by the Insureds, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the Insureds, one arbitrator selected by the Insurer and a third independent arbitrator selected by the first two arbitrators.

Any negotiated, arbitrated or judicially determined allocation of Claims Expenses shall be applied retroactively to all Claims Expenses on account of such Claim, notwithstanding any prior advancement to the contrary. Any allocation or advancement of Claims Expenses on account of a Claim shall not apply to or create any presumption with respect to the allocation of other Loss on account of such Claim.

VII. NOTICE

- A. If during the Policy Period, the Insureds become aware of a specific Wrongful Act that may reasonably be expected to give rise to a Claim against any Insured, and if such Wrongful Act is reported to the Insurer during the Policy Period in writing with particulars as to the reasons for anticipating such a Claim, the nature and date of the alleged Wrongful Act, the alleged damages sustained, the names of potential claimants, any Director and Officer involved in the alleged Wrongful Act and the manner in which the Insureds first became aware of the specific Wrongful Act, then any Claim subsequently arising from such duly reported Wrongful Act shall be deemed under this Policy to be a Claim made during the Policy Period in which the Wrongful Act is first duly reported to the Insurer.
- B. Notice of any Claim or specific Wrongful Act shall be given in writing to The Hartford, Hartford Plaza, Hartford, Connecticut 06115 Attention: D&O Claims. All other notices under this Policy shall be given to the same addressee but to the attention of Financial Products Underwriters.
- C. All notices under this Policy shall refer to the Policy Number, shall be in writing, shall be given by mail or prepaid express courier properly addressed and shall be effective upon receipt.

VIII. EXTENSIONS

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- A. Death, Incapacity or Bankruptcy

In the event of the death, incapacity or bankruptcy of a Director and Officer, any Claim made against the estate, legal representatives, heirs or the assigns of such Director and Officer for a Wrongful Act of such Director and Officer shall be deemed to be a Claim against such Director or Officer.

- B. Discovery Period

If the Insurer or the Parent Company fails or refuses to renew this Policy or if the Parent Company cancels this Policy, any Insured shall have the right, upon payment of the Discovery Period Premium set forth in Item 7(a) of the Declarations, to an extension of the coverage granted by this Policy for the period set forth in Item 7(b) of the Declarations following the effective date of such cancellation or non-renewal but only with respect to any Wrongful Act taking place before the date of such cancellation or non-renewal. A written request for this extension, together with payment of the Discovery Period Premium, must be made within thirty (30) days after the effective date of cancellation or non-renewal of the Policy. Such Discovery Period Premium shall be deemed to be fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.

- C. Spousal Extension

If a Claim against a Director and Officer includes a Claim against the lawful spouse of such Director and Officer solely by reason of (a) such spousal status, or (b) such spouse's ownership interest in property or assets that are sought as recovery for Wrongful Acts, any loss for which such spouse becomes legally obligated to pay on account of such Claim shall be deemed Loss which such Director and Officer of the spouse becomes legally obligated to pay as a result of such Claim.

All terms and conditions of this Policy, including the Retention, applicable to Loss sustained by such Director and Officer in the Claim shall also apply to such spousal loss.

The extension of coverage afforded by this Section VIII.C. shall not apply to the extent the Claim alleges any Wrongful Act or omission by such spouse.

D. Outside Position Liability Extension

Subject to all of its terms and conditions, this Policy covers any Director and Officer serving in an Outside Position, but such coverage shall be specifically excess of any indemnity or insurance available from or provided by the entity in which the Director and Officer serves in such Outside Position.

Payment by the Insurer or any member company of the Reliance Group of Insurance Companies under another policy as a result of a Claim against a Director or Officer in an Outside Position shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such Claim.

"Outside Position" means the position of director, officer, trustee, or other equivalent executive position held by a Director and Officer in:

- (i) any Non-Profit Entity, provided Non-Profit Outside Position coverage is granted pursuant to Item 8 of the Declarations, or
- (ii) any other entity, provided such coverage is specifically granted by endorsement to this Policy, if service in such position is with the knowledge and consent or at the request of the Company.

"Non-Profit Entity" means any non-profit corporation, community chest, fund or foundation that (i) is not included in the definition of the Company, and (ii) is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

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IX. GENERAL CONDITIONS

A. Territory

This Policy extends to Wrongful Acts taking place or Claims made anywhere in the world.

B. Cancellation

The Insurer may cancel this Policy for non-payment of premium by sending not less than ten (10) days notice to the Parent Company at its last known address. The Insurer may not otherwise cancel this Policy. The Parent Company may cancel this Policy by sending contemporaneous notice to the Insurer, provided the Parent Company may not cancel this Policy after the effective date of the acquisition of the Parent Company as described in Section IX.H.(2) of this Policy. In the event the Parent Company cancels this Policy, the Insurer shall retain the customary short rate premium. Payment of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

C. Subrogation

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery thereof, and 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 necessary to enable the Insurer effectively to bring suit in the name of the Insureds. The obligations of the Insureds pursuant to this Section IX.C. survive the termination of the Policy Period.

D. Company Authorization

By acceptance of this Policy, the Insureds agree that the Parent Company may act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or cancellation, the payment of premiums and the receiving of any return premium, the negotiation, agreement to and acceptance of any endorsements to this Policy, and the exercising of the Discovery Period option.

E. Other Insurance

If any Loss arising from any Claim is insured by another valid policy or policies, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to this Policy's Policy Number.

F. Alteration and Assignment

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Insurer.

G. Action Against Insurer

No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and the amount of the Insureds' obligation to pay shall have been finally determined either by judgment against the Insureds after actual trial, or by written agreement of the Insureds, the claimant and the Insurer.

No person or organization shall have the right under this Policy to join the Insurer as a party to any action against the Insureds to determine the Insureds' liability, nor shall the Insurer be impleaded by the Insureds or their legal representative. Bankruptcy or insolvency of an Insured or of an Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

H. Changes in Exposure

(1) Acquisition or Creation of Corporation; Assets Acquisition; Assumption of Liability

If before or during the Policy Period the Company:

- (a) acquires securities or voting rights in another corporation or creates another corporation, which as a result of such acquisition or creation becomes a Subsidiary, or
- (b) acquires any corporation by merger into or consolidation with the Company, such corporation and its Directors and Officers shall be Insureds under this Policy but only with respect to Wrongful Acts taking place after such acquisition or creation.

However, if during the Policy Period the fair value of (i) all cash, securities, assumed liabilities and other consideration paid by the Company for any such acquisition, or (ii) all assets acquired or liabilities assumed by the Company in any single transaction or series of related transactions, exceeds 20% of the total consolidated assets or liabilities, respectively, of all Companies as reflected in the Parent Company's last audited consolidated financial statements prior to such acquisition, the Parent Company as a condition precedent to coverage with respect to such new Insureds or to coverage for Wrongful Acts relating to such acquired assets or assumed liabilities occurring subsequent to such acquisition or assumption, shall give written notice of such acquisition or assumption to the Insurer as soon as practicable but in no event more than ninety (90) days after the effective date of such acquisition or assumption, together with such information as the Insurer may require, and shall pay all additional premium so required by the Insurer. If the Parent Company fails to comply with such condition precedent, coverage otherwise afforded by this Section H.(1) shall terminate as of ninety (90) days after the effective date of such acquisition or assumption.

(2) Acquisition of Parent Company

If during the Policy Period (i) the Parent Company merges into or consolidates with another entity such that the Parent Company is not the surviving entity, or (ii) another entity, or person or group of entities

and/or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other entity(ies) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Parent Company, then coverage under this Policy shall continue until the later of:

- (a) termination of the Policy Period, or
- (b) any subsequent date to which the Insurer may agree by endorsement, but only with respect to Claims for Wrongful Acts, taking place prior to such merger, consolidation or acquisition. Any coverage extension pursuant to (b) above shall be conditioned upon any premium paid or to be paid under this Policy being deemed fully earned upon inception of such coverage extension. Any Claim made during such coverage extension shall be deemed to have been made during the Policy Period in which such merger, consolidation or acquisition occurred.

The Parent Company shall give written notice of such merger, consolidation or acquisition to the Insurer as soon as practicable together with such information as the Insurer may reasonably require.

(3) Cessation of Subsidiaries

If before or during the Policy Period a corporation ceases to be a Subsidiary, coverage with respect to such Subsidiary and its Directors and Officers shall continue until termination of this Policy but only with respect to Claims for Wrongful Acts taking place prior to the date such corporation ceased to be a Subsidiary.

I. Representations and Severability

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The Insureds represent that the particulars and statements contained in the Proposal are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.

The Insureds agree that in the event that the particulars and statements contained in the Proposal are untrue, this Policy shall not afford any coverage with respect to any of the following Insureds:

- (1) any Director and Officer who knew as of the Inception Date of this Policy the facts that were not truthfully disclosed in the Proposal,
- (2) the Company, under Insuring Agreement B., to the extent it indemnifies any Director and Officer referenced in (a) above, and
- (3) the Company, under Insuring Agreement C., if a Director or any Executive Officer knew as of the Inception Date of this Policy the facts that were not truthfully disclosed in the Proposal, whether or not such Director, Officer or Executive Officer knew of such untruthful disclosure in the Proposal.