

**LIBERTY “EXECUTIVE PROTECT” –
DIRECTORS & OFFICERS LIABILITY INSURANCE
PROSPECTUS**

Introduction

Liberty “Executive Protect” –Directors & Officers Liability Insurance covers directors, officers and employees of a company for personal liability and defence costs incurred in respect of claims alleging that they have committed a wrongful act in the performance of their duties on behalf of the company.

Scope of Cover

1. Directors & Officers Liability: We will pay on behalf of any Insured Person the Loss which the Insured Person is legally liable to pay as a result of a Claim alleging a Wrongful Act unless the Insured Person is entitled or able to be indemnified by the Company for such Loss.
2. Company Reimbursement: If the Company is legally required or permitted to indemnify the Insured Person for the Loss, then we will pay on behalf of the Company the amount of that indemnity.
3. Defence Costs: We will also pay for defence costs in respect to a Claim under the above

Important Extensions

Policy Agreed to extend cover in accordance with following extensions.

2.1 Assets and Liberty expenses

Insurer will pay, where permitted by law, the (i) Prosecution Costs, (ii) Bail Bond and Civil Bond Expenses, (iii) Asset and Liberty Expenses, of each Insured Person.

2.2 Civil Fines and Penalties Extension

Insurer will pay on behalf of an Insured Person, civil and administrative fines and penalties, awarded against Insured Persons, to the extent such are insurable by law.

Insurer will not pay taxes, remuneration or employment-related benefits, nor amounts which are uninsurable by law.

2.3 Company Securities Liability

Insurer will pay on behalf of the Company the Loss and associated Defence Costs which the Company is legally liable to pay as a result of a Securities Claim alleging a Wrongful Act.

2.4 Continuous Cover

Notwithstanding Exclusion 3.7(b) in respect of “Prior Matters”, if an Insured was aware of any facts that might give rise to a Claim, prior to the Policy Period and had not notified Insurer of such facts prior to the commencement of the Policy Period, Insurer will indemnify the Insured in respect of a Claim arising from such prior known facts, provided that:

- (a) the Insured first became aware of such facts after the Continuity Date specified in the Schedule; and
- (b) the failure to notify such facts was not a result of any fraudulent misrepresentation or fraudulent non-disclosure by the Insured; but
- (c) the Limit of Liability, sub-limits of liability and Excesses of the Policy in force at the time when the Insured first became aware of such prior known facts shall apply; and
- (d) Insurer will reduce its liability to the extent of any prejudice suffered as a result of the Insured’s failure to notify such facts giving rise to a Claim, prior to the Policy Period.

2.5 Counseling Services

In addition to the Limit of Liability, Insurer will pay to or on behalf of each Insured, all reasonable fees, costs and expenses of an accredited psychiatrist, psychologist or counselor chosen by the Insured at his / her own discretion with prior written consent of Insurer, not to be unreasonably withheld or delayed, to treat stress, anxiety or such similar medical conditions resulting from a Claim against, or Inquiry compelling attendance by, such Insured.

The cover provided by this extension is in addition to, and not part of, the **Limit of Liability** and applies excess over any other insurance providing similar cover and indemnification available from any other source.

2.6 Discovery Period

The Policyholder shall be entitled to a Discovery Period:

- (i) automatically for 90 days if this policy is not renewed or replaced; or,
- (ii) as specified in Item 9 of the Schedule subject to the Policyholder making a request for such Discovery Period in writing and paying any additional premium required, no later than 45 days after the expiry of the Policy Period. A Discovery Period shall not apply if a Change in Control occurs.

2.7 Emergency Costs

If Insurer's prior written consent cannot reasonably be obtained before Defence Costs are incurred with respect to any Claim, Insurer will give retrospective approval for such Defence Costs of up to the limit specified in the Schedule. This sublimit will be a part of Limit of Liability.

2.8 Employed Lawyer's Cover

The definition of Insured Person is extended to include Employed Lawyers. Insurer will pay on behalf of the Insured the Loss which an Insured Person is legally liable to pay as a result of a Claim alleging a Wrongful Act in his or her capacity as an Employed Lawyer.

2.9 Extended Policy Period

If a Change in Control occurs during the Policy Period then the Insured may request an extended Policy Period of up to 84 months commencing from the end of the Policy Period during which time the Insured may notify any Claim to Insurer provided it results from a Wrongful Act committed or allegedly committed prior to the effective date of the Change in Control. The Insured must request this extended Policy Period before the Policy Period expires. Insurer may, but is not obliged to, offer this extended Policy Period on such terms and conditions and for such additional Premium as Insurer may reasonably impose.

An extended Policy Period granted under this extension shall be non-cancellable by the Insured and any additional Premium paid shall be non-refundable.

2.10 Extradition Costs

Insurer will pay for reasonable fees, costs and expenses incurred by the Insured Person, with Insurer's prior written consent:

- (i) in any extradition proceedings or related appeal, any judicial review applications challenging the designation of any territory for the purposes of any extradition law, any challenge or appeal of any extradition decision by the responsible governmental authority, or any applications to the European Court of Human Rights or similar court; and,

- (ii) (a) of any accredited crisis counsellor and/or tax advisor, retained by the Insured Person exclusively and directly in connection with; and
- (b) of public relations consultants retained by an Insured Person and incurred exclusively and directly connection with extradition proceedings brought against such Insured Person.

2.11 Former Directors & Officers

If at the end of the Policy Period the Parent Company does not renew or replace this Policy or where such renewal or replacement does not provide cover for Insured Persons who have resigned or retired, then Insurer agrees to provide an unlimited extended Policy Period following the end of the Policy Period but only for the benefit of those Insured Persons who resigned or retired from the Company.

This extension will not apply in the event an Insured Person resigns or retires from their position with the Company arising out of Change in Control.

The Insured Persons referred above will be entitled to notify Insurer of any Claim during such extended Policy Period provided the Claim results from a Wrongful Act committed or allegedly committed whilst they were a Director, Officer or Employee of the Company.

2.12 Inquiry Representation Costs

Insurer will pay the Inquiry Costs of each Insured Person arising from an Inquiry.

2.13 Kidnap Response Costs

In the event of a Kidnapping, Hijacking or Wrongful detention of an Insured person during the Policy period, Insurer will pay for Kidnap Response Costs incurred through the Kidnap Consultants after they have been appointed with prior consent of Insurer.

2.14 Mitigation Costs

The Insured may request advice in relation to any Circumstance notified in accordance with this Policy as to their legal position in relation to the same and any steps that might be taken to avert or minimise the risk of a Claim arising from such Circumstance.

Insurer agrees to pay the cost of obtaining any such advice from a lawyer retained by the Insured up to the sub-limit as mentioned in the Schedule. Any such costs will be regarded as part of the Defence Costs of any subsequent Claim.

2.15 New Subsidiaries

The definition of Subsidiary in Definition 6.38 is extended to include any Company which becomes a Subsidiary during the Policy Period provided that:

- (a) the total gross assets of the new Subsidiary do not exceed the Subsidiary Asset Size specified in the Schedule; or
- (b) if the total gross assets of the new Subsidiary exceed the New Subsidiary Asset Size, the Parent Company provides Insurer with full details of the new Subsidiary and agrees to any additional Premium and conditions Insurer may impose within 60 days of the new Subsidiary being acquired or created (failing the provision of which, the extension of coverage under this clause shall automatically terminate on the expiration of the said 60 days period). No Claim of New Subsidiary will be paid, if additional premium is not paid to Insurer and the insured has not agreed the additional terms and conditions of Insurer, even if such claim has arisen within 60 days of extension period.

This extension does not apply if the new Subsidiary has any Securities listed or traded in the United States of America or Canada.

2.16 Outside Directorships

The definition of Insured Person in Definition 6.17 is extended to include any Insured Person acting in the capacity of a director or officer, trustee (except a pension trustee), governor or equivalent of an Outside Entity at the specific written request or with the written approval of the Company. Insurer will pay on behalf of the Insured the Loss which an Insured Person is legally liable to pay as a result of a Claim alleging a Wrongful Act in his or her capacity as a director or officer of an Outside Entity.

The cover provided under this extension:

- (a) shall be specifically in Excess of any indemnity or insurance available from or provided by the Outside Entity including any policies of the Outside Entity specified in the Proposal and any renewal or replacement of those policies;
- (b) shall not apply to any Claim brought by the Outside Entity unless the Claim is a derivative action brought in the name of the Outside Entity by any legally authorized individual or entity including any regulatory authority where the individual or entity acts without any assistance, intervention, solicitation or active participation by the Outside Entity or by any Insured;

- (c) shall not apply to any Claim brought by any other director, officer or Employee of the Outside Entity unless the Claim alleges an Employment Practice Breach; and
- (d) shall not extend to the Outside Entity in which the outside directorship is held or to any other director, officer or Employee of such Outside Entity.

2.17 Personal Injury and Property Damage Defence Cost:

Insurer will pay the Defence Cost of each Insured Person for any Claim in respect of the following:

- (a) death, bodily injury, sickness, disease or emotional distress or mental anguish of any person.
- (b) loss of, damage to or destruction of any real or personal property or any consequential losses flowing from such loss, damage or destruction

This extension will be subject to a Sub limit as specified in the Schedule and subject to Exclusions 3.5 and 3.9.

2.18 Pollution Defence Costs

Notwithstanding Exclusion 3.6 in respect of “Pollution”, Insurer will pay on behalf of the Insured the Defence Costs which an Insured Person incurs in defending a Claim in connection with the actual or alleged discharge, dispersal, release or escape of any Pollutant.

2.19 Public Relations Expenses

Insurer will pay the Public Relations Expenses of each Insured Person.

2.20 Shareholder Pollution Claims

Notwithstanding Exclusion 3.6 in respect of “Pollution”, Insurer will pay on behalf of the Insured the Loss which an Insured Person is legally liable to pay as a result of a Claim made, either directly or derivatively, by any shareholder of the Company alleging Loss to the Company or its shareholders as a result of any actual or alleged discharge, dispersal, release or escape of any Pollutant.

This extension shall not apply if on or before the Continuity Date specified in the Schedule, the Company, an Insured Person or any Employee with managerial responsibilities over environmental affairs, control or compliance of the Company, knew or could reasonably

have suspected that there existed any situation, circumstance or Wrongful Act that might give rise to a Claim.

2.21 Special Excess protection for Non-Executive Directors

Notwithstanding General Condition 5.1 in respect of “Limit of Liability”, Insurer will pay under Insuring Clause 1.1 an additional limit of liability in addition to the Limit of Liability for each non-executive Director if the Limit of Liability is exhausted due to the payment of Loss, Defence Costs or any other amounts insured under this Policy, but Insurer will only provide such additional limit of liability if the limits of liability available under any policy or policies in excess of this Policy have been exhausted.

2.22 Spouses & Executors

Insurer will cover:

- (a) in the event of the death, incapacity or bankruptcy of an Insured Person, any Claim brought against his or her estate, heirs, executors, administrators or legal representatives; or
- (b) any Claim brought against the spouse or domestic partner (including same sex relationships, if applicable) of an Insured Person,

for a Wrongful Act by the Insured Person as if the Claim had been brought against that Insured Person.

No cover is provided under this extension for any conduct or Wrongful Act committed or allegedly committed by such estate, heirs, executors, administrators, legal representatives, spouse or domestic partner.

2.23 Tax Liability Endorsement

Insurer will pay for an Insured Person's Loss arising from their personal liability for unpaid corporate taxes where the Company has been liquidated except to the extent that such liability arises from the willful intent of the Insured Person to breach any statutory duty governing the payment of taxes, in his or her Insured person capacity as defined in Definition section.

2.24 Witness Cover

Insurer will pay reasonable travel costs and living expenses incurred by the Insured when giving evidence to defend a claim first made against the Insured for a Wrongful Act during the policy period. This extension is applicable only if Insurer consented in writing before such costs are incurred.

The cover provided by this extension is in addition to, and not part of, the **Limit of Liability** and applies excess over any other insurance providing similar cover and indemnification available from any other source.

Optional Extensions:

1. **Entity Employment practices Extension:** This add-on provides coverage to employers against claims made by employees alleging discrimination (based on sex, race, age or disability etc.), wrongful termination, harassment and other employment-related issues.
2. **Crisis Communication Cover:** This extension gives free public relations services in the event that these services are required to handle a sensitive situation. An example might be where it was felt it would be useful to use the services of a public relations company due to the company share price having suffered a sudden fall.

Main Exclusions

The policy does not cover liability arising out of or in any way connected with

1. Fraud and Dishonesty: any fraudulent, criminal, willfully reckless, malicious or dishonest act, error or omission by any Insured. Or improper use of position or information by an Insured Person for the purpose of gaining any profit, benefit or advantage to which an Insured is not legally entitled
2. Insured v/s Insured
3. Professional Services: this exclusion does not apply to services provided by an Insured Person in his or her capacity as a Director or Officer.
4. Personal Injury: this exclusion shall not apply to Claims alleging emotional distress or mental anguish resulting from an Employment Practice Breach.
5. Property Damage: loss of, damage to or destruction of any real or personal property or any consequential losses flowing from such loss, damage or destruction.

6. Actual or alleged violation imposed under the Employee Retirement Income Security Act 1974 (USA) or any amendment thereto.
7. Pollution
8. War, Radiation and Nuclear
9. Penalties and Punitive Damages

Note: The above details are some of the important terms, conditions and exclusions and the Proposer is requested to contact our office and refer to the Policy document for knowing full Policy terms, conditions and exclusions and complete details of cover and understand the same before concluding the contract of sale.

Insurance is the subject matter of the solicitation.