

RISK DETAILS

UNIQUE MARKET

REFERENCE: B0507HC2101267

TYPE: DIRECTORS AND OFFICERS LIABILITY AND COMPANY REIMBURSEMENT INSURANCE (INSURING A SIDE AND B SIDE ONLY)

POLICYHOLDER/ INSURED:

Together Business innovation (2018) Ltd

ADDRESS:

Medinat Hayehudim 85 St, Herzliya, 4672501, Israel

INSURED BUSINESS ACTIVITY:

As per the submission seen and agreed by Underwriters

POLICY PERIOD:

Effective from: 22nd June 2021
To: 21st June 2022
Both days inclusive, Local Standard Time at the address of the Policyholder stated above

INTEREST:

As more fully detailed in the attached contract wording

LIMIT OF LIABILITY:

USD 1,000,000 Each and every claim in the total aggregate for all loss, arising out of all claims made against all insureds under all insurance covers under this policy combined

RETENTIONS:

Nil	each claim under Insuring Agreement I(A) and any other non- indemnifiable loss
USD 75,000	each claim under Insuring Agreement I(B) and any other indemnifiable loss , other than a securities claim
Not Applicable	each claim under Insuring Agreement I(B and C) and any indemnifiable loss payable with respect to a securities claim

AUTOMATIC EXTENSIONS OF COVER:

Parent company board special excess limit:	USD 50,000
Non-Executive director special excess limit:	USD 50,000
Regulatory Crisis Costs sub-limit:	USD 50,000
Crisis Consultant Costs sub-limit:	USD 50,000
Prosecution Costs sub-limit:	USD 50,000
Emergency Costs sub-limit:	USD 50,000
Environmental Liability sub-limit:	USD 50,000

TERRITORY:

Worldwide excluding the USA

CONDITIONS:

As per NextPro Commercial Management Liability Insurance wording, as attached, plus the following:

- 12 months Extended Reporting Period unilateral at 200% of the annual premium

EXCLUSIONS:

None

EXPRESS

WARRANTIES: None other than those that may be expressly contained within the policy conditions, wordings, clauses and in addition to any implied warranties under the law to which this insurance is subject – failure to comply with a warranty will, in normal circumstances, void this insurance policy.

**CONDITIONS
PRECEDENT:**

None other than any which may be included in the contract wording. Please read your contract carefully. Breach of a "condition precedent to liability" may entitle Insurers to reduce indemnity for or even reject a claim. Breach of a "condition precedent to contract" entitles an insurer to avoid the contract entirely.

SUBJECTIVITIES: None

**GOVERNING LAW &
JURISDICTION:**

In case of any dispute arising out of this insurance, the same shall be governed by and construed in accordance with the law and practice of Israel and each party agrees to submit to the exclusive jurisdiction of the Courts of Israel

SERVICE OF SUIT:

This insurance shall be governed exclusively by Israeli law and the Israeli courts shall have exclusive jurisdiction in any dispute arising hereunder. In this event Adv. Sigal Schlimoff Rechtman, Gibor Sport Building – 26th Floor, 7 Menachem Begin Road, Ramat gan 52521, Israel
Lloyds Representative in Israel, is authorised to accept service of suit on behalf of Underwriters

**NOTICES REQUIRED
TO BE GIVEN TO THE
INSURER MUST BE
ADDRESSED VIA:**

Price Forbes and Partners Ltd, 2 Minster Court, Mincing Lane, London

**PRIOR PENDING
LITIGATION:**

22nd June 2021

RETROACTIVE DATE: Unlimited

PREMIUM: USD 35,000 in full

PAYMENT TERMS: Premium Payment Clause L.S.W. 3001 (45 days), as attached

**TAXES PAYABLE BY
(RE)INSURED AND
ADMINISTERED
BY INSURERS:**

None

**RECORDING,
TRANSMITTING
& STORING
INFORMATION:**

Where the broker maintains risk and/or claim data /information /documents the broker may hold such data/information/documents electronically.

**INSURER CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the insurer (s) and constitutes the contract document.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change

**NOTICE OF
CANCELLATION
PROVISIONS:**

General Condition D Cancellation is deleted and replaced with the following: This policy may be cancelled by the policyholder at any time only by mailing written prior notice to the insurer or by surrender of this policy to the insurer or to its authorised agent. This policy may also be cancelled by or on behalf of the insurer by delivering to the policyholder, or by mailing to the policyholder, by registered, certified, or other first class mail, at the policyholder's address as shown in Item 1 of the Schedule, written notice stating when, not less than sixty (60) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The policy period terminates at the date and hour specified in such notice, or at the date and time of surrender.

If this policy shall be cancelled by the policyholder, the insurer shall retain the customary short rate proportion of the premium hereon.

If this policy shall be cancelled by the insurer, the insurer shall retain the pro rata proportion of the premium hereon.

Payment or tender 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.

INFORMATION

The following information was provided to insurer(s) to support the assessment of the risk at the time of underwriting:

Proposal Form signed and dated 21st June 2021

Warranty Statement signed and dated 21st June 2021

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 45 days of inception of this contract (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the 45th day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 15 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001
September 2008

SECURITY DETAILS

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333 21 June 2007

ORDER HEREON: 100% of 100% of Limit of Liability

BASIS OF WRITTEN LINES: 100% of Whole

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the Insured may elect for the disproportionate signing of Insurers' lines, without further specific agreement of Insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "To Stand" may not be varied without the documented agreement of those Insurers;
- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

WRITTEN LINES:

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the slip leader. (Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

- 08/07/2021
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NextPro:

Commercial Management Liability Insurance

Schedule

Item 1. Name and address of *parent company*: Together Business innovation (2018) Ltd

Item 2. Policy period: Inception date: 22nd June 2021

Expiration date: 21st June 2022

Item 3. Limit of liability: USD 1,000,000 Each and every claim and In the aggregate for the *policy period* for all *loss*.

Item 4. Retentions:

Nil each *claim* under Insuring Agreement I (A) and any other *non-indemnifiable loss*

USD 75,000 each *claim* under Insuring Agreement I (B) and any other indemnifiable *loss*, other than a *securities claim*

Not Applicable each *claim* under Insuring Agreement I (C) and any indemnifiable *loss* payable with respect to a *securities claim*

Item 5. Automatic Extensions of Cover (excess limits and sub-limits set out as applicable):

Regulatory Crisis Costs: sub-limit USD 50,000

Crisis Consultant Costs: sub-limit USD 50,000

Prosecution Costs: sub-limit USD 50,000

Emergency Costs: sub-limit USD 50,000

Environmental Liability: sub-limit USD 50,000

Discovery:

(A) Length of discovery period:	12 months
Premium for discovery period:	Extended Reporting Period unilateral at 200% of the annual premium

It is specifically understood and agreed that the sub-limits stated above shall be a part of and not in addition to the **limit of liability**.

~~Item 6. New Offering of Equity Securities Market Capitalisation threshold:~~

Item 7. Pending and Prior Litigation Date: 22nd June 2021

Item 8. Notices required to be given to the *insurer* must be addressed via:

Price Forbes and Partners Limited
2 Minster Court, Mincing Lane
London EC3R 7PD
United Kingdom
Email address: info@priceforbes.com

Item 9. Endorsements attached at issuance:

1. Service of Suit, as attached
2. General Condition (A5) is amended to read "All notices must be sent by certified mail or the equivalent to the following address:
The **insurer** via:

Price Forbes and Partners Limited
2 Minster Court, Mincing Lane
London EC3R 7PD
United Kingdom
Email address:
info@priceforbes.com

NextPro:

Commercial Management Liability Insurance

THIS IS A CLAIMS MADE POLICY WITH *DEFENCE COSTS* INCLUDED IN THE *LIMIT OF LIABILITY*.
PLEASE READ AND REVIEW THE POLICY CAREFULLY.

In consideration of the payment of the premium, and subject to all of the terms, conditions and limitations of this Policy, the *insurer*, the *insured persons* and the *company* agree as follows:

I. Insuring Agreements

(A) Insured Person Cover

The *insurer* shall pay on behalf of the *insured persons* any *loss* resulting from a *claim* first made against the *insured persons* during the *policy period*, for a *wrongful act* or *employment practices wrongful act*, except for *loss* which the *company* has paid on behalf of the *insured persons* as indemnification.

(B) Company Reimbursement Cover

The *insurer* shall reimburse or pay on behalf of the *company* any *loss* which the *company* is required or permitted to pay as indemnification to any of the *insured persons* resulting from a *claim* first made against the *insured persons* during the *policy period*, for a *wrongful act* or *employment practices wrongful act*.

(C) Company Securities Claim Cover

The *insurer* shall pay the *loss* of the *company* resulting from any *securities claim* first made against the *company* during the *policy period*, for a *company wrongful act*.

II. Automatic Extensions of Cover

(C) Investigation Costs

Whether or not there has been a *claim*, the *insurer* shall pay the reasonable fees, costs and expenses, necessarily incurred, with its prior written consent, such consent not to be unreasonably withheld or delayed, relating to the legal representation of any *insured person* at any *investigation* commenced during the *policy period*, once an *insured person*:

- (1) is requested or required to attend the *investigation*; or

(2) is identified in writing by the **official entity** conducting the **investigation** as a target, or as a person against whom a proceeding described in the definition of **Claim** may be commenced. Routine regulatory supervision, inspection or compliance reviews, or any investigation which focuses on an industry rather than an **insured** will fall outside of the scope of this extension.

An **investigation** shall be deemed to be first made when the **insured person** is first requested, required, identified, given notice or served.

The fees, costs and expenses covered by this extension shall not include any remuneration of any **insured person**, the cost of their time or costs or overheads of any **company**.

(D) Regulatory Crisis Costs

The **insurer** shall pay the reasonable fees, costs and expenses of any consultant chosen by the **insured** with the prior written consent of the **insurer**, which are necessarily incurred in responding to:

(1) a raid or on-site visit to any **company** which first takes place during the **policy period**, by any **official entity** that involves the production, review, copying or confiscation of files or interviews of any **insured persons**;

(2) a public announcement relating to an event in sub-paragraph (1) above; or

(3) the receipt by any **insured** during the **policy period**, from any **official entity** of a formal notice which legally compels the **insured** to produce documents to, or answer questions by or attend interviews with that **official entity**,

irrespective of whether the events in sub-paragraphs (1), (2) and (3) above fall within the definition of **claim**. This extension shall apply up to the sub-limit in Item 5 of the Schedule.

Routine regulatory supervision, inspection or compliance reviews, or any investigation which focuses on an industry rather than an **insured** will fall outside of the scope of this extension.

(E) Crisis Consultant Costs

The **insurer** shall pay reasonable **crisis consultant costs**, necessarily incurred by the **insured** with the prior written consent of the **insurer**, in order to contain or limit the potentially adverse effects, including negative publicity, resulting from a **claim** first made against them during the **policy period**, or from circumstances which can reasonably give rise to a **claim**. This extension shall apply up to the sub-limit in Item 5 of the Schedule.

This extension of cover shall apply regardless of whether a **claim** is ever made against an **insured person** arising from such crisis and, in the case where such a **claim** is made, regardless of whether the amount is incurred prior to or subsequent to the making of the **claim**.

(F) Extradition Proceedings

The **insurer** shall pay the reasonable fees, costs and expenses necessarily incurred by an **insured person** with the prior written consent of the **insurer** in connection with an **extradition proceeding** first commenced against them during the **policy period**.

(G) Prosecution Costs (restriction of assets and liberty)

Whether or not there has been a **claim**, the **insurer** shall pay the reasonable legal and other professional fees, costs and expenses, necessarily incurred by an **insured person** with the prior written consent of the **insurer** to bring legal proceedings to obtain the discharge or revocation of:

an order disqualifying such **insured person** from holding office as a company director or officer; or
an interim or interlocutory order:

confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of such **insured person**; or

imposing a charge over real property or personal assets of such **insured person**; or

imposing a restriction of the **insured person's** liberty; or

for the deportation of an **insured person** following revocation of an otherwise proper, current and valid immigration status for any reason other than the **insured person's** finally adjudicated conviction for a crime.

In each case above, cover will only be available under this extension for orders (whether final, interim or interlocutory) issued during the **policy period**.

This extension shall apply up to the sub-limit in Item 5 of the Schedule.

(H) Emergency Costs

If the **insurer's** written consent cannot be obtained within a reasonable time before **defence costs** are incurred with respect to any **claim** first made against an **insured** during the **policy period**, or before costs are incurred which would otherwise fall under Extensions II (C) Investigation Costs, (D) Regulatory Crisis Costs, (E) Crisis Consultant Costs, (F) Extradition Proceedings or (G) Prosecution Costs, then **the insurer** shall provide retrospective approval for such reasonably incurred costs up to, in the aggregate, the sub-limit in Item 5 of the Schedule, provided that the **insurer** is notified by the **insured** of such costs as soon as is reasonably practicable, and before the expiration of ten working days from when such costs were first incurred.

(I) Outside Directorships

The **insurer** shall reimburse or pay on behalf of any **outside director**, or the **company** in the event it indemnifies such **outside director**, **loss** resulting from a **claim** first made against them during the **policy period**, for a **wrongful act** or **employment practices wrongful act**, in their capacity as an **outside director**.

(J) Environmental Liability

The **insurer** shall pay **defence costs** incurred by any **insured person** in connection with a **claim** first made against them during the **policy period**, arising out of an **environmental violation** if and to the extent such **claim**:

(1) is against an **insured person** in connection with the obligations under any legislation or regulation relating to **environmental violations**; or

(2) results in a **non-indemnifiable loss** to any **insured person**,

up to the sub-limit set forth in Item 5 of the Schedule. The sub-limits shall form part of and not be in addition to the **limit of liability**.

(K) **Health and Safety**

The **insurer** shall pay the **defence costs** of any **insured person** with respect to any **claim** first made against them during the **policy period**, alleging a breach of health and safety legislation or any similar legislation in any jurisdiction including any legislation relating to involuntary manslaughter, or corporate manslaughter.

~~(L) **Fines and Penalties**~~

~~The **insurer** shall pay any civil fines and penalties resulting from a **claim** first made against the **insured persons** during the **policy period**, for a **wrongful act** or **employment practices wrongful act**, unless uninsurable as a matter of applicable law.~~

~~Fines and penalties covered by this extension shall include, where insurable, civil penalties assessed against an **insured person** pursuant to the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd) (USA), the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7246) (USA) and the Bribery Act of 2010 (UK) or any foreign equivalent of any of the foregoing~~

(M) **Personal Liability of Insured Persons for Corporate Taxes**

The **insurer** shall pay the amount arising from the personal liability of the **insured persons** resulting from a **claim** first made against them during the **policy period**, for unpaid taxes of the **company** following the appointment of a Receiver, Administrator, Administrative Receiver, Liquidator or any comparable or analogous authority or appointment with respect to the **company**, unless uninsurable as a matter of applicable law.

(N) **Discovery Period**

- (1) If this Policy is not renewed or replaced, and if the total premium for this Policy has been paid in full, the **insured** will be entitled:
 - (i) to an automatic **discovery period** of 30 days; and
 - (ii) to purchase an optional **discovery period** for a longer period as specified in Item 5 of the Schedule, provided that written notice is provided to the **insurer** by the **parent company** within 15 days after the end of the **policy period** and any additional premium specified by the **insurer** is paid within 30 days of the end of the **policy period**. The automatic **discovery period** shall be part of and not in addition to any optional **discovery period** purchased by the **insured**.
- (2) The **discovery period** is non-cancellable and the premium for the optional **discovery period** is deemed fully earned at the inception date of the optional **discovery period**.
- (3) The purchase of the optional **discovery period** will not in any way increase the **limit of liability**, and any payments made with respect to **claims** first made during the **discovery period** (or any other matter for which coverage is provided during the **discovery period** under one of the extensions) shall be part of and not in addition to the limit of liability for all **claims** made during the **policy period**.
- (4) No **discovery period** shall apply in the event that a **change in control** takes place in respect of the **parent company** during the **policy period**. In that event, as set out in the provisions of Section III (B) (1) (ii) herein, the **company** can request that the **insurer** provide runoff cover.

(O) **Run-Off for Retired Insured Persons**

If this Policy is not renewed or replaced, and if the total premium for this Policy has been paid in full, the **insurer** shall provide a **discovery period** for any **retired insured person of 7 years**.

(P) **Heirs, Representatives, and Spouses**

In the event of the death, incapacity or bankruptcy of an **insured person**, any **claim** first made during the **policy period**, against the estate, heirs, legal representatives or assigns of such individual for a **wrongful act** or **employment practices wrongful act** of such individual, will be deemed to be a **claim** made against such **insured person**.

Coverage shall also extend to the lawful spouse or domestic partner of any **insured person** but only to the extent the spouse or domestic partner is a party to any **claim** solely in their capacity as a spouse or domestic partner of such **insured person** and only for the purposes of any **claim** seeking damages recoverable from, or in respect of, marital community property, property jointly held by any such **insured person** and the spouse or domestic partner, or property transferred from any such **insured person** to the spouse or domestic partner.

(Q) **Enforcement Proceedings Efficiency Law Extension**

The **insurer** agrees to indemnify the **insured person** in respect of

1. **Defence costs**
2. Compensation payable to damaged third parties

arising from administrative proceedings under the Enforcement Proceedings Efficiency Law 5771-2011.

This extension shall only be in force if the articles of association of the **company** have been specifically amended to provide for insurance and indemnity for administrative proceedings under the law.

(R) **Class Certification Event Study Expenses-**

This policy is extended to cover **Class Certification Event Study Expenses**. If any Counsel firm (approved by the **insurer**) defending a **Securities Claim** recommends to the **Insured** a specific expert witness to conduct an event study in the defense of such **Securities Claim**, then the **Insured** may hire such expert witness to perform such event study without further approval by the **Insurer**.

- a. For the purpose of this extension the following definition will be added - **Class Certification Event Study Expenses-** means the reasonable fees, costs and expenses of an expert witness incurred by an **Insured** to conduct an event study regarding class certification in a **Securities Claim**
- b. The definition of **Loss** shall include **Class Certification Event Study Expenses**.
- c. This extension specifically is not subject to any retention.

(T)

III. Changes in Risk

(A) New Subsidiaries

- (1) If during the **policy period**, the **company** acquires a **subsidiary**, or acquires any entity by merger, consolidation or otherwise, coverage shall be provided with respect to such new **subsidiary** or entity for any **loss** resulting from a **claim** involving acts or conduct committed after the completion of such acquisition.
- (2) If, however, the newly acquired entity or **subsidiary**:
 - (i) exceeds twenty five percent (25%) of the total assets of the **company**, as represented in the **company's** most recent audited consolidated financial statements; or
 - (ii) has equity securities issued or traded in the United States of America;then, coverage under this Policy with respect to such entity or **subsidiary** shall be provided for a period of 30 (days in respect of acts or conduct that occurred after the completion of the acquisition. Coverage beyond the 30) day period will be provided only if:
 - (i) the **insurer** receives written notice containing full details of the acquisition; and
 - (ii) the **insurer** at its sole discretion, agrees in writing to provide such additional coverage upon such terms, conditions, limitations, and additional premium that it deems appropriate.
- (3) With respect to the acquisition, merger, consolidation or otherwise of any entity, or **subsidiary** as described in III(A)(1) and (2) above, there will be no coverage available under this Policy in connection with such entity, **subsidiary**, or any act or conduct allegedly committed at any time during which such entity or **subsidiary** is not an **insured**.

(B) Change in Control

- (1) If, during the **policy period**, there is any **change in control**, the coverage provided under this Policy shall continue to apply but only with respect to a **claim** against an **insured** in respect of acts or conduct committed or allegedly committed up to the time of the **change in control**. In addition:
 - (i) the **insurer** may agree to provide run-off cover by providing a **discovery period** in respect of **claims** brought against **insured persons** for 84 months from the expiry of the **policy period** or for such other period as the **insurer** may, in its absolute discretion decide. The terms of any such **discovery period** are at the **insurer's** sole and absolute discretion, including whether to provide such additional coverage and what additional premium may be required.
- (2) If, during the **policy period** any entity ceases to be a **subsidiary**, the coverage provided under this Policy shall continue to apply to the **insured persons** who, because of their service with such **subsidiary**, were covered under this Policy, but only with respect to acts or conduct that occurred or allegedly occurred prior to the time such **subsidiary** ceased to be a **subsidiary**.

(C) New Outside Directorships

If, during the **policy period**, the **company** requests, directs or consents that a natural person serve either:

- (a) as a director, officer, or trustee (or functionally equivalent role); or

- (b) in an elected or appointed position having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an **insured person** of the **company**, regardless of the name or title by which such position is designated;

of an organisation that does not currently fall within the definition of an **outside entity**, then coverage shall apply as if such natural person is an **outside director** for a period of 30 days from the commencement of such position, unless the **insurer**, at its sole and absolute discretion, accepts in writing by endorsement to this Policy, that such organisation shall be a **scheduled outside entity**.

(D) **New Offering of Securities**

~~If, during the **policy period**, the **company** undertakes an offering of equity securities where the total value of such offering exceeds the percentage of the company's market capitalisation set forth in Item 6 of the Schedule, then the **insurer** shall not be liable to make any payment for **loss** in connection with any **claim** based upon, arising out of or in consequence of such offering unless:~~

- ~~(1) the **insurer** receives prior written notice containing details of the offering; and~~
~~(2) the **insurer** at its sole discretion, has agreed in writing to provide such additional coverage upon the terms, conditions, limitations, and additional premium which it deems appropriate.~~
~~(3) for the avoidance of any doubt, initial public offering of securities or initial registration of equity on any US exchange is not covered under this extension~~

IV. Definitions

In this Policy the following words shall have the definitions that follow:

- (A) "**bail bond costs**" means the reasonable premium (not including collateral) for a bond or other financial instrument to guarantee an **insured person's** contingent obligation for bail required by a court.
- (B) "**change in control**" means:
- (1) the merger or acquisition of the **parent company**, or of all or substantially all of its assets by another entity such that the **parent company** is not the surviving entity;
 - (2) the acquisition by any person, entity or affiliated group of persons or entities of the right to vote, select or appoint more than fifty percent (50%) of the directors of the **parent company**; or
 - (3) the appointment of a Receiver, Administrator, Administrative Receiver Conservator, Liquidator, Provisional Liquidator, Trustee, or any comparable or analogous authority or appointment, with respect to the **parent company** or the entry by the **parent company** into a company voluntary arrangement or scheme of arrangement.
- (C) "**claim**" means:
- (1) a written or oral demand or notice for monetary or non-monetary relief including injunctive relief;
 - (2) any civil proceeding in a court of law or equity, or arbitration, mediation or any other administrative proceedings
 - (3) any criminal proceeding which is commenced by, filing or return of an indictment, filing or service of information, criminal complaint or similar proceeding; or

- (4) the receipt by an **insured** of any written request to toll or waive a period or statute of limitations;
- (5) any derivative demand or derivative suit;
- (6) in respect of an **insured person** only, a formal civil, criminal, administrative regulatory proceeding or formal investigation of an **insured person** which is commenced by the filing or issuance of a notice of charges, formal investigative order or similar document identifying in writing such **insured person** as a person or entity against whom a proceeding as described in this Definition, subsections IV(C)(2) or (3) above may be commenced, including with respect to any **employment practices wrongful act** any proceeding before any government authority regulating employment practices.
- (7) any foreign proceeding equivalent of any of the above
- for a **wrongful act**. **Claim** shall include a **securities claim** or an **employment practices claim**.
- (D) “**company**” means the **parent company** and any **subsidiary** created or acquired on or before the Inception Date set forth in Item 2 of the Schedule or during the **policy period**, subject to the provisions of Clause III(A).
- (E) “**company wrongful act**” means any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by the **company** in connection with a **securities claim**.
- (F) “**crisis consultant costs**” means any reasonable professional fees, costs or expenses of any reputable, specialist, or professionally qualified:
- (1) public relations firm or consultant;
 - (2) crisis management firm; or
 - (3) law firm or tax advisor.
- (G) “**defence costs**” means reasonable fees, costs, charges and expenses (including but not limited to legal, accounting, consulting and experts’ fees and fees of an arbitrator or mediator) necessarily incurred in the defence investigation, adjustment and/or appeal of any **claim**, including **bail bond costs**. **Defence costs** does not include the **company’s** overhead expenses or any salaries, wages, fees, or benefits of its directors, officers or employees.
- For the avoidance of doubt it is agreed that should a conflict of interest exist between any of the **insured persons**, then at their request and always subject to the written consent of the **insurer**, which shall not be unreasonably withheld or unduly delayed, separate counsel may be appointed to protect their respective interests.
- (H) “**discovery period**” means a period following the end of the **policy period** during which this Policy will provide coverage:
- (1) with respect to any **claim** first made during such period, or

- (2) with respect to any of the Extensions under this Policy, for any matter or event taking place, or **claim** first made during such period,

but only with respect to a **wrongful act, company wrongful act, or employment practices wrongful act**, occurring prior to the end of the **policy period**.

- (I) “**employment practices claim**” means a **claim** alleging an **employment practices wrongful act**.
- (J) “**employment practices wrongful act**” means any employment related actual or alleged tortious act or omission, breach of statutory provision or breach of common law relating to an employee, including but not limited to:
- (1) failure to provide equal opportunity of employment or pay;
 - (2) discrimination;
 - (3) harassment (sexual or otherwise, and including but not limited to harassment in the form of workplace bullying, or by way of electronic communication including social networking internet sites);
 - (4) wrongful dismissal or treatment;
 - (5) retaliation;
 - (6) inducement to become or remain as an employee based upon an erroneous job description;
 - (7) defamation, misrepresentation, negligent misstatement, wrongful failure to employ or promote, deprivation of a career opportunity, or wrongful discipline;
 - (8) violation of an employee’s civil or human rights, or violations of any similar statutory provision arising out of acts or omissions by an insured or a person for whom the insured is legally responsible;
 - (9) breach of data protection or privacy obligations;
 - (10) failure to allow an employee to exercise a statutory right; or
 - (11) failure to provide or enforce corporate policies or procedures to prevent or address any of the above.
- (K) “**environmental violation**” means the discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of pollutants, contaminants, or waste of any kind, including nuclear material or waste or any actual or alleged direction, or request to test for, abate, monitor, clean up, recycle, remove, recondition, reclaim, contain, treat, detoxify or neutralise pollutants, contaminants or waste of any kind including nuclear material or waste.
- (L) “**extradition proceeding**” means any proceeding against an **insured person** including any related appeal, any judicial review applications or any challenge or appeal of any extradition decision by any governmental authority, or any application to the European Court of Human Rights or similar court in respect of any proceedings to remove an **insured person** to another territory against their will.
- (M) “**insured**” means the **insured persons** and the **company**.
- (N) “**insured person**” means:

- (1) any past, present or future director or office or manager or board observer member of the Board of Managers, or **non-executive director** of the **company**, or the equivalent in any jurisdiction;
 - (2) any past, present or future de facto or shadow director while acting in a capacity as a director or officer of the **company** as defined in sections 250 and 251 of the Companies Act 2006 (UK) (or equivalent in any jurisdiction), other than a person acting in the capacity of external auditor, administrative receiver, administrator, receiver or liquidator (or equivalent in any jurisdiction);
 - (3) any past, present or future employee of the **company** to the extent:
 - (i) the subject **claim** is a **securities claim**;
 - (ii) the subject **claim** is an **employment practices claim**;
 - (iii) such employee is acting in a managerial or supervisory capacity; or
 - (iv) such employee is named as a co-defendant along with an **insured person** as defined in this Definition IV(N) subsections (1) or (2) above;or
 - (4) any **outside director**,
but only when and to the extent that such **insured person** is acting for and on behalf of the **company** in any of the capacities referred to in this Definition (N) subsections (1) to (3) above; or, for and on behalf of the **outside entity** at the specific request of the **company** in their capacity as an **outside director**.
 - (5) any natural person in his capacity as a non-salaried director and/or officer of the **company** in accordance with management agreement between the **company** and or any of its **subsidiaries** and the entity on behalf of the natural person that receives the payment for the services of the natural person under an invoice.
 - (6) "chairman, president, vice president, general manager, chief executive officer, deputy general manager, vice general manager, tax director, internal legal adviser, internal auditor, director of finance, controller, treasurer, secretary of the company, and any other manager directly subordinate to the president, general manager or chief executive officer, or any person who fulfils one of the said positions in the **company** even if his title is different."
 - (7) any corporation serving as a director pursuant to article 235 of the Companies Law -1999 (Israel) (or equivalent in any jurisdiction)"
 - (8) any persons serve in the compensation and/or investments committees and/or scientific advisory board or any other committee appointed by the board.
- (O) "**insurer**" means the Insurance Companies signed in the underwriting stamps page.
- (P) "**interrelated wrongful acts**" means any **wrongful act(s)**, **company wrongful act(s)**, or **employment practices wrongful act(s)** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any of the same originating cause(s), the same or related facts, series of related facts, or circumstances.

- (Q) “**investigation**” means any hearing, inquiry or examination by any **official entity** regarding the affairs of the **company**.
- (R) “**joint venture**” means any corporation, partnership, joint venture, association or other entity, other than a **subsidiary**, in which the **parent company**, either directly or through one or more **subsidiary(ies)** owns or controls not more than fifty percent (50%), in the aggregate of the outstanding securities or other interests representing the right to vote for the election or appointment of those persons of such an entity occupying elected or appointed positions having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an **insured person** of the **company**, regardless of the name or title by which such position is designated.
- (S) “**limit of liability**” means the amount set out in Item 3 of the Schedule.
- (T) “**loss**” means amounts which the **insured** is legally obligated to pay as **defence costs**, damages, judgments, settlements or other amounts payable under the extensions to this policy, including interest and punitive or exemplary damages, and the multiplied portion of any damage award, in excess of the **retention**. **Loss** shall not include:
- (1) fines, penalties or taxes imposed by law, except for punitive or exemplary damages and as provided in Extension II (L) Fines and Penalties and in Extension II (M) Personal Liability of **Insured Persons** for Corporate Taxes;
 - (2) employment-related compensation, wages or benefits; or
 - (3) matters which are uninsurable under applicable law.
- The **insurer** shall not assert that **loss** attributable to allegations of violations of Section 11 or 12 of the Securities Act of 1933 (US) (including alleged violations of Section 11 and/or 12 of the Securities Act of 1933 by a Controlling Person pursuant to Section 15 of such Act) constitute uninsurable **loss**.
- With respect to the insurability of fines, penalties, punitive, exemplary and multiplied damages, the law of the jurisdiction most favourable to the insurability of such fines, penalties, damages shall be applied, and such jurisdictions shall include, but not be limited to, the jurisdictions where (a) the damages or fines were awarded or imposed, (b) the **wrongful act(s)** giving rise to such damages or matters occurred, (c) the **claim** for such damages or fine was brought, (d) where the **company** is incorporated or has its principal place of business, or (e) where the **insured persons** or the **insurer** is located.
- (U) “**non-executive director**” means any natural person who serves as a director of the **company** and who is not an employee of the **company**.
- (V) “**non-indemnifiable loss**” means **loss** in respect of which the **company** or **outside entity** is not legally required or permitted to indemnify the **insured person**.
- (W) “**non-profit entity**” means any corporation trust, fund, foundation, community or industry association or registered charity other than the **parent company** or any **subsidiary**, and whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payments of income tax under any law, regulation or bye-law, whether national, federal, state, territorial, provincial or local, anywhere in the world.
- (X) “**official entity**” means any regulator, government, government body, governmental or administrative agency, any self regulatory body recognised as such under applicable law or official trade body.

- (Y) “**outside director**” means any natural person who at the specific request of the **company** is serving:
- (1) as a director, officer, trustee, regent or governor of a **non-profit entity**; or
 - (2) in an elected or appointed position having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an **insured person** of the **company**, regardless of the name or title by which such position is designated, of an **outside entity**.
- (Z) “**outside entity**” means:
- (1) any **non-profit entity**;
 - (2) any **joint venture**; or
 - (3) any **scheduled outside entity**.
- (AA) “**parent company**” means the entity named in Item 1 of the Schedule.
- (BB) “**policy period**” means the period specified in Item 2 of the Schedule.
- (CC) “**proposal**” means:
- (1) the proposal deemed attached to and forming part of this Policy; and/or
 - (2) any materials submitted to the **insurer** prior to placement, which shall be retained on file by the **insurer** and shall be deemed to be physically attached to this Policy.
- (DD) “**retention**” means the amounts specified in Item 4 of the Schedule.
- (EE) “**retired insured person**” means any **insured persons** who have ceased to act in their insured capacity prior to expiry of the **policy period** for reasons other than (a) disqualification by regulator or the court on grounds of fitness or propriety, from holding office or from managing a company;.
- (FF) “**securities**” means any equity or debt instrument issued including any bond, debenture, note, share, stock or other equity or security for debt.
- (GG) “**securities claim**” means a **claim** made against an **insured**:
- (1) for any actual or alleged act, error, omission, misleading statement, breach of duty or violation of any rules, regulations or laws (whether statutory or common law), relating to **securities**, which is:
 - (i) brought by any person or entity based upon, arising out of, directly or indirectly resulting from, or in any way involving the purchase or sale of, or offer to purchase or sell, **securities** of the **company**; or
 - (ii) brought by a **security** holder of the **company** with respect to such **security** holder’s interest in the **securities** of the **company** or
 - (iii) brought derivatively on behalf of the company by a security holder of such **company**.

- (2) for any administrative or regulatory proceeding against the **Company**, or a formal investigation of the **Company**, but only if and only during the time that such formal investigation or proceeding is also maintained against an **Insured Person**

(HH) “**scheduled outside entity**” means any organisation listed in a Scheduled Outside Directorship Endorsement attached to this Policy.

(II) “**subsidiary**” means any entity during any time in which the **parent company**, directly or through one or more **subsidiary(ies)**:

- (1) owns fifty percent (50%) or more of the issued and outstanding share capital,
- (2) controls fifty percent (50%) or more of the voting rights, or
- (3) controls the right to vote for the election or removal of such entity’s directors.

Subsidiary shall include any entity which is a tax-exempt non-profit entity, trade association, foundation, political action committee or a registered charity, controlled, established or maintained by the **company**.

The cover provided under this Policy with respect to any **subsidiary** shall only apply with respect to **wrongful acts**, events or conduct occurring or committed during the time when such entity is or was a **subsidiary** of the **company**.

(JJ) “**unrelated claim**” means any **claim** which neither alleges nor arises from any **interrelated wrongful acts** alleged in a **claim** previously made during the **policy period**.

(KK) “**wrongful act**” means any act, error, omission, misstatement, misleading statement, neglect, or breach of duty actually or allegedly committed, breach of contract, attempted or proposed to be committed by any **insured person** while acting in his or her capacity as an:

- (1) **insured person** of the **company** or a person serving in a functionally equivalent role for the **parent company** or any **subsidiary**; or
- (2) **outside director**.

For the avoidance of any doubt and without derogation from the generality of the above, but only to the extent that such definition does not derogate from the coverage granted by this policy, **wrongful act** shall also include the following:

- i) A breach of duty of care towards the **company** or any other person;
- ii) A breach of fiduciary duty towards the **company** provided that the **insured person** acted in good faith and had reasonable grounds to believe that such act should not prejudice the interests of the **company**;

- iii) Financial obligations imposed on **insured person** in favour of a "third party", in respect of any act committed by them in their capacity as directors or officers or employees of the **company**".

For the avoidance of any doubt and without derogation from the generality of the above, Financial obligations imposed on **insured person** in favour of a "third party", will include those imposed on him due to the Efficiency of Enforcement Procedures in the Securities Authority Act (legislation amendments), 5771-2011.

V. Exclusions

The **insurer** shall not be liable to make any payment in connection with any **claim** made against an **insured** or in connection with any matter covered by an extension to this Policy:

- (A) for any actual or alleged bodily injury, sickness, disease or death of any person, or any damage or destruction of any tangible property including loss of use thereof; however, this exclusion shall not apply to:
 - (1) any allegations of mental anguish or emotional distress, or
- (B) arising out of, based upon or attributable to an **insured** acting as a trustee, fiduciary or administrator of the **company's** own pension, profit sharing or employee benefits programme, including any actual or alleged violation of the Employee Retirement Income Security Act of 1974 (ERISA) (USA) and/or the Pensions Act of 1995 (UK) as amended or any regulations promulgated thereunder, or any similar law or regulation in any other jurisdiction;
- (C) arising out of, based upon or attributable to any fact, circumstance, situation, transaction, event or **wrongful act, company wrongful act or employment practices wrongful act**:
 - (1) underlying or alleged in any prior and/or pending litigation, or arbitration proceeding, administrative or regulatory proceeding which was brought prior to the Pending and Prior Litigation Date set forth in Item 7 of the Schedule; or
 - (2) which was the subject of any notice given under any other Management Liability policy, Directors and Officers liability policy or similar policy, unless such notice was provided to the **insurer** under an earlier policy but which was not accepted by the **insurer** as a valid notification, and where cover has been maintained continuously with the **insurer** from the inception date of the earlier policy to the end of the **policy period**.
- (D) brought about or contributed to by any:
 - (1) dishonest, fraudulent or criminal act or omission of any **insured** or any wilful violation of any statute, rule or law; or
 - (2) Personal profit or remuneration gained by any **insured** to which such **insured** is not legally entitled;as determined by a final non-appealable adjudication in the underlying action, or any formal written admission by or on behalf of such **insured**, that such conduct did in fact occur.

For the purpose of determining the applicability of Exclusion 0(1) to the **company**, only knowledge or information possessed by the Chairman, Chief Executive Officer, Chief Financial Officer, Chief

Operating Officer or General Counsel (or equivalent in any jurisdiction) of the **company** will be imputed to the **company**.

- (E) brought by, on behalf of, or at the direction of the **insured**, or an **outside entity**, , except and to the extent such **claim**:
- (1) is brought derivatively by a security holder of the **company** or an **outside entity** who, when such **claim** is made and maintained, is acting independently of, and without the voluntary solicitation, assistance, participation or intervention of an **insured person** (other than an insured person engaged in whistleblowing), the **company** or any **outside entity**; or
 - (2) is brought by any receiver, administrator or other insolvency practitioner (or equivalent in any other jurisdiction) of the **company** or an **outside entity**, or any assignee of such person.

No knowledge, or act, error or omission, of any **insured person** will be imputed to any other **insured person** to determine the application of any of the exclusions above.

VI. **Limit of Liability, Indemnification and Retentions**

- (A) Save as set out in any applicable sub-limit, the **insurer** shall pay the amount of **loss** in excess of the applicable **retention(s)** set forth in **Item 4** of the Schedule up to the **limit of liability**.
- (B) The amount set forth in **Item 3** of the Schedule shall be the maximum aggregate **limit of liability** of the **insurer** under this Policy (except with respect to the special excess limits specified in Extensions II (A) and (B)). Any payment by the **insurer** shall reduce the **limit of liability** accordingly by the paid amount. The sub-limits of liability specified in **Section 5** of the Schedule are part of and not in addition to the **limit of liability** and is the maximum amount the **insurer** will pay with respect to the cover to which it applies.
- (C) With respect to the **company's** indemnification of **insured persons**, the certificate of incorporation, charter, by-laws, articles of association, or other organisational documents of the **parent company**, each **subsidiary** and each **outside entity**, will be deemed to permit indemnification of the **insured persons** to the fullest extent allowable by law.
- (D) **Claims** arising from the same **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 such **claim** is made or deemed to have been made pursuant to General Condition VIII (A) (1) to (3) below, if applicable.
- (E) The **retention** applicable to Insuring Agreement I (B) shall apply to any **loss** as to which indemnification by the **company** or **outside entity** is legally required or permitted, whether or not actual indemnification is made unless such indemnification is not made by the **company**, or **outside entity** solely by reason of its financial insolvency in which case no **retention** shall apply.
- (F) If a payment is made by the **insurer** to any **insured person** under this Policy as to which indemnification by the **company** was legally required or permitted but not made by the **company**, the **company** agrees to pay to the **insurer** the amount of the **retention** applicable to I. Insuring Agreement (B). The **insurer** shall be entitled to set off such amounts against any sums due from the **insurer** to the **company**.
- (G) If different **retentions** are applicable to different parts of any **loss**, the applicable **retention(s)** will be applied separately to each part of such **loss**, and the sum of such **retention(s)** will not exceed the largest applicable **retention** set forth in **Item 4** of the Schedule.
- (I) Notwithstanding the above and solely in respect of a **claim** filed against an **insured**, it is agreed that in the event of a **loss**, including **defence costs**, exceeding the total aggregate limit of liability for **loss**, then this policy shall cover reasonable **defence costs** excess of the limit of liability provided that;

- (1) the limit of liability of this Policy; and
- (2) any written excess layer Policy over the limit of liability of this Policy

have been exhausted.

In respect of **claims** filed against an **insured** outside Israel this policy shall cover reasonable **defence costs** excess of the limit of liability up to 20% of the total aggregate limit of liability for **loss**.

VII. Defence, Settlement and Allocation of Loss

- (A) It shall be the duty of the **insured** to defend any **claim**. The **insurer** shall have the right and be given the opportunity to participate with each **insured** in the defence and settlement of any **claim** that appears likely to involve the **insurer**.
- (B) Except as provided for in Extension II (H) Emergency Costs, the **insurer** shall not be obliged to pay any **defence costs** unless the **insurer** has provided prior written consent to the **defence costs** being incurred, such consent not to be unreasonably withheld, delayed or denied.
- (C) The **insurer** shall not be obliged to make any payment in connection with any liability admitted by the **insured**, nor any settlement agreed by the **insured**, unless the **insurer** has provided prior written consent to the liability being admitted or settlement being agreed, such consent not to be unreasonably withheld, delayed or denied.
- (D) Upon the written request of an **insured**, the **insurer** will advance **defence costs** on a current basis in excess of the applicable **retention**, if any, before the disposition of the **claim** for which this Policy provides coverage. If it is finally determined that the **loss** incurred is not covered under this Policy, then the **insured** shall repay such **loss**, including **defence costs**, paid to or on behalf of the **insured**.
- (E) In the event the **company** or the **outside entity** refuses to indemnify the **insured persons** even if it is legally required or permitted to do so, the **insurer** shall advance **defence costs** to the **insured persons** and the provisions of Clauses VI (E) and (F) above shall apply. A "refusal to indemnify" shall mean a written refusal by the **company** or the **outside entity** to indemnify the **insured persons**.
- (F) If both **loss** covered by this Policy and loss not covered by this Policy are incurred, either because a **claim** made against the **insured** contains both covered matters and matters not covered by this Policy, or because a **claim** is made against both the **insured** and others (including the **company** for **claims** other than **securities claims**) not insured under this Policy, the **insured** and the **insurer** will use their best efforts to determine a fair and appropriate allocation of **loss** between that portion of **loss** that is covered under this Policy and that portion of **loss** that is not covered under this Policy. Additionally, the **insured** and the **insurer** agree that in determining a fair and appropriate allocation of **loss**, the parties will take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defence and/or settlement of the **claim** by, the **insured** and others.
- (G) **Allocation**
If **Insured Person** incur both **loss** covered by this policy and loss not covered by this policy, either because a **claim** includes both covered and uncovered matters or because a **claim** is made both against **Insured Person** and the **company**, **Insurer** shall advance 100% of the **defence costs**.

Insurer shall pay only that proportion of **loss** (not including **Defence costs**) that can be allocated to **Insured Person**.

Any allocation of **loss** (not including **Defence costs**) shall be agreed between **Insurer** and **Insured Person** or the **Company** (as applicable) or, in the absence of such agreement, shall be determined by a member of the Bar Council (or local equivalent in the place of registration of the policyholder) as arbitrator to be mutually agreed upon by **Insurer** and **Insured Person** or the **company** (as applicable) or in default of such agreement to be nominated by the Chairman of the Bar Council (or local equivalent). Such determination will be based upon the written submissions of **Insurer** and **Insured Person** or the **Company** (as applicable) and will be final and binding. The fees charged by the arbitrator for providing such determination will be borne by **Insurer**.

VIII. General Conditions

(A) NOTICE

- (1) The **insured** must give the **insurer** written notice of any **claim** first made against the **insured** during the **policy period**, as soon as practicable and, in any event, within sixty (60) days of the end of the **policy period**, or within such additional **discovery period** as may apply. If the **insured** does not give notice to the **insurer** in compliance with this clause, the **insurer** shall not be entitled to deny coverage for the **claim** based solely upon late notice unless the **insurer** can demonstrate its interests were materially prejudiced by reason of such late notice.
- (2) During the **policy period**, the **insured** may also give the **insurer** written notice of any **investigation**, event, or proceeding which could give rise to cover under any Extension in Section II of this Policy. If the **insured** does not give notice to the **insurer** in compliance with this Clause VIII (A) (2), the **insurer** shall not be entitled to deny coverage for in respect of any such **investigation**, event or proceeding unless the **insurer** can demonstrate its interests were materially prejudiced by reason of such late notice.
- (3) During the **policy period**, the **insured** may also notify the **insurer** of any fact or circumstance which may reasonably give rise to a **claim**. Such notice must include the reasons why the **insured** reasonably anticipates that the fact or circumstance may give rise to a **claim** with full particulars of the dates, acts and persons involved.
- (4) Any **claim** made after expiry of the **policy period** which alleges, arises out of, is based upon or attributable to any **interrelated wrongful act** which was the basis of:
 - (i) a **claim** first made during the **policy period** (or applicable **discovery period**) which has been notified to the **insurer** in accordance with clause VIII (A) (1) above; or
 - (ii) a fact or circumstance, **investigation**, event, or proceeding, which has been notified to the **insurer** in accordance with clauses VIII (A) (2) or (3) above;will be treated by the **insurer** as having been notified during the **policy period**,
- (5) All notices must be sent by certified mail or the equivalent to the address set forth in Item 8 of the Schedule: Attention: Professional Lines Claims Department.

(B) OTHER INSURANCE

- (1) All **loss** payable under this Policy will be specifically excess of and will not contribute with any other insurance, including any insurance that would have been valid and collectable in the absence of this insurance. This Policy will not be subject to the terms of any other insurance policy.
- (2) All coverage under this Policy for **loss** from **claims** made against the **insured persons** while acting in their capacity as an **outside director**, will be specifically excess of and will not contribute with, any other valid and collectable insurance or indemnification available to such **insured person** from such **outside entity** or its insurers by reason of their service as such.

(C) **PRIORITY OF PAYMENTS**

If **loss**, including **defence costs**, shall be payable under more than one of the Insuring Agreements, then the **insurer** shall, to the maximum extent practicable and subject at all times to the **insurer's** maximum aggregate **limit of liability** as set forth in Item 3 of the Schedule, pay such **loss** as follows:

- (1) first, the **insurer** shall pay that **loss**, if any, which the **insurer** may be liable to pay on behalf of the **insured persons** under Insuring Agreement I (A); and
- (2) second, the **insurer** shall pay that **loss**, if any, which the **insurer** may be liable to pay on behalf of the **company** under Insuring Agreements I (B), (C) or otherwise.

(D) **CANCELLATION**

~~This Policy may only be cancelled for non-payment of premium. If the premium is not paid within (60) days after inception of the **policy period**, the **insurer** may cancel this Policy, with effect from inception, by providing twenty (20) days written notice of cancellation to the **parent company** as the agent of record for the **insured**. If premium is paid during the 20 day notice period, the notice of cancellation will be revoked.~~

(E) **REMEDIES FOR MISREPRESENTATION AND/OR NON-DISCLOSURE**

The **insurer** irrevocably waives any and all rights and remedies it may have as a result of any misrepresentation or non-disclosure including, but not limited to, any right it may have to rescind or avoid this Policy, except with respect to:

- (1) an **insured person** who was fraudulent in relation to the misrepresentation or non-disclosure in question; or
- (2) the **company** in respect of Insuring Agreement I (C).

(F) **SEVERABILITY**

The **proposal** shall be construed as a separate **proposal** by each **insured**. With respect to the information and statements contained in such **proposal** or otherwise provided to the **insurer** when the Policy was placed, no statement or knowledge possessed by any one **insured** shall be imputed to any other **insured** for the purpose of determining the availability of cover for any other **insured**. The acts,

omissions, knowledge, or warranties of any **insured** shall not be imputed to any other **insured** with respect to the cover available under this Policy.

Only the knowledge or information possessed by the past, present or future Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer or General Counsel (or equivalent in any jurisdiction) of the **company** will be imputed to such **company**.

The **insurer** irrevocably waives any right it may have to rescind or avoid this policy, or any severable part of this policy pursuant to the above, on the grounds of innocent or negligent non-disclosure, or innocent or negligent misrepresentation by any **insured**

(G) **ASSISTANCE, COOPERATION AND SUBROGATION**

(1) The **insured** agrees to provide the **insurer** with all information, assistance and cooperation that the **insurer** may reasonably request, and further agrees that they will do nothing which in any way increases the **insurer's** exposure under this Policy or in any way prejudices the **insurer's** potential or actual rights of recovery.

(2) In the event of any payment under this Policy, the **insurer** shall be subrogated to all of the potential or actual rights of recovery of the **insured**. The **insured** shall execute all papers required and will do everything necessary to secure such rights including but not limited to the execution of such documents as are necessary to enable the **insurer** to bring suit in their name, and will provide all other assistance and cooperation which the **insurer** may reasonably require.

In addition, the **insurer** waives its right of subrogation against any **insured person** and /or employees unless the above mentioned persons have been convicted of a deliberate criminal act, or been determined to have committed a deliberate fraudulent act.

(H) **EXHAUSTION**

If the **limit of liability** and the special excess limits specified in Extensions II (A) and (B), are exhausted by the payment of **loss**, the premium for this Policy will be deemed fully earned, and all obligations of the **insurer** under this Policy will be completely fulfilled and exhausted, and the **insurer** will have no further obligations of any kind whatsoever under this Policy.

(I) **ASSIGNMENT AND CHANGES TO THE POLICY**

(1) Assignment of interest under this Policy shall not bind the **insurer** unless the **insurer** has given prior written consent.

(2) Notice to any agent of the **insurer** or knowledge possessed by any agent or other person acting on behalf of the **insurer** will not cause a waiver or change in any part of this Policy or prevent the **insurer** from asserting any right under the terms, conditions and limitations of this Policy.

(3) The terms, conditions and limitations of this Policy may only be waived or changed by written endorsement.

(J) **AUTHORISATION AND NOTICES**

It is understood and agreed that the **parent company** will act on behalf of the **company** and the **insured persons** with respect to:

- (1) the payment of premium;
- (2) the receiving of any return premium that may become due under this Policy;
- (3) the giving of all notices to the **insurer**, and
- (4) the receiving of all notices from the **insurer**.

Subject to the other provisions of this Policy, this General Condition (J) does not preclude an **insured person** from notifying the **insurer** in accordance with General Condition (A).

(K) **CONFIDENTIALITY**

- (1) The **insurer** will treat as confidential all information provided to it by the **insured** in connection with this Policy and will not, without the prior consent of the **parent company**, disclose any such information to any third party. However, the **insurer** shall be entitled, without the consent of the **parent company**, to disclose any confidential information to:
 - (i) any director, officer, employee, agent, reinsurer or adviser of the **insurer** and/or its group companies in dealing with the insurance of the **insured**, including underwriting and claims handling purposes;
 - (ii) to any person in order to comply with any legal or regulatory requirement; or
 - (iii) a court, mediator, or arbitrator to whom matters are referred in connection with this Policy or with any reinsurance of this Policy.
- (2) The **insurer** will not be required to treat as confidential any information provided to it by an **insured** if that information:
 - (a) is in the public domain, other than by means of the **insurer** having disclosed it; or
 - (b) was in the **insurer's** possession prior to it being provided by the **insured**.

(L) **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exist or is available apart from that Act.

(M) **JURISDICTION AND GOVERNING LAW / ARBITRATION**

This Policy shall be governed by and construed in accordance with the laws of England and Wales.

All matters in difference between the parties arising under, out of or in connection with this Policy, including formation and validity, and whether arising during or after the period of this Policy, shall be referred to an arbitration tribunal. The seat and place of arbitration shall be London.

The arbitration shall be conducted in accordance with the latest UK ARIAS Rules published at the time that arbitration is commenced by the claimant (the party requesting arbitration), unless the rules conflict with this clause, in which case this clause will prevail.

Unless the parties agree to appoint a sole arbitrator within 14 days of one receiving a written request from the other for arbitration, the claimant shall appoint his arbitrator and give written notice to the respondent. Within 14 days of receiving such notice the respondent shall appoint his arbitrator and give written notice to the claimant.

If the respondent refuses to, or fails to appoint an arbitrator within 14 days of receiving written notice of the appointment of the claimant's arbitrator, the claimant may give notice in writing to the respondent that he proposes to appoint his arbitrator to act as the sole arbitrator. If the respondent does not within 7 clear days of that notice being given make the required appointment and notify the claimant that he has done so, the claimant may appoint his arbitrator as sole arbitrator whose award shall be binding on both parties as if he had been so appointed by agreement.

Where two arbitrators have been appointed by the claimant and the respondent, those arbitrators shall appoint a third arbitrator. Should they fail to appoint such a third arbitrator within 28 days of the appointment of the respondent's arbitrator then either of them or either of the parties may apply to the appointor for the appointment of the third arbitrator. The appointor shall be the Chairman for the time being of ARIAS (UK) or if he is unavailable or it is inappropriate for him to act for any reason, such person as may be nominated by the Committee of ARIAS (UK). If for any reason such persons decline or are unable to act, then the appointor shall be the Judge of the appropriate Courts having jurisdiction at the place of arbitration.

The three arbitrators shall decide by majority. If no majority can be reached the verdict of the third arbitrator shall prevail. He shall also act as chairman of the tribunal.

Unless the parties otherwise agree the arbitration tribunal shall consist of persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance as persons engaged in the industry itself or as lawyers or other professional advisers.

(N) **COMPLAINTS**

Every effort is made to ensure that a high standard of service is provided. However, if the **insured** is not satisfied with the service it has received, it should contact:

Compliance Officer

Taxes Insurance Company

Claims Notice

10805 Old Mill Road

Omaha, Nebraska 68154

Please quote the Policy or claim number and the name of the **parent company**.

Complaints that cannot be resolved by the Compliance Officer may be referred to the Financial Ombudsman Service.

Financial Ombudsman Service
South Quay Plaza

507 PRF
PRICE FORBES & PARTNERS LIMITED
UMR: B0507HC2101267



183 Marsh Wall
London, E14 9SR

E-mail: complaint.info@financial-ombudsman.org.uk

Telephone 0845 080 18