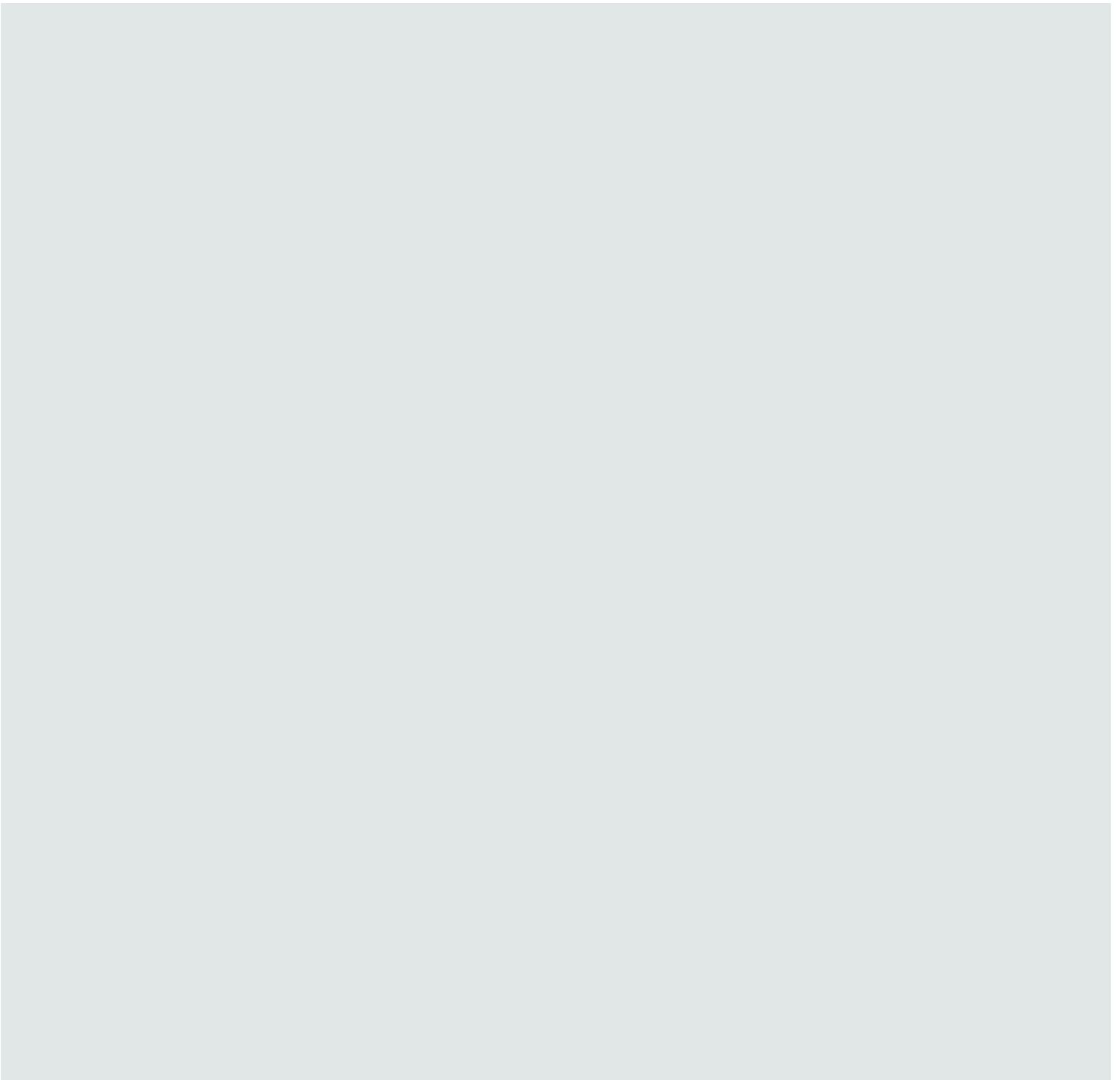


D&O Plus  
Directors' and Officers' Liability  
Policy document



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# A warm me to Zurich

Thank **you** for taking out **your** Directors' and Officers' Liability insurance policy with **us** and welcome to Zurich Insurance plc.

Zurich Insurance plc is a member of a group of companies of which the ultimate parent company is Zurich Insurance Group Ltd, a company registered in Switzerland (Zurich). Zurich has a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

At Zurich **we** have **your** future in mind and look forward to working closely with **you**.

[www.zurich.co.uk](http://www.zurich.co.uk)

## Your Directors' and Officers' Liability policy

This policy is a contract between **you** and **us**.

This policy and any schedule and endorsement should be read as if they are one document.

**We** will insure **you** during any period of insurance for which **we** have accepted **your** premium. **Our** liability will in no case exceed the amount of any limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

### **Law applicable to this contract**

In the UK the law allows both **you** and **us** to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address stated in the schedule. If there is any dispute as to which law applies it will be English law.

The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy and any schedule and endorsement carefully and if they do not meet **your** needs contact **us** or **your** broker or insurance intermediary.

### How we use personal information

**We** hold personal information in accordance with the Data Protection Act 1998. The information supplied to **us** by **you** may be held on computer and passed to other insurers and reinsurers for underwriting and claims purposes. **You** should show this to anyone whose personal information may be processed to administer this policy including handling any claims.

**We** use a variety of security technologies and procedures to help protect personal information from inappropriate use, and **we** will continue to revise procedures and implement additional security features as new technology becomes available.

**We** may use personal information for underwriting and claims purposes, statistical analysis, management information, market research, audits on the handling of claims, systems integrity testing, and risk management. **We** will only share personal information as described in this notice or where **we** are required or allowed to do so by law.

**We** may record or monitor telephone calls for security and regulatory purposes.

### Policy administration

In order to administer **your** insurance policy and any claims made against this policy **we** may share personal information provided to **us** with other companies within the Zurich Insurance Group and with business partners including companies inside and outside the European Economic Area. If **we** do transfer personal information including where **we** propose a change of underwriter **we** make sure that it is appropriately protected.

**We** may conduct searches about anyone whose personal information may be processed to administer this policy (including handling any claims) using publicly available sources. Examples are the edited electoral roll, county court judgments / Scottish decrees, bankruptcy registers and other public databases. This helps **us** assess applications for insurance, provide renewal quotations and check the accuracy of information. These searches may be recorded by credit reference agencies but they will not affect any credit standing.

### Claims history

When **you** tell **us** about an incident or claim **we** may pass information relating to it to any relevant claims related database.

**We** and other insurers may search relevant claims related databases when **you** apply for insurance, in the event of any incident or claim or at time of renewal to validate **your** claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

### Fraud prevention and detection

In order to prevent and detect fraud **we** may at any time:

- a) share information about **you** with other organisations including the police
- b) conduct searches using publicly available databases
- c) undertake credit searches
- d) check and share **your** details with fraud prevention and detection agencies.

If false or inaccurate information is provided and fraud is identified details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. **We** and other organisations may also access and use this information to prevent fraud and money laundering for example when:

- a) checking details on applications for credit and credit related to other facilities
- b) managing credit and credit related accounts or facilities
- c) recovering debt and tracing beneficiaries
- d) checking details on proposals and claims for all types of insurance
- e) checking details of job applicants and employees.

Please contact **us** if **you** want to receive details of the relevant fraud prevention agencies. **We** and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

### Data protection rights

Individuals have certain rights under the Data Protection Act 1998, including the right to ask for a copy of the information **we** hold about them. **We** may make a small charge for this. Individuals also have the right to ask **us** to correct their information if it is inaccurate.

If **you** want to know more about how **we** use personal information or have any data protection questions, please contact the Data Protection Officer, Zurich Insurance plc, 3000 Parkway, Whiteley, Fareham, Hants, PO15 7JZ.

## Section 1 – Definitions

Certain words in this policy have special meanings. These meanings are given below and apply where the words appear in bold.

### Approved Person

Any natural person employed by the **company** to whom the Financial Conduct Authority has given its approval to perform one or more of controlled functions 1-20 for a company pursuant to Section 59 of the Financial Services and Markets Act of 2000 (as amended).

### Benefits

Any type of compensation or the equivalent value thereof other than salary and wages including but not limited to:

- a) perquisites, fringe benefits, bonus payments
- b) incentive or deferred compensation
- c) **share based benefits**
- d) medical or insurance benefits and payments due to any person in connection with an employee benefit plan or pension scheme.

### Change of Control

Where any person, entity or group:

- a) acquires more than 50% of **your** share capital
- b) acquires the majority of the voting rights in **you**
- c) assumes the right to appoint or remove the majority of **your** board of directors or equivalent positions
- d) assumes control pursuant to written agreement with other shareholders over the majority of the voting rights in **you**
- e) merges with **you** such that **you** are not the surviving entity; or where
- f) a trustee in bankruptcy, receiver, liquidator or administrator or similar official or person is appointed to **you**.

### Civil Bond or Bail Bond Expense

The reasonable premium but not collateral for a bond or other financial instrument to guarantee for up to 12 months an **insured person's** contingent obligation for a specific amount required by a court hearing a **claim**.

### Claim

- a) A written demand for compensation, monetary damages or non-monetary relief alleging any **wrongful act**
- b) a civil proceeding, suit or counter-claim for compensation, monetary damages or non-monetary relief commenced by the service of a claim form or similar pleading alleging any **wrongful act**
- c) a formal notice of a criminal proceeding alleging any **wrongful act**

- d) a formal notice of an arbitration proceeding alleging any **wrongful act**
- e) a formal administrative or regulatory proceeding commenced by the service on any **insured** of a notice of charges or similar document against any **insured** alleging any **wrongful act**
- f) an investigation of an **insured person** in their insured capacity as such when an **insured person** is identified in writing by any investigating authority as a person against whom a criminal, administrative or regulatory proceeding may be commenced.

Provided always that a **claim** will not include any labour or grievance arbitration or other proceeding pursuant to an employment collective bargaining or union agreement.

### Company

**You** and any past, present or future **subsidiary company**.

### Defence Costs

Reasonable and necessary fees, costs, charges and expenses incurred by an **insured person** with our prior written consent in the investigation, defence, adjustment, settlement or appeal of any claim made or brought against that **insured person**.

Provided always that **defence costs** will not include **investigation costs** and will not include remuneration payable to any **insured persons** or **employees** of any **company**, cost of their time or costs or overheads of any **company**.

### Director

Any natural person who is

- a) a past, present or future director, officer, management committee member, member of the board of managers, supervisory board member, management board member or governor of the **company** elected or appointed according to law
- b) a past, present or future de facto director or officer or **shadow director** of the **company**
- c) an **approved person**
- d) named as a prospective director in the listing particulars or prospectus for a public offering issued by any **company**.

### Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with the **company**
- b) a labour master or labour only subcontractor or person supplied by any of them
- c) under a work experience or similar scheme
- d) hired or borrowed by the **company** from another employer

and working for the **company** in connection with the **company's** business while under the direct control or supervision of the **company**.

### Employment Claim

A **claim** in respect of an **employment wrongful act** which is brought and maintained by or on behalf of any past, present, future or prospective **employee** of the **company** or **employee** of an **outside entity** against any **insured person**.

### Employment Wrongful Act

In relation to the **company** or where applicable the **outside entity** any actual or alleged:

- a) wrongful or unfair dismissal, discharge or termination of employment
- b) breach of any oral or implied employment contract or quasi-employment contract
- c) employment related misrepresentation
- d) violation of employment discrimination laws
- e) illegal workplace harassment including sexual harassment
- f) wrongful failure to promote
- g) wrongful discipline
- h) wrongful deprivation of a career opportunity
- i) wrongful demotion
- j) negligent evaluation
- k) negligent retention
- l) employment related invasion of privacy
- m) employment related defamation, humiliation, libel or slander
- n) failure to adopt workplace or employment practices policies and procedures
- o) illegal retaliatory treatment or victimisation of **employees** including retaliation in violation of whistleblower statutes
- p) employment related infliction of emotional distress in connection with a violation listed above in this definition.

### Excess

The amount stated in this policy, the schedule or any endorsement to this policy for which **you** are responsible and which will be deducted from any payment under this policy as ascertained after the application of all other terms and conditions of this policy.

### Extradition Claim

A formal request, claim, warrant for arrest or other proceedings pursuant to the provisions of the Extradition Act 2003 or similar legislation in any other jurisdiction around the world.

### Extradition Costs

Reasonable and necessary legal fees, costs and expenses incurred by an **insured person** with **our** prior written consent to obtain legal advice or to bring or defend proceedings including by way of judicial review or by way of other challenge to the political executive's decision to order an **insured person's** extradition from the jurisdiction of the United Kingdom or any other jurisdiction around the world and to pursue appeals including appeals to the European Court of Human Rights.

### Financial Institution

Any bank including any merchant or investment bank, finance company, hedge fund, insurance or reinsurance company, mortgage bank, savings and loan association, building society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally for the purpose of carrying out commodities, futures or foreign exchange trading or any other similar entity.

### Financial Loss

- a) Damages, judgements, awards or settlements in respect of any **wrongful act** that any **insured** becomes legally liable to pay
- b) **defence costs**
- c) **investigation costs**
- d) **extradition costs**
- e) **prosecution costs**
- f) **civil bond or bail bond expense**
- g) costs payable under clause 2.8 in relation to shareholder derivative claims
- h) punitive, exemplary, aggravated and multiple damages imposed upon an **insured**

Provided always that financial loss will not include:

- a) taxes
- b) social security contributions
- c) fines or penalties imposed by law
- d) damages that are uninsurable under the law pursuant to which this policy will be construed
- e) **benefits**
- f) the costs to comply with any injunctive, interim or other non-monetary relief or any agreement to provide such relief.

In the event of a **claim** alleging that the price or consideration paid or proposed to be paid for an acquisition or completion of an acquisition of all or the majority of the ownership interest in or assets of an entity is inadequate **financial loss** with respect to such **claim** will not include any amount other than **defence costs** in respect of any judgement or settlement representing the amount by which such price or consideration is effectively increased.

### Foreign Jurisdiction

Any jurisdiction other than the United Kingdom.

### Insured

- a) Any **insured person**
- b) any **company**.

### Insured Person

Any natural person who is:

- a) a **director**
- b) an **outside entity executive**
- c) an **employee** of the **company** who is **your** risk manager or equivalent position
- d) an **employee** of the **company** while acting in a managerial or supervisory capacity for the **company**
- e) an **employee** of the **company** including whilst acting as a lawyer on behalf of the **company** for:
  - i) any **securities claim** against such **employee** or **employment claim**
  - ii) any other **claim** against such **employee** where such **claim** is also made and is continuously maintained against a **director**.

Provided always that insured persons will not include any consultant, external auditor, or liquidator, administrator or receiver of the **company**.

### Investigation

An official examination, enquiry, investigation or other proceeding into **your** affairs ordered or commissioned by a body legally empowered to investigate **your** affairs.

### Investigation Costs

Reasonable costs and expenses necessarily incurred by an **insured person** with **our** written consent for representation at an **investigation** when such **insured person** has been legally required in writing to attend.

Provided always that investigation costs will not include:

- a) fines or penalties levied or imposed in connection with the **investigation**
- b) remuneration payable to any **insured person** or **employee** of the **company**, cost of their time or costs or overheads of the **company**.

### Limit of Liability

**Our** maximum liability in the aggregate payable under this policy for all **financial loss** arising from all **claims** made under this policy. The limit of liability applies over and above any **excess**.

### Non-Executive Director

Any natural person serving as a **director** of the **company** at the inception of the period of insurance who is not also an **employee** of any **company** including any natural person who begins serving as a non-executive director of the **company** during the period of insurance.

### Outside Entity

- a) Any not-for-profit entity
- b) any other entity in which the **company** has a shareholding

except any:

- a) **financial institution**
- b) other entity if its **securities** are traded on a primary, secondary or other market
- c) other entity that had negative net assets or negative net worth at the inception date of this policy.

### Outside Entity Executive

Any **director** of the **company** or any **employee** of the **company** whilst serving or acting in the capacity of a **director** or officer of an **outside entity** at the **company's** specific direction and request.

### Parent Company

Any company which is from time to time a holding company of the **company** as such expression is defined in section 736 of Companies Act 1985 or equivalent legislation.

### Pollutants

Any solid, liquid, gaseous irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, toxic mould or any thermal irritant or contaminant, ionising radiation or radioactivity from any nuclear fuel and waste including but not limited to nuclear waste or materials which are intended to be or have been recycled, reconditioned or reclaimed and any other similar substance of any kind or nature whatsoever including electromagnetic fields, asbestos, asbestos products and any noise.

### Pollution

- a) The actual, alleged or threatened generation, transportation, discharge, emission, dispersal, release, escape, treatment, storage or disposal of **pollutants**
- b) any governmental regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **pollutants**
- c) any action taken in contemplation or anticipation of any such regulation, order, direction or request, or any voluntary decision to do so.

## Proposal

Any information, statements or materials supplied to us by you.

## Prosecution Costs

Reasonable and necessary fees, costs, charges and expenses incurred with our prior written consent in bringing or defending proceedings in an insured's national court or to appeal to seek to obtain the discharge or revocation of a judicial order entered during the period of insurance against an insured person in connection with a claim. Provided always that such fees, costs, charges and expenses will not include any remuneration payable to any insured person or employee of any company, costs of their time or overhead of any company.

## Securities

Any bond, debenture, note, share, stock or other equity or security for debt which is issued or given by the company including any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, or other interest in any of the foregoing items.

## Securities Claim

Any claim that:

- a) is brought by a holder of securities of a company:
  - i) in their capacity as a security holder of such company, with respect to their interest in securities issued by the company
  - ii) on behalf of or in the name of a company in the form of a shareholder derivative action or its equivalent against an insured
- b) is brought by any governmental or regulatory agency that regulates the purchase or sale or offer to purchase or sell securities and alleges that a company and or any of its insured persons violated a governmental or regulatory local or foreign securities law or a rule or regulation promulgated under such securities law, including but not limited to the Financial Services and Markets Act 2000 whether or not in connection with the purchase, sale or offer to purchase or sell securities issued by the company but with regard to Extension 3.4 f) of this policy only if and so long as such claim against the company is also made and is continuously maintained against a director.

## Shadow Director

Any natural person who is deemed a shadow director as defined in section 251 of the Companies Act 2006.

## Share Based Benefits

The value of any actual, beneficial or contingent rights to benefits, incentives or other compensation whose value is imputed or derived in any way from the value of the securities of the company, including but not limited to, share options, share grants, restricted shares or share warrants.

## Sub-limit of Liability

A limit of our liability under this policy which is within and forms part of and is not in addition to the limit of liability.

## Subsidiary Company

Any entity in which you directly or indirectly:

- a) hold more than 50% of the voting rights
- b) appoint a majority of the board of directors
- c) have the right to appoint a majority of the board of directors subject to a written agreement with other shareholders.

## Third Party

Any person or entity other than the company or an insured person.

## US Claim

Any claim brought or commenced in whole or in part within the jurisdiction of or pursuant to the laws of the United States of America or its territories or possessions.

## We, Us, Our, Ours

Zurich Insurance plc or pertaining to Zurich Insurance plc.

## Wrongful Act

Any actual, alleged or attempted breach of duty, breach of trust, breach of warranty of authority, neglect, error, misstatement, misleading statement, libel, slander or defamation, employment wrongful act or any other wrongful act or omission committed or attempted by or allegedly committed or attempted by:

- a) the insured person whilst acting in their capacity on behalf of the company or any matter claimed against such insured person solely by reason of their status as such
- b) the insured person whilst acting in the capacity as a director or officer of an outside entity at the company's specific direction or request but only with respect to clause 2.2 and 2.3.

## You, Your, Yours, Yourselves

The legal entity designated in the schedule or pertaining to the legal entity designated in the schedule.

## Section 2 – The cover

The following insurance covers are afforded for **claims** first made against an **insured person** during the period of insurance or during an extended reporting period and notified to **us** as required by the policy.

### 2.1 Insured person cover

We will pay on behalf of any **insured person** the **financial loss** of such **insured person** in respect of any **claim** made against such **insured person** other than to the extent that such **insured person** is indemnified by the **company**.

### 2.2 Company reimbursement cover

We will pay on behalf of the **company** the **financial loss** of an **insured person** in respect of any **claim** made against such **insured person** but only to the extent that such **company** has indemnified such **insured person**.

### 2.3 Outside entity executive cover

We will pay on behalf of the **outside entity executive** the **financial loss** of such **outside entity executive** in respect of any **claim** made against such **outside entity executive** but only excess of any indemnification provided by an **outside entity** and excess of any director's and officer's liability insurance coverage afforded to an **outside entity** or its director or officers.

### 2.4 Employment claims

We will pay on behalf of any **insured person** the **financial loss** of such **insured person** in respect of any **employment claim** made against such **insured person** other than to the extent that such **insured person** is indemnified by the **company**.

### 2.5 Retired persons

In the event that **you** do not renew this policy and only in respect of **insured persons** who retire prior to the date of non-renewal this policy shall continue in force for a period of 6 years from the date of non-renewal. Provided that:

- a) the policy shall only apply to **claims** arising from **wrongful acts** prior to the date of retirement of the **insured person**; and
- b) the said 6 years period shall run concurrently with any extended reporting period and;
- c) no similar insurance is effected elsewhere.

### 2.6 Marital estates

We will pay **financial loss** arising from or in consequence of any **claim** first made against the lawful spouse or domestic partner of any **insured person** during the period of insurance arising solely out of their capacity as the spouse or domestic partner of any **insured person**. The cover provided by this clause is limited to **financial loss** arising from actions or proceedings for the enforcement of judgements or damages against an **insured person** resulting from a **claim** against that **insured person** covered under this policy, where such enforcement relates to the ownership of property including marital community property jointly held by the **insured person** and their spouse or domestic partner. This clause will not cover any **claim** arising out of any **wrongful act** of the spouse or domestic partner.

### 2.7 Company investigations

We will pay on behalf of any **insured person** such **investigation costs** as arise from or are a consequence of an **investigation** into the affairs of the **company** provided that the **insured person** is legally required to attend such **investigation** for the first time during the period of insurance and **you** notify **us** of such **investigation** pursuant to the requirements of Section 5 Claims Settlement.

An **investigation** will be deemed to be first made when the **insured person** is first so required in writing to attend such **investigation**.

Provided always that this cover will not apply to any **investigation** brought or commenced in whole or in part within the jurisdiction of or pursuant to the laws of the United States of America or any territory or possession thereof including but not limited to any **investigation** brought by or commenced by the United States Securities and Exchange Commission (SEC).

### 2.8 Costs for shareholder derivative claims

If the **company** is ordered by a court to pay the costs of the claimants in pursuing a derivative action against **insured persons** we will pay such costs provided that such derivative action constitutes a **claim**.

### 2.9 Pollution defence costs

We will pay **defence costs** up to the **sub-limit of liability** stated in the schedule incurred by any **insured person** as a result of any **claim** against such **insured person** arising from **pollution**. We will not pay **defence costs** in excess of such **sub-limit of liability** even if otherwise also covered by clauses 2.1 to 2.3.

### 2.10 Pollution shareholders actions

We will pay the **financial loss** of any **insured person** in respect of any **claim** against such **insured person** by or at the instigation of any shareholder of the **company** which alleges diminution in value of the **company's** shares as a result of **pollution**.

### 2.11 Bilateral extended reporting period

If this policy is not renewed by **you** or **us** **you** have the right to extend the period of insurance for 12 months for 50% of the annual premium stated in the schedule in respect of any **wrongful act** committed prior to the effective date of such non-renewal.

**You** must give **us** written notice of **your** intention to purchase the extended reporting period within 10 days of the effective date of non-renewal of this policy.

**You** must promptly pay the relevant premium.

## Section 3 – Extensions

The following insurance covers are afforded for **claims** first made during the period of insurance or during an extended reporting period and notified to **us** as required by the policy.

### 3.1 Non-executive director

We will pay the non-indemnifiable **financial loss** of each and every **non-executive director** of the **company** up to a limit of £250,000 per **non-executive director** when the following have been exhausted:

- a) the **limit of liability** and
- b) all other applicable directors and officers liability whether specifically written as excess over the **limit of liability** of this policy or otherwise and
- c) all other indemnification for loss available to any **non-executive director**.

### 3.2 Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred with respect to any covered **claim** we will give retrospective approval for such **defence costs** subject to a **sub-limit of liability** of 10% of the **limit of liability** in the aggregate.

### 3.3 Reputational recovery costs

We will pay on behalf of any **insured person** the reasonable fees and expenses payable to outside public relations professionals incurred by an **insured person** with **our** prior written consent in order to mitigate damage to the **insured person's** reputation due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided that such **claim** is first made against an **insured person** during the period of insurance and notified to **us** except for and to the extent that the **company** has indemnified the **insured person** for such costs and expenses.

This extension is subject to a **sub-limit of liability** of £100,000 in the aggregate.

### 3.4 Corporate liability

We will pay on behalf of the **company** the **financial loss** of the **company** in respect of any **claim** made against the **company** including any **claim** in respect of criminal proceedings brought in respect of a charge or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007.

Provided always that this extension does not cover any **claim** arising from or in consequence of:

- a) any breach of any oral or written contract or agreement except to the extent the **company** would have been liable in the absence of the contract or agreement
- b) any **employment claim**
- c) performance of or attempted performance by the **company** of any duties or responsibilities in relation to the pension scheme of the **company**
- d) any libel or slander, any form of invasion of privacy, plagiarism or breach of copyright or trademark, patents, database right, registered design or design right
- e) **pollution**
- f) any public or private offering of **securities** made by the **company** during the period of insurance
- g) any breach of any regulatory, statutory or common law aimed at preventing monopolies, price discrimination, fixing of prices or other unfair trade practices
- h) any litigation brought in a court of law constituted in a **foreign jurisdiction** or arising out of the activities of the **company** in the United States of America or Canada
- i) the provision of or failure to provide professional services

this extension is subject to a **sub-limit of liability** of £500,000 in the aggregate or the policy **limit of liability** whichever is the lower.

An **excess** of £5,000 will apply in respect of each **claim** under this extension. Provided always that this **excess** will not apply to any **claim** which is successfully defended.

### 3.5 Entity employment practice

We will pay on behalf of the **company** the **financial loss** of the **company** in respect of any **employment claim** made against the **company**.

Provided always that this extension does not cover **financial loss** in respect of any **claim** arising from or in consequence of:

- a) the costs associated with any obligation to adjust or adapt any premises, building or machinery or make any other adjustments or reasonable accommodations required by or as a result of or to conform with the requirements of the Disability Discrimination Acts of 1995 and 2005 whether pursuant to a duty to make adjustments or otherwise

- b) any award made in respect of the failure by an **insured** to inform or consult any **employee** representative in accordance with:
  - i) the Transfer of Undertakings (Protection of Employment) Regulations of 2006
  - ii) a protective award in the United Kingdom
- c) any **claim** arising from an industrial dispute, lockout or breach of a collective agreement including any **claim** pursuant to the Trade Union and Labour Relations (Consolidation) Act 1992
- d) any **claim** made or brought in a **foreign jurisdiction**
- e) any liability volunteered by any **employee** or the **company** on behalf of any other person or entity
- f) the provision of or failure to provide professional services.

This extension is subject to a **sub-limit of liability** of £50,000 in the aggregate.

An **excess** of £5,000 will apply in respect of each **claim** under this extension.

We will be entitled to take over the defence or settlement including the appointment of legal counsel of any **employment claim** made under this extension.

We may at any time pay the maximum amount payable under this extension after deduction of any sum or sums already paid or any lower amount for which any **employment claim** can be settled and then relinquish the conduct and control and be under no further liability in respect of the **employment claim** except for the payment of **defence costs** incurred prior to the date of such payment.

If in our view an **employment claim** can be compromised or settled but any **employee** or the **company** wish to further contest such **employment claim** we will not be under further liability for any amount over and above the original amount at which we in our view would have been able to achieve a compromise or settlement.

## Section 4 – Exclusions

This policy does not cover **financial loss** in respect of:

### 4.1 Company or insured person

any **claim** brought or maintained in whole or in part by or on behalf of the **company** or any **insured person**.

Provided always that this exclusion shall not apply to:

- a) any **claim** which the **company** is ordered to bring by a legally empowered official body
- b) any **claim** brought in the name of the **company** by one or more persons who are not **insured persons** and who bring and maintain the **claim** without the solicitation, assistance or active participation of the **company** or any **insured person**
- c) any **claim** brought by or at the instigation of any **insured persons** if such **claim** results from a covered **claim** brought by any **third party** and the **third party** could have brought the **claim** directly against an **insured person** not named in the independent **claim**
- d) any **claim** brought by any former **insured person**
- e) **defence costs**.

### 4.2 Employment benefits

any **claim** arising from or in consequence of any violation or infringements of any responsibilities, obligations or duties imposed by statute, common law, rule or regulation in respect of employers liability, disability benefits, working time regulations, redundancy pay, **benefits**, unemployment benefits, social security, retirement benefits, disability benefits, health and safety or any similar law, rule or statute or portion of any law, rule or statute. Provided always that this exclusion will not apply to any allegation of retaliation or retaliatory treatment of the claimant by the **insured** on account of the claimant's exercise of rights pursuant to any such statute, law, rule or regulation.

### 4.3 ERISA

any **claim** arising from or in consequence of violation of any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act (ERISA) of 1974 or any amendment thereof, enacted in the United States of America or its territories or by similar regulations or provisions concerning pension, profit sharing or employee benefit programmes or social compensation plans arising under Federal, State or local statutory laws in the United States of America, its territories and/or possessions or which relate in any way thereto.

### 4.4 Fraud

any **claim** arising from or in consequence of any recklessness, intentionally dishonest or fraudulent act or omission or any wilful violation of any statute or regulation or relevant admission committed by any **insured** if a judgement or other final decision establishes such an intentionally dishonest or fraudulent act or omission or wilful violation.

### 4.5 Parent Company

made by or at the instigation of any **parent company** of the **company** regardless of whether such **claim** is made in the name of the parent company or not.

### 4.6 Personal debt

any **claim** arising from or in consequence of:

- a) any actual or alleged contractual liability of any **insured person** pursuant to any contract, agreement or legal requirement of any kind
- b) any debt of any **insured person**.

### 4.7 Prior and pending investigation

any **investigation** initiated prior to or pending at the date specified in the schedule or alleging or deriving from the same or essentially the same facts as or that has the same originating source or causes as the matters alleged in such prior or pending **investigation**.

### 4.8 Prior and pending litigation

any **claim** arising from or in consequence of litigation arbitration or other proceedings initiated prior to or pending at the date specified in the schedule of this policy or alleging or deriving from the same or essentially the same facts as or that has the same originating source or causes as the matters alleged in such prior or pending litigation.

### 4.9 Prior circumstances and claims

- a) any **claim** arising from or in consequence of any circumstance fact matter or occurrence that might give rise to any **claim** that was reported under any other insurance policy prior to inception of this policy or that was disclosed on **your** latest proposal to **us** or if not reported or disclosed that was or ought to have been known to any **insured** prior to inception of this policy
- b) any **claim** alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any **claim** made against the **insured** prior to inception of this policy.

### 4.10 Profit or advantage

any **claim** arising from or in consequence of any **insured** having gained actual profit or advantage to which they had no legal entitlement.

#### 4.11 Property damage and bodily injury

any **claim** arising from or in consequence of:

- a) death, bodily injury, mental injury, sickness, disease, mental anguish or shock other than mental anguish or shock in connection with an **employment claim**
- b) loss of or damage to property.

#### 4.12 Terrorism

any **claim** arising from or in consequence of loss, damage, consequential loss, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with:

- a) any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:
  - ii) involves violence against one or more persons
  - iii) involves damage to property
  - iv) endangers life other than that of the person committing the action
  - v) creates a risk to health or safety of the public or a section of the public
  - vi) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

In any action or suit or other proceedings where we allege that by reason of this exclusion cover is not provided under this policy the burden of proving that cover is provided under this policy will be upon the **insured**.

#### 4.13 Trustee

any **claim** arising from or in consequence of infringement of obligations imposed by any statute, regulation or common law whilst acting in the capacity of trustee of any pension, superannuation scheme, profit sharing or other employee benefit scheme.

#### 4.14 Union and collective bargaining

any **claim** arising from or in consequence of any actual or alleged violation of the responsibilities, obligations, or duties imposed by any statute or common law that governs the rights of employees to engage in or to refrain from engaging in union or other collective activities or the enforcement of any collective bargaining agreement including but not limited to grievance and arbitration proceedings.

#### 4.15 US claims

any **US claim**.

#### 4.16 Wrongful acts for subsidiaries

any **claim** arising from or in consequence of any actual or alleged **wrongful act** of any **insured person** of any **subsidiary company** or the **subsidiary company** committed prior to becoming a **subsidiary company** or after ceasing to be a **subsidiary company**.

## Section 5 – Claims settlement

### 5.1 Defence of claim

It is the duty of an **insured** who receives a **claim** to take all reasonable steps to defend such **claim** and they will not do anything which may prejudice **our** position.

**We** will have no duty to defend any **claim** made under this policy. Provided always that for any **claim** which may be covered under this policy **we** will have the right to be provided with all such information regarding the **claim** as **we** will reasonably require and will be kept fully informed regarding all matters regarding the investigation, defence or settlement of any **claim** and will have the right to receive copies of all relevant documents.

In the event of any dispute between **you** and **us** regarding whether or not to contest any **claim** then the procedure described by the Arbitration condition in this policy will apply.

### 5.2 Payments

**We** will pay **defence costs** covered under this policy to the **insured** as and when those **defence costs** fall due. Any **insured** with no entitlement to payment for **financial loss** under the terms and conditions of this policy must repay **us** any payments of **defence costs** to **insureds** which have been made by **us**.

### 5.3 Fair allocation

If a **claim**:

- a) is made against any **insured person** or the **company** and any defendant not insured under this policy
- b) includes both **financial loss** which is covered under this policy and **financial loss** together with associated **defence costs** which are not covered

**we**, the **insured person** and the **company** will use all reasonable endeavours to determine a fair allocation between **financial loss** which is covered and **financial loss** and **defence costs** which are not covered under this policy.

### 5.4 Payments on behalf of insured persons

If the **company** fails for reasons other than insolvency to indemnify the **insured person** to the fullest extent permitted or required by law in respect of **financial loss** covered under this policy **we** will pay such **financial loss** on behalf of the **insured person**. **We** will then be entitled to obtain reimbursement from the **company** for all payments made by **us** that would not have been made if the indemnity had been provided by the **company**.

### 5.5 Written consent

**Our** written consent must be obtained before:

- a) any **defence costs** are incurred
- b) any legal representative is retained to defend any **insured person** or to take any steps in connection with any legal proceedings that may potentially be covered by this policy
- c) any **claim** is settled.

## Section 6 – Conditions

For the purposes of these conditions 'claim' will mean **claim, employment claim or financial loss**.

### 6.1 Arbitration

All disputes and differences arising under or in connection with this contract must be referred to arbitration under ARIAS Arbitration Rules. The Arbitration Tribunal will consist of three arbitrators one to be appointed by the claimant one to be appointed by the respondent and the third to be appointed by the two appointed arbitrators.

The third member of the Tribunal must be appointed as soon as practicable and no later than 28 days after the appointment of the two party-appointed arbitrators. The Tribunal will be constituted upon the appointment of the third arbitrator.

The arbitrators must be people including those who have retired with not less than 10 years experience of insurance or reinsurance within the Insurance industry or as lawyers or other professional advisers serving the Insurance industry.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time before their appointment by ARIAS (UK) the party or arbitrators in default may make such appointment.

The Tribunal has sole discretion to make such orders and directions that it considers necessary for the final determination of the matters in dispute. The Tribunal has the widest discretion permitted under the law governing arbitration when making such orders or directions.

### 6.2 Applicability to each person separately

The **proposal** will be construed as a separate **proposal** for coverage by each **insured**. No statement in the **proposal** or knowledge possessed by **you** will be imputed to any other **insured** for the purpose of determining if coverage is available. The declarations, representations and warranties in the **proposal** and knowledge possessed by any past, present or future Chief Executive Officer, Chief Financial Officer, Director of Human Resources, and/or in house General Counsel of the **insured company**, will be imputed to the **company** for determining if coverage is available with respect to claims against such party under this policy.

### 6.3 Automatic acquisition

We will pay the financial loss on behalf of an **insured person** of a **subsidiary company** which **you** founded or acquired after the inception date of this policy provided that the newly founded or acquired **subsidiary company**:

- a) is not domiciled outside the European Economic Community
- b) does not have publicly traded securities
- c) is not a **financial institution**
- d) does not have assets which exceed 25% of **your** total assets as stated in **your** last published accounts.

### 6.4 Change in circumstances

**You** must notify **us** as soon as possible during the period of insurance if there is any change in circumstances or to the material facts previously disclosed by **you** to **us** or stated as material facts by **us** to **you** which increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the period of insurance. If the changes make the risk unacceptable to **us** then **we** are under no obligation to agree to make them and may no longer be able to provide **you** with cover.

If **you** do not notify **us** of any such change we may exercise one or more of the options described in clauses c) i), ii) and iii) of condition 6.11 – Fair presentation of the risk but only with effect from the date of the change in circumstances or material facts.

### 6.5 Change of control

If there is a **change of control** during the period of insurance then the cover provided by this policy only applies in respect of **wrongful acts** occurring prior to the effective date of that **change of control**.

**You** must give written notice to **us** of the **change of control** as soon as reasonably practicable.

### 6.6 Claims notification

It is a condition precedent that the **company** or the **insured person** must provide written notice to **us** as soon as is reasonably practicable and in any event no later than 45 days after the expiry of the period of insurance of:

- a) any **claim**
- b) notice from any person or entity of an intention to make a **claim**
- c) any **insured person** being required to attend an **investigation**.

If the **company** or any **insured person** becomes aware of any circumstance which could reasonably be expected to give rise at a later date to a **claim** then written notice to **us** of such circumstance will be deemed for the purposes of this policy to be the date on which any **claim** arising out of such circumstance was made and notified under this policy.

Written notice must include but is not limited to a description of the **claim, investigation** or circumstance, as applicable, the nature of the alleged or potential damage, the names of the actual or potential claimants and the date and manner in which the **company** or **insured person** first became aware of the **claim, investigation** or circumstance, as applicable.

### 6.7 Claims series

Any **claim** or **investigation**, whether made before, during or after the period of insurance, or series of such **claims** or **investigations** which arise out of the same **wrongful act** or a related series of **wrongful acts** or which have the same originating cause or source or are otherwise causally connected shall constitute a single **claim** or **investigation** for the purposes of this policy.

All such **claims** and such **investigations** that constitute a single **claim** or **investigation** under this provision shall be deemed to have been made during the period of insurance if either the first such **claim** or first such **investigation** was first made during the period of insurance.

If however the first such **claim** or first such **investigation** was made prior to the period of insurance then all such **claims** and **investigations** shall be deemed to have been made prior to the period of insurance and therefore excluded from cover.

For the purpose of applying this condition, an **investigation** shall be deemed to have been made when an **insured person** is first required to attend such **investigation**.

### 6.8 Contracts (Rights of Third Parties) Act 1999

A person or company including an **insured person** who was not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a **third party** which exists or is available apart from that Act.

### 6.9 Contractual right of renewal (tacit)

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme **we** will have the right which **we** may choose not to exercise to renew the policy each year and continue to collect premiums using this method. **We** may vary the terms of the policy including the premium at renewal. If **you** decide that **you** do not want **us** to renew the policy provided **you** tell **us** or **your** insurance intermediary before the next renewal date **we** will not renew it.

### 6.10 Contribution

If a **claim** under this policy is also insured by any other policy **we** will not pay more than **our** rateable proportion.

### 6.11 Fair presentation of the risk

- a) At inception and renewal of this policy and also whenever changes are made to it at **your** request **you** must:
  - i) disclose to **us** all material facts in a clear and accessible manner; and
  - ii) not misrepresent any material facts.
- b) If **you** do not comply with clause a) of this condition **we** may:
  - i) avoid this policy which means that **we** will treat it as if it had never existed and refuse all claims where any non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless in which case **we** will not return the premium paid by **you**; and
  - ii) recover from **you** any amount **we** have already paid for any claims including costs or expenses **we** have incurred.
- c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless this policy may be affected in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:
  - i) if **we** would not have provided **you** with any cover **we** will have the option to:
    - 1) avoid the policy which means that **we** will treat it as if it had never existed and repay the premium paid; and
    - 2) recover from **you** any amount **we** have already paid for any claims including costs or expenses **we** have incurred
  - ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply. **We** may recover any payments made by **us** on **claims** which have already been paid to the extent that such claims would not have been payable had such additional terms been applied
  - iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

## 6.12 Fraudulent claims

If **you** or anyone acting on **your** behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

**we** will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

**We** may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an **insured person** and not on behalf of **you** this condition should be read as if it applies only to that **insured person's** claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

## 6.13 Limit of Liability and Excess

The **limit of liability** is the total aggregate amount payable by **us** under this policy for all **financial loss** under all insuring clauses 2.1 to 2.11 of this policy irrespective of the number of **claims** or the number of **insureds** who may claim under this policy and irrespective of the amounts of any such **claims** or when they are made.

## 6.14 Payment by instalments

Where **we** refer in the policy to the payment of premiums this will include payment by monthly instalments. If **you** pay by this method the policy remains an annual contract. The date of payment and the amount of the instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then the credit agreement and the policy will be cancelled immediately.

## 6.15 Public or Private Offering

If **you** or any **subsidiary company** makes a public or private offering of **securities** during the period of insurance then **you** must give written notice to **us** of that offering including any information **we** may reasonably require as soon as reasonably practicable. **We** reserve the right to provide cover and amend the terms of this policy in respect of that public or private offering.

**We** also reserve the right to exclude cover for any public or private offering.

## 6.16 Sanctions

Notwithstanding any other terms of this policy **we** will be deemed not to provide cover nor will **we** make any payment or provide any service or benefit to **you** or any other party to the extent that such payment, service, benefit and/or any business or activity of **yours** would violate any applicable trade or economic sanctions law or regulation.

## 6.17 Subrogation

When **we** pay any **financial loss** **we** will assume all rights of recovery available to any **insured person** or the **company** who must give **us** all reasonable assistance in the prosecution of such rights. The **insured persons** shall execute all papers reasonably required and shall take all reasonable action that may be necessary to secure any and all subrogation rights of **us** including an action against the **company** for non-payment of indemnity by the **company**.

## 6.18 Territorial Limits

Coverage under this policy will apply to **financial loss** incurred resulting from **claims** made and **wrongful acts** occurring anywhere in the world where legally permissible.

# Our complaints procedure

## Our commitment to customer service

We value the opportunity to look into any concerns you may have with the service we have provided and we are committed to handling all complaints fairly, consistently and promptly.

## Who to contact in the first instance

Many concerns can be resolved straight away therefore in the first instance please get in touch with your usual contact at Zurich or your broker or insurance intermediary as they will generally be able to provide you with an immediate response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

If we cannot resolve your complaint straight away we will aim to resolve your concerns as soon as possible and we will keep you informed of progress while our enquiries are continuing.

The majority of complaints we receive are resolved within four weeks of receipt.

## The Financial Ombudsman Service (ombudsman)

If we are unable to resolve your complaint to your satisfaction within eight weeks or if you remain dissatisfied following receipt of our final response letter you may be able to ask the ombudsman to formally review your case. You must contact the ombudsman within six months of our final response.

The ombudsman contact details are as follows:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

You can telephone for free on:

08000 234 567 for people phoning from a "fixed line"  
(for example a landline at home)

0300 123 9 123 for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

or e-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

This is a free and impartial service and you are entitled to contact the ombudsman at any stage of your complaint.

The ombudsman can help with most complaints if you are:

- a consumer
- a business employing fewer than 10 persons that has an annual turnover or balance sheet that does not exceed €2 million
- a charity with an annual turnover of less than £1 million
- a trustee of a trust with a net asset value of less than £1 million.

If you are unsure whether the ombudsman will consider your complaint or for more information please contact the ombudsman directly, or visit [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100.



#### Zurich Insurance plc

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UK Branch registered in England and Wales Registration No. BR7985.

UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance plc is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. These details can be checked on the FCA's Financial Services Register via their website [www.fca.org.uk](http://www.fca.org.uk) or by contacting them on 0800 111 6768.

Our FCA Firm Reference Number is 203093.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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