

# **Pembroke**

**SYNDICATE 4000**

**Financial Institutions**

**Civil Liability**

**Policy Wording**

THE SCHEDULE

1. Policy No: {Response}

2. Name of Assured:

{Response}

3. Principal Address:

{Response}

4. Policy Period:

From: {Response}

To: {Response}

both days at 12.01 a.m. Local Standard Time at the Principal Address

5. Retroactive Date:

{Response}

6. The Premium:

{Response}

7. Proposal Form Dated:

{Response}

8. Limit of Indemnity:

{Response} in the aggregate

9. Deductible:

{Response} each and every claim

10. Third Party Claims to be notified to:

{Response}

11. Persons Nominated to accept Service of Process:

{Response}

12. Country of Jurisdiction:

{Response}

13. Amendatory Endorsements applicable at inception:

{Response}

14. Dated in London: {Response}

Pembroke

In consideration of the payment of the Premium stated in Item 6 of the Schedule and in reliance upon the statements made by the **Assured** in the written Proposal Form bearing the date specified in the Schedule, which statements are deemed to form the basis of and be incorporated in this Policy, Underwriters agree as follows

### **INSURING CLAUSE**

Underwriters shall pay on behalf of the **Assured Loss** resulting from claims made against the **Assured** by third parties for **Civil Liability** provided such claims arise out of the provision by or on behalf of the **Assured of Financial Services** to third parties and are first made during the Policy Period.

### DEFINITIONS

**Assured** shall mean the entity or entities named in Item 2 of the Schedule

**Assured's Management** shall mean:

- (a) the **Assured's** past or present Chairman, Chief Executive Officer, President, Managing Director, any member of the Assured's Board of Directors; or
- (b) any member of an executive committee established by or under the authority of the Board of Directors; or
- (c) any member of a management or other committee or sub-committee having authority delegated by any committee described in (b) above or the Board of Directors or when an Executive Director is a member of any committee.

**Civil Liability** shall mean:

- (a) a civil wrong or wrongdoing actionable at law as a tort or its equivalent; and/or
- (b) a breach of any statute (including any statutory provisions and /or any rules or regulations made by any regulatory body or authority thereunder) enacted within the jurisdictions stated in Item 12 of the Schedule; and/or
- (c) a civil wrong or wrongdoing actionable as a breach of trust (including a breach of constructive trust) or a breach of fiduciary duty,

giving rise to civil liability on the part of the **Assured** for which the remedy is a claim for damages, or a **Restitution Order**.

**Defence Costs and Expenses** shall mean all reasonable and necessary professional fees and expenses incurred by the **Assured**, with the prior written consent of Underwriters (which shall not be unreasonably withheld), in the defence of any claim for **Civil Liability**.

**Documents** shall mean letters of credit, promissory notes, money orders, orders upon public treasuries, stamps, insurance policies, title deeds, certificates of title and all other negotiable and non-negotiable instruments or contracts representing money or other property (real or personal) or interests therein, and other valuable papers, including books of account which are held by the Assured for any purpose or in any capacity and for which the Assured is legally liable.

**Financial Services** shall mean those professional financial services described in the written Proposal Form submitted by the **Assured** to Underwriters and which are provided by the **Assured** to a customer of the **Assured**:

- (a) in return for a fee, commission or other compensation; or
- (b) without compensation so long as such non-compensated services are rendered in conjunction with services rendered for compensation.

**Loss** shall mean:

- (a) the legal liability of the **Assured** to pay any damages for financial loss and costs awarded against the **Assured**; and
- (b) any settlement for financial loss as agreed by Underwriters; and
- (c) **Restitution Order**; and
- (d) **Defence Costs and Expenses**.

**Loss** shall not mean or include:

- (a) fines, penalties, punitive or exemplary damages or multiple damages (other than a single compensatory amount of damages prior to such multiplication); or
- (b) fees, commissions, or other charges paid or due to the **Assured**; or
- (c) the **Assured's** obligations as either a principal or a counterparty in any transaction(s) for the **Assured's** own account; or
- (d) any matter which is or may be deemed uninsurable under the law in respect of which this Policy shall be construed.

**Market Abuse** shall mean conduct which constitutes market abuse pursuant to the provisions of the Financial Services and Markets Act 2000.

**Restitution Order** shall mean an order made by a Court or Regulatory Authority pursuant to which the **Assured** is required to pay to such Regulatory Authority (or any successor body) or to a third party compensation to the extent of the financial loss suffered by such third party as a result of the **Assured's** acts or omissions, provided always that:

- (i) it is the third party who has suffered the financial loss; and
- (ii) if any amount is required to be paid to the Regulatory Authority (or any successor body), such Authority is required to pay the said amount to such third party.

**Restitution Order** does not mean an order pursuant to which the **Assured** is required to pay to any party any profits or fees or commissions or other charges which have accrued or been paid (or are owing or payable) to the **Assured**.

**Terrorism** shall mean any act or acts of force or violence (whether threatened or actual) by any person or persons acting alone or on behalf of or in connection with any organisation, which is carried out for political, religious or ideological ends and is either directed towards the over-throwing or influencing of any Government de jure or de facto or to put the public or any part of the public in fear.

CONDITIONS

1. LIMIT OF INDEMNITY

- (a) The total liability of Underwriters for **Loss** shall not exceed the sum stated in Item 8 of the Schedule, in the aggregate, for all claims first made against the **Assured** by third parties during the Policy Period.
- (b) Regardless of the number of years this Insurance has been in force or may continue to be in force and of the premiums paid or payable in respect thereof the liability of Underwriters shall not be cumulative in amount from year to year or from period to period and in no case shall exceed the sum stated in Item 8 of the Schedule.

2. DEDUCTIBLE

- (a) Subject to the Limit of Indemnity, the Underwriters shall be liable only for that part of each and every third party claim first made during the Policy Period, including third party claimant's costs and the **Assured's** approved **Defence Costs and Expenses**, which exceeds the Deductible stated in item 9 of the Schedule.
- (b) The Deductible shall apply to each and every third party claim and shall be subject to no aggregate limitation.
- (c) If a series of third party claims shall result from a single act or omission (or related series of acts or omissions) then, irrespective of the total number of claims, all such third party claims shall be considered to be a single third party claim for the purposes of the application of the Deductible.

3. RECOVERIES

All recoveries from third parties for payments made under this Policy shall be applied (after first deducting the costs and expenses incurred in obtaining such recovery but excluding the overhead of the **Assured**, which includes but is not limited to, the salaries, wages or benefits of any of its directors, officers, employees, in-house lawyers or other in-house professional advisers) in the following order of priority:

- (a) The **Assured** shall first be reimbursed for the amount of their **Loss** which would otherwise have been paid by Underwriters under this **Policy** but only for the fact that it is in excess of the Limit of Indemnity provided by this **Policy**;
- (b) Underwriters shall then be reimbursed for the amount of their liability under this Policy.
- (c) Any remaining sum shall be applied towards reimbursement of the Deductible borne by the **Assured** under this Policy.

4. SUBROGATION

In the event of payment of any **Loss** by Underwriters under this Policy, Underwriters shall be subrogated to all rights, title, interests and causes of action of the **Assured** to the extent of such payment. The **Assured** shall do all things necessary to secure

such rights, title, interest or causes of action, including all things necessary to enable Underwriters to bring a claim in the **Assured's** name or in their own name, where applicable.

Underwriters agree to waive any rights of subrogation against any employee except in respect of any **Loss** arising from or contributed to by any dishonest or fraudulent act or omission on the part of such employee or where and to the extent that such employee is (or would be but for the liability of the **Assured** or any coverage provided under this **Policy**) entitled to indemnity under a separate policy of insurance regardless of whether any amount is paid under such other policy in respect of the acts, errors or omissions complained of.

### 5. ASSIGNMENT

In the event of payment of any **Loss** by Underwriters under this Policy, the **Assured** shall deliver, if so requested by Underwriters, an assignment of such of the **Assured's** rights, title, interests and causes of action as it has against any person or entity to the extent of such payment and Underwriters shall be entitled to retain for their benefit all monies which may be received as a result of the enforcement of such rights, title, interests and causes of action assigned to them

### 6. NON-ADMISSION OF LIABILITY

The **Assured** shall not admit liability for or settle any third party claim without the prior written consent of Underwriters. Nevertheless, the **Assured** shall not be required to contest any legal proceedings to trial unless Counsel, to be mutually agreed upon by the **Assured** and Underwriters (or if not so agreed, as determined in the manner set out in Clause 8(c) below in relation to the selection of Counsel), shall advise that such proceedings should be contested.

### 7. MEANING OF THIRD PARTY CLAIMS MADE AND NOTICE PROVISIONS

This Policy applies only to third party claims first made against the **Assured** during the Policy Period.

For the purposes of this Policy, a third party claim is considered to be made when the **Assured** first:

- (a) receives a written demand for damages of the type covered by this Policy, including the service of suit or the institution of legal, arbitration, or regulatory proceedings; or
- (b) becomes aware of the intention of any person to make such demand against them; or
- (c) becomes aware of any fact, circumstance or event which could reasonably be anticipated to give rise to such a demand at any future time.

As a condition precedent to coverage under this Policy written notice of any such third party claims made shall be given by the **Assured** at the earliest practical moment, but in any event within 30 days of the expiration date of the Policy Period stated in Item 4 of the Schedule.

Any subsequent legal proceedings for damages brought against the **Assured**, or any settlement made by Underwriters, as a direct result of any matter or matters for which written notice has been given under (b) or (c) above, whether such proceedings are brought, or such settlement made, during or after the expiration of the Policy Period, is considered to be a third party claim first made against the **Assured** at the time the **Assured** first gave notice of such matter or matters to Underwriters.

The **Assured's** notice of any actual or potential third party claim must be in writing and include full particulars of such actual or potential claim, including the identity of the actual or potential claimant, the location where such actual or potential claim has been or is likely to be made, the amount (or estimated amount) of such actual or potential claim, the specific allegations made or anticipated to be made, and the facts, circumstances and events giving rise to such actual or potential claim.

Upon receipt of written notice of any third party claim (as defined above) the Underwriters shall be entitled to appoint a representative to investigate the claim on their behalf and the **Assured** as a condition precedent to coverage under this Policy shall co-operate fully with any Underwriters' representative in the conduct of his enquiries, including but not limited to making available to him all necessary information and documentation as he may require together with facilities for the interviewing of all the **Assured's** personnel whom the representative may consider to be relevant to his enquiries. If Underwriters appoint a representative to report to them upon any third party claim, then the costs so incurred by Underwriters shall not form part of the Limit of Indemnity or the Deductible.

8. DEFENCE OF CLAIM

- (a) Underwriters shall not be required to assume the handling or control of the defence or settlement of any third party claim against the **Assured** but shall have the right (but not the duty) to take over at any time the control of the defence or settlement or compromise of any third party claim which is or might be the subject of indemnity under this Policy if Underwriters in their discretion deem it appropriate to do so.
- (b) Insofar as any third party claim or claims fall within the Limit of Indemnity provided hereunder, then Underwriters shall have the discretion to negotiate a settlement thereof including an admission of liability if Underwriters deem it appropriate to do so and the Deductible stated in Item 9 of the Schedule shall apply to any such settlement whether made with the **Assured's** consent or otherwise provided always that prior to any settlement and/or admission of liability being made Underwriters shall consult with the **Assured** who shall not unreasonably withhold its consent to such settlement and/or admission of liability.
- (c) In the event of the **Assured** and Underwriters being unable to agree as to the proposed settlement and/or admission of liability then (at the election of either party) the dispute shall be referred to a Queen's Counsel of the English Bar to be appointed jointly by Underwriters and the **Assured** or if not so appointed within 7 days of one party so electing, by a Queen's Counsel chosen by the Chairman of the Financial Services Authority (or any successor body) which Queen's Counsel shall decide the issue of whether the **Assured's** consent is being unreasonably withheld and his decision shall be binding on Underwriters and the **Assured**.

- (d) Underwriters may at any time pay to the **Assured** in connection with any third party claim or series of third party claims notified hereunder the amount of the Limit of Indemnity as shown in Item 8 of the Schedule (after deduction of any sum or sums already paid by Underwriters whether as costs and expenses or as compensation) or any lesser amount for which such claim or claims can be settled and upon such payment being made Underwriters shall be under no further liability in connection therewith and shall (except with respect to any subrogation action) relinquish the conduct and control of such claim or claims.

9. JURISDICTION

This Policy shall apply only to:

- (i) final Judgements against the **Assured** in the Courts of the Country(ies) stated in Item 12 of the Schedule (provided such Courts are duly constituted and internationally recognised for the purposes of due process and a right of appeal) and not to Judgements obtained elsewhere nor to Judgements or Orders obtained in the said Courts for the enforcement of Judgements obtained elsewhere whether by way of reciprocal agreements or otherwise, or
- (ii) settlements for financial loss as agreed by Underwriters.

10. WARRANTY

- (a) The **Assured** warrant that the statements and particulars in the Proposal Form and any supplemental information pertaining thereto provided by or on behalf of the **Assured** are the basis of this **Policy** and shall be deemed attached to and incorporated herein.
- (b) The **Assured** agree, by acceptance of this **Policy**, that the statements and particulars in the Proposal Form and any supplementary information pertaining thereto constitute representations of the **Assured** and that this **Policy** is issued in reliance upon the truth, accuracy and completeness of such representations.

11. MERGER, PURCHASE OR ACQUISITION

In the event that the **Assured** shall merge with or purchase or otherwise acquire all or any of the undertaking, assets or liabilities of another entity or business this Policy shall not afford any coverage of any kind for any third party claim for, arising out of, relating to, or involving, directly or indirectly all or any of such undertaking, assets or liabilities of the acquired entity or business unless and until the **Assured** shall have obtained Underwriters' agreement in writing to an extension of cover under the Policy in relation to the same and then only upon such terms as may be stipulated by Underwriters after full disclosure of all material facts by the **Assured**.

12. TERMINATION

This Policy shall terminate immediately:

- (i) in the event of there being any change in the effective ownership or control of the first named **Assured** whether financial or otherwise and whether occurring by operation of law, voluntary act on the part of such **Assured** or by merger, purchase or sale of assets or shares or in any other way

- (ii) as to any **Assured** other than the first named **Assured** in the event of there being any change in the effective ownership or control (as set forth in (i) above) of that **Assured**

unless Underwriters, after having been furnished with all relevant particulars have offered revised terms and conditions in writing as to the continuation of cover and such terms and conditions have been accepted by the **Assured**

- (iii) upon receipt by Underwriters of a written request by the **Assured** to terminate the Policy.

Underwriters shall refund any unearned premium computed at pro rata if terminated on the occurrence of any of the events provided for in (i) or (ii) above.

Underwriters shall refund any unearned premium computed at short rate if terminated at the written request of the **Assured** as described in (iii) above.

- (iv) upon exhaustion of the Limit of Indemnity by one or more payments made under this Policy in which event the premium is deemed to be fully earned.

### 13. OTHER INSURANCE

This Policy shall not cover any **Loss** to the extent that such **Loss** is insured, or would but for the existence of this Policy be insured, by any other insurance policy (irrespective of the inclusion in such other insurance policy of any similar limitation of coverage), and whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise. Provided, however, that this condition shall not apply to the amount by which any **Loss** exceeds:

- (i) the limit of insurers' liability under such other insurance policy and any deductible or retention applicable under such insurance policy; or
- (ii) the Deductible in Item 9 of the Schedule herein,

whichever is the greater. If (i) above is applicable by virtue of this provision, the deductible in Item 9 of the Schedule herein shall not be applied.

### 14. POLICY DISPUTE INTERPRETATION, FORUM AND SERVICE OF SUIT

- (a) The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with English Law and in accordance with the English text as it appears in this Policy.
- (b) The **Assured** and Underwriters agree to submit to the exclusive jurisdiction of the English Courts in relation to all disputes arising out of, relating to or in connection with this Policy and/or its negotiation, validity or enforceability.
- (c) Any legal proceedings commenced against Underwriters arising out of this Policy may be served upon the person(s) named in Item 11 of the Schedule who are duly authorised to accept service on their behalf.

15. FRAUDULENT CLAIMS

If the **Assured** shall make any claim for indemnity knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall be void in its entirety and of no effect whatsoever and all claims for payment hereunder shall be forfeited.

16. THIRD PARTY RIGHTS

It is agreed that:

- (a) this Policy is not intended to confer any benefits or rights on any party other than the **Assured** whether or not such other interest is noted on the Policy;
- (b) Underwriters and the **Assured** shall be entitled to rescind, cancel or vary this Policy in any way without the consent of any other party whether or not an interest of such other party is noted on the Policy;
- (c) in the event of a claim (whether proceedings are commenced or not) by a party other than the **Assured** against Underwriters for the enforcement of any term of this Policy, Underwriters shall be entitled to raise by way of defence or set-off any matter which could have been raised by them by way of defence or set-off had such claim been made by the **Assured**.

EXCLUSIONS

This Policy shall not pay the **Assured** for **Loss** in respect of:

- 1. Any legal liability of the **Assured** arising from any contractual undertaking or agreement to the extent that the contractual undertaking or agreement:
  - (i) extends the duty and/or the standard of skill and care expected of the **Assured** beyond the duty and /or the standard that would have applied in the absence of such contractual undertaking or agreement; or
  - (ii) increases the compensation or damages for which the **Assured** is liable beyond the amount that would have been payable in the absence of such contractual undertaking or agreement.
- 2. Any legal liability based on, arising out of, relating to or involving directly or indirectly:
  - (a) any actual or alleged bodily injury, sickness, disease, death, emotional distress, anxiety, mental anguish or injury to feelings of any person; or
  - (b) any actual or alleged loss of, loss of the use of, damage to or destruction of any physical property (except **Documents**), whether owned by the **Assured** or held by the **Assured** in any capacity or for which the **Assured** may be liable, including but not limited to property in the custody, care or control of the **Assured** or their agent or in transit; or
  - (c) any actual or alleged wrongful entry, trespass, eviction or invasion of the right of private occupancy; or

- (d) any liability arising out of the **Assured** being the landlord, tenant, owner or occupier of any real property, buildings or land.
3. Any legal liability arising from or contributed to by the **Assured** having refused to provide any financing or refused to fulfil any actual or alleged commitment to make any loan or transaction in the nature of a loan or a lease or an extension of credit, whether such commitment was authorised or unauthorised.
4. Any third party claim by, on behalf of, or in the name or right of:
- (i) any **Assured**, or any **Assured's** parent, successors or assigns; or
  - (ii) any subsidiary of any **Assured** or of any **Assured's** parent, or such subsidiary's successors or assigns; or
  - (iii) any entity in which any **Assured** or any member of the **Assured's Management** has an executive or controlling interest, or such entity's successors or assigns.
5. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, the financial failure, liquidation, bankruptcy, insolvency, receivership or administration of the **Assured** or any subsidiary of the **Assured**, or any **Assured's** subsidiary seeking protection under any bankruptcy laws or regulations, or any plan of reorganisation or liquidation (voluntary or otherwise), scheme of arrangement (voluntary or otherwise), or form of composition with third party creditors of such **Assured** or such subsidiaries.
6. (a) Any third party claim based on, arising out of, relating to or involving directly or indirectly any fact, circumstance or event the awareness of which would cause a reasonable person to believe that it could give rise to a third party claim against the **Assured** and of which fact, circumstance or event the **Assured** was actually aware prior to the inception date of this Policy; or
- (b) Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any fact, circumstance or act or event which occurred prior to the Retroactive date in this Policy; or
- (c) Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any fact, circumstance or event which occurred prior to the inception date of this Policy and which was the subject of any notice of an actual or potential third party claim that any Insurer(s) or Underwriter(s) received from the **Assured** prior to the inception of this Policy.
7. Any third party claim made against the **Assured** by or on behalf of or at the behest of any government, governmental body or governmental agency, except:
- (a) when acting solely in the capacity of a client of the **Assured**; or
  - (b) where such government, governmental body or governmental agency has indemnified a customer of the **Assured**, to whom the **Assured** owes a legal duty or obligation, and is assignee of or becomes subrogated to any or all of the rights that such former, customer has against the **Assured**; or

- (c) when such government, governmental body or governmental agency is acting on behalf of or for the benefit of one or more individual parties, who each would, but for such claim, have standing to bring the said claim as a claimant directly against the **Assured**, and the government, governmental body or governmental agency makes such claim in its capacity as such.
8. Any third party claim made against the **Assured** by the Financial Services Authority or any equivalent or successor regulatory body or any government or governmental body or governmental agency for and on behalf of one or more individual parties unless each such party would, but for such claim, have standing as a third party to bring the claim directly against the **Assured**.
9. Any claim made against the **Assured** by or on behalf or in the name or right of:
- (a) a shareholder; or
  - (b) a bondholder; or
  - (c) a holder of any similar corporate benefit or obligation; or
  - (d) an employee, a former employee or a prospective employee,
- of the **Assured** in their capacity as such.
10. Any legal liability of whatsoever nature directly or indirectly caused by or arising from:
- (a) any actual or alleged ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
  - (b) any actual or alleged radioactive, toxic, explosive or other hazardous properties of any explosive nuclear installation, nuclear reactor or other nuclear assembly or nuclear component thereof; or
  - (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
  - (d) any radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
  - (e) any actual or alleged, seepage, pollution or contamination of any kind or
  - (f) the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of, or exposure to asbestos or materials or products containing asbestos, regardless of whether any other cause actually or allegedly resulted in or contributed to the damage, injury or loss at issue.
  - (g) any Fungi, regardless of whether any other cause actually or allegedly resulted in or contributed to the damage, injury or loss at issue.

"Fungi" means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mould, mildew, mycotoxins, spores, or any biogenic aerosols.

11. Any third party claim based on, arising out of, relating to or involving, directly or indirectly:
  - (a) any actual or attempted merger, purchase or acquisition of another business by the **Assured**, except when the **Assured** is acting on behalf of a customer of the **Assured**; or
  - (b) any actual or attempted purchase or sale transactions in the shares of the **Assured**, the **Assured's** parent company or any subsidiary of the **Assured** except when the **Assured** is acting on behalf of a customer of the **Assured**.
12. (a) Any legal liability arising directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, or the act of any lawfully constituted Authority; or
- (b) Any liability based on, arising out of, relating to or in connection with, or involving directly or indirectly **Terrorism** (including, without limitation, contemporaneous or ensuing loss, damage or legal liability resulting from fire, looting or theft). The BURDEN OF PROVING that any claim does not fall within this **Terrorism** Exclusion shall be upon the **Assured**.
13. Any third party claim arising from any guarantee or warranty provided by or on behalf of the **Assured** as to the performance of any investment products (including securities, commodities, currencies, and all forms of derivatives).
14. Any legal liability arising from or contributed to by loss of value, surrender value or cancellation value of any leased product or service as a result of fluctuations in value of such product or service.
15. Any liability of the **Assured** for that part of any **Loss** which represents reimbursement, restitution or disgorgement of fees, profits, commissions, costs or other charges paid or payable to the **Assured**, or based on, arising out of, relating to or involving, directly or indirectly, the actual or alleged charging of excessive, undisclosed or otherwise improper fees, profits, commissions, costs or other charges by the **Assured**.
16. Any legal liability arising directly or indirectly as a result of or in connection with any act or acts (or alleged act or acts) of **Market Abuse**
17. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any act, error or omission of any employee of the **Assured** occurring after any natural person member of the **Assured's Management** or any Head of any Department or Division of the **Assured** (who is not acting in collusion with such employee) learns of any dishonest or fraudulent act or omission on the part of such employee.
18. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any Directorial Act.

"Directorial Act" means any acts, errors or omissions by any Director (whether so described or deemed to be) of the **Assured** in his or her capacity as such.

19. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any actual or alleged failure to provide insurance of any kind, whether such failure concerns the amount, existence or adequacy of such insurance or otherwise.

It is agreed however that this Exclusion shall not apply to any legal liability of the **Assured** due solely to negligence in failing to effect or maintain any specific insurance in accordance with the instructions of a customer of the **Assured**.

20. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any actual or alleged improper solicitations or improper agreements, whether express or implied, relating to any Offering including, but not limited to:
- (i) solicitations or tie-in agreements to purchase additional shares in any entity's stock (including but not limited to the **Assured's** stock); or
  - (ii) such improper solicitations or improper agreements which violate Regulations S-K or M of the Securities Exchange Commission, or Conduct Rules 2110 and 2440 of the National Association of Securities Dealers, or the Financial Services and Markets Act 2000 (including any statutory provisions and/or any rules or regulations made by any Regulatory Body or Authority thereunder), or any other equivalent statutes, laws, directives, rules and regulations applicable to the **Assured**.

"Offering" means the public or private sale of stock, including but not limited to, an initial public offering, a secondary offering or a private placement.

21. Any legal liability based on, arising out of, relating to or in connection with, or involving, directly or indirectly, any actual or alleged money laundering or related financial crime which any member of the **Assured's Management** knew or reasonably should have known constituted Money Laundering or Related Financial Crime.

For purposes of this Exclusion, "Money Laundering or Related Financial Crime" has the meaning given that term (or the term used for an equivalent offence) under any statute, law, rule, regulation, or international treaty, convention or accord pertaining to the movement of illicit cash or cash equivalent proceeds.

22. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any Corporate or Business Policy of the **Assured**.

"Corporate or Business Policy of the **Assured**" shall mean any activity, act or omission which any two or more members of the **Assured's Management** have committed or omitted, undertaken, directed, expressly or impliedly approved, condoned, ratified or endorsed and which could reasonably have been expected or anticipated to result in loss, legal liability or damage to a third party or to result in the assertion of a claim against the **Assured**.

Provided, however, that for the purposes of this Exclusion, any Director of the Assured who is not an employee shall not be considered part of the **Assured's Management** unless such Director possessed the power or ability to control or influence the specific act, error or omission upon which liability is predicated.

23. Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any actual or alleged misuse, plagiarism, infringement or violation of any copyright, trademark, patent, service mark, trade name, trade secret, design rights, database

rights, rights in respect of domain names, rights of confidentiality or other intellectual property rights in whatever jurisdiction they may arise and whether or not formally registered.

24. Any legal liability based on, arising out of, relating to or involving, directly or indirectly:
- (i) any actual or alleged failure of or defect within or lack of access to any computer system, or any computer, or any data processing equipment or media, or any microchip or integrated circuitry or similar device, or any computer program or software, whether owned by the **Assured**, held by the **Assured** in any capacity, operated on behalf of the **Assured** or for which the **Assured** may be liable; or
  - (ii) any actual or alleged loss of, or loss of the use of, or damage to, or destruction of, or modification of, or alteration of, or corruption of any Electronic Data or Electronic Record (whether in whole or in part); or
  - (iii) any unauthorised access to, or appropriation, use, copying or recording of, any Electronic Data; or
  - (iv) any unauthorised transmission or disclosure of Electronic Data to any third party; or
  - (v) any actual or alleged transmission or impact of any Computer Virus.

For the purposes of this Exclusion, "Electronic Data" means facts, information or instructions converted into a form usable in computer systems and/or or networks and includes operating systems and computer programs and software; "Electronic Record" means Electronic Data that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form; "Computer Virus" means a set of unauthorised instructions, programmatic or otherwise, that propagate themselves through any computer system and/or network or which are designed to cause a computer to perform an authorised or unintended function.

25. Any legal liability based on, arising out of, or relating to or involving, directly or indirectly, any actual or alleged (whether made in civil, criminal or other legal proceedings or otherwise) Racketeering Activity.

For the purposes of this Exclusion "Racketeering Activity" has the meaning given that term in the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961 et seq., as amended, or any regulations promulgated thereunder.

26. (i) Any legal liability based on, arising out of, relating to or involving, directly or indirectly, any act or acts which were or may have been or is alleged to have been committed or omitted (as the case may be) wholly or partly within the United States of America (to include all Territories and Insular Possessions of the United States of America);
- (ii) All proceedings instituted in a Court or Tribunal within the United States of America (to include all Territories and Insular Possessions of the United States of America).

- (iii) Any legal liability pursuant to federal or state laws of the United States of America (to include all Territories and Insular Possessions of the United States of America).

## **NOTICE TO THE INSURED**

### **Data Protection Act 1998**

We may store your information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention (see further details below). We will only disclose your personal details to third parties, if it is necessary for the performance of your contract with us.

In order to assess the terms of the insurance contract or administer claims that arise, we may need to collect data that the Data Protection Act defines as sensitive, such as medical history or criminal convictions. By proceeding with this contract you will signify your consent to such information being processed by us or our agents.

We will keep your information secure at all times. In certain circumstances, for example for systems administration purposes, we may have to transfer your information to another country, which may be a country outside the European Economic Area (EEA). By proceeding with your insurance application, we will assume you are agreeable for us to transfer your information to a country outside the EEA.

Should you wish to receive a copy of the information we hold on you, please contact the Compliance Officer, Lloyd's Syndicate 4000, Box 146, Lloyd's, 1 Lime Street, London EC3M 7HA.

### **Complaint Procedure**

The **Insurer** is committed to providing a first class service at all times.

If at any time there are questions or concerns regarding this **Policy** or the handling of a **Claim**, you should in the first instance refer to your insurance broker or intermediary, if any. If your problem cannot be resolved, any question or complaint should then be addressed to:

Director of Claims  
Pembroke Managing Agency Ltd  
2<sup>nd</sup> Floor South  
3 Minster Court  
Mincing Lane  
London  
EC3R 7DD

Telephone: +44 (0) 20 7337 4507

If after following the above procedure your complaint has not been resolved to your satisfaction, you should write to the Chief Executive at the address above.

In the event you wish to pursue matters further, where appropriate, you can refer the matter at any time to the:

Complaints Department  
Lloyd's  
One Lime Street,  
London EC3M 7HA  
Telephone: 020 7327 5693 Fax: 020 7327 5255  
E-mail: [Lloyds-Regulatory-Complaints@lloyds.com](mailto:Lloyds-Regulatory-Complaints@lloyds.com)

Complaints that cannot be resolved by the Complaints Department may, where appropriate, be referred to the Financial Ombudsman Service to review the case.

The address is:

Financial Ombudsman Service

South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
  
Telephone: 0845 080 1800

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The Financial Ombudsman's Service decision is binding upon the **Insurer** but you are free to reject it without affecting your legal rights.

Financial Services Compensation Scheme

The **Insurer** is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if the **Insurer** cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.