

TRUST ASSURE®

In consideration of the payment of the premium, and in reliance upon the **application** and the statements therein, which form a part of this policy, **we** agree as follows:

1. INSURING AGREEMENTS

COVERAGE A: PROFESSIONAL SERVICES LIABILITY

We shall pay on **your** behalf those amounts, in excess of the Retention, **you** are legally obligated to pay as **loss** resulting from any **claim** first made against **you** and reported to **us** during the **policy period** or any applicable **extended reporting period** for **your wrongful act** in rendering or failing to render **professional services**. Such **wrongful act** must occur on or after the **retroactive date** and prior to the end of the **policy period**.

COVERAGE B: DEFENSE OF INSUREDS

- (a) **Our Duty To Defend Insureds:** **We** have the right and duty to defend a **suit** brought against any **insured** for covered **wrongful acts**, even if the **suit** is groundless or fraudulent.
- (b) **Claim Expenses:** **We** shall pay for **claim expenses** any **insured** incurs with **our** prior written consent in the defense of a **suit** for covered **wrongful acts**.
- (c) **Our Right To Investigate and Settle Claims:** **We** have the right to investigate any **claim** against any **insured** and, with **your** written consent, settle any **claim** against **you**.
- (d) **Your Right To Settle:** **You** may settle any **claim** to which this insurance applies provided that **you** do so (i) on behalf of all **insureds** and (ii) without incurring **loss** in excess of all applicable Retentions.
- (e) **When Our Duty To Defend Ends:** **Our** duty to defend ends upon the exhaustion of the applicable Limit of Liability set forth in the Declarations by payment of **loss**, including **claim expenses**. **Our** duty to defend also ends if **you** fail or refuse to consent to a settlement **we** recommend and the claimant will accept. **You** must then defend the **claim** at **your** own expense. As a consequence of such failure or refusal, **our** liability for **loss** shall not exceed the amount for which **we** could have settled such **claim** had **you** consented, plus **claim expenses** incurred prior to the time **we** made such recommendation.

2. DEFINITIONS

- (a) **Additional insured** means the person(s) or entity(ies) designated in Item 9 of the Declarations or otherwise endorsed to this policy.
- (b) **Application** means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other documents submitted by **you**, or **your** broker, agent or attorney in connection with the underwriting of this policy or the underwriting of any other TRUST Assure policy or trustee, receiver or guardian errors and omissions policy issued by the **insurer**, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time.
- (c) **Beneficiary** means any person or entities who has the right to receive benefits from the **named trust(s)**.
- (d) **Bodily injury** means physical injury, sickness, disease, emotional distress, mental anguish, mental injury, shock, humiliation or death.

(e) **Claim** means: (1) a written or oral demand for money or services; or (2) a **suit**; provided, however, **claim** shall not mean any written or oral demand or **suit** that is a criminal action or is criminal in nature.

(f) **Claim expenses** means all reasonable and necessary fees charged by attorneys designated by **us** and all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense or appeal of a **claim** if incurred by **us**, or by **you** with **our** prior written consent, including the costs of appeal, attachment or similar bonds arising out of a covered judgment. **We** have no obligation to provide such bonds.

Claim expenses shall not include compensation, fees, benefits, overhead, charges or expenses of any **insured**. **Claim expenses** also shall not include fees, costs or expenses incurred prior to the time that a **claim** as defined in Paragraph 2(e) is first made against **you**. The definition of **claim expenses** is subject to the limitations set forth in Paragraph 2(k) (**loss**).

(g) **Damages** means any amount that **you** shall be legally required to pay because of judgments, arbitration awards or the like rendered against **you**, or for settlements negotiated by **us** with **your** written consent.

Damages also means with respect to a covered judgment:

(1) pre-judgment interest;

(2) post-judgment interest that accrues after entry of judgment and before **we** have paid, offered to pay or deposited in court that covered part of the judgment within the applicable Limit of Liability; and

(3) subject to this policy's other terms, conditions, exclusions and other limitations, including, but not limited to, exclusions relating to profit or advantage, fraud or criminal acts: (i) punitive; (ii) exemplary, and (iii) multiple damages (the enforceability of this Subparagraph 2(g)(3) shall be governed by the applicable law that most favors coverage for such punitive, exemplary and multiple damages).

The definition of **damages** is subject to the limitations set forth in Paragraph 2(k) (**loss**).

(h) **Extended reporting period** means the **automatic extended reporting period**, the **optional extended reporting period** or the **transaction extended reporting period** (as applicable).

(i) **First inception date** means the date set forth in Item 6 of the Declarations.

(j) **Guardian of the estate services** means, with respect to the **named guardianship** only, managing the property and financial affairs of another person who has been found by a court to be unable to manage such property and financial affairs; provided, however, **guardian of the estate services** shall not mean, and this policy shall not cover any services with respect to, or the management of, medical or health decisions, treatment for a person or the continuance or removal of life support.

(k) **Loss** means the total sum of **damages** and **claim expenses**. **Loss** shall not mean and this policy shall not cover: (1) production costs or the cost of recall, reproduction, reprinting or correction of material by any person or entity; (2) **your** cost of correcting, re-performing or completing any **professional services**; (3) any costs or expenses incurred by any person or entity to withdraw or recall material, media, medium, products (including products of others which incorporate **your** products) from the marketplace, or from loss of use arising out of such withdrawal or recall; (4) civil or criminal fines or penalties; (5) taxes; (6) any amounts for which an **insured** is not financially liable or which are without legal recourse against an **insured**; (7) the costs and expenses of complying with any injunctive or other form of equitable relief; (8) the monetary value of any electronic fund transfer or transaction by an **insured** or on **your** behalf, which is lost or diminished during transfer into, out of or between an **insured's** accounts; and (9) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

(l) **Management control** means: (1) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of: the Board of

Directors of a corporation, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of the **named insured** or **additional insured**, to elect, appoint or designate a majority of: the Board of Directors of a corporation, the management committee of a joint venture or partnership or the management board of a limited liability company.

- (m) **Named insured** means the person or entity designated in Item 1 of the Declarations.
- (n) **Named guardianship** means the guardianship(s) designated in Item 10 of the Declarations.
- (o) **Named trust** means the trust(s) designated in Item 10 of the Declarations.
- (p) **Named receivership** means the receivership(s) designated in Item 10 of the Declarations.
- (q) **Policy period** means the period set forth as such in Item 2 of the Declarations and ending on the earlier of either the expiration date set forth in Item 2 of the Declarations or the effective date of cancellation of this policy. If **you** become an **insured** under this policy after the effective date, the **policy period** begins on the date **you** became an **insured**.
- (r) **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state, local or foreign equivalent. **Pollutants** also means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and **waste**. **Waste** means, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- (s) **Property damage** means: (1) physical injury to, loss or destruction of, tangible or intangible property including the resulting loss of use thereof; or (2) loss of use of tangible property which has not been physically injured or destroyed.
- (t) **Professional services** means any of the following services selected and checked in Item 10 of the Declarations, which **you** provide to the **named trust**, **named receivership** or **named guardianship** (as applicable): (1) **trustee services**; (2) **receiver services**; or (3) **guardian of the estate services**.
- (u) **Receiver services** means, with respect to the **named receivership** only, managing the property and business affairs of the parties to a lawsuit pursuant to a court order to undertake such duties, including without limitation, the management of rental revenue or profits while the disposition of the rights with respect to such revenue or profits is pending before a court and have not been fully resolved.
- (v) **Retroactive date** means the date set forth as such in Item 5 of the Declarations.
- (w) **Suit** means a civil proceeding for monetary, non-monetary or injunctive relief, which is commenced by service of a complaint or similar pleading. **Suit** shall also include any binding arbitration proceeding in which **damages** are alleged and to which **you** must submit or do submit with **our** prior written consent.
- (x) **Transaction** means the occurrence of any of the following events:
 - (1) the **named insured** or any **additional insured** shall consolidate with, merge into, or sell all or substantially all of its assets to any person or entity or group of persons or entities acting in concert; or
 - (2) any person or entity or group of persons or entities acting in concert shall acquire **management control** of the **named insured**.
- (y) **Trustee services** means holding and managing the assets of the **named trust**.
- (z) **We, us, insurer** or **our** mean the insurer named in Item 8 of the Declarations.

- (aa) **Wrongful act** means any actual or alleged negligent act, error, omission, breach of duty, misstatement or misleading statement in rendering or failing to render **professional services** by you.
- (bb) **You, your or insured** means:
 - (1) the **named insured**;
 - (2) any **additional insured**;
 - (3) any past, present or future employee of the **named insured** or **additional insured**, but only with respect to **professional services** performed by such employee, and only while acting within the scope of his or her duties as such; or
 - (4) any independent contractors which assists the **named insured** or any **additional insured** in the performance of **professional services**, but solely arising out of the **wrongful acts** of the **named insured** or such **additional insured** (there shall be no coverage for any such independent contractor under the policy for any **wrongful acts** of such independent contractors).

3. EXCLUSIONS

This policy does not cover any **claim, loss or wrongful acts**:

- (a) arising out of or resulting, directly or indirectly, from any (1) dishonest, fraudulent, criminal or malicious act or omission, (2) intentional or knowing violation of the law, or (3) profit, remuneration or pecuniary advantage to which an **insured** was not legally entitled; however, **we** will defend a **claim** against any **insured** alleging any of the foregoing conduct until there is a judgment against, final adjudication against or adverse finding of fact against any **insured** or adverse admission by any **insured**, at which time **you** shall reimburse **us** for **claim expenses**; provided, however, **we** will not defend such **suits** if they allege any of the foregoing conduct which has been the subject of a criminal proceeding in which an **insured** has been found guilty, or pleaded *nolo contendere* or no contest;
- (b) arising out of or resulting, directly or indirectly, from the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, or in any way respond to or assess the effects of **pollutants**;
- (c) arising out of or resulting, directly or indirectly, from any **bodily injury** or **property damage**;
- (d) arising out of or resulting, directly or indirectly, from any:
 - (1) purchase, sale, offer of or solicitation of an offer to purchase or sell securities, or violation of any securities law, including provisions of the Securities Act of 1933, or the Securities Exchange Act of 1934, as amended;
 - (2) violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended;
 - (3) antitrust violations, restraint of trade, deceptive trade practices or unfair competition, or business interference with client lists, or violations of the Sherman Act, the Clayton Act or the Robinson-Patman Act, as amended, or of any local, state or federal consumer protection or privacy laws; or
 - (4) regulation promulgated under the foregoing laws, or any federal, state, local or foreign laws (a) similar to the foregoing laws (including "Blue Sky" laws), or (b) regulating the same or similar conduct or services, whether such law is statutory, regulatory or common law;
- (e) for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto

or any federal, state, local or foreign statutory law or common law that regulates the same matters or conduct as the foregoing laws and provides for the same or similar relief;

- (f) arising out of or resulting, directly or indirectly, from any employment practices liability or any discrimination on any basis, including, but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sexual orientation or pregnancy;
- (g) arising out of or resulting, directly or indirectly, from the same **wrongful act**, or series of continuous, repeated or related **wrongful acts**, or alleging the same or similar facts, alleged or contained in any **claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time, whether or not such policy affords coverage for such **wrongful acts**;
- (h) arising out of or resulting, directly or indirectly, from any **claim**, arbitration, mediation, litigation, administrative proceeding (including disciplinary and licensing), bankruptcy or regulatory proceeding or investigation, pending as of or commenced prior to the **first inception date**, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior **claim**, arbitration, mediation, litigation or administrative, bankruptcy or regulatory proceeding or investigation;
- (i) arising out of or resulting, directly or indirectly, from any **wrongful act**, circumstance or event committed, omitted or occurring prior to the **first inception date** if on or before the **first inception date**, **you** knew or could have reasonably foreseen that such **wrongful act**, circumstance or event could give rise to a **claim**;
- (j) arising out of or resulting, directly or indirectly, from any infringement of any patent, copyright, trademark, trade dress, trade name, service mark or other intellectual property or misappropriation of any trade secret;
- (k) arising out of or resulting, directly or indirectly, from any false or deceptive advertising or misrepresentation in advertising of any products or services;
- (l) alleging, arising out of or resulting, directly or indirectly, from any guarantee or express warranty; inaccurate, inadequate, or incomplete description of the price of goods, products or services; or any failure of goods, products or services to conform with an advertised quality or performance; or liquidated damages; or any failure to provide goods or products, or perform services within a specified time period, by a deadline or according to specified milestones; or the collection of or seeking the return of fees or royalties or other compensation paid to an **insured**; or **your** cost of providing, correcting or re-performing or completing any **professional services**; or any **insured's** fees, cost or profit guarantees, cost representations, contract price, or estimates of probable costs or cost estimates being exceeded;
- (m) against **you** that are brought by or on behalf of any federal, state or local government agency or professional or trade licensing organizations; provided, however, this exclusion shall not apply to any otherwise covered **suit** for **wrongful act(s)** brought against **you** by a state Attorney General on behalf of a **beneficiary** that is a non-profit organization;
- (n) against **you** that is brought by or on behalf of:
 - (1) any **insured**;
 - (2) any business entity that is owned, managed or operated, directly or indirectly, in whole or in part, by any **insured**; or
 - (3) any parent company, subsidiary, successor or assignee of **yours**, or anyone affiliated with **you** or such business entity through common majority ownership or control;

provided, however, this exclusion shall not apply to any **claims** brought by a **beneficiary** of who is also an **insured** with respect to the **named trust** ("**beneficiary-trustee**") against another **insured**, but only if such **claim** is not related to or does not arise out of, directly or indirectly, in part or in whole, any **wrongful act** committed by such **beneficiary-trustee**;

- (o) arising out of or resulting, directly or indirectly, from **your** advising, requiring, obtaining or failing to advise, require or obtain any bond, suretyship or other form of insurance;
- (p) arising out of or resulting, directly or indirectly, from any **wrongful act** occurring, committed or omitted prior to the **retroactive date**;
- (q) arising out of or resulting, directly or indirectly, from liability **you** assume under any contract or agreement; provided, however, this exclusion does not apply to liability **you** would have in the absence of such contract or agreement;
- (r) arising out of or resulting, directly or indirectly, from:
 - (1) any actual or alleged commingling of funds or monies;
 - (2) an **insured** providing investment advice;
 - (3) an **insured** advising as to, promising or guaranteeing a future value of any investment, or any rate of return or interest;
 - (4) an **insured** performing of or failing to perform professional services as a lawyer or accountant; or
 - (5) any failure of any investment to perform as expected or desired;
- (s) arising out of or resulting, directly or indirectly, from any:
 - (1) false arrest, detention or imprisonment;
 - (2) wrongful entry or eviction, or invasion of any right of privacy; or
 - (3) malicious prosecution;
- (t) arising out of or resulting, directly or indirectly, from the transfer of funds, monies or securities to or from any natural person or entity;
- (u) arising out of or resulting, directly or indirectly, from electrical or mechanical failures, including those arising from any electrical power interruption, surge, brownout or blackout; or
- (v) arising out of the misappropriation of funds, monies, assets or property.

4. LIMIT OF LIABILITY (FOR ALL LOSS-INCLUDING CLAIM EXPENSES)

- (a) The aggregate Limit of Liability set forth in Item 3(a) of the Declarations is the most **we** will pay as **loss** under this policy regardless of the number of persons, occurrences, **claims** or entities covered by this policy, or claimants or **claims** brought against any **insured**, and the inclusion hereunder of multiple **insureds** shall not operate to increase **our** Limits of Liability.
- (b) **Our** total liability for all **loss** arising from each **claim** made against an **insured** and reported to **us** during the **policy period** or any applicable **extended reporting period**, alleging a **wrongful act** or series of continuous, repeated or related **wrongful acts** shall not exceed the per **claim** Limit of Liability set forth in Item 3(b) of the Declarations. The per **claim** Limit of Liability is part of and not in addition to the aggregate Limit of Liability for all **claims** as stated in the Declarations.
- (c) The Limit of Liability for any **extended reporting period** shall be part of and not in addition to Limit of Liability for the **policy period**.
- (d) Each and every **claim** made subsequent to the **policy period** or an applicable **extended reporting period**, that pursuant to Paragraph 6(b) is considered made during the **policy period** or an **extended reporting period**, shall also be subject to the same Limit of Liability afforded to **claims** made and reported during the **policy period**.
- (e) **Loss** arising out of the same **wrongful act**, or a series of continuous, repeated or related **wrongful acts**, shall be deemed to arise from the first such **wrongful act**.
- (f) **Multiple Policies**

Two or more policies may be issued by **us** and/or any other AIG member companies to **you**. These policies may provide coverage for:

- (1) **claims** arising from the same **wrongful acts**, events or circumstances, or series of continuous, repeated or related **wrongful acts**, events or circumstances; or
- (2) **claims** for which persons or organizations covered under those policies are jointly and severally liable.

In such case, **we** will not be liable under this policy for an amount greater than the proportion of the loss that this policy's applicable limit(s) of coverage bears to the total applicable limits of liability under all such policies. In addition, the total amount payable under all such policies combined shall not be greater than the highest applicable limit of liability among all such policies.

5. RETENTION

For each **claim**, the **insurer** shall only be liable for the amount of **loss** arising from such **claim** that exceeds the Retention amount set forth in Item 4 of the Declarations. Such Retention amount applies to each **wrongful act** and must be borne by the **insureds** and remain uninsured with regard to all **loss**. A single Retention amount shall apply to **loss** arising from all **claims** alleging the same **wrongful acts**, or series of continuous, repeated or related **wrongful acts**. If **you** shall, at **our** written request, submit a **claim** to alternative dispute resolution in accordance with the rules of the American Arbitration Association or the Defense Research Institute, and such **claim** is settled through this process, the Retention obligation shall be deemed to be fifty percent (50%) of the Retention amount stated in Item 4 of the Declarations.

6. NOTICE AND AUTHORITY

- (a) With respect to claims or circumstances, notice and all other information and documentation required to be provided under this policy shall be directed to **us**, c/o Chartis, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225. To be effective, such notice must reference this policy. If mailed, the date of mailing shall constitute the date that such notice or information was given and proof of mailing shall be sufficient proof of notice.
- (b) For any and all coverage under this policy:
 - (1) before coverage will apply, notice in writing of a **claim** made against an **insured** must be given to **us** as soon as practicable, but in all cases during the **policy period** or any applicable **extended reporting period**;
 - (2) if notice pursuant to Subparagraph 6(b)(1) above has been given to **us**, then any **claim** which is subsequently made against an **insured** and reported to **us** alleging, arising out of, based upon or attributable to the facts alleged in the **claim** for which such notice has been given, or alleging any **wrongful act** which is the same as or related to any **wrongful act** alleged in the **claim** of which such notice has been given, shall be considered related to the first **claim** and made at the time such notice was given; and
 - (3) if during the **policy period** or during an applicable **extended reporting period** any **insured** shall become aware of any circumstances which may reasonably be expected to give rise to a **claim** being made against **you** for a **wrongful act** that occurs prior to the end of the **policy period**, and, during the **policy period** or any applicable **extended reporting period** written notice is given to **us** of (i) such circumstances, (ii) the **wrongful act** allegations that are anticipated, and (iii) the reasons for anticipating such a **claim**, with full particulars as to dates, persons and entities involved, then any **claim** that is subsequently made against **you** arising out of such **wrongful act**, or the same **wrongful act** or series of continuous, repeated or related **wrongful acts**, shall be treated as a **claim** made against **you** and reported to **us** at the time such notice of such circumstances was given.

7. WHAT YOU MUST DO IN THE EVENT OF A CLAIM

- (a) In addition to providing notice as required in this policy, each and every **insured** must also:

- (1) send **us** copies of all demands, suit papers, other legal documents and invoices for **claim expenses** received by such **insured**, as soon as practicable;
 - (2) immediately record the specifics of any **claim** and the date such **insured** first received such **claim**;
 - (3) upon **our** request, furnish to **us** any and all documentation within **your** possession; and
 - (4) give to **us**, and to any counsel **we** select to represent an **insured** in connection with a **claim**, full cooperation and such information as **we** or the counsel may require, including, without limitation, assisting **us** or the counsel in: (i) any investigation of a **claim**, or other matter relating to the coverage afforded under this policy (including submission to an examination by **us** or **our** designee, under oath if required by **us**); (ii) making settlements; (iii) enforcing any legal rights any **insured** or **we** may have against any person or entity who may be liable to **you**; (iv) attending depositions, hearings and trials; (v) securing and giving evidence, and obtaining the attendance of witnesses; and (vi) any inspection or survey conducted by **us**.
- (b) No **insured** shall admit any liability in connection with any **claim**, settle any **claim**, assume any financial obligation or pay any money in connection with any **claim** without **our** prior written consent. If any **insured** does, any **loss** incurred in connection with such **claim** will be at their own expense and such amounts shall not be applied to the applicable Retention. The foregoing sentences of this Paragraph 7(b) shall not apply to any settlement made pursuant to Coverage B(d) of this policy on condition that **you** provide **us** written notice of such settlement as soon as practicable, but in no event later than thirty (30) days after such settlement is reached in principle.
- (c) **We** shall have the right to associate fully and effectively with each and every **insured** in the defense of any **claim** or any matter that involves, or appears reasonably likely to involve, the **insurer**, including, but not limited to, negotiating a settlement.
- (d) In all events, no **insured** shall take any action, or fail to take any required action, which prejudices **our** rights. **You** shall take such actions which are deemed necessary and practicable to prevent or limit **loss** arising from **your wrongful acts**.

8. EXTENDED REPORTING PERIOD

- (a) *Automatic Extended Reporting Period:* If the **named insured** or **we** shall refuse to renew this policy, the **named insured** shall have the right following the effective date of such nonrenewal to a period of sixty (60) days (the "**automatic extended reporting period**") in which to give written notice to **us** of **claims** first made against an **insured** during the **automatic extended reporting period** for any **wrongful act** committed prior to the end of the **policy period** and otherwise covered by this policy. The **automatic extended reporting period** shall not apply where an **extended reporting period** has been purchased or to **claims** that are covered under any subsequent insurance an **insured** purchases or that is purchased for their benefit, or that would be covered, but for the exhaustion of the amount of insurance applicable to such **claims** or that is within any applicable Retention amount.
- (b) *Optional Extended Reporting Period:* Except as indicated below, if the **named insured** shall cancel or **we** or the **named insured** refuse to renew this policy, the **named insured** shall have the right, upon payment of an additional premium amount of up to one hundred percent (100%) of the full annual premium, to a period of up to one (1) year following the effective date of such cancellation or nonrenewal (herein referred to as the "**optional extended reporting period**") in which to give to **us** written notice pursuant to Subparagraph 6(b)(1) of the policy of **claims** first made against **you** during said **optional extended reporting period** and solely with respect to a **wrongful act** committed prior to the end of the **policy period** and otherwise covered by this policy. If the **named insured** exercises its right to purchase an **optional extended reporting period**, that period incepts at the end of the **policy period** and there shall be no **automatic extended reporting period**.

As used herein, "full annual premium" means the premium level in effect immediately prior to the end of the **policy period**.

- (c) **Transaction Triggered Extended Reporting Period:** In the event of a **transaction**, the **named insured** shall have the right to request an offer from **us** of an extended reporting period solely with respect to **pre-transaction wrongful acts** (herein referred to as the “**transaction extended reporting period**”). Upon **our** receipt of such a request, **we** shall offer such **transaction extended reporting period** pursuant to such terms, conditions, exclusions and additional premium as **we** may decide in **our** sole and absolute discretion. In the event of a **transaction**, the right to an extended reporting period shall not otherwise exist except as provided in this paragraph.
- (d) **Common Extended Reporting Period Terms:** An **extended reporting period** is not cancelable and the additional premium charged shall be fully earned at inception. This Clause 8. shall not apply to any cancellation resulting from non-payment of premium. The rights contained in this Clause 8. shall terminate unless written notice of election of an **extended reporting period** together with any additional premium due is received by **us** no later than thirty (30) days subsequent to the effective date of the nonrenewal or **transaction**.

9. ORGANIZATIONAL CHANGES

If there is a **transaction** during the **policy period**, this policy shall continue in full force and effect as to **wrongful acts** committed prior to the effective time of the **transaction**, but there shall be no coverage afforded by any provision of this policy for any actual or alleged **wrongful act** after the effective time of the **transaction**, unless: (i) within thirty (30) days of such **transaction**, **we** have been provided with full particulars of the **transaction**, the related entities and any other information requested by **us**, and; (ii) the **named insured** or **additional insured** or its successor, has agreed to any additional premium and amendments to this policy required by **us**. Coverage for post-**transaction wrongful acts** is conditioned upon the **named insured** or **additional insured** or its successor paying when due any additional premium required by **us**. This policy may not be canceled after the effective time of a **transaction** and the entire premium for this policy shall be deemed fully earned as of such time.

10. WHERE COVERAGE APPLIES

We cover **wrongful acts** that occur and **claims** that are brought anywhere in the world, except **we** shall not cover such **wrongful acts** that occur in countries against which the Office of Foreign Assets Control of the United States Department of the Treasury administers or enforces economic or trade sanctions, or if otherwise prohibited by law. If coverage for a **claim** under this policy is in violation of any United States of America economic or trade sanction, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”), then coverage for that **claim** shall be null and void.

All premiums, Limits of Liability, Retentions, **loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or other elements of **loss** are stated or incurred in a currency other than United States Dollars, payment of covered **loss** due under this policy (subject to the terms, conditions and limitations of this policy) will be made either in such other currency (at **our** option and if agreeable to the **named insured**) or, in United States Dollars, at the rate of exchange published in The Wall Street Journal on the date **our** obligation to pay such **loss** is established (or if not published on such date the next publication date of The Wall Street Journal).

11. ACTIONS AGAINST US

- (a) No one can sue **us** to recover under this policy unless there has been full compliance with all the terms of this policy, including Clause 17.
- (b) A person or organization may sue **us** to recover up to the applicable Limit of Liability under this policy only after liability of the **insured** has been decided by:
- (1) an arbitration award as a result of arbitration;
 - (2) a trial or appeal, after which a final judgment has been entered; or
 - (3) a written agreement signed by the **insured**, **us** and the party making the **claim**.

- (c) Any person, organization or legal representative thereof who has secured such award, judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join **us** as a party to any **claim** against an **insured** nor shall **we** be impleaded by the **named insured** or any **insured**, their spouse, or any legal representative of the foregoing.

12. SUBROGATION AND ALLOCATION

- (a) To the extent **we** pay any **loss**, **we** shall be subrogated to any **insured's** rights of recovery therefore. **You** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable **us** to effectively bring suit in the name of the **insured**, and shall take no action which impairs **our** rights of subrogation or recovery.
- (b) If a **claim** or **loss** from a **claim** is in part insured and in part either uninsured under this policy or in an amount in excess of the applicable Limit of Liability, the **insured** and **we** shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **loss** by **us**, from any person or source responsible for causing the **loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries.
- (c) In no event shall any **insured** be entitled to recoup from recoveries an amount to satisfy any Retention until after all amounts which the **insurer** is required to pay or has paid are reimbursed to the **insurer**.

13. OTHER INSURANCE

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance available to any **insured** unless such other insurance is written only as specific excess insurance over the applicable Limit of Liability provided by this policy.

14. CANCELLATION

- (a) *By **named insured**:* This policy may be canceled by the **named insured** at any time only by mailing written prior notice to **us** or by surrender of this policy to **our** authorized agent or **us**.
- (b) *By **us**:* This policy may be canceled by **our** delivering to the **named insured** by registered, certified, other first class mail or other reasonable delivery method, at the address of the **named insured** set forth in the Declarations, written notice stating when, not less than thirty (30) days thereafter (ten (10) days in the event of cancellation for non-payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled at the date and hour specified in such notice. If the period of limitation relating to the giving of notice for cancellation by **us**, as set forth above, is also set forth in any controlling law, the period set forth above shall be deemed to be amended so as to be equal to the minimum period of limitation set forth in such controlling law if it is a longer period.
- (c) *Return of Premium:* **We** shall have the right to the premium amount for the portion of the **policy period** during which the policy was in effect. If this policy shall be canceled by the **named insured**, **we** shall retain the customary short rate proportion of the premium herein.

15. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without **our** prior written consent. If **you** die or are declared legally incompetent, **your** rights and duties will be transferred to **your** legal representative; but only while acting within the scope of his or her duties as such, and only with respect to **your wrongful acts** which took place prior to **your** death or incompetence.

16. MARITAL AND ESTATE EXTENSION

If a **claim** against an **insured** includes a claim against the lawful spouse of such **insured**; or a property interest of such spouse, and such **claim** arises from any alleged **wrongful act** of such **insured**, this policy shall cover **loss** arising from the claim made against the spouse or the property of that spouse to the extent that such loss does not arise from a claim for any actual or alleged act, error or omission of such spouse. This policy shall cover **loss** arising from a **claim** against the estates, heirs or legal representatives of any deceased **insured**, and the legal representatives of any **insured**, in the event of incompetency, insolvency or bankruptcy.

17. ALTERNATIVE DISPUTE RESOLUTION PROCESS

Any controversy arising out of or relating to this policy or its breach shall first be submitted to alternative dispute resolution ("ADR") in accordance with the rules of the American Arbitration Association or the Defense Research Institute. The ADR may be held in New York, New York unless otherwise agreed to by both parties. Each party shall jointly and equally bear with the other party the expense of the ADR. Either **we** or **you** may elect the type of ADR, either non-binding mediation or binding arbitration. However, **you** shall have the right to reject **our** choice of the type of ADR process at any time prior to its commencement, in which case **your** choice of the type of ADR process shall control.

The controversy to be considered by the ADR process shall be governed by the internal laws of the State of New York; provided, however, New York law shall not apply to: (i) procurement, issuance or delivery of this policy, including cancellation or nonrenewal provisions of this policy (if any) or any other New York State regulations or requirements regarding policies issued pursuant to New York State Insurance Law; or (ii) to the determination of the availability of punitive damages, unless New York law otherwise applies.

Either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until at least one hundred and twenty (120) days after the date the ADR shall be deemed concluded or terminated.

18. BANKRUPTCY

You or **your** estate's bankruptcy or insolvency does not relieve **us** of **our** obligations under this policy.

19. APPLICATION

All the statements and representations in the **application** are deemed to be material to the risk assumed by the **insurer**, form the basis of this policy and are incorporated into and have become a part of this policy.

20. POLICY CHANGES

This policy contains all the agreements concerning this insurance. This policy can only be changed by a written endorsement **we** issue and make a part of this policy.

21. SPECIAL RIGHTS AND DUTIES OF NAMED INSURED

The **insureds** agree that the **named insured** first listed in Item 1 of the Declarations may act on behalf of all **insureds** as to:

- (a) consenting or refusing to consent to any settlement;
- (b) the exercising or declining of any right to an **extended reporting period**;
- (c) the resolution of any dispute in connection with coverage afforded by this policy;
- (d) payment of premiums and receipt of return premiums, if any; and
- (e) acceptance of any endorsements or other changes to this policy.

22. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

< End >

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