

SPECIMEN

GENESIS

GENESIS INDEMNITY INSURANCE COMPANY

PRIVATE COMPANY DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY DECLARATIONS PAGE

Policy Number:

This is a CLAIMS MADE AND REPORTED POLICY, please read it carefully. Amounts incurred as DEFENSE COSTS shall reduce the Limit of Liability available to pay judgments or settlements and shall also be applied against the Retention. The COMPANY retains the responsibility and duty to defend those insured under this Policy. THIS IS A CLAIMS MADE AND REPORTED POLICY, PLEASE READ IT CAREFULLY.

ITEM 1. Insured(s).....:
Principal Office.....:

ITEM 2. Policy Period.....: From: _____ To: _____
(Both dates at 12:01 a.m. Standard Time at the Address of the COMPANY as stated in ITEM 1.)

ITEM 3. Aggregate Limit of Liability (Includes DEFENSE) COSTS:
\$ _____ Aggregate Limit of Liability for each Policy Year during the POLICY PERIOD.

ITEM 4 . Retentions:
\$ _____ Each EMPLOYMENT CLAIM
\$ _____ Each SECURITIES CLAIM
\$ _____ Each CLAIM other than an EMPLOYMENT or SECURITIES CLAIM
\$ _____ Non-indemnifiable
\$ _____ Indemnifiable

ITEM 5. Retroactive Date(s):
It is understood and agreed that the INSURER shall not be liable to make any payment for LOSS based upon or attributable to or arising out of any actual or alleged WRONGFUL ACT which occurred before:
WRONGFUL EMPLOYMENT ACT.
WRONGFUL ACT other than a WRONGFUL EMPLOYMENT ACT.

ITEM 6. Premium:
\$ _____ year pre-paid premium.

ITEM 7. Premium for DISCOVERY PERIOD:
For one year, % of the Premium in Item 6 above, as provided in Section III, to be paid only if the eligibility requirements are met and the DISCOVERY PERIOD option is properly exercised. The Premium for a two or three year DISCOVERY PERIOD will be 125% and 150% of the Premium in Item 6 above, respectively.

ITEM 8. Endorsements:
This Policy is subject to the terms of the following endorsements attached hereto and incorporated herein by reference at the effective date of this Policy and to all other endorsements attached hereto after the effective date of this Policy: .

ITEM 9. Notices:
All Notices required to be given to the INSURER under this Policy shall be addressed to Genesis Indemnity Insurance Company, D&O Liability Program, 25550 Chagrin Boulevard, Suite 300, Beachwood, Ohio 44122-5676.

These Declarations along with the completed and signed APPLICATION, including attachments, and the Executive and Corporate Liability Insurance Policy, shall constitute the contract between the COMPANY and GENESIS INDEMNITY INSURANCE COMPANY.

Date:

By: _____
Company Officer or Authorized Agent

FORM NO. GIIC-9000 Private (3/98)

SPECIMEN

GENESIS

GENESIS INDEMNITY INSURANCE COMPANY

(herein called the INSURER)

PRIVATE COMPANY DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY
Including coverage for employment practices

THIS IS A CLAIMS MADE AND REPORTED POLICY, PLEASE READ IT CAREFULLY

In consideration of the premium paid and in reliance upon the information provided in and with the Application, and subject to the terms, conditions and limitations of this Policy, the **Insurer** and the **Insureds** agree as follows:

SECTION I. INSURING AGREEMENTS

- A. The **Insurer** will pay, on behalf of an **Insured Person**, **Loss** which the **Insured Person** shall become legally obligated to pay as a result of **Claims** first made during the **Policy** (or **Discovery**) **Period** against an **Insured Person**, individually or collectively, for a **Wrongful Act**, except for such **Loss** which the **Company** pays to or on behalf of an **Insured Person**;
- B. The **Insurer** will pay, on behalf of the **Company**, **Loss**, which an **Insured Person** shall become legally obligated to pay, and for which the **Company** is required to indemnify, or for which the **Company** may legally indemnify, an **Insured Person** as a result of **Claims** first made during the **Policy** (or **Discovery**) **Period** against an **Insured Person**, individually or collectively, for a **Wrongful Act**; and
- C. The **Insurer** will pay, on behalf of the **Company**, **Loss** which the **Company** shall become legally obligated to pay as a result of a **Claim** first made against the **Company** during the **Policy** (or **Discovery**) **Period** for a **Wrongful Act**.

SECTION II. DEFINITIONS

- A. "**Claim**" shall mean the following initiated against an **Insured** for money damages or other relief:
- (1) any civil, administrative, or alternative dispute resolution proceeding commenced by: (a) service of a complaint or similar pleading, or (b) receipt of a notice of charges;
 - (2) any criminal proceeding commenced by the return of an indictment or an information;
 - (3) any appeal from the above proceedings; or
 - (4) other written or verbal demand for money or services.
- Claim** shall include **Employment Claims** and **Securities Claims**.
- B. "**Company**" shall mean the insured entity and its **Subsidiaries**.
- C. "**Defense Costs**" shall mean reasonable and necessary legal fees and expenses incurred in the investigation and/or defense of any **Claim** and any appeals from a **Claim**, including costs of attachment or similar bonds; provided, however, **Defense Costs** shall not include salaries, wages, overhead or benefit expenses of or associated with an **Insured**.
- D. "**Determination of No Liability**" shall mean: (1) a final judgment of no liability in a **Securities Claim** in favor of all **Insureds**, after the exhaustion of all appeals, or (2) a dismissal of a **Securities Claim** without prejudice, and without the payment of any consideration by any **Insured**.

S P E C I M E N

- E. **"Discrimination"** shall mean the failure to hire an applicant, the failure to promote, the demotion of, the segregation or classification of, or the employment related defamation of any **Employee** because of race, color, creed, religion, age, national origin, sex, sexual orientation or preference, gender, disability, handicap, pregnancy, or other protected class or characteristic established under applicable federal, state or local statute or ordinance.
- F. **"Employee"** shall mean any person who receives wages or a salary from the **Company** for work that is directed and controlled by the **Company**. **Employee** shall include part-time, seasonal and temporary workers whose labor or service is directed and controlled by the **Company**. Independent contractors or leased employees are neither **Employees** nor **Insured Persons** under this Policy.
- G. **"Employment Claim"** shall mean any oral or written demand or notice received by an **Insured** from any current or former **Employee** or applicant for employment in which such demand or notice there is an allegation that a **Wrongful Employment Act** has been committed. **Employment Claim** shall also include a civil, criminal, administrative, alternative dispute resolution, or other legal proceeding, including but not limited to EEOC hearings, in which there is an allegation that a **Wrongful Employment Act** has been committed. **Employment Claim** shall not include any labor or grievance arbitration that is subject to a collective bargaining agreement.
- H. **"Harassment"** shall mean:
- (1) unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of sexual nature that is made either explicitly or implicitly a term or condition of employment with the **Company**, is used as a basis for employment decisions with the **Company**, creates a work environment with the **Company** that interferes with an **Employee's** performance, or creates an intimidating, hostile or offensive working environment; or
 - (2) conduct of a non-sexual nature which creates a work environment with the **Company** that interferes with an **Employee's** performance or creates an intimidating, hostile or offensive working environment.
- I. **"Insured"** shall mean the **Company** and all **Insured Persons**.
- J. **"Insured Person"** shall mean:
- (1) all past, current or prospective duly elected or appointed directors and officers of the **Company**, any individual serving in the capacity of a director or officer for the **Company**, or their foreign equivalents for Company operations outside of the United States, including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy;
 - (2) spouses of duly elected or appointed directors and officers of the **Company**, but only for **Claims**
 - (i) which are based upon **Wrongful Acts** of directors or officers, and not upon any actual or alleged conduct of a spouse, and
 - (ii) which are based upon either the legal status as a spouse or the joint ownership of property between a spouse and a director or officer; or
 - (3) any past or present **Employees** of the **Company** only with respect to **Employment Claims** or **Securities Claims** that are made against them.
- K. **"Loss"** shall mean any damages, judgments, pre-judgment and post judgment interest, back pay, front pay, damages for mental anguish or emotional distress with respect to **Employment Claims** only, attorneys' fees awarded to the claimant, punitive damages orders, **Settlements** and **Defense Costs**; provided always, however, **Loss** shall not include criminal or civil fines or penalties imposed by law; multiplied portions of damages in excess of actual damages; taxes; severance pay or damages determined to be owed under an express contract of employment or an express obligation to make such payments in the event of the termination of employment, including but not limited to payments for stock option or stock appreciation rights; the payment of any insurance plan benefits; damages, costs or expenses incurred by the **Company** in making physical changes, modifications, alterations or improvements as part of an accommodation of any disabled person pursuant to the Americans with Disabilities Act or any similar federal, state or local law; or any matter which may be deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

SPECIMEN

With respect to the insurability of punitive, exemplary, multiple or liquidated damages, the **Insurer** agrees not to contest the insurability of such damages unless required to do so as a matter of law, that such damages are uninsurable, and the insurability of such damages shall be governed by the internal laws of any applicable jurisdiction which permits coverage of such damages.

L. **"Outside Entity"** shall mean any nonprofit entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, for which any **Insured Person** serves as a director or officer with the consent of the **Company**.

M. **"Policy Period"** shall mean the time period from the inception date of this **Policy** to the expiration date as stated in Item 2 of the **Declarations**, or to its earlier cancellation or termination date if applicable.

N. **"Retaliation"** shall mean unlawful or abusive treatment of an **Employee** which results from the **Employee's** exercise or attempted exercise of her/his rights under law.

O. **"Securities Claim"** means any **Claim** brought by any person or entity, directly or derivatively, based upon, arising out of, or attributable to, the purchase or sale, or offer to purchase or sell, any securities of the **Company**, or brought by a securities holder of the **Company** in their capacity as a security holder.

P. **"Settlement"** shall mean a compromise of any **Claim** against an **Insured** to which the **Insurer** has given its written consent pursuant to Section VI.A.

Q. **"Subsidiary"** shall mean:

(1) any entity in which the **Company** owns or at any time owned more than fifty percent (50%) of the issued and outstanding voting securities, directly or indirectly, subject to clauses (2) and (3) below for acquisitions made the **Company** during the **Policy Period**;

(2) any entity in which the **Company** acquires more than 50% of the issued and outstanding voting securities or substantially all of the assets, directly or indirectly, during the **Policy Period**, and if such entity's total number of employees is less than 10% of the total number of employees of the **Company** prior to the acquisition; provided that the total number of employees for all acquisitions during the **Policy Period** does not exceed 10% of the total number of employees at the inception date of the policy; and

(3) for forty-five (45) days immediately following the acquisition date, any entity subject to clause (2) above; provided, however, such entity will not be considered a **Subsidiary** or included within the definition of **Company** beyond such automatic forty-five (45) day period unless the **Insurer** specifically agrees in writing to provide such coverage, subject to such additional information, coverage terms and premium as the **Insurer** may require.

The term **"Subsidiary"** shall also include any subsidiary of a **Subsidiary**.

R. **"Wrongful Act"** shall mean:

(1) under Insuring Agreements Sections I.A. and B., any actual or alleged act, omission, misstatement, misleading statement, neglect, error or breach of duty by an **Insured Person** in their capacity as a director, officer or employee of the **Company** or in their capacity as a director or officer of an **Outside Entity**, individually or collectively;

(2) under Insuring Agreement Section I.C., any actual or alleged act, omission, misstatement, misleading statement, neglect, error or breach of duty by the **Company**, or by persons for whose actual or alleged conduct the **Company** is legally responsible.

Wrongful Act shall include **Wrongful Employment Acts**.

S. **"Wrongful Employment Act"** shall mean:

(1) Actual or alleged **Wrongful Termination** of an **Employee** by an **Insured**;

(2) Actual or alleged **Discrimination** against an **Employee** or an applicant who has sought and been refused employment with the **Company** by an **Insured** ;

SPECIMEN

(3) Actual or alleged **Harassment** against an **Employee** or an applicant who has sought and been refused employment with the **Company** by an **Insured**; or

(4) Actual or alleged **Retaliation** against an **Employee** by an **Insured**.

T. "**Wrongful Termination**" shall mean the actual or constructive termination of an employment relationship in a manner which is against the law, in breach of an implied agreement to continue employment, or retaliatory discharge.

SECTION III. DISCOVERY PERIOD

A. If either the **Insurer** or **Company** cancels this **Policy** pursuant to Section VIII., or if either the **Insurer** or **Company** chooses not to renew this **Policy**, for any reason other than the **Company's** nonpayment of premium or non-compliance with the terms of this **Policy**, then the **Company** shall have the right, upon payment of the additional premium set forth in Item 7 of the **Declarations**, to an extension of the **Policy Period** for **Claims** first made during the period of one, two or three years after the effective date of such cancellation or nonrenewal, but only with respect to **Wrongful Acts** committed before such effective date and otherwise covered by this **Policy**. This extension period shall be referred to as the **Discovery Period**.

B. The right to purchase the **Discovery Period** shall terminate unless a written request for the **Discovery Period** is provided to the **Insurer** within thirty (30) days after the effective date of cancellation or nonrenewal, together with full payment of the premium for the **Discovery Period**.

C. Purchase of the **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the **Declarations**.

The additional premium paid for the **Discovery Period** shall be fully earned at its commencement.

SECTION IV. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim**:

A. Arising out of, based upon or attributable to an **Insured** gaining in fact any profit or advantage to which they were not legally entitled;

B. Arising out of, based upon or attributable to the committing in fact of deliberate fraudulent, dishonest or criminal acts by an **Insured**;

C. To the extent that such **Loss** is insured by another valid policy or policies, including policies issued to an **Outside Entity**, regardless of whether or not any **Loss** arising from such **Claim** is collectible or recoverable under such other policy or policies; provided, however, this exclusion shall not apply to policies which are specifically excess of this **Policy** by reference hereto (including the **Policy Number**);

D. Arising out of, based upon or in any way involving (1) any **Wrongful Act**, or any fact, circumstance or situation which has been the subject of any notice given prior to the effective date of this **Policy** to an **Insured** or under any insurance policy providing protection for an **Insured**, including any matter in any way related thereto; or (2) any other **Wrongful Act** which has as a common nexus any fact, circumstance, situation, event, or transaction with any fact, circumstance, situation, event or transaction which has been the subject of notice as described in subparagraph (1) of this exclusion;

E. For actual or alleged: (1) bodily injury, sickness, disease, or death of any person, assault, battery, mental anguish, emotional distress, loss of consortium; (2) damage to or destruction of any tangible property including loss of use thereof; or (3) invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, defamation or false light, libel or slander; provided, however, this exclusion shall not apply to the following personal injury damages or

SPECIMEN

causes of action in connection with an **Employment Claim** for a **Wrongful Employment Act**: emotional distress, mental anguish, employment-related defamation or false light, libel or slander;

F. For an actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), any disability benefits or workers' compensation law, 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 of 1985, the Occupational Safety and Health Act, rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; except that this exclusion shall not apply to any **Claim** for actual or alleged **Wrongful Termination** or **Retaliation** based upon the Claimant's actual or threatened assertion of a **Claim** under any of said acts;

G. For any actual or alleged act, omission, misstatement, misleading statement, neglect, error or breach of duty committed in an **Insured's** capacity as a director or officer of any entity other than the **Company** or an **Outside Entity**;

H. Arising out of, based upon, or in any way involving, directly or indirectly:

(1) the actual, alleged or threatened discharge, disposal, migration, dispersal, release or escape of pollutants, or

(2) any direction, order or request to test for, monitor, remediate, clean up, remove, contain, treat, detoxify or neutralize pollutants, or to pay for or contribute to the costs of undertaking such actions including claims alleging damage to the **Company** or its shareholders.

Pollutants include (but are not limited to) any solid, liquid, nuclear, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, organisms or other hazardous substances, and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

I. Brought by the **Company** (or any affiliate), or any **Insured Person**, however, this exclusion shall not apply to **Employment Claims**, derivative actions brought by security holders of the **Company** without the assistance or active participation of an **Insured**, or to crossclaims and other claims for contribution or indemnity which are part of or arise directly from a **Claim**;

J. Arising out of, based upon or in any way involving an actual or alleged **Wrongful Act** by a **Subsidiary** or a director, officer or **Employee** of a **Subsidiary**, which actual or alleged **Wrongful Act** occurred prior to or after the time period during which such entity was a **Subsidiary** of the **Company**;

K. Which is indemnified by an **Outside Entity**;

L. Arising from or in any way involving an obligation based upon an **Insured's** assumption of liability for another person or entity, except to the extent that the **Insured** would have been liable in the absence of the contract or agreement whereby the **Insured** assumed such liability;

M. Based upon, arising out of, or in any way involving any actual or alleged breach of any contractual obligation.

N. Arising from or in any way involving a lockout, strike, picket line, replacement or any similar actions in connection with labor disputes or labor negotiations, but only with respect to an **Employment Claim**;

O. With respect to Insuring Agreement I.C., arising from or in any way involving any actual or alleged plagiarism, misappropriation, infringement or violation of copyright, patent, trademark, trade secret or any other intellectual property rights.

P. Arising from or in any way involving the purchase, sale or other transfer of securities of the **Company** with respect to which a registration statement was filed with the Securities and Exchange Commission for a public offering of the **Company's** securities, unless written notice is given to the **Insurer** within sixty (60) days after such registration or transaction has been completed, and written agreement is received from the **Insurer** to continue coverage after such period, subject to such other terms, conditions and additional premium as the **Insurer** may require.

S P E C I M E N

NOTE: THE ACTUAL OR ALLEGED CONDUCT OF ANY DIRECTOR, OFFICER, EMPLOYEE OR THE COMPANY SHALL NOT BE IMPUTED TO ANY OTHER DIRECTOR, OFFICER OR EMPLOYEE FOR THE PURPOSE OF DETERMINING THE APPLICABILITY OF EXCLUSIONS A and B.

SECTION V. LIMIT OF LIABILITY, RETENTIONS, ALLOCATION

A. The **Insurer** shall be liable to pay one hundred percent (100%) of covered **Loss** up to the Limit of Liability stated in Item 3 of the **Declarations**. The Limit of Liability stated in Item 3 of the **Declarations** is the **Insurer's** maximum aggregate limit of liability for all **Loss** under all of the Insuring Agreements combined, arising out of all **Claims** first made during the **Policy Period** and **Discovery Period** (if applicable), regardless of the time of payment by the **Insurer**.

B. **Defense Costs** shall be part of and not in addition to the Limit of Liability stated in Item 3 of the **Declarations**, and such **Defense Costs** shall reduce the Limit of Liability stated in Item 3 of the **Declarations** and shall also be applied against the Retention.

C. More than one **Claim** based upon or arising out of the same **Wrongful Act(s)**, or facts, circumstances or situations, or one or more series of similar, repeated or continuous **Wrongful Acts**, shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. Such single **Claim** shall be deemed to be first made on the date when the earliest **Claim** is first made, or on the date within the **Policy Period** on which notice of a potential **Claim** pursuant to Section VII.B. is given.

D. One Retention amount shall apply to the covered portion of each and every single **Claim**. In the event a single **Claim** is covered under more than one Insuring Agreement, the Retentions stated in Item 4 of the **Declarations** shall be applied separately to the portion of the **Claim** covered by each Insuring Agreement, and the sum of the Retentions so applied shall constitute the Retention for each single **Claim**, which in total shall not exceed the largest of the applicable Retentions. Notwithstanding other Policy provisions, for purposes of determining the applicable Retention(s), the Retentions applicable to Insuring Agreement Section I.B. shall apply to **Claims** made against an **Insured Person**, and indemnification (including advancement of defense costs) by the **Company** will be presumed to be required or permissible, whenever indemnification is legally permissible under the broadest applicable laws, regardless of whether the **Company** has agreed in its by-laws or otherwise to provide such indemnification, unless indemnification cannot be provided due to financial insolvency.

E. Notwithstanding the foregoing provisions of Section V, the Retention(s) applicable to **Securities Claims** shall apply only to **Defense Costs**. Further, no Retention shall apply in the event of a **Determination of No Liability** in a **Securities Claim**, in which event the **Insurer** shall reimburse any **Defense Costs** paid by an **Insured** within the Retention amount. Such reimbursement shall be made within sixty (60) days of the **Determination of No Liability**, only if:

- (1) the subject **Securities Claim**, or another **Claim** which would be treated as a single **Claim** with the subject **Securities Claim** under Section V.C., is not brought or refiled within such sixty (60) day period;
- (2) the **Determination of No Liability** is not challenged by motion or appeal within such sixty (60) day period; and
- (3) only with respect to a dismissal of or stipulation to dismiss a **Securities Claim** without prejudice, the **Company** provides a written undertaking satisfactory to the **Insurer** which states that such reimbursement shall be returned to the **Insurer** if the subject **Securities Claim**, or another **Claim** which would be treated as a single **Claim** with the subject **Securities Claim** under Section V.C., is brought or refiled after the sixty (60) day period.

F. The **Company** is not covered under Insuring Agreement Section I.A.; the **Company** is covered, subject to the Policy's terms and conditions, only with respect to indemnification of an **Insured Person** under Insuring Agreement Section I.B. for **Claims** made against an **Insured Person**; but the **Company** is covered, subject to the Policy's terms and conditions, under Insuring Agreement Section I.C. for **Claims** made against the **Company**.

SPECIMEN

G. If both **Loss** covered by this Policy and other loss are incurred, either because a **Claim** includes both covered and non-covered matters, or because a **Claim** is made against both covered and non-covered parties, then the **Insured** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of all such amounts. In making such determination, the parties shall take into account the relative legal and financial exposures, and the relative benefits obtained in connection with the defense and/or settlement, of and between the covered and non-covered parties and matters involved in the **Claim**. In the event the parties cannot agree to an appropriate allocation percentage for the **Claim**, then the **Insurer** shall be obligated to make an interim payment of the amount of **Loss**, including **Defense Costs**, which the parties agree is not in dispute until a final allocation is agreed upon or determined pursuant to the terms of this Policy.

SECTION VI. DEFENSE COSTS AND SETTLEMENTS

A. The **Insureds** shall not admit liability for or settle any **Claim**, or incur **Defense Costs** in connection with any **Claim**, without the **Insurer's** prior written consent, which consent shall not be unreasonably withheld. The **Insurer** shall be entitled to full information and all particulars it may request in order to reach a decision as to such consent. Any **Defense Costs** incurred, and/or settlements or judgments agreed to prior to the **Insurer's** consent thereto shall not be covered by this Policy.

B. The **Insurer** shall, upon request, advance **Defense Costs** prior to the final disposition of a **Claim**, subject to an allocation, if any, determined in accordance with Sections V.F. and V.G., and subject further to prior satisfaction of the applicable Retention. Any agreement by the **Insurer** to advance **Defense Costs** shall be on the condition that the parties for whom the **Defense Costs** are advanced provide a written undertaking satisfactory to the **Insurer** which states that in the event it is finally established that the **Insurer** has no liability under the Policy to the **Insureds** for such **Claim**, they agree to repay to the **Insurer** upon demand all **Defense Costs** advanced on their behalf.

C. It shall be the duty of the **Insureds** and not the duty of the **Insurer** to defend **Claims**. The **Insureds** shall obtain the consent of the **Insurer** as to the choice of defense counsel, which consent shall not be unreasonably withheld. The **Insurer** shall at all times have the right, but not the duty, to associate with the **Insureds** in the investigation, defense or **Settlement** of any **Claim** that appears reasonably likely to involve the **Insurer**. The **Insureds** shall provide the **Insurer** with such information, assistance and cooperation as the **Insurer** may reasonably request.

SECTION VII. NOTICE OF CLAIMS AND POTENTIAL CLAIMS

A. An **Insured** shall give the **Insurer** written notice as soon as practicable of any **Claim** first made during the **Policy** (or **Discovery**) **Period**, and in no event later than thirty (30) days after the expiration of the **Policy** (or **Discovery**) **Period**.

B. If, prior to the effective date of the expiration of the **Policy Period**, an **Insured** first becomes aware of circumstances which may subsequently give rise to a **Claim**, and the **Insured** as soon as practicable during the **Policy Period** gives written notice to the **Insurer** of the circumstances and the reasons for anticipating a **Claim**, then any **Claim** subsequently made based upon such circumstances (of which the **Insurer** receives proper notice under Section VII.A.) shall be deemed for the purposes of this Policy to have been first made during the **Policy Period**; provided, however, as a condition precedent for any coverage to arise hereunder, such notice must be specific and contain full particulars as to the facts and circumstances potentially giving rise to the **Claim**, including a narrative setting forth dates, names of the potential plaintiffs and affected **Insureds**, names of other parties involved, the nature and scope of the anticipated **Claim**, and all reasons why such a **Claim** is reasonably to be anticipated.

C. The **Insured** shall give the **Insurer** such information and cooperation as the **Insurer** reasonably requires, including furnishing the **Insurer** with copies of reports, investigations, pleadings and other information requested by the **Insurer**.

D. The **Insurer** shall have the right but not the obligation to make any investigation it deems expedient with respect to a **Claim** and, with the consent of the **Company** or the person(s) against whom the **Claim** is made, make **Settlement** within the available Limit of Liability (whether above or below the applicable Retention). If the **Insured** shall refuse to

SPECIMEN

consent to any settlement recommended by the **Insurer** and shall act to contest or continue any actions or proceedings in connection with an **Employment Claim**, then, subject to the available Limit of Liability and the applicable Retention, the **Insurer's** liability for all **Loss** in connection with such **Employment Claim** shall not exceed the amount for which the **Employment Claim** could have been settled, plus the reasonable **Defense Costs** incurred with the **Insurer's** consent up to the date of refusal to consent by the **Insureds**.

SECTION VIII. GENERAL CONDITIONS

A. CANCELLATION OR NON-RENEWAL

(1) By acceptance of this Policy, the **Insureds** hereby confer the exclusive power and authority to cancel this Policy on their behalf to the **Company**. The **Company** may cancel this Policy by surrender thereof to the **Insurer**, or by mailing to the **Insurer** written notice stating when thereafter such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.

(2) This Policy may be canceled by the **Insurer** by mailing to the **Company** written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice by the **Insurer** shall be equivalent to mailing.

(3) If this Policy is canceled by the **Company**, the **Insurer** shall retain the customary short rate portion of the premium. If this Policy is canceled by or on behalf of the **Insurer**, the **Insurer** shall retain the pro-rata portion of the premium. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

(4) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Company** with no less than sixty (60) days advance notice thereof. The **Insurer** shall have no obligation to renew this Policy if any of the events described in Section VIII.B. occur.

B. SUBSEQUENT MAJOR EVENTS

If in the event of:

(1) the acquisition by another entity or persons of the **Company**, a majority of its voting securities, or substantially all of its assets;

(2) the merger or consolidation of the **Company** into or with another entity such that the **Company** is not the surviving entity; or

(3) the appointment of a receiver, liquidator, conservator, trustee or similar official with respect to the **Company**;

then the Policy will remain in effect until the end of the **Policy Period** as stated in Item 2 of the **Declarations**, but only with respect to **Claims** for **Wrongful Acts** occurring prior to such acquisition, merger, consolidation or appointment. Further, the premium will be considered fully earned upon the occurrence of any of the above events in consideration of the coverage extended.

C. REPRESENTATIONS; SEVERABILITY

The **Insureds** represent that the particulars and statements contained in the Application (and any material submitted therewith) are true, accurate and complete, and agree that this Policy is issued in reliance on this representation, and that such particulars and statements, which are deemed to be incorporated into and to constitute a part of this Policy, are the basis of this Policy. No knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person**, except for material facts or information known to any person who signed the Application. In the event of any material untruth, misrepresentation or omission in connection with

SPECIMEN

any of the particulars or statements in the Application, this Policy will be void with respect to any **Insured** who knew of such untruth, misrepresentation or omission or to whom such knowledge is imputed.

D. ACTION AGAINST THE INSURER

(1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined, either by an adjudication or by written agreement between the **Insureds** and the **Insurer**.

(2) No persons or entities shall have any right under this Policy to join the **Insurer** as a party to any **Claim**, nor shall the **Insurer** be impleaded by the **Insureds** or their legal representative in any **Claim**.

E. SUBROGATION

In the event of any payment under this Policy, the **Insurer** shall be subrogated to any of the **Insureds'** rights to recovery thereof. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure or transfer such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. The **Insurer** shall not exercise these rights of subrogation against an **Insured**, however, unless such individual has been judicially determined to have committed deliberate fraudulent, dishonest or criminal acts.

F. ASSIGNMENT

Assignment of interest under this Policy shall not bind the **Insurer** unless its consent is endorsed hereon.

G. CONFORMITY TO STATUTE

Any terms of this Policy which are in conflict with the terms of any applicable laws construing this Policy, including any endorsement to this Policy which is required by any state Department of Insurance (or equivalent authority) ("State Amendatory Endorsement"), are hereby amended to conform to such laws. Nothing herein shall be construed to restrict the terms of any State Amendatory Endorsement. In addition, to the extent permissible by law, nothing in any State Amendatory Endorsement shall be construed to restrict the terms of this Policy.

H. TERRITORY

This Policy applies to any **Wrongful Acts** occurring and any **Claim** made anywhere in the world, provided that all legal proceedings involving **Claims** against **Insureds** must be brought within the United States, its territories or possessions, and such **Claims** must be based on alleged violations of statutes or common law of the United States or a state or local government within the United States.

I. ENTIRE AGREEMENT

By acceptance of this Policy, the **Insureds** and the **Insurer** agree that this Policy (including the Application and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

J. CHANGES

Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the **Insurer** shall not effect a waiver or a change in any part of this Policy or stop the **Insurer** from asserting any right under the terms of this Policy. This Policy cannot be waived or changed, except by written endorsement issued to form a part of this Policy.

GENESIS INDEMNITY INSURANCE COMPANY