



LIBERTY SURPLUS INSURANCE CORPORATION

(a member of the Liberty Mutual Group
and hereinafter called "the Insurer")

EXECUTIVE ADVANTAGE POLICY

(Words and phrases printed in **bold**, other than
in the headings, are defined in Section 25 below.)

In reliance upon the truthfulness and accuracy of the statements made in the **Application**, in consideration of, and subject to, the payment of premium when due, and subject to the terms, conditions, and exclusions of this Policy, the Insurer and the **Insureds** agree as follows:

1. **Insuring Agreements:**

- 1.1 **Insured Persons' Liability:** The Insurer shall pay on behalf of the **Insured Persons** all **Loss** which they shall become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or **Discovery Period**, if applicable, against the **Insured Persons** for a **Wrongful Act** which takes place before or during the **Policy Period**.
- 1.2 **Insured Organization Reimbursement:** The Insurer shall pay on behalf of the **Insured Organization** all **Loss** which it is permitted or required by law to indemnify the **Insured Persons** as a result of a **Claim** first made during the **Policy Period** or **Discovery Period**, if applicable, against the **Insured Persons** for a **Wrongful Act** which takes place before or during the **Policy Period**.
- 1.3 **Securities Action Liability:** The Insurer shall pay on behalf of the **Insured Organization** all **Loss** which it shall become legally obligated to pay as a result of a **Securities Action** first made during the **Policy Period** or **Discovery Period**, if applicable, against the **Insured Organization** for a **Wrongful Act** which takes place before or during the **Policy Period**.

2. **Outside Position Liability:**

- 2.1 This Policy, subject to its terms, conditions, and exclusions, covers any **Insured Person** serving in an **Outside Position**. Such coverage shall be specifically excess of any: (i) indemnification provided by the **Outside Entity** in which the **Insured Person** serves in such **Outside Position**; and (ii) insurance available from or provided by such **Outside Entity**, regardless of whether or not such other insurance policy is written specifically excess of this Policy or refers to this Policy's policy number.
- 2.2 Payment by the Insurer or any member company of the Liberty Surplus Insurance Corporation under another insurance policy as a result of a **Claim** against an **Insured Person** in an **Outside Position** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy.

2.3 Coverage under this Section 2 shall not apply to any **Claim** that is brought or maintained with the solicitation, assistance or participation of the **Outside Entity** in which an **Insured Person** serves in an **Outside Position** or any director, officer, trustee, regent, governor or employee of such **Outside Entity**.

2.4 Nothing in this Section 2 shall be construed to extend coverage under this Policy to the **Outside Entity** in which such **Insured Person** serves in such **Outside Position**, or to the other directors, officers, or employees of such **Outside Entity**.

3. **Defense Costs and Settlements:**

3.1 It shall be the duty of the **Insureds**, not the Insurer, to defend any **Claim**. The Insurer shall have the right to associate in the defense and settlement of any **Claim** reasonably likely to involve this Policy. The Insurer may investigate, as it deems appropriate, any **Claim**, circumstance, or **Wrongful Act** involving the **Insureds**.

3.2 The **Insureds** shall not incur any **Defense Costs**, admit any liability, assume any obligation, agree to any settlement, or make any settlement offer with respect to any **Claim** without the Insurer's prior written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any **Defense Costs** incurred or any admissions, obligations, agreements, or settlements made by the **Insureds** without the Insurer's prior written consent.

3.3 The Insurer shall, subject to Section 13, advance covered **Defense Costs** incurred by the **Insureds** in excess of the applicable Retention. If it is negotiated or determined that any such **Defense Costs** are not covered under this Policy, the **Insureds** agree to repay the Insurer such amounts.

4. **Cooperation:** As a condition precedent to the **Insureds'** rights under this Policy, they shall give to the Insurer all information and cooperation as the Insurer reasonably may require and shall do nothing that may prejudice the Insurer's position or its rights of recovery.

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

5.1 for bodily injury, sickness, disease, death, or for damage to, destruction of, or loss of use of any tangible property;

5.2 for any error, misstatement, misleading statement, act, omission, neglect or breach of duty by **Insured Persons** of any **Subsidiary** in such capacity or by the **Subsidiary** itself if such error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly occurred, in whole or in part, when such entity was not a **Subsidiary**;

5.3 based upon, arising from, or in any way related to any error, misstatement, misleading statement, act, omission, neglect or breach of duty which has been reported or has been the subject of any notice under any insurance policy of which this Policy is a renewal or replacement or under any other policy which it may succeed in time;

5.4 based upon, arising from, or in any way related to an actual or alleged violation of the Employee Retirement Income Security Act of 1974, amendments thereto or similar federal, state, local or common law;

5.5 based upon, arising from, or in any way related to:

- (a) any demand, suit, or other proceeding against any **Insured** which has been made, which existed, or was pending prior to the applicable Prior Litigation Date set forth in Item VI of the Declarations; or
 - (b) the same or substantially the same facts, circumstances or allegations involved in such demand, suit, or other proceeding;
- 5.6 brought or maintained by or on behalf of the **Insured Organization** or any **Insured Person**, in any capacity, except:
 - (a) a **Claim** that is a derivative action brought or maintained on behalf of the **Insured Organization** by one or more shareholders of the **Insured Organization** who are not **Insured Persons** and who bring or maintain the action without the solicitation, assistance or participation of any **Insured Person**;
 - (b) a **Claim** by an **Insured Person** for the actual or alleged harassment of, wrongful termination of, or discrimination against such **Insured Person**;
 - (c) a **Claim** in the form of a cross-claim, third-party claim, or otherwise for contribution or indemnity, if such **Claim** directly results from another **Claim** that otherwise is covered under this Policy; or
 - (d) in the event of the **Insured Organization's** bankruptcy pursuant to the United States Bankruptcy Code, a **Claim** by an examiner, trustee or other legal representative of the **Insured Organization** who is duly appointed by a Bankruptcy Court;
- 5.7 based upon, arising from, or in any way related to the actual, alleged, or threatened discharge, dispersal, release or escape of **Pollutants**, or any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**; provided that this exclusion shall not apply to any **Claim** brought by a securities holder of the **Insured Organization** based on such securities holder's interest in such securities who is not an **Insured Person** and who is acting totally independently of, and totally without the solicitation, assistance or participation of any **Insured Person** or any **Insured Organization**;
- 5.8 based upon, arising from, or in any way related to an **Insured Person** serving as a director, officer, trustee, regent, governor, volunteer, employee, or similar position of any entity other than the **Insured Organization**; provided that this exclusion shall not apply with respect to any coverage afforded under Section 2, Outside Position Liability;
- 5.9 based upon, arising from, or in any way related to any **Insureds** gaining in fact any personal profit, remuneration or advantage to which they were not legally entitled; or
- 5.10 based upon, arising from, or in any way related to any deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law by any **Insured** if a judgment or other final adjudication adverse to the **Insured** establishes such an act, omission or willful violation.

For purposes of determining the applicability of Sections 5.9 and 5.10, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**, and only the **Wrongful Act** of a director of the **Insured Organization** or **Executive Officer** shall be imputed to the **Insured Organization**.

6. Application Representations and Severability:

6.1 The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.

6.2 The **Insureds** agree that if the **Application** contains any statements or representations that are untrue, this Policy shall be void as to:

(a) any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**. This provision shall also apply to the **Insured Organization** under Insuring Agreement 1.2 to the extent it indemnifies such **Insured Person**;

(b) the **Insured Organization** under Insuring Agreement 1.3, if any director of the **Insured Organization** or any **Executive Officer** knew the facts that were not truthfully disclosed;

whether or not such **Insured Person** or **Executive Officer** knew of such untruthful disclosure in the **Application**.

7. Reporting Requirements:

7.1 The **Insureds**, as a condition precedent to their rights under this Policy, shall report every **Claim** to the Insurer as soon as practicable but in no event later than 60 days after the end of the **Policy Period** or **Discovery Period**, if applicable.

7.2 Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded to **Liberty International Underwriters USA, 61 Broadway, New York, NY 10006, Attention: Specialty Casualty Claims**. All other notices under this Policy shall be given to the same addressee but to the attention of the Specialty Casualty Division.

7.3 All notices under this Policy shall be sent in writing by mail, prepaid express courier, or facsimile and shall be effective upon receipt thereof by the addressee.

8. Notice of Circumstance or Wrongful Act: If during the **Policy Period** the **Insureds** become aware of any circumstance or **Wrongful Act** that reasonably may be expected to give rise to a **Claim**, and if such circumstance or **Wrongful Act** is reported to the Insurer during the **Policy Period** in writing with details as to the nature and date of such circumstance or **Wrongful Act**, the identity of any potential claimant, the identity of any **Insured Person** involved in such circumstance or **Wrongful Act**, and the manner in which the **Insureds** first became aware of such circumstance or **Wrongful Act**, then any **Claim** subsequently arising from such circumstance or **Wrongful Act** shall be deemed under this Policy to be a **Claim** made during the **Policy Period** in which the circumstance or **Wrongful Act** was first duly reported to the Insurer.

9. Limit of Liability:

9.1 The Insurer's maximum aggregate Limit of Liability for all **Loss** under this Policy shall be the amount set forth in Item III of the Declarations. Amounts incurred as **Defense Costs** shall reduce the Limit of Liability.

9.2 All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim** and subject to a single limit of liability. Such **Claim** shall be deemed first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.

10. Retentions:

10.1 The Insurer shall be liable to pay only the amount of covered **Loss** in excess of the applicable Retention amount set forth in Item IV of the Declarations. Such applicable Retention shall be uninsured and shall be borne by the **Insured Organization**.

10.2 If **Loss** arising from a single **Claim** is covered under more than one Insuring Agreement, the applicable Retentions shall be applied separately to each part of such **Loss**, but the sum of Retentions so applied shall not exceed the largest applicable Retention.

10.3 Notwithstanding the foregoing, solely with respect to a **Securities Action**:

(a) the applicable Retention shall apply only to **Defense Costs**; and

(b) no Retention shall apply to **Loss** and the Insurer shall reimburse the **Insureds** for **Defense Costs** otherwise covered under this Policy, if all **Insureds** in such **Securities Action** obtain a final non-appealable judgment of no liability in their favor by reason of a motion to dismiss, motion for summary judgment, or trial.

11. Indemnification:

11.1 With respect to any covered **Claim**, if the **Insured Organization** is permitted or required by law to indemnify the **Insured Persons**, or to advance **Defense Costs** on their behalf, and does not in fact do so other than for reasons of **Insolvency**, then the Insurer's liability shall be subject to the Retention amount applicable to Insuring Agreement 1.2, as set forth in Item IV of the Declarations.

11.2 The shareholder and board of directors resolutions of the **Insured Organization** shall be deemed to provide indemnification and advancement of **Defense Costs** to the fullest extent permitted or required by law.

12. Priority of Payment: If **Loss** covered under Insuring Agreement 1.1 and any other Insuring Agreement becomes due and payable concurrently, the Insurer shall pay such **Loss** in the following order of priority:

12.1 The Insurer shall first pay such **Loss** under Insuring Agreement 1.1 on behalf of the **Insured Persons**; and

12.2 Whatever amount of the Limit of Liability remains after the payment of such **Loss**, the Insurer then shall pay such **Loss** under Insuring Agreements 1.2 and 1.3, as applicable, on behalf of the **Insured Organization**.

13. Allocation:

- 13.1** If a **Claim** gives rise to **Loss** covered under this Policy and loss not covered under this Policy, either because a **Claim** includes both covered and uncovered matters or both covered and uncovered parties, the **Insureds** and the Insurer shall allocate such amount between covered **Loss** and uncovered loss.
- 13.2** If there can be no agreement between the Insurer and the **Insured** as to the amount of **Defense Costs** to be advanced in connection with such **Claim**, the Insurer shall advance **Defense Costs** which it reasonably believes to be covered under this Policy until a different allocation is negotiated or determined.
- 13.3** Any negotiated or determined allocation of **Defense Costs** in connection with a **Claim** shall be applied retroactively, notwithstanding any allocation applied with respect to any prior advancement. Any allocation or advancement of **Defense Costs** in connection with a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss**.
- 14. Other Insurance:** If any **Loss** arising from any **Claim** is insured by other valid and collectible insurance, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to this Policy's Policy Number.
- 15. Discovery Period:**
- 15.1** If the Insurer or the **Parent Organization** fails or refuses to renew this Policy or if the **Parent Organization** cancels this Policy, any **Insured** shall have the right to an extension of the coverage granted by this Policy for the duration of time set forth in Item V of the Declarations following the effective date of such cancellation or non-renewal. Such extension of coverage shall apply solely with respect to **Wrongful Acts** taking place before the effective date of such cancellation or non-renewal. A written request for this extension, together with payment of the Discovery Period Premium set forth in Item V of the Declarations, must be made within 30 days after the effective date of cancellation or non-renewal of the Policy. Such Discovery Period Premium shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.
- 15.2** The extension of coverage for the **Discovery Period** shall not in any way increase the Limit of Liability set forth in Item III of the Declarations.
- 16. Acquisition of Parent Company (Automatic Run-off):**
- 16.1** In the event of a **Change in Control** during the **Policy Period**, coverage under this Policy shall continue until the end of the **Policy Period**, but only with respect to **Claims** for **Wrongful Acts** taking place prior to the effective date of such **Change in Control**. The entire premium for this Policy shall be deemed fully earned as of the effective date of such **Change in Control**.
- 16.2** The **Parent Organization** shall give written notice of such **Change in Control** to the Insurer as soon as practicable, together with such information as the Insurer may reasonably require.
- 17. Subrogation:** If the Insurer pays any **Loss** under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery thereof, including without limitation an **Insured Person's** right to

indemnification or advancement from the **Insured Organization**. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insureds**. The obligations of the **Insureds** pursuant to this Section 17 survive the termination of the **Policy Period**.

18. **Parent Organization as Authorized Representative:** The **Insureds** agree that the **Parent Organization** shall act on their behalf with respect to all matters under this Policy, including without limitation the giving and receiving of notices hereunder, the payment or return of premiums, and the negotiation and acceptance of endorsements.
19. **Amendment, Assignment and Headings:**
 - 19.1 Any amendment to this Policy or assignment of an interest in this Policy, in whole or in part, shall be effective only if made by endorsement to this Policy signed by an authorized representative of the Insurer.
 - 19.2 The headings to the provisions in this Policy, including those found in any endorsements attached hereto, are provided for convenience only and do not affect the construction hereof.
20. **Territory:** This Policy applies to **Claims** made anywhere in the world for **Wrongful Acts** occurring anywhere in the world.
21. **Spousal Benefit:** If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse where the claimant asserts such claim by reason of spousal status or seeks to obtain recovery against property in which such spouse has an interest, the amount which such spouse becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse.
22. **Estates and Legal Representatives:** In the event of the death, incapacity, or bankruptcy of an **Insured Person**, any **Claim** made against the estate, legal representatives, heirs, or the assigns of such **Insured Person** for a **Wrongful Act** shall be deemed to be a **Claim** against such **Insured Person**.
23. **Termination:**
 - 23.1 The Insurer may not cancel this Policy except for non-payment of premium when due. Such cancellation shall be effective as of the inception date of the **Policy Period**.
 - 23.2 The **Parent Organization** may cancel this Policy by sending notice of cancellation to the Insurer. Such cancellation shall be effective on the date the Insurer receives such notice. The **Parent Organization** may not cancel this Policy in anticipation of or after the effective date of a **Change in Control**. In the event the **Parent Organization** cancels this Policy, the Insurer shall retain the customary short rate premium. Payment 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.
24. **Action Against Insurer:**

- 24.1** No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, or the amount of the **Insureds'** obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial, or by written agreement of the **Insureds**, the claimant and the Insurer.
- 24.2** No person or organization shall have the right under this Policy to join the Insurer as a party to any action against the **Insureds**, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives.

25. Definitions:

25.1 "**Application**" means all signed applications, including attachments and materials submitted therewith or as a part thereof, or incorporated therein, for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this Policy.

25.2 "**Change in Control**" means:

- (a) the acquisition by another entity or person, or group of entities and/or persons acting in concert, of securities or voting rights resulting in ownership or voting control by such other entities and/or persons of more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors or equivalent positions of the **Parent Organization**; or
- (b) the merger of the **Parent Organization** into another entity such that the **Parent Organization** is not the surviving entity, or the consolidation of the **Parent Organization** with another entity.

25.3 "**Claim**" means:

- (a) a written demand for monetary or non-monetary relief against an **Insured Person** or, with respect to Insuring Agreement 1.3, against the **Insured Organization**;
- (b) the commencement of a civil or criminal judicial proceeding or arbitration against an **Insured Person** or, with respect to Insuring Agreement 1.3, against the **Insured Organization**;
- (c) the commencement of a formal administrative or regulatory proceeding against an **Insured Person**; or
- (d) the commencement of a formal criminal, administrative, or regulatory investigation against an **Insured Person**;

including any appeal therefrom. A **Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

25.4 "**Defense Costs**" means reasonable and necessary fees (including attorneys' fees and experts' fees) and expenses incurred in the defense of a **Claim** and cost of attachment or similar bonds, but shall not

include the wages, salaries, benefits or expenses of any directors, officers or employees of the **Insured Organization**.

- 25.5 "**Discovery Period**" means the period of time set forth in Item V of the Declarations.
- 25.6 "**Executive Officer**" means the president, chief executive officer, chief operating officer, chief financial officer, managing director, any executive vice president and any equivalent executive position of the **Insured Organization**.
- 25.7 "**Insolvency**" means the status of the **Insured Organization** as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage, or liquidate the **Insured Organization**, or the **Insured Organization** becoming an insolvent debtor-in-possession.
- 25.8 "**Insured(s)**" means the **Insured Persons** and, solely with respect to Insuring Agreements 1.2 and 1.3, the **Insured Organization**.
- 25.9 "**Insured Organization**" means any entity named in Item I of the Declarations and any **Subsidiary**, including any such entity operating as a debtor-in-possession.
- 25.10 "**Insured Person(s)**" means:
- (a) one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors or officers of the **Insured Organization**, or, with respect to a **Subsidiary** operating outside the United States, their functional equivalent, regardless of title; and
 - (b) with respect to a **Securities Action** only, any other natural persons who were, now are, or shall hereafter be employees of the **Insured Organization**.
- 25.11 "**Interrelated Wrongful Acts**" means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions, or causes.
- 25.12 "**Loss**" means sums which the **Insured Persons** or, with respect to Insuring Agreement 1.3, the **Insured Organization** are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including **Defense Costs**, damages, judgments, settlement amounts, legal fees and costs awarded pursuant to judgments, punitive or exemplary damages, and the multiple portion of any multiplied damage award. **Loss** shall not include fines, penalties, taxes, dividends or distributions of profits or other assets of the **Insured Organization**, any amount allocated to uncovered loss pursuant to Section 13, amounts for which there is no legal recourse against the **Insureds**, or matters uninsurable pursuant to any applicable law.

With respect to any **Claim** alleging that the price or consideration paid or proposed to be paid for the acquisition of any securities issued by or assets owned by any natural person or entity is inadequate, excessive, or improper, **Loss** shall not include the portion of any judgment or settlement relating to the amount by which such price or consideration was changed or modified as a result of such **Claim**.

- 25.13 "**Outside Entity**" means:

- (a) any non-profit corporation, community chest, fund or foundation that is not included in the definition of **Insured Organization**, and is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
 - (b) any other entity specifically stated as such in an endorsement to this Policy.
- 25.14 "**Outside Position**" means the position of director, officer, trustee, or other equivalent position held by an **Insured Person** in any **Outside Entity**, if service in such position is with the knowledge and express consent or at the express request of the **Insured Organization**.
- 25.15 "**Parent Organization**" means the **Insured Organization** first named in Item I of the Declarations.
- 25.16 "**Policy Period**" means the period from the inception date set forth in Item II of the Declarations to the expiration date set forth in Item II of the Declarations, or its earlier termination pursuant to Section 23.
- 25.17 "**Pollutants**" means any substance exhibiting hazardous characteristics as is or may be identified on any list of hazardous substances issued by the United States Environmental Protection Agency, or any state, local, or foreign counterpart. This definition shall include, without limitation, any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste (including material to be recycled, reconditioned or reclaimed), and any electric, magnetic or electromagnetic field of any frequency, as well as any air emission, waste water, infectious medical waste, nuclear materials, or nuclear waste.
- 25.18 "**Securities Action**" means any **Claim** against the **Insured Persons** or, with respect to Insuring Agreement 1.3, against the **Insured Organization**, if such **Claim**:
 - (a) arises from the purchase or sale of, or offer to purchase or sell, any securities issued by the **Insured Organization**, whether such purchase, sale, or offer involves a transaction with the **Insured Organization** or occurs in the open market;
 - (b) is brought by a securities holder of the **Insured Organization** other than an **Insured Person** based upon such securities holder's interest in such securities, whether directly or by class action; or
 - (c) is brought as a securities holder derivative action on behalf of the **Insured Organization**.
- 25.19 "**Subsidiary**" means any entity in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors or equivalent positions are owned, in any combination, by one or more **Insured Organizations** if such ownership occurs:
 - (a) prior to inception date of the **Policy Period**;
 - (b) after the inception date of the **Policy Period** and the assets of such entity do not exceed 20% of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement; or

- (c) after the inception date of the **Policy Period** and the assets of such entity exceed 20% of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement but only upon the condition that the **Parent Organization**:
 - (i) give written notice of such transaction to the Insurer within 90 days after the effective date of such transaction;
 - (i) provide the Insurer with such information as the Insurer may require; and
 - (ii) pay any additional premium required by the Insurer.

25.20 "Wrongful Act" means:

- (a) any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, committed or attempted by the **Insured Persons** in their capacities as such or in an **Outside Position**, or, with respect to Insuring Agreement 1.3, by the **Insured Organization**; or
- (b) any matter claimed against the **Insured Persons** solely by reason of their status as **Insured Persons**.



President



Secretary