

HDFC ERGO Professional Indemnity Policy

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- I. The Policy is amended as follows:
- A. The Preamble is deleted and replaced with the following:

In consideration of the payment of the premium, and in reliance upon the statements made in the Proposal, and subject to the terms and conditions of this Policy (including any endorsement hereto), coverage under this Policy is afforded solely for Financial Loss resulting directly from Claims first made against the Insured, or Professional Investigations, Loss Mitigation or other Extensions of Cover first occurring during the Period of Insurance or the Extended Reporting Period (if applicable) and notified to the Insurer as required by Section 6.1 of this Policy.
- B. The following Coverage Extensions are added to Section 2. Extensions of Cover:

2.8 Civil Fines and Penalties

The Insurer will pay **Civil Fines and Penalties** imposed on an **Employee** that arise from a covered **Claim** or **Professional Investigation** made against such **Employee**, but only to the extent that such **Civil Fines and Penalties** are insurable under both the law applicable to this Policy and the jurisdiction in which such **Civil Fines and Penalties** are imposed.

The cover provided under this Extension shall be subject to both the applicable **Sub-Limit of Liability** and **Retention** specified in the Schedule.

2.9 Defamation

The **Insurer** shall indemnify the **Insured** for **Financial Loss** resulting directly from a **Claim** first made against the **Insured** during the **Period of Insurance** or the **Extended Reporting Period**, if applicable, based upon libel, slander, offence or injurious falsehood committed unintentionally by an **Insured** on or after the **Retroactive Date** and prior to the end of the **Period of Insurance** within the provision of **Professional Services**.

The cover provided under this Extension shall be subject to both the applicable **Sub-Limit of Liability** and **Retention** specified in the Schedule.

2.10 External Appointments

The **Insurer** shall indemnify the **Employee** for **Financial Loss** resulting directly from a **Claim** made against an **Employee** during the **Period of Insurance** or the **Extended Reporting Period**, if applicable, based upon a **Wrongful Professional Act** committed on or after the **Retroactive Date** and prior to the

end of the **Period of Insurance** in their capacity as **Independent Director** of an **Outside Entity**; provided that:

- 2.10.1 such **Wrongful Professional Act** was committed in the rendering of or failure to render **Professional Services** to such **Outside Entity**;
- 2.10.2 the **Employee** acts in such role at the written request of the **Company**; and
- 2.10.3 the **Claim** does not arise from **Wrongful Professional Act** committed in whole or part after the **Employee** ceases working in the regular service of the **Company**.

The cover provided under this Extension shall be subject to both the applicable **Sub-Limit of Liability** and **Retention** specified in the Schedule.

2.11 Professional Investigations

The **Insurer** shall indemnify the **Insured** for all **Professional Investigation Costs** resulting directly from a **Professional Investigation** arising from the rendering of or failure to render **Professional Services**.

The cover provided under this Extension shall be subject to both the applicable **Sub-Limit of Liability** and **Retention** specified in the Schedule.

2.12 Pro Bono Services

The **Insurer** shall indemnify the **Employee** for **Financial Loss** resulting directly from a **Claim** first made against the **Insured** and notified to the **Insurer** during the **Period of Insurance** or the **Extended Reporting Period**, if applicable, made against an **Employee** for a **Wrongful Act** committed while providing **Professional Services**:

- 2.12.1 to a charitable organization provided that:
 - (a) such **Professional Services** are provided without compensation of any kind;
 - (b) such **Professional Services** were authorized by a partner, principle, officer or owner of the **Company** prior to the rendering of such **Professional Services**; and
 - (c) the **Claim** does not arise from a **Wrongful Act** committed in whole or part after the **Employee** ceases working in the regular service of the **Company**.

- 2.12.2 as part of a mandatory services requirement of an **Official Body**.

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The cover provided under this Extension shall be subject to both the applicable **Sub-Limit of Liability** and **Retentions** specified in the Schedule.

2.13 Technology Services

The **Insurer** shall indemnify the **Insureds** for **Financial Loss** resulting directly from a **Claim** first made against the **Insured** during the **Period of Insurance** or the **Extended Reporting Period**, if applicable, based upon a **Wrongful Technology Act** taking place on or after the **Retroactive Date** and prior to the end of the **Period of Insurance**.

The cover provided under this Extension shall be subject to both the applicable **Sub-Limit of Liability** and **Retention** specified in the Schedule.

C. Section 3. Changes in Risk is deleted and replaced with the following:

Changes in Risk

3.1 Material Change

As a condition precedent to coverage under this Policy, the **Policyholder** shall give written notice to the **Insurer** of any **Material Change** as soon as reasonably practicable, however no later than thirty (30) days after such **Material Change** occurs. Such notice shall include sufficient details to permit the **Insurer** to assess and evaluate the potential increase in exposure presented by the **Material Change**.

The **Insurer**, in its sole discretion, may impose an additional premium and/or amendments to the Policy due to the **Material Change**. If the **Policyholder** does not agree to the amendments or does not pay the additional premium when due, the **Insurer** has the right to cancel this Policy by giving thirty (30) days prior written notice to the **Policyholder**.

3.2 Change in Control

The cover provided by this Policy shall only apply in respect of **Wrongful Acts** or other events covered by this Policy committed or occurring prior to the effective date of a **Change in Control**.

As a condition precedent to coverage under this Policy, the **Policyholder** shall give written notice to the **Insurer** of such **Change in Control** as soon as reasonably practicable, however no later than thirty (30) days after the **Change in Control**.

Notwithstanding the effect on cover caused by such **Change in Control** there shall be no entitlement to cancellation of this Policy by any party (other than for non-payment of premium) and the entire premium for

this Policy shall be deemed to have been fully earned as of the date of such **Change in Control**.

D. Section 4. Definitions is amended as follows:

1. The last sentence of Definition 4.5 Claim is replaced with the following

For the purposes of Sections 5, 6 and 7 only, **Claim** shall also mean **Professional Investigation, Potential Claim** and the event insured under Extension 2.6 Loss of Documents and Data.

2. The following is added to the end of Definition 4.10 Defence Costs:

Defence Costs shall not include **Professional Investigation Costs**.

3. Definition 4.15 Employee is replaced with the following:

4.15 Employee

Employee means a natural person who, during the **Period of Insurance** or after the **Retroactive Date**:

4.15.1 performs **Professional Services** in the regular service of the **Company**, in the ordinary course of the **Company's** business and whom the **Company** compensates by salary, wages and/or commissions and has the right to govern, instruct and direct in the performance of such **Professional Services**; or

4.15.2 is seconded to the **Company**, or guest student pursuing studies or duties or any person engaged in work experience or on a training scheme with the **Company** while working under their direct control and supervision.

The definition of **Employee** shall not include any:

(i) **Director or Officer** of a **Company**, unless when

(a) performing acts within the scope of the usual duties of an employee (other than a **Director or Officer**) providing **Professional Services** to or for the **Company** under a contract of employment and direct control and supervision, or

(b) while acting as a member of a committee duly elected or appointed by resolution of the board of directors of the **Company** to perform specific **Professional Services**, as distinguished from general directorial acts, on behalf of the **Company** and

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working under the direct control and supervision of the **Company**;

- (ii) **Service Provider**; or
- (iii) independent contractor.

4. Definition 4.19 Financial Loss is amended as follows:

- a) Subsection 4.19.1 is replaced with the following:
 - 4.19.1 the total amount the **Insured** is legally liable to pay for:
 - (i) compensatory, punitive, exemplary or multiple damages (to the extent insurable under the law of this Policy and the law of the jurisdiction in which the payment is to be made) and related costs (including pre-judgment and post-judgment interest, plaintiff's or claimant's legal fees, attorney's fees and expenses, court costs, accountant's costs and loss adjuster's costs) resulting from a **Claim** made against such **Insured**, for which coverage applies, awarded pursuant to a final judgment or other final adjudication of a court or tribunal by whose jurisdiction the **Insured** is bound, or following arbitration or other alternative dispute resolution processes whose findings are binding upon the **Insured**;
 - (ii) compensation for damages awarded by an **Official Body**, or
 - (iii) a settlement negotiated by the **Insured** with the **Insurer's** prior written consent; or
- b) The first sentence of Subsection 4.19.3 is replaced with the following:
 - 4.19.3 the fees, costs, expenses and amounts covered under Extensions 2.5 Loss Mitigation, 2.6 Loss of Documents and Data, and 2.8 Civil Fines and Penalties in Section 2 of this Policy.
- c) The following subsection is added:
 - 4.19.4 **Professional Investigation Costs** resulting from a **Professional Investigation**;

5. Definition 4.27 Mental Anguish is replaced with the following:

4.27 Mental Anguish

Mental Anguish means mental injury, mental distress,

emotional distress, emotional pain, and emotional suffering or shock.

6. The first paragraph of definition 4.45 Subsidiary is replaced with the following:

Subsidiary means any entity or organisation, including any joint venture or partnership, in which on or before the inception date of this Policy, the **Policyholder**, directly or indirectly through one or more **Subsidiary**;

7. The following definitions are added:

Civil Fines and Penalties

Civil Fines and Penalties means civil money penalties and fines directly assessed by an **Official Body** against an **Employee** for personal civil liability or arising out of the provision or failure to provide **Professional Services**, but only if such fines and penalties are not relating to or resulting from a knowing, wilful or criminal violation of law.

Independent Director

Independent Director means an **Employee** of the **Company** serving as a board member or a member of a board committee of an **Outside Entity** under a specific appointment and at the request of the **Company** to provide **Professional Services** on behalf of the **Company**.

Material Change

Material Change means:

- (i) An increase or decrease of lawyers or professional corporations resulting in a change to the **Policyholder** of greater than 35% of the total of all licensed lawyers of the **Policyholder** who perform **Professional Services** on behalf of the **Policyholder**;
- (ii) The acquisition of lawyers or professional partnerships or corporations domiciled in the United States of America;
- (iii) the commencement of the provision of **Professional Services** in Areas of Practice significantly different from the Areas of Practice which the **Policyholder** identified in the **Proposal** this policy was based upon; or
- (iv) Solely with respect to a **Policyholder** with 4 or less lawyers, any involuntary or voluntary revocation or suspension of a lawyer's license to practice law.

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Official Body

Official Body means any government, governmental or administrative body or agency or similar public body with authority over the **Professional Services** of the **Insured**, that has the legal authority to regulate, control, supervise, conduct **Professional Investigations**, perform audits, assess and levy fines and penalties, issue orders or directives, or to undertake other actions or measures; as well as, any other public or administrative agency or self-regulatory body or professional body that is empowered by statute or statutory regulation to perform the above functions.

Outside Entity

Outside Entity means any entity not owned, controlled, operated or managed by the **Company**.

Professional Investigation

Professional Investigation means any formal civil, administrative or regulatory investigation, hearing, examination or inquiry commenced or brought by an **Official Body** concerning:

- (i) the affairs of a **Company** in the provision of or failure to provide **Professional Services**; or
- (ii) an **Employee** acting in his capacity as such, commenced or brought by an **Official Body**, where no **Wrongful Professional Act** has been specified;

once an **Employee** of the **Company** is identified in writing and receives formal written notice from an **Official Body** requiring such **Employee** to cooperate or attend, or to produce documents, provided that:

- (a) such formal written notice from an **Official Body** first arises during the **Period of Insurance** or **Extended Reporting Period** (if applicable); and
- (b) the **Professional Investigation** concerns acts or conduct or a **Wrongful Professional Act** that occurs after the inception date of this Policy and the **Retroactive Date**; and
- (c) the **Insured** has notified the **Insurer** of such formal written notice from an **Official Body** in accordance with Section 6.2 of this Policy.

Professional Investigation does not mean any routine regulatory supervision, inspection or compliance reviews, or any industry wide investigation, hearing, examination or inquiry which focuses on five (5) or more industry actors rather than the **Insured**.

Professional Investigation Costs

Professional Investigation Costs means reasonable and necessary fees, costs, charges and expenses incurred, with the prior written consent of the **Insurer** (except as provided for under Extension 2.2, for or on behalf of an **Employee** or the **Employee's** legal representative:

- (a) in preparing for, attending or producing documents to a **Professional Investigation**; or
- (b) in responding to a raid on, or on-site visit to, any **Insured** by an **Official Body** that involves the production, review, copying or confiscation of files or interviews of any **Insured**.

Professional Investigation Costs shall not mean any fees, costs, charges or expenses incurred by the **Company** in connection with a **Professional Investigation**, remuneration of **Employees**, costs of their time or costs of overheads of the **Company**.

Professional Services

Professional Services means

- (i) services provided by an **Insured** in their capacity as a lawyer, arbitrator, conservator, guardian, trustee, mediator, notary public, administrator, or receiver; provided, that the:
 - (a) services are provided to;
 1. a **Third-Party Client** for compensation pursuant to a written contract or agreement; or
 2. for the benefit of a third party pursuant to a court order;
 - (b) services are allowed under applicable laws, statutes, rules, regulations issued by any **Official Body** having jurisdiction over the **Insured**; and
 - (c) **Insured** providing such services is duly authorised, licensed and/or approved to provide such services;
- (ii) an **Employee's** activity as a member of a formal:
 - (a) accreditation;
 - (b) ethics;
 - (c) peer review;
 - (d) licensing;
 - (e) standards review; or
 - (f) bar association;

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committee;

including any related service or operation of the **Insured** to support the provision of such services.

Technology Services

Technology Services means the design, development, licensing, provisioning, maintenance and support of:

- (i) an on-line platform used to provide a **Third-Party Client** 1) **Professional Services** or 2) access to tools and resources related to the **Company's Professional Services**;
- (ii) a mobile application provided to **Third-Party clients** of the **Insured** in order to access the **Company's** on-line platform or **Professional Services**;
- (iii) software such as API's to connect the **Company's Computer System** with the **Computer Systems** of a **Third-Party client** to facilitate data exchange or the provision of **Professional Services**.

Wrongful Technology Act

Wrongful Technology Act means any act, error, omission, misrepresentation, misstatement, misleading statement, neglect, or breach of duty actually or allegedly committed or attempted by an **Insured**, or by someone for whom the **Insured** is legally responsible in connection with the **Insured's** rendering or failure to render **Technology Services** in conjunction with **Professional Services**.

E. Section 5. Exclusions is amended as follows:

1. Exclusions 5.2, 5.3, 5.9, 5.12 and 5.16 are deleted and replaced with the following:

5.2 Assumed Liability, Guarantee, Warranty

arising from, based upon, in connection with, attributable to or as a consequence of any:

- 5.2.1 liability assumed or accepted by an **Insured** or **Service Provider** under any contract or agreement except to the extent that actual legal liability would have attached to an **Insured** or **Service Provider** in the absence of such contract or agreement as a matter of civil or common law as applicable; or
- 5.2.2 any express guarantee or warranty. Provided however, this exclusion will not apply to a warranty or guarantee by the **Insured** that the **Professional Services** performed by the **Insured** are in conformity with the standard of care applicable to such **Professional Services**.

5.3 Bodily Injury and Property Damage

arising from, based upon, in connection with, attributable to or as a consequence of **Bodily Injury, Mental Anguish, or Property Damage**; provided, that this exclusion shall not apply to:

- 5.3.1 **Professional Services** rendered in defending a **Third-Party Client** of the **Insured** against allegations involving **Bodily Injury, Mental Anguish, or Property Damage**;
- 5.3.2 Loss of **Documents** or **Data**, in accordance with Extension 2.6 or
- 5.3.3 **Mental Anguish** resulting from a **Wrongful Privacy Act**.

5.9 Governmental Regulatory Action

arising from, based upon, in connection with, attributable to or as a consequence of any action or investigation brought by, in the right of, on behalf of or at the behest of, or instigated or maintained against an **Insured** by an **Official Body** or any other government, regulatory or licensing authority or commission, whether directly or indirectly, and whether brought in its capacity as an **Official Body**, government, regulatory or licensing authority or commission, or as a receiver, conservator, liquidator, securities holder or assignee of an **Insured**, provided, that this exclusion shall not apply to:

- 5.9.1 a **Claim** by such entity when acting solely in its own interests in its capacity as a **Third-Party Client** of an **Insured**;
- 5.9.2 a **Claim** brought by such entity by, on behalf of or for the benefit of a **Third-Party Client** of any **Insured** seeking compensation for a specified **Wrongful Act** of an **Insured**;
- 5.9.3 **Civil Fines and Penalties** covered under clause 4.19.3 of the definition of **Financial Loss**; or
- 5.9.4 **Professional Investigation Costs** covered under Extension 2.11.

5.12 Intellectual Property

arising out of, based upon, in connection with, attributable to or as a consequence of the:

- 5.12.1 infringement, violation, breach or misappropriation of any patent, intellectual property right, copyright, trade or service mark; or
- 5.12.2 misappropriation of trade secret.

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This exclusion does not apply to **Professional Services** rendered to a **Third-Party Client** of the **Insured** related to such intellectual property.

5.13 Merger and Acquisition

arising out of, based upon or attributable to any actual or attempted:

- 5.13.1 merger, purchase or acquisition of another business by the **Insured**; or
 - 5.13.2 purchase or sale transactions in the shares of the **Insured**, the **Insured's** parent company or any **Subsidiary** or affiliate;
- except when the **Insured** is acting on behalf of a **Third-Party Client** of the **Insured**.

5.16 Prior and Pending Claims or Notifications

arising out of, based upon, in connection with, attributable to or as a consequence of:

- 5.16.1 any act, fact, same or related **Wrongful Act**, event **Circumstance**, situation, or **Claim** or other matter which has been the subject of any written notice given under any insurance policy or any policy of which this Policy is a direct or indirect renewal or replacement, or any policy expiring prior to the inception date of this Policy;
- 5.16.2 any act, error or omission or **Wrongful Act**, **Professional Investigation**, **Employee Dishonesty**, fact, event, **Circumstance**, situation, or **Claim** occurring, initiated, committed or commenced prior to:
 - 1) the inception date of this Policy or of any policy issued by the **Insurer** to the **Policyholder** of which this Policy is a continuous renewal or replacement, of which a **Responsible Officer** became aware, knew or could have reasonably foreseen that could give rise to a **Claim** or coverage under this Policy; or
 - 2) the **Retroactive Date**;
- 5.16.3 any written demand, suit or proceeding, order, decree or judgment entered, against any **Insured**, or **Professional Investigation**, pending or initiated or commenced on or prior to the inception date of this Policy or of any policy issued by the **Insurer** to the **Policyholder** of which this Policy is a continuous renewal or replacement; or

5.16.4 any **Interrelated Wrongful Act**, **Professional Investigation**, **Employee Dishonesty**, **Defamation** as covered by Extension 2.9, or loss of **Documents** as covered by Extension 2.6 which has the same originating cause as any item referenced in 5.16.1, 5.16.2 or 5.16.3 above; or any **Mitigation Costs** relating to the foregoing.

- 2. The following is added at the end of Exclusion 5.13 Merger and Acquisition:
 - except when the **Insured** is acting on behalf of a **Third-Party Client** of the **Insured**.
- 3. The following is added at the end of the last sentence of Exclusion 5.14 Nuclear and Pollution:
 - And does not apply to **Professional Services** rendered to a **Third-Party Client** of the **Insured** related to legal matters involving **Pollutants**
- 4. The following exclusions are added:

Investments

- arising out of, based upon, in connection with, attributable to or as a consequence of
- (i) the depreciation or failure to appreciate in value of any investments or portfolio of investments, including but not limited to securities, commodities, currencies, options and futures transactions;
 - (ii) any actual or alleged representation, advice or guarantee provided by or on behalf of the **Insured** as to the performance of any such investments; or
 - (iii) the sale or promotion of any investment that is not compliant with all statutory requirements.

Money Laundering or Related Financial Crime

arising out of, based upon, in connection with, attributable to or as a consequence of, directly or indirectly, any actual or alleged money laundering or related financial crime which the **Insured** knew or reasonably should have known constituted money laundering or related financial crime. For the purposes of this exclusion, Money Laundering or Related Financial Crime has the meaning given to that term (or the term used for an equivalent offence) under any statute, law, rule regulation, or international treaty, convention or accord pertaining to the movement of illicit cash or cash equivalent proceeds.

This exclusion does not apply to **Professional Services** related to defending a **Third-Party Client** of the **Insured** against allegations of any financial crime.

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Tax Shelter

arising out of, based upon, in connection with, attributable to or as a consequence of relating to or involving, directly or indirectly, any actual or alleged promotion or facilitation of tax evasion or tax shelter arrangements.

F. Section 6 is amended as follows:

1. Subsection 6.1.1. is deleted and replaced with the following:
- 6.1.1 The **Insurer** shall only be liable under this Policy for **Claims** that have been reported to the **Insurer** in writing as soon as reasonably practicable after a **Responsible Officer** first becomes aware of such **Claim** but no later than thirty (30) days after the expiry of the **Period of Insurance** or within the **Extended Reporting Period** (if applicable).

Written notice under this section shall include, but not be limited to, a description of the **Claim**, the nature of the alleged or potential **Financial Loss**, the details of the actual or potential claimants and the date and manner in which the **Insured** first became aware of the **Claim** or **Professional Investigation**.

2. The following subsection is added after subsection 6.1.2:

If an **Insured** is unable to notify the **Insurer** as set forth Item 6.1.1 above as a result of a specific direction or prohibition from disclosing information by an **Official Body**:

- (a) the **Insured** shall notify the circumstance to the **Insurer** as set forth in item 6.1.2 above;
- (b) the **Insured** shall advise the **Insurer** of the existence of the non-disclosure agreement and provide full disclosure of relevant information as permitted by an **Official Body** within thirty (30) days from being allowed to make such disclosure by the **Official Body**; and
- (c) the **Insured** shall always keep the **Insurer** informed as set forth in Items 6.1.1 and 6.1.2 to the fullest extent permitted by the **Official Body** during this disclosure limitation and afterwards provide full details as requested by the **Insurer** once this limitation is removed.

G. Section 7 General Conditions is amended as follows:

1. Subsection 7.9. is deleted and replaced with the following:

7.9 Other Insurance, Order of Payments and Non-Stacking of Limits

If a **Financial Loss** covered under this Policy is also covered, wholly or partially, by any other valid and collectable insurance policy, this Policy shall only apply and pay **Financial Loss** in excess of the amount paid by such other insurance policy, and irrespective of whether such other insurance policy is stated to be primary, contributory, excess, contingent or otherwise. As excess insurance this Policy shall not apply or contribute to the payment of any **Financial Loss** until the insured limits and **Retentions** amounts of that other insurance policy have been exhausted.

Notwithstanding the above, this Policy shall always apply specifically as excess of any indemnification as follows:

- 7.9.1 any valid and collectable insurance coverage: afforded to the **Insured** under any Cyber Liability Insurance, Security and Privacy or similar insurance policy, as to any **Claim** or Financial Loss also covered, wholly or partially, under such policy.

In the event such other Cyber Liability Insurance, Security and Privacy or similar insurance policy afforded an **Insured** is provided by any member or entities forming part of the Zurich Insurance Group (or would be provided but for the application of the **Retention** amount, exhaustion of the limit of liability or failure to submit a notice of a claim as required), then the Zurich Insurance Group's maximum aggregate limit of liability for all **Financial Loss** under all such policies, as respects such cover, shall be the single largest limit of liability (as specified in the schedule) of such policies.

- 7.9.2 any indemnification provided by an **Outside Entity** to the **Independent Director** or by the **Company** to the **Employee**, and any valid and collectable indemnity to the **Independent Director** afforded under any Directors and Officers Liability policy purchased by either the **Company** or **Outside Entity**.

2. Subparagraph 2) of the penultimate paragraph of subsection 7.12 is deleted.

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.