

EXECUTIVE INDIA (02)

THIS IS A CLAIMS MADE CERTIFICATE OF INSURANCE

In consideration of the payment of premium, We agree to insure You in accordance with the terms of this Certificate.

Section 1: Standard Cover

- 1.1 We will pay Loss as incurred by You or on your behalf in respect of any Claim made against You during the Certificate Period (or a Discovery Period, if applicable) for a Wrongful Act. If the Company pays Loss on your behalf in respect of any Claim made against You for a Wrongful Act then We will pay such Loss on behalf of the Company instead. This also applies to any of the Additional Covers detailed in Section 2 below. However, the Company is not insured in its own right under this Certificate.

Section 2: Additional Cover

- 2.1 **Public Relations Cover**
In the event that You or the Company reasonably consider that the services of a public relations consultancy are required urgently in order to prevent or minimize the risk of a Claim which would be covered under this Certificate, then We will reimburse reasonable fees and costs incurred as a result of You instructing an appropriate consultancy up to a maximum limit of INR XXXXXXXX in the aggregate for all such Claims. This limit shall be in addition to the Limit of Liability stated in Item 3 of the Schedule. Your entitlement to this additional cover is conditional on You or the Company providing Us with full written details of the appropriate action taken no later than 30 days after You or the Company first becomes aware of any occurrence that requires the services of a public relations consultancy.
- 2.2 **Retirement Cover**
If the Company does not renew this Certificate or replace it with any other insurance providing directors and officers liability coverage and one of the Discovery Period Options detailed in Section 2.3 of this Certificate has not been purchased then You will be automatically entitled to a 72 month extension to the Certificate Period at no additional premium after the expiry of the Certificate Period provided that You retired prior to the expiry date of the Certificate Period.
For the purposes of this Section 2.2 "retired" means that You ceased to hold your position with the Company for whatever reason.
It is agreed, however, that this Section 2.2 will be of no effect in relation to You if You retired due to an occurrence taking place as described in Section 8.3 of this Certificate.
- 2.3 **Discovery Period Options (Bilateral)**
2.3.1 If We refuse to offer to renew this Certificate, then the Company or You shall be entitled to purchase an extension to the Certificate Period (a "Discovery Period") of either:
(a) 12 months from the expiry of the Certificate Period upon payment of an additional premium of 100% of the annual or annualized equivalent of the premium stated at Item 6 of the Schedule; or

(b) 24 months from the expiry of the Certificate Period upon payment of an additional premium of 150% of the annual or annualized equivalent of the premium stated at Item 6 of the Schedule.

- 2.3.2 Alternatively, if the Company or You choose not to renew this Certificate, then the Company or You shall be entitled to purchase an a Discovery Period of 12 months from the expiry of the Certificate Period upon payment of 100% of the annual or annualized equivalent of the premium stated at Item 6 of the Schedule.
- 2.3.3 If the Company or You do not purchase a Discovery Period of 12 or 24 months, then You shall be entitled for no additional premium to a Discovery Period of 30 days.
- 2.3.4 The cover granted during a Discovery Period applies only to a Claim made against You during a Discovery Period for a Wrongful Act committed prior to the expiry of the Certificate Period.
- 2.3.5 The Company or You are not entitled to a Discovery Period in the event of an occurrence taking place as described in Section 8.3 of this Certificate. In this case, however, the Company or You may be entitled to purchase a further policy from Us as described in Section 2.4 of this Certificate.
- 2.3.6 The provision of a Discovery Period is conditional upon:
- (a) You or the Company or You giving Us written confirmation of the Discovery Option required within 30 days of the expiry of the Certificate Period; and
 - (b) payment of the additional premium for a Discovery Period within 30 days of the expiry of the Certificate Period; and
 - (c) this Certificate not being replaced by any other insurance affording directors and officers liability cover (however this condition shall not apply where the Company purchases a Discovery Period in accordance with Section 2.3.2); and
 - (d) this Certificate not being cancelled in accordance with Section 8.5.
- 2.3.7 Any offer by Us of renewal terms, conditions, limits of liability or premium different from those in this Certificate does not constitute a refusal to offer to renew.
- 2.3.8 If a Discovery Period is effected, the Limit of Liability shall not be increased in any way.
- 2.3.9 A Discovery Period may not be cancelled and the additional premium for a Discovery Period is not refundable.

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2.4 Pre-Agreed Run-Off Coverage

In the event of an occurrence taking place as described in Section 8.3. the Company or You shall be entitled to request from Us a replacement run-off Certificate. In such event We agree to offer a replacement runoff Certificate:

- (a) for a period of 12 months for a premium of no more than 100% of the annual or annualized equivalent of the premium stated at Item 6 of the Schedule; or
- (b) for a period of 24 months for a premium of no more than 150% of the annual or annualized equivalent of the premium stated at Item 6 of the Schedule; or
- (c) for a period of 36 months for a premium of no more than 175% of the annual or annualized equivalent of the premium stated at Item 6 of the Schedule; or
- (d) for any other period or premium as may be mutually agreed between the Company and Us.

It is agreed, however, that if You or the Company have provided Notification or have made us aware of a Wrongful Act that could give rise to a Claim, then We are not bound to provide a replacement run-off Certificate for the premiums stated above. In this case, however, We may offer the Company a replacement run-off Certificate on such terms and conditions as We decide are appropriate and at our discretion.

If any such replacement Certificate is purchased, then:

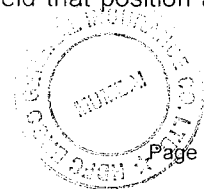
- (i) it will have effect from the effective date of an occurrence as described in Section 8.3. of this Certificate; and
- (ii) it will only apply to Wrongful Acts actually or allegedly committed by You prior to the effective date of an occurrence as described in Section 8.3. of this Certificate; and
- (iii) We will refund the relevant proportion of the premium calculated pro rata as at the effective date of the merger, consolidation or acquisition (regardless of the provisions of Section 8.5 of this Certificate); and
- (iv) it may not be cancelled and the premium for it is not refundable (save that We may cancel it due to non-payment of premium in accordance with the terms of this Certificate by giving 30 days written notice to the Company); and
- (v) it will not provide Retirement Cover or a Discovery Period as provided for in Sections 2.2 and 2.3 of this Certificate (unless agreed by Us to the contrary).

2.5 Employment Practices Cover

We will pay Loss as incurred by You or on your behalf in respect of any Claim against You for an Employment Practices Wrongful Act.

2.6 Outside Directorship Cover

2.6.1 We will pay Loss as incurred by You or on your behalf in respect of a Claim made against You in your capacity as a director, officer, trustee or governor of any other company, corporation or organisation provided that You hold or held that position at the specific request of the Company.



2.6.2 This cover is specifically in excess of any other insurance protecting You and/or in excess of any other indemnity available to You while holding such position. If, however, such other insurance is provided by Us then the total aggregate Limit of Liability for all Loss covered by this extension shall be reduced by the amount of the limit of liability of such other insurance.

2.6.3 This additional cover does not apply to:

- (a) positions held in the USA; or
- (b) positions held in any other company, corporation or organisation which has, has had, or to the knowledge of any person insured under this Certificate intends to have its securities traded in the USA.

If You hold any such positions then You can provide Us with further information relating to them and We may then agree at our absolute discretion to extend cover in return for the payment of additional premium and/or amendments to the terms of this Certificate.

2.7 Official Investigation Costs

We will pay reasonable legal fees, costs and expenses incurred by You up to a maximum of 50% of the Limit of Liability stated in Item 3 of the Schedule and in the aggregate for the Certificate Period (which limit shall be part of and not in addition to the Limit of Liability) resulting from any legally required attendance by You at any official investigation, examination, inquiry or other similar proceeding ordered or commissioned by any official body or institution that is legally empowered to investigate the affairs of the Company provided that We have consented in writing to You incurring such Costs before they are incurred. It is agreed that We will not unreasonably withhold that consent. If You believe that as a result of any such official investigation, examination, inquiry or other similar proceeding, circumstances exist which may reasonably be expected to give rise to a Claim, notice must be given to Us in accordance with Section 6 Claim Reporting – Condition Precedent of this Certificate.

2.8 Automatic Reinstatement of the Limit of Liability For Non-Executive Directors

In the event of a reduction (in whole or in part) of the Limit of Liability due to payment by Us of Loss it is agreed that the Limit of Liability shall be reinstated by the amount which the Limit of Liability is reduced provided in all events that:

- (i) the reinstated amount of the Limit of Liability will only be available for any subsequent Loss on account of any Claim that is entirely unrelated to the Claim that causes the reduction of the Limit of Liability; and
- (ii) the maximum amount of Loss paid by Us in respect of any number of Claims which arise out of or are attributable to or are in any way connected with a single Wrongful Act shall not exceed the Limit of Liability; and
- (iii) the total amount payable by Us under this Certificate shall not exceed twice the Limit of Liability; and
- (iv) if the Company has in effect any policy or policies providing coverage in excess of this Certificate, then the reinstated amount of the Limit of Liability as allowed for by this clause will take effect after the total exhaustion of any amounts

payable under any such other policies but before any similar reinstatement provisions as may be contained in any such other policies; and

- (v) this provision shall only be available to You to the extent that You are a non-executive director of the Company as described in Section 3.15 (b) of the Certificate; and
- (vi) this provision shall not apply in respect of Section 2.2 and Section 2.6 or of this Certificate.

Section 3: Definitions

3.1 Certificate Period means:

The period of time specified in Item 2 of the Schedule, or any other period agreed in writing by the Company and Us.

3.2 Claim means:

- (a) any written demands made against You for monetary damages or other relief, including non-pecuniary relief; or
- (b) any allegation of a Wrongful Act communicated to You or the Company; or
- (c) any criminal, civil or arbitration proceedings (including extradition proceedings) against You; or
- (d) any regulatory or administrative proceedings or any other official investigation with regard to any allegation of a Wrongful Act committed by You.

Any number of Claims which arise out of or are attributable to or are in any way connected with a single Wrongful Act shall constitute a single Claim for the purposes of this Certificate.

3.3 Company means:

The organisation named in Item 1 of the Schedule and any Subsidiary thereof.

3.4 Costs means:

All reasonable fees, including disbursements, incurred by You or on your behalf in the investigation, mitigation, defence, adjustment and appeals of any Claim (including the reasonable premium and cost required for a bail bond or other similar obligation) provided that We have consented in writing to You incurring such Costs before they are incurred. We will not unreasonably withhold that consent. Reasonable travel costs and living expenses incurred by You when giving evidence to defend a Claim provided that We have consented in writing before such costs are incurred and subject to a sub-limit of INR XXX.XXX per individual and in the aggregate.

Costs do not mean overhead or benefit expenses associated with your salary, wages or fees.

3.5 Deductible means:

The amount stated in Item 4 of the Schedule. For the purposes of determining the applicable Deductible the Company shall be deemed to have indemnified You to the extent that it is permitted to do so.

3.6 Employment Practices Wrongful Act means:

Any actual or alleged wrongful dismissal, termination or discharge of employment (either actual or constructive, including breach of an implied contract), employment-related misrepresentation, wrongful failure to employ or promote, failure to grant tenure, discrimination, harassment, retaliation (including lockouts), employment related humiliation, defamation, invasion of privacy, wrongful deprivation of career opportunity, wrongful demotion or negligent employee evaluation (including the provision of negative or defamatory statements in connection with an employee reference) which relate solely to the Company, its employees or applicants for employment by the Company.

3.7 Limit of Liability means:

The amount stated in Item 3 of the Schedule.

3.8 Loss means:

Damages, judgement awards, settlement awards and Costs.

Loss also means:

- (a) punitive or exemplary damages or civil fines or penalties but only where these are legally insurable in the jurisdiction where a Claim is made; or
- (b) exemplary damages for libel and slander in respect of a Claim brought or maintained entirely outside the USA or Canada).

Loss, however, does not mean:

- (a) criminal fines or penalties; or
- (b) taxes; or
- (c) matters which are uninsurable in the jurisdiction where a Claim is made.

3.9 Notification means:

Written notice of any Claim given to the nominee shown in Item 9 of the Schedule.

3.10 Pollutants means:

Any substance, solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste materials. Waste materials include, but are not limited to, recycled, reconditioned or reclaimed materials.

3.11 Subsidiary means:

Any company which the Company or a Subsidiary controls:

- (a) through holding a majority of the voting rights; or
- (b) through having the right to appoint or remove the majority of its board of directors; or
- (c) alone, or pursuant to a written agreement with other shareholders or members, a majority of the voting rights; or

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(d) through control of the composition of the board of directors.

Coverage is provided for any company which, prior to the date of inception of this Certificate, was a Subsidiary but is no longer a Subsidiary at the date of inception. Coverage will cease as at the effective date of the sale or dissolution of any Subsidiary for any Wrongful Act committed after that date.

3.12 USA means the United States of America, its territories, possessions and any state or political subdivision thereof.

3.13 We, Us or Our means:

The Insurers named in Item 12 of the Schedule.

3.14 Wrongful Act means:

Any actual or alleged libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of duty, breach of fiduciary duty, breach of trust, breach of warranty of authority or other act attempted or committed by You when acting or serving in such capacity.

Wrongful Act includes any matter claimed against You solely by reason of You acting or serving in such capacity.

Wrongful Act includes an Employment Practices Wrongful Act.

3.15 You means:

Any natural person who is, was prior to or becomes during the Certificate Period:

- (a) a director, officer, manager or trustee of the Company or the equivalent in any other jurisdiction; or
- (b) a non-executive director, officer or trustee of the Company or the equivalent in any other jurisdiction; or
- (c) a shadow director of the Company, as defined in S.741 (2) of the Companies Act 1985 or the equivalent legislation in any other jurisdiction; or
- (d) a representative or appointee of the Company who is not included in Section 3.15(a) but only in respect of Loss that is covered under Section 2.6 of this Certificate; or
- (e) a person employed by the Company exercising controlled functions 1 to 20, as are more fully set out and described under the terms of the Financial Services & Markets Act 2000 (or any equivalent or similar statute in any jurisdiction) whilst they are performing such functions; or
- (f) an employee of the Company who:
 - (i) carries out a managerial or supervisory function for the Company; or
 - (ii) has a Claim made against them for an Employment Practices Wrongful Act; or
 - (iii) is joined as a party to any Claim against any other person defined in (a) to (e) above.

- (g) the legal representatives, heirs, assigns or estate of a person defined in another sub-paragraph of this Section in the event of that person's death, incapacity, insolvency or bankruptcy; or
- (h) the lawful spouse or domestic partner of a person defined in another sub-paragraph of this Section where recovery is sought solely because joint property is held or owned by or on behalf of the spouse or domestic partner (the spouse or domestic partner, however, is not insured under this Certificate in his or her own right).

The above definition does not include external auditors of the Company.

Section 4: Exclusions

We shall not be liable for Loss on account of any:

- 4.1 Claims arising from or attributable to any claims or circumstances notified to any certificate or policy of insurance which inception prior to the inception of this Certificate or which arise from matters substantially the same as alleged or established in such proceedings.
- 4.2 Claims arising from or attributable to proceedings which existed prior to or were pending at the earlier of (i) the inception date of this Certificate or (ii) the date of the first Certificate effected with Us and continually maintained with Us without interruption, which Claims arise from matters substantially the same as alleged or established in such proceedings.
- 4.3 Claims for any actual or alleged violation of the responsibilities, obligations or duties imposed by any retirement or pension legislation anywhere in the world including but not limited to the Employee Retirement Income Security Act 1974 (USA) or Claims against You acting in the capacity as trustee, fiduciary or administrator of any pension or employee benefit scheme. It is agreed, however, that this exclusion shall apply only to a Claim that relates to any pension or employee benefit scheme that has been or is established, arranged, maintained or sponsored by the Company for the benefit of its own employees.
- 4.4 Claims arising from or attributable to:
 - (a) any criminal act or omission; or
 - (b) any act or omission committed with the knowledge that it was in breach of any statute, contract, duty or other legal obligation; or
 - (c) the gain of any personal profit, remuneration or advantage to which You were not legally entitled including, but not limited to, profits made from the purchase or sale of the Company's securities within the meaning of Section 16(b) of the Securities Exchange Act 1934 (USA) and/or any amendment to or re-enactment thereof.

This exclusion shall only apply if the act, omission or profit is established by a court, tribunal or any other final adjudication or by admission.

- 4.5 Claims for bodily injury, sickness, mental anguish or emotional distress or disturbance, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including loss of use thereof. In relation to an Employment Practice

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Claim only, this exclusion shall not apply to Claims in respect of mental anguish or emotional distress or disturbance.

- 4.6 Claims arising from or attributable to:
- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting from or arising therefrom or any consequential loss; or
 - (b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

- 4.7 Claims arising from or attributable to:
- (a) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants whether such discharge, dispersal, release or escape is intentional or accidental; or
 - (b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants.

It is agreed, however, that this exclusion shall not apply to:

- (i) Costs; or
- (ii) Claims made against You by any shareholder of the Company either directly or derivatively provided, however, that
 - (i) on or before the earlier of (i) the inception date of this Certificate or (ii) the date of the first Certificate effected with Us and continually maintained with Us without interruption, the Company, You or any person insured under this Certificate did not know of nor could have reasonably foreseen that there existed any situation, circumstance or Wrongful Act which could give rise to a Claim; and
 - (ii) the incident(s) giving rise to the Claim occurred entirely outside the USA or Canada and the Claim is brought or maintained entirely outside the USA or Canada.

- 4.8 Claims brought by or on behalf of the Company or any person insured under this Certificate in the USA except:
- (a) any Claim by a person who is no longer employed by the Company against You provided that You remain employed by the Company;
 - (b) any Claim brought or maintained by a liquidator, receiver or administrative receiver without the instigation, assistance or participation of the Company or any person insured under this Certificate;
 - (c) any Claim brought or maintained by a person insured under this Certificate for contribution or indemnity if the Claim directly results from another Claim covered under this Certificate;
 - (d) any shareholder derivative action brought by or maintained on behalf of the Company by any legally empowered entity or person, which is brought or maintained

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the solicitation, assistance or participation or cooperation of any person insured under this Certificate;

- (e) any Employment Practices Wrongful Act;
- (f) Costs.

4.9 Claims for You, the Company or any person insured under this Certificate carrying out, or failing to carry out, professional services.

4.10 Claims of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to Loss:

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (b) any act of terrorism.

For the purposes of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes any Loss on account of any Claims of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above. If We allege that by reason of this exclusion any Loss is not covered by this insurance, the burden of proving the contrary shall be upon You and/or the Company.

In the event that any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Section 5: Limit of Liability

5.1 The Limit of Liability set out in Item 3 of the Schedule is the total aggregate limit of our liability in respect of all Loss in respect of all Claims made during the Certificate Period (including any Discovery Period, if applicable) with the exception of any payments made under the Public Relations Cover detailed in Section 2.1.

5.2 We are only liable to pay Loss as incurred by You insofar as it exceeds the amount of the Deductible. However if there is:

- (a) a judgement which determines that no person insured under this Certificate is liable and all avenues of appeal have been waived or exhausted; or
- (b) a dismissal of the proceedings without any payment being made by or on behalf of any person insured under this Certificate, then no Deductible will apply and We agree to reimburse any payments made in respect of the Deductible within 60 days.

5.3 We will not pay Costs if one or more of the Exclusions detailed in Section 4 applies to the Claim subject otherwise to the provisions of Sections 4.4, 7.1 and 8.2.



Section 6: Claim Reporting - Condition Precedent

- 6.1 As a condition precedent to our liability under this Certificate, You or the Company must provide Notification as soon as practicable.
- 6.2 If during the Certificate Period You first become aware of a Wrongful Act or first become aware of a situation that You consider may become a Claim, You or the Company must provide Notification as soon as practicable, in which case any Claim that is subsequently made will be treated as having been made during the Certificate Period.

Section 7: Defence and Settlement

- 7.1 We will pay Costs on an as incurred basis in excess of the Deductible prior to final determination or final adjudication or up until the time that a Claim is withdrawn. If at any time a Claim is deemed not to be covered under this Certificate or is found to be excluded then all such Costs must be returned to Us on demand.
- 7.2 You shall have the right and duty to defend and contest any Claim. We shall have the right to effectively associate with You and the Company in the defence and settlement of any Claim that appears reasonably likely to involve Us. This will include, but not be limited to, effectively associating in the negotiation of any settlement.
- 7.3 You shall not admit or assume any liability, enter into any settlement agreement, consent to any judgement or incur any Costs without our written consent as a condition precedent to our liability for Loss arising out of the Claim. Only those settlements, stipulated judgements and Costs to which We have consented shall be recoverable as Loss under this Certificate. Our consent shall not be unreasonably withheld provided that We shall be entitled to effectively assess the defence and negotiation of any settlement of any Claim in order to reach a decision as to reasonableness.
- 7.4 You and the Company shall give Us full co-operation and any information that We may reasonably require as a condition precedent to our liability for Loss arising out of a Claim.
- 7.5 In the event that a dispute arises as to whether or not to contest any legal proceedings, neither We nor You (or the Company) shall be required to contest any legal proceedings unless a Queen's Counsel (or an equivalent or like person to be mutually agreed upon) shall advise that the proceedings should be contested. We will bear the cost of obtaining the advice of the Queen's Counsel (or an equivalent or like person to be mutually agreed upon).

Section 8: General Conditions

- 8.1 Automatic Acquisition
If the Company creates or acquires a Subsidiary during the Certificate Period then Wrongful Acts committed after the effective date of acquisition will automatically attract coverage under this Certificate unless that other company:
- (a) the total assets of the new Subsidiary do not exceed 35% of the total consolidated assets of the Company as stated in the most recent audited financial statement of the Company as at the inception of this Certificate; or
 - (b) has, has had, or to the knowledge of any person insured under this Certificate intends to have its securities traded in the USA; or

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- (c) is incorporated in, is domiciled in or has an office or subsidiary company in the USA or Canada.

If any such newly created or acquired Subsidiary does not automatically attract coverage on account of condition (a) above, then there is automatic coverage for 30 days during which time the Company must provide Us with full information in respect of the new Subsidiary for our assessment of the increased exposure and We may then agree at our absolute discretion to extend cover in return for the payment of additional premium and/or amendments to the terms of this Certificate.

If any such newly created or acquired Subsidiary does not automatically attract coverage on account of condition (b) and/or (c) above, then no coverage will apply under this Certificate. It is agreed, however, that if the Company provides Us with full information in respect of the new Subsidiary for our assessment of the increased exposure, then We may agree at our absolute discretion to extend cover in return for the payment of additional premium and/or amendments to the terms of this Certificate. Coverage as is afforded to You in relation to any such newly created or acquired Subsidiary shall apply solely in respect of a Wrongful Act committed on or after the effective date of creation or acquisition of such Subsidiary.

8.2 Allocation

Where a Claim involves matters which give rise to Loss covered by this Certificate and matters which do not, or where a Claim is made against both You and any parties other than You, then We agree with You that we shall both use our best efforts to agree upon a fair and proper allocation of the proportion of the Loss covered under this Certificate. Only Loss incurred by You, and in the case of Costs those which are directly attributable to your defence, are covered. Loss incurred by, or attributable to the defence of, the Company is not covered.

If an allocation cannot be agreed then it shall be determined by a Queen's Counsel (or an equivalent or like person to be mutually agreed upon). Such determination will be based upon written submissions only and will be final and binding. Pending that determination We may at our sole discretion meet the Loss on an interim basis. After the allocation has been determined, You or the Company (whichever is appropriate) will refund to Us any Loss which We have paid that exceeds the entitlement under this Certificate.

The costs of any reference to a Queen's Counsel (or an equivalent or like person to be mutually agreed upon) under this section shall be borne by Us.

8.3 Merger/Acquisition

If the Company is merged, consolidated with or acquired by another entity which thereby obtains ownership or control of 50% or more of the share capital or securities which include the right to vote for the election of board members, this Certificate will only apply to Wrongful Acts committed prior to the effective date of such an occurrence.

8.4 Termination/Cancellation

The Company may cancel this Certificate by giving notice in writing to Us at any time. If the Company cancels this Certificate, We will retain the proportion of the premium calculated pro rata as at the date of cancellation plus fifteen percent (15%) of that amount.

We may cancel this Certificate due to non-payment of premium in accordance with the terms of this Certificate by giving 30 days written notice to the Company.

This Certificate shall terminate at the expiry of the Certificate Period stated in Item 2 of the Schedule.

This Certificate may be cancelled in writing by mutual agreement of the Company and Us.

8.5 Other Insurance

This Certificate shall apply only in excess of any other valid and collectible insurance, with the sole exception of any Certificate written as specific excess insurance over the Limit of Liability provided by this Certificate.

8.7 Governing Law and Jurisdiction

This Certificate shall be governed by and construed in accordance with the laws of the country in which the Company is incorporated and it is agreed that the courts of that country shall have exclusive jurisdiction to determine any disputes which arise in relation to this Certificate.

8.8 Assignment of Certificate

This Certificate and any rights hereunder cannot be assigned without Our written consent.

8.9 Severability of Exclusions

For the purposes of determining the application of the Exclusions, no fact pertaining to or knowledge possessed by You shall be imputed to any other person insured under this Certificate and vice versa.

8.10 Severability of Proposal

The Proposal for this insurance shall be construed as a separate Proposal by each person insured under this Certificate. With respect to the declarations and statements contained in the Proposal, no statement in the Proposal or knowledge possessed by You shall be imputed to any other person insured under this Certificate and vice versa.

8.11 Unintentional Non-Disclosure and Late Notification

8.11.1 In the event of non-disclosure or misrepresentation of information to Us, then We agree not to avoid this Certificate provided that:

- (i) You or the Company are able to establish to the satisfaction of Us that such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive; and
- (ii) We shall be entitled to amend the terms, conditions and premium for this Certificate upon review of any information that has not (but should have) been disclosed to Us or upon re-review of any information that has been misrepresented to Us.

8.11.2 In the event that You or the Company fail to comply with the provisions of Section 6: Claim Reporting - Condition Precedent of this Certificate, then We agree not to avoid this Certificate or avoid a Claim. If, however, We believe that such failure has prejudiced our right to effectively associate with You and the Company in the defence and settlement of

any Claim, then We reserve the right to deduct from any Loss an amount that We believe would not have been payable had such prejudice not occurred. In such event, We agree with You that we shall both use our best efforts to agree upon a fair and proper amount of the proportion of any Loss that shall be deducted. If, however, such an amount cannot be agreed then it shall be determined by a Queen's Counsel (or an equivalent or like person to be mutually agreed upon). Such determination will be based upon written submissions only and will be final and binding. The costs of any reference to a Queen's Counsel (or an equivalent or like person to be mutually agreed upon) under this section shall be borne by Us.

8.12 Subrogation and Assignment of Rights

If any payments are made under this Certificate, We shall be subrogated to all rights of recovery in respect of such payments. In addition, You or the Company shall upon request execute all documentation that may be necessary to enable Us to bring an action or suit in your name or that of the Company. Any recovery received shall be applied first against any Loss insofar as it exceeds the Limit of Liability, then against any payment made by Us, and finally against the Deductible. We will not subrogate against any person insured under this Certificate unless that person is found to have committed a criminal act by final determination or by final adjudication.

8.12 Singular and Plural

Any reference to the singular shall include the plural and vice versa.

8.13 Authorization of the Company

The Company shall act as agent on your behalf in respect of all matters of any nature relating to or affecting this Certificate. We shall be entitled to treat the Company as having such authority for all purposes connected with this Certificate.

8.14 Several Liability of Insurers

The obligations of the Insurers (where there is more than one) subscribing to this contract of insurance are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer who for any reason does not satisfy all or part of its obligations.

8.15 Currency Equivalent

It is agreed that wherever an amount appears in this Certificate in INR it shall be deemed to have the following words added after the amount "(or the equivalent amount in any other currency)".

8.16 Contracts (Rights of Third Parties) Act 1999 Clause

The contract evidenced by this Certificate does not, and is not intended to, confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 (or any equivalent or similar statute in any jurisdiction) by any person who is not a party to the contract and the parties to the contract evidenced by this Certificate reserve the right to amend or rescind the contract without giving notice to, or requiring the consent of, any third party.

HDFC ERGO General Insurance Company Limited



Section 9: Declarations

It is understood and agreed that all statements and declarations made to Us have been relied upon by Us and are the basis of this Certificate and shall be deemed to be incorporated into and form part of this Certificate.



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Directors & Officers elite IV Insurance Policy

CLAIMS MADE POLICY

In consideration of the payment of the premium shown at Item 9 of the Schedule and in reliance upon the Proposal and subject to all terms, conditions and limitations of this Policy the Insurer agrees with the Insured and with the Company as follows:

1. Insuring Agreement

- A. The Insurer will pay on behalf of the Insured all Loss resulting from a Claim first made during the Policy Period against an Insured for Non-Indemnifiable Loss.
- B. The Insurer will pay on behalf of the Company all Loss resulting from a Claim first made during the Policy Period against an Insured where the Company has paid such Loss.
- C. The Insurer will pay all Legal Representation Expenses in respect of an Investigation on behalf of the Insured and all Legal Representation Expenses paid by the Company on behalf of the Insured.

2. Extensions

2.1 Additional Excess Limit for Non-Indemnifiable Loss

Subject to the Aggregate Excess Limit in Item 14(b) of the Schedule, the Insurer will pay to or on behalf of each director of the company in Item 1 of the Schedule, Non-Indemnifiable Loss up to the Individual Additional Excess Limit in Item 14(a) of the Schedule provided that:

- (i) the Limit of Liability; and
- (ii) any other directors and officers liability policy which covers any part of that Loss; and
- (iii) all other indemnification available to any director,

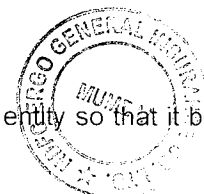
has been exhausted.

The Individual Additional Excess Limit in Item 14(a) of the Schedule is part of and not in addition to the Aggregate Excess Limit in Item 14 (b) of the Schedule.

The Aggregate Excess Limit in Item 14(b) of the Schedule is the Insurer's maximum aggregate liability for all Loss under this Extension for all directors irrespective of the number of claims under this Policy, the amount claimed or the number of directors who claim. The Aggregate Excess Limit in Item 14(b) of the Schedule is in addition to, and not part of, the Limit of Liability.

2.2 Subsidiaries

- (i) If during the Policy Period the Company acquires an entity so that it becomes a Subsidiary that:





- (a) has total assets less than the Acquisition Limit referred to in Item 7 of the Schedule; and
- (b) has no listing of its Securities in the United States of America;

then this Policy shall automatically extend to include such Subsidiary without notice to the Insurer or additional premium being payable, but only in respect of Wrongful Acts or conduct after such entity becomes a Subsidiary.

- (ii) Any Subsidiary acquired during the Policy Period and not covered in item (i) above shall automatically be covered under this Policy for a period of 45 days from the date of acquisition. With the written agreement of the Insurer and subject to any additional premium, amended terms and conditions, this Policy may be extended to include such Subsidiary beyond 45 days, but only in respect of Wrongful Acts or conduct after such entity becomes a Subsidiary.
- (iii) If the Company affects a sale or dissolution of a Subsidiary, this Policy shall continue to include such Subsidiary but only for Wrongful Acts or conduct prior to the effective date of sale or dissolution.
- (iv) The Insurer shall only be liable for Loss in respect of Wrongful Acts or conduct whilst an entity is a Subsidiary.

2.3 Emergency Defence Costs and Legal Representation Expenses

If it is not possible for the Insured to obtain the Insurer's consent prior to the incurring of Defence Costs, Legal Representation Expenses, Bail Bond Costs or Public Relation Expenses the Insurer will give retrospective consent as long as the Insurer's consent is sought within fourteen days of the first of such Defence Costs, Legal Representation Expenses, Bail Bond Costs or Public Relations Expenses being incurred. The sub-limit of liability for all payments under this Extension is 10% of the Limit of Liability or sub-limit of liability as applicable.

2.4 Retired Director or Officer Cover

In the event that this Policy is not renewed or replaced with any other policy affording directors and officers liability cover and a Discovery Period is not invoked, this Policy shall extend to include as an Insured any Retired Director or Officer in respect of Claims made or Investigations commenced against such persons during the period of 10 years immediately following the date of such non-renewal.

2.5 Takeovers and Mergers Run-off

In the event of a Transaction taking place, the Insurer may extend this Policy to include Claims first made or Investigations first commenced against an Insured within a period of 72 months from the expiry date of the Policy Period. Such extension is subject to additional terms, conditions, and premium as the Insurer may require.

2.6 Outside Directorship Extension

- (i) This Policy shall extend to include an Insured who at the specific request of the Company is a director, officer, trustee, governor or equivalent of any Outside Entity in their capacity as such.
- (ii) Cover under this Extension shall be excess of any indemnification provided by



the Outside Entity and any valid and collectible directors and officers liability insurance in respect of the Outside Entity.

- (iii) If the Outside Entity's directors and officers liability Insurance is provided by the Insurer or any member of the HDFC ERGO group companies, then the total aggregate Limit of Liability for all Loss covered by virtue of this extension shall be reduced by the amount paid to any Insured under such policy.

2.7 Management Buy-outs

In the event of a Subsidiary of the Company ceasing to be owned by the Company as a result of a buy-out by existing management the Insurer agrees to maintain this Policy in respect of such Subsidiary for a period of 30 days from the date of the buy-out for Wrongful Acts committed subsequent to the buy-out. This Extension shall not apply in circumstances where there is other insurance in force which provides cover in respect of such Wrongful Acts.

2.8 Tax Extension

This Policy shall extend to include an Insured's Loss arising from their personal liability for unpaid taxes where the Company has become insolvent except to the extent that such liability arises from the wilful intent of the Insured to breach any statutory duty governing the payment of taxes. Such cover shall apply up to the sub-limit shown in Item 13 of the Schedule.

2.9 Bail Bond Costs, Crisis Costs, Public Relations Expenses & Reputation Protection Expenses

This Policy is extended to include:

- (i) Bail Bond Costs;
- (ii) Crisis Costs;
- (iii) Public Relations Expenses;
- (iv) Reputation Protection Expenses.

2.10 Extradition Proceedings

This Policy is extended to include:

- (i) Defence Costs;
 - (ii) Bail Bond Costs;
 - (iii) Crisis Costs;
 - (iv) Public Relations Expenses;
 - (v) Reputation Protection Expenses;
- in relation to Extradition Proceedings.

2.11 Prosecution Costs Extension

This Policy is extended to include Prosecution Costs arising from a Claim or Investigation first made during the Policy Period.

2.12 Foreign Corrupt Practices Act





This Policy is extended to include civil fines and penalties imposed pursuant to Section 78ff (c) or Section 1 78dd – 2(g) (2) of the Foreign Corrupt Practices Act or any similar legislation in any other jurisdiction.

The sub-limit of liability under this Extension shall be INR X, XXX, XXX (equivalent to USD XXX, XXX) per Insured. The Insurer's total aggregate liability for cover under this Extension shall not exceed INR XX, XXX, XXX (equivalent to USD X, XXX, XXX) irrespective of the number of claims under this Policy, the amount claimed or the number of Insureds who claim under this Extension.

2.13 Occupational Health and Safety Extension

Notwithstanding Exclusion 4.7 this Policy extends to include all Defence Costs and Legal Representation Expenses arising from any Claim or Investigation alleging involuntary manslaughter, constructive manslaughter or gross negligence manslaughter or a breach of Health and Safety at Work Act 1974 legislation or any similar legislation in any other jurisdiction.

2.14 Deprivation of Assets Extension

This Policy extends to include Deprivation of Assets Expenses arising from a Claim or Investigation first made during the Policy Period.

The sub-limit of liability under this Extension shall not exceed INR X, XXX, XXX (equivalent to USD XXX, XXX) per Insured. The Insurer's total aggregate liability for cover under this Extension shall not exceed INR XX, XXX, XXX (equivalent to USD XXX, XXX) irrespective of the number of claims under this Policy, the amount claimed or the number of Insureds who claim under this Extension.

3. Definitions

3.1 Bail Bond Costs means the reasonable premium (not including any collateral) for a bond or other financial instrument to guarantee an Insured's contingent obligation for bail or equivalent in any jurisdiction required by a court in respect of any Claim. The sub-limit of liability for Bail Bond Costs is 10% of the Limit of Liability.

3.2 Claim means

- (i) any written demand; or
- (ii) any civil or arbitral proceeding; or
- (iii) any criminal prosecution; or
- (iv) any formal administrative or regulatory proceeding,

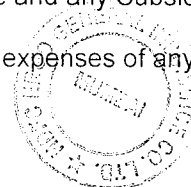
made against an Insured, alleging a Wrongful Act.

- (v) any Extradition Proceeding.

3.3 Company means the company shown in Item 1 of the Schedule and any Subsidiary.

3.4 Crisis Costs means any reasonable professional fees, costs or expenses of any accredited:

- (i) counsellor; or





- (ii) tax advisor

retained by an Insured with the Insurer's prior written consent (which shall not be unreasonably withheld or delayed), in respect of any Claim. The sub-limit of liability for Crisis Costs is the sub-limit specified in Item 15 of the Schedule.

3.5 Defence Costs means reasonable legal and other professional fees, costs and expenses incurred by an Insured (including the cost of an appeal bond but without the obligation to apply for and furnish any such bond) with the prior written consent of the Insurer, not to be unreasonably withheld or delayed, that are necessary to defend or appeal a Claim.

3.6 Deprivation of Assets Expenses shall mean the payment of the following services directly to the provider of such services in the event of an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of an Insured or creating a charge over real property or personal assets of the Insured during the Policy Period:

- (i) Schooling;
- (ii) Housing;
- (iii) Utilities;
- (iv) Personal Insurances.

Such expenses will only be payable provided that a personal allowance has been directed by the court to meet such payments and such personal allowance has been exhausted.

Such expenses will be payable after 30 days following the event above for a period of up to 12 months.

3.7 Director or Officer means a director or officer of the Company including the equivalent position in any other jurisdiction.

3.8 Discovery Period means the periods in Item 10 of the Schedule from the date on which the Policy Period expires.

3.9 Employee means:

- (i) an employee of the Company acting in a managerial or supervisory capacity; or
- (ii) an employee of the Company for an Employment Related Wrongful Act; or
- (iii) an employee of the Company, in respect of any Claim or Investigation in which such employee is named as a co-defendant or is required to attend an Investigation with any Director or Officer.

3.10 Employment Related Wrongful Act means any actual or alleged violation of employment laws or any other legal provisions relating to any individual's actual or prospective employment relationship with the Company.

3.11 Extradition Proceeding means:



- (i) a request for extradition of an Insured, a warrant for arrest in respect of an Insured or other proceedings under the provisions of the United Kingdom Extradition Act 2003; or
- (ii) any associated appeals, including but not limited to, to the European Court of Human Rights and the pursuit of judicial review proceedings against the decision of the Secretary of State or other appropriately authorised representative of the United Kingdom Government to issue an extradition certificate under the United Kingdom Extradition Act 2003; or
- (iii) the equivalent of the above in any other jurisdiction.

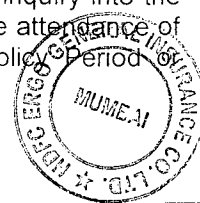
A Wrongful Act is not required for cover for an Extradition Proceeding.

3.12 Insured means a natural person who was, now is or becomes during the Policy Period:

- (i) a Director or Officer;
 - (ii) a Shadow Director;
 - (iii) an Employee;
 - (iv) any lawful spouse of a Director or Officer or Employee, but only where the Claim results from the Wrongful Act of such Director or Officer or Employee;
 - (v) the estate, heir or legal representative of a deceased Director or Officer or Employee;
 - (vi) the legal representative of a Director or Officer or Employee in the event of the incapacity, insolvency or bankruptcy of such Director or Officer or Employee;
 - (vii) all approved persons who perform controlled functions numbered 1 to 20 specified by the Financial Services Authority in its Table of Controlled Functions in its Supervision Manual at 10.45 in Block 3 of its Handbook, pursuant to Part V of the Financial Services and Markets Act 2000.
 - (viii) a prospective director in any listing particulars or prospectus issued by the Company.
 - (ix) a lawyer employed by the Company who in their capacity as such must comply with Sarbanes-Oxley Act of 2002.
- provided that Insured does not include an external auditor.

3.13 Insurer means HDFC ERGO General Insurance Company Limited.

3.14 Investigation means a formal or official investigation, examination or inquiry into the Company or an Insured in their capacity as such Insured at which the attendance of the Insured is first required or requested in writing during the Policy Period or Discovery Period.





- 3.15 Legal Representation Expenses means the reasonable legal costs or related professional fees incurred by or on behalf of an Insured (but not including any remuneration of any Director or Officer or employee of the Company) with the prior written consent of the Insurer, not to be unreasonably withheld or delayed, directly in connection with an Insured co-operating with an Investigation.
- 3.16 Limit of Liability means the amount stated in Item 3 of the Schedule.
- 3.17 Loss means all amounts which an Insured is legally and personally obligated to pay including but not limited to:
- (i) any damages awarded, judgments entered, settlements reached including plaintiff's legal costs;
 - (ii) Defence Costs;
 - (iii) Legal Representation Expenses;
 - (iv) Bail Bond Costs;
 - (v) Crisis Costs;
 - (vi) Deprivation of Assets Expenses;
 - (vii) Prosecution Costs;
 - (viii) Public Relations Expenses;
 - (ix) Reputation Protection Expenses;
 - (x) aggravated, punitive and exemplary damages where insurable by law. The enforceability of which is governed by the applicable law which most favours cover for punitive and exemplary damages.
- Loss does not include:
- (a) fines or penalties imposed by law, or any matter deemed uninsurable under the law applicable to this policy;
 - (b) taxes or sums payable in relation to taxes except as provided under Extension 2.8;
- 3.18 Non-Indemnifiable Loss means Loss where a Company is unable to indemnify an Insured due to:
- (i) legal prohibition; or
 - (ii) a prohibition in the Articles of Association, charter, bylaws, contract or similar documents of such Company; or
 - (iii) insolvency under section 123 of the Insolvency Act 1986 or the equivalent law in any other jurisdiction.
- 3.19 Not-for-profit Entity means a registered charity or a trade association or other non-profit organisation in the United Kingdom or the equivalent in any other jurisdiction.



3.20 Outside Entity means:

- (i) any entity which is not a Subsidiary and has no Securities traded on any exchange in the United States of America unless such entity is listed by endorsement to this Policy; or
- (ii) any Not-for-profit Entity;

3.21 Policy means this policy and any endorsement thereto.

3.22 Policy Period means the period of time shown in Item 2 of the Schedule of this Policy.

3.23 Pollutant means any contaminant, irritant or other matter or substance including but not limited to oil, smoke, vapour, soot, asbestos, asbestos-containing materials, fumes, acids, alkalis, nuclear or radioactive material; chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

3.24 Pollution means the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any Pollutant whether in a solid, liquid, gas, odour, noise, vibration, electromagnetic radiation, ionising radiation, thermal or other form at any time.

3.25 Proposal means the proposal form submitted by the Company and/or any Insured in applying for this Policy and all information and documentation accompanying it.

3.26 Prosecution Costs means the legal and other professional fees, costs and expenses, incurred by an Insured with the prior written consent of the Insurer (which shall not be unreasonably delayed or withheld) to bring legal proceedings to obtain the discharge or revocation of:

- (i) an order disqualifying an Insured from holding office as a company director; or
- (ii) an interim or interlocutory order:
 - (a) confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of such Insured; or
 - (b) a charge over real property or personal assets of the Insured; or
- (iii) an order of a court imposing a restriction of the Insured's liberty; or
- (iv) the deportation of an Insured following revocation of otherwise proper, current and valid immigration status for any reason other than the Insured's conviction for a crime.

3.27 Public Relations Expenses means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which an Insured may, in the reasonable exercise of its discretion, engage with the written consent of the Insurer, not to be unreasonably withheld or delayed, in order to prevent or limit adverse effects or negative publicity which it is anticipated may arise from any Claim or Investigation. The sub-limit of liability for all Public Relations Expenses is the sub-limit specified in Item 16 of the Schedule.



- 3.28 Reputation Protection Expenses means the reasonable fees and related expenses of a public relations firm or consultant which an Insured may engage in order to disseminate the findings of a final adjudication in favour of the Insured, arising from a Claim. Such fees and expenses shall only be incurred with the written consent of the Insurer, not to be unreasonably withheld or delayed. The sub-limit of liability for all Reputation Protection Expenses is the sub-limit specified in Item 17 of the Schedule.
- 3.29 Retired Director or Officer means any Insured (other than one who has been disqualified from holding office as a company director) who has voluntarily ceased to act in the capacity of an Insured during the Policy Period.
- 3.30 Securities means any equity or debt instrument issued by the Company.
- 3.31 Shadow Director means a Director or Officer or employee of the Company acting as a shadow director as defined in Section 251 of the Companies Act 2006 or equivalent legislation in any other jurisdiction, of any entity other than the Company.
- 3.32 Subsidiary means any entity that the company shown in Item 1 of the Schedule directly or indirectly:
- (a) controls a majority of the voting rights; or
 - (b) controls the right to appoint or remove a majority of its board of Directors; or
 - (c) Holds more than half of the issued share capital; or
 - (d) any joint venture or entity over which the company in Item 1 of the Schedule directly or indirectly exercises effective management control.
- 3.33 Transaction means any one of the following events:
- (i) the company shown in Item 1 of the Schedule merges with or consolidates into any other entity; or
 - (ii) the company shown in Item 1 of the Schedule sells all or more than 90% of its assets to any person or entity or persons or entities acting in concert; or
 - (iii) any person or entity or persons or entities acting in concert acquire more than 50% of the issued share capital of the company shown in Item 1 of the Schedule; or
 - (iv) any person or entity or persons or entities acting in concert acquire control of the appointment of the majority of directors of the company shown in Item 1 of the Schedule.
- 3.34 Wrongful Act means any actual or alleged, breach of trust, error, omission, misstatement, misleading statement, neglect or breach of duty or any other matter claimed against an Insured whilst acting in the capacity of an Insured, including any violation of the Companies Act 2006, Sarbanes-Oxley Act of 2002 or any equivalent law, rule or regulation in any other jurisdiction, and an Employment Related Wrongful Act.



4. Exclusions

The Insurer shall not be liable to make any payment under this Policy:

4.1 based on, arising from or attributable to:

- (i) any dishonest or fraudulent act or omission of the Insured or an intentional breach of the law by the Insured; or
- (ii) any personal profit or advantage gained by the Insured to which such Insured was not legally entitled;

provided that this exclusion shall only apply if it is established through a judgment or any other final adjudication (including any appeal thereof) or any written admission by such Insured that the relevant conduct occurred;

4.2 based on, arising from or attributable to any pending or prior litigation or other proceedings (including but not limited to civil, criminal, regulatory and administrative proceedings or investigations) involving the Company, an Outside Entity or an Insured and issued or otherwise begun before the date shown at Item 6 of the Schedule or alleging or derived from the same or substantially the same facts or circumstances alleged in the pending or prior litigation or proceedings;

4.3 based on, arising from or attributable to any Wrongful Act or a series of related Wrongful Acts alleged in any Claim, circumstance or any Investigation of which notice has been given under any policy existing or expired before or on the inception date of this Policy;

4.4 based on, arising from or attributable to any Claim brought or maintained by or on behalf of the Company or Outside Entity in the United States of America or its territories, except:

- (i) any Claim against any Insured:
 - (a) for contribution or indemnity if such Claim directly results from another Claim that would otherwise be covered under this Policy; or
 - (b) any shareholder derivative action brought or maintained on behalf of the Company or Outside Entity without the solicitation or participation of an Insured, Company or Outside Entity unless legally compelled to do so; or
 - (c) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction; or

(ii) Defence Costs.

4.5 based on, arising from or attributable to any Claim or Investigation brought or maintained against an Insured in their capacity as a trustee of any pension, profit sharing, health, welfare or any other employee benefit programme established by the Company or for any actual or alleged breach of an Insured's responsibilities or



obligations as imposed in the United Kingdom by the Pensions Act 1995 and in the United States of America by the Employee Retirement Income Security Act 1974 both as from time to time amended, or any similar laws, common or statutory, including the equivalent laws in any other jurisdiction;

- 4.6 based on, arising from or attributable to any public offering of any Securities during the Policy Period, provided that this Exclusion shall not apply where the total value of such placement or offering is equal to or lower than the sum shown at Item 8 of the Schedule;
- 4.7 (i) for bodily injury, mental illness, emotional distress, injury to feelings, sickness, disease or death of any person; or
- (ii) for damage to or destruction of any tangible property including loss of use of such property;

provided that the above shall not apply to:

- (a) Non-Indemnifiable Loss; or
- (b) Emotional distress and/or injury to feelings resulting from an Employment Related Wrongful Act.
- 4.8 based on, arising from or attributable to Pollution provided that this exclusion shall not apply to:
- (i) Non-Indemnifiable Loss; or
- (ii) Defence Costs or Legal Representation Expenses paid by the Company for a Claim or Investigation brought outside the United States of America against an Insured, up to the sub-limit shown at Item 12 of the Schedule; or
- (iii) any Claim instigated by any shareholder of the Company on their own behalf or in the name of the Company without the solicitation or participation of an Insured or the Company unless legally compelled to do so.

For the purposes of determining the applicability of any Exclusion the Wrongful Act of an Insured shall not be imputed to any other Insured.

5. Conditions

5.1 Limit of Liability

- (i) The amount shown in Item 3 of the Schedule is the Insurer's maximum aggregate liability under this Policy, except cover under Extension 2.1, irrespective of the number of claims under this Policy, the amount claimed, the number of Insureds who claim, or when such claims are made under this Policy.
- (ii) Any sub-limit specified in this Policy shall be the Insurer's maximum aggregate liability under such sub-limit irrespective of the number of claims under this Policy, the amount claimed or the number of Insureds who claim. Any sub-limit shall be part of and not in addition to the Limit of Liability shown in Item 3 of the Schedule.



- (iii) If a single Wrongful Act or act or a series of related Wrongful Acts or acts give rise to a claim under this Policy then all claims made after the expiry of this Policy arising out of such similar or related Wrongful Acts or acts shall be treated as though first made during this Policy Period.

5.2 Retention

- (i) The retention shown in Item 4 of the Schedule shall not apply to a Non-Indemnifiable Loss. The retention shall be paid by the Company and the Insurer shall have no obligation to pay any amount within such retention.
- (ii) If the Company fails to indemnify an Insured other than for Non-Indemnifiable Loss then subject to all other terms and conditions of this Policy the Insurer shall pay the retention and the Company shall pay the amount of the retention to the Insurer.
- (iii) In the event an Insured is required to repay all or part of the retention to the Company in accordance with sections 234(3) and 205 of the Companies Act 2006 the Insurer agrees to pay such amount to the Company on behalf of the Insured.

5.3 Notification of Claims, Investigations and Reporting Circumstances

- (i) It is a condition precedent to the Insurer's liability to make any payment in respect of a Claim to which clause 5.4(iii) is applicable, that the Company or the Insured gives written notice to the Insurer of such Claim as soon as practicable. For all other claims under this Policy the Company or the Insured shall give written notice to the Insurer as soon as practicable but this shall not be a condition precedent.

In event of expiry of the Policy Period, notification must be given in any event no later than 90 days after the expiration of the Policy Period, or, in relation to a Claim first made against the Insured or Investigation first commenced during the Discovery Period if applicable no later than 30 days after expiry of the Discovery Period.

- (ii) Notice and all information shall be sent in writing to the Insurer at:

Claim Department
Attention: D&O Claim Manager

HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park,
Andheri-Kurla Road,
Andheri-East
Mumbai 400 059
India





- (iii) If during the Policy Period the Company or any Insured shall become aware of any circumstances that might give rise to a Claim or Investigation under this Policy and gives notice of the same to the Insurer, then any Claim or Investigation later made against any Insured shall for the purposes of this policy be treated as a Claim made or Investigation commenced during the Policy Period.

5.4 Conduct of Proceedings

- (i) Other than a Claim falling within clause 5.4(iii), it is the duty of the Insured, not the Insurer, to defend any Claim or Investigation against him or her notified under this Policy. The Insurer, however, will have the right to effectively associate with any Insured in respect of any Claim or Investigation.
- (ii) The Insurer will accept as reasonable and necessary the retention of separate legal representation to the extent required by a material conflict of interest between Insured's and/or the Company.
- (iii) The Insurer shall have the right to defend any Claim brought against an Insured by or on behalf of any:
 - (a) Company; or
 - (b) Outside Entity

Unless such Claim is:

- (a) for contribution or indemnity if such Claim directly results from another Claim that would otherwise be covered under this Policy; or
- (b) a shareholder derivative action brought or maintained on behalf of the Company or Outside Entity without the solicitation or participation of an Insured, Company or Outside Entity unless legally compelled to do so; or
- (c) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction.

With respect to such Claims the Insurer shall have no duty or obligation to communicate with any other Insured or the Company in relation to such Claim.

- (iv) Neither the Company nor the Insured shall do anything which could prejudice the Insurer in respect of a claim made under this Policy.
- (v) The Company or the Insured must not make any admission of liability in respect of, or agree to settle, any Claim or Investigation or incur any Loss, without the prior written consent of the Insurer (which shall not be unreasonably withheld or delayed).



- (vi) The Company and each Insured must give the Insurer and any representatives appointed by the Insurer all information they reasonably require, and fully co-operate and assist in the conduct of any investigation into any claim under this Policy.
- (vii) If there is a dispute between the Insurer and the Insured and/or the Company about whether to agree to a proposed settlement or about whether a Claim should continue to be defended (taking into account whether the Claim is likely on the balance of probabilities to be defended and such possibilities as may exist for settling the Claim), the Insurer may obtain an opinion from a Queen's Counsel or equivalent in a different jurisdiction to decide the issue. That decision shall be binding upon the Insurer and the Insured and/or the Company who shall act accordingly in relation to the proposed settlement or in continuing or not continuing to defend the action as the case may be.

5.5 Advancement of Defence Costs and Allocation of Loss

- (i) The Insurer shall advance Defence Costs on an ongoing basis prior to the final payment or settlement of any Claim and shall advance Legal Representation Expenses provided that any payment shall be repaid to the Insurer in the event that the Insured is not entitled to such payment.
- (ii) The Insurer shall advance Defence Costs and Legal Representation Expenses which the Company fails to advance or indemnify.
- (iii) In the event of:
 - (a) a Claim against an Insured which is not wholly covered by this Policy; and/or
 - (b) a Claim against an Insured being also made against the Company and/or one or more persons who are not Insureds;

the Insurer and the Insured (and/or the Company if applicable) shall then use their best endeavours to determine a reasonable allocation of Loss that is covered under this Policy and loss that is not covered on the basis of the relative legal and financial exposures.





- (iv) In the event of a dispute as to allocation under sub-paragraph (iii) above, the Insurer, Insured (or the Company if applicable) agree to submit such dispute to binding arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996.

Arbitration shall be conducted as follows:

- a. All proceedings in any arbitration shall be conducted in English and a daily transcript in English of such proceedings shall be prepared.
- b. Within thirty (30) days after either the Company or the Insured issues notice under this section, the parties shall each appoint an arbitrator. The two arbitrators shall appoint a third arbitrator who shall serve as the presiding arbitrator.
- c. The arbitration award shall be final and binding on the parties, and the parties agree to be bound thereby and to act accordingly.
- d. The arbitrators shall have the power to give injunctive relief and such other relief to the extent appropriate.
- e. The arbitrators shall have the power to award interest up to the date of payment of any monies due under the award. The arbitrators shall have no authority to award punitive or exemplary damages.
- f. The parties shall each bear their own costs associated with the arbitration and shall share equally in the costs of the arbitration proceedings and presiding arbitrator.
- g. When any dispute is under arbitration, except for the matters under dispute the parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this policy.

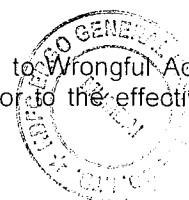
Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to such Court for a judicial recognition of the award or an order of enforcement thereof, as the case may be.

5.6 Takeovers and Mergers

If during the Policy Period a Transaction takes place then:

- (i) the company shown in Item 1 of the Schedule shall give written notice of such to the Insurer within 30 days of the effective date of such Transaction; and
- (ii) the cover provided under this Policy shall apply only to Wrongful Acts committed or Investigations in respect of conduct prior to the effective date of such Transaction.

5.7 Other Insurance





If an Insured or the Company is or would (but for the existence of this Policy) be entitled to cover under any other policy (save for insurance specifically arranged to apply in excess of this Policy) in respect of any Claim or Investigation, the Insurer shall not be liable for Loss other than in excess of any amount that is or would (but for the existence of this Policy) have been payable under any other such policy.

5.8 Subrogation

In the event the Insurer makes any payment under this Policy, the Insurer shall be subrogated to all of the Company's and any Insured's rights of recovery, and the Company and the Insured shall co-operate with the Insurer in securing such rights. Neither the Company nor any Insured shall do anything to prejudice the Insurer's ability to assert such rights.

The Insurer shall not exercise any rights of subrogation against an Insured unless it is established that such Insured has committed a deliberate criminal act or obtained any profit or advantage to which such Insured was not legally entitled.

5.9 Authorisation

The company shown in Item 1 of the Schedule hereby agrees to act on behalf of all Insureds with respect to this Policy.

5.10 Non-assignment

No change in, modification of, or assignment of interest under this Policy shall be effective unless agreed in writing by the Insurer.

5.11 Policy Interpretation

This Policy shall be governed by Indian law, and any dispute regarding the interpretation of this Policy, except as provided under clause 5.5, shall be subject to the exclusive jurisdiction of the courts of India.

5.12 Contracts (Rights of Third Parties) Act 1999

No person other than an Insured shall have any rights under this Policy whether pursuant to the Contracts (Rights of Third Parties) Act 1999, or otherwise.

5.13 Order of Payments

The Insurer shall:

- (i) first pay Non-Indemnifiable Loss; and
- (ii) then pay Loss paid by the Company on behalf of an Insured; and
- (iii) if additional cover is provided to the Company by endorsement to this Policy, other Loss incurred by the Company.

The insolvency of any Company shall not relieve the Insurer of any of its obligations to prioritise payment of Loss under this Policy.



6. Discovery Period

- (i) If the company shown in Item 1 of the Schedule refuses to renew this Policy, it may purchase the Discovery Period in Item 10(a) of the Schedule.
If the Insurer refuses to renew this Policy, the company shown in Item 1 of the Schedule or an Insured may purchase the Discovery Period in Item 10(b) of the Schedule.
- (ii) The Discovery Period shall only apply to:
 - (a) any Claim first made against the Insured before or during the Discovery Period, but only in respect of Wrongful Acts committed prior to expiry of the Policy Period; or
 - (b) any Investigation first commenced before or during the Discovery Period, but only in respect of actual or alleged conduct undertaken prior to expiry of the Policy Period.
- (iii) The right to purchase the Discovery Period as set out above must be exercised by notice to the Insurer in writing within 30 days of expiration of the Policy Period, and is only effective upon payment of the additional premium.
- (iv) The Insurer's offer of renewal terms, conditions, limits of liability or premium different from those of the expiring policy shall not constitute a refusal to renew.
- (v) The company or an Insured shall not have the right to purchase the Discovery Period if a Transaction takes place.
- (vi) The Insurer shall not be liable to make any payment in respect of any Claim first made against the Insured or Investigation first commenced during the Discovery Period if at any time the Company obtains any other directors and officers insurance policy covering in whole or in part the Discovery Period.

7. Severability

The Proposal shall be construed as a separate proposal by each Insured and with respect to statements and particulars in the Proposal no statements made or information possessed by any Insured shall be imputed to any other Insured to determine whether cover is available for that other Insured.

The Insurer irrevocably waives any right it may have to rescind or avoid this policy, or any severable part of it, on the grounds of innocent or negligent non-disclosure or innocent or negligent misrepresentation.

Only statements made in the Proposal and knowledge possessed by an Insured who is the subject of a claim under this Policy shall be imputed to the Company for the sole purposes of determining if cover is available for indemnifiable Loss with respect to such Insured.





This is a Claims made policy, please read it carefully.

In consideration of the payment of the premium as stated herein, and in reliance upon the statements, Declarations, representations and warranties made in the Proposal, all of which are made a part hereof and deemed attached hereto, and subject to the terms, conditions and exclusions of this Policy and any endorsements attached to this Policy, the Insurer and the Named Company agree as follows:

1. INSURING AGREEMENTS

- (A) The Insurer will pay to or on behalf of the Insured any Loss arising from any Claim first made during the Policy Period or Discovery Period (if applicable), against such Insured for one or more Wrongful Acts, except when and to the extent that the Company has paid such Loss to or on behalf of the Insured as indemnification or an advance payment.
- (B) The Insurer will pay to or on behalf of the Company any Loss arising from Claims first made during the Policy Period or the Discovery Period (if applicable) against an Insured for one or more Wrongful Acts, if and to the extent the Company has paid such Loss to or on behalf of the Insured as indemnification or an advance payment.

2. DEFINITIONS

(A) Claim means:

- (1) any written demand for monetary or non-monetary relief; or
- (2) any civil proceeding commenced by service of a Claim form, statement of case, civil suit; or
- (3) any arbitration, mediation or other similar dispute resolution proceeding; or
- (4) any criminal proceeding in a court of law; or
- (5) the receipt by an Insured of a witness summons or subpoena, notice to show cause or similar document in connection with a criminal investigation of such Insured; or
- (6) any administrative or regulatory proceeding or official governmental or regulatory investigation into the affairs of the Company commenced by a show cause, summons or other notice or by any other means, alleging that a Wrongful Act has been committed by an Insured.

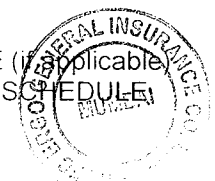
For the purpose of this definition proceedings shall include any appeal from an initial judgment, award or determination.

(B) Company means the Named Company and any Subsidiary thereof,

(C) Defence Costs means reasonable and necessary fees, costs and expenses incurred with the prior written consent of the Insurer (including court fees, premiums for any surety, appeal bond, attachment bond, personal bond or similar bond for any civil proceeding) resulting solely and exclusively from the investigation, adjustment, defence or appeal or a Claim against an Insured, but excluding salaries, wages, benefits or overhead expenses of directors, officers or employees of the Company.

(D) Discovery Period means the period stated in ITEM 7(b) of the SCHEDULE (if applicable)

(E) Discovery Period Premium means the premium stated in ITEM 7(a) of the SCHEDULE





- (F) Employment Practice Claim means an administrative, civil, criminal or regulatory proceeding brought against an Insured in any jurisdiction arising out of a Wrongful Employment Practice and also a written demand holding an Insured responsible for a specified Wrongful Employment Practice.
- (G) Insured means any past, present or future natural person who was, is or shall become:
- (1) a director (including an executive, non-executive, nominee or independent director) or Officer or who is construed so to be within the meaning of any applicable law or Regulations of:
 - (a) the Company; or
 - (b) any Outside Entity while acting in an Outside Capacity; or
 - (c) any entity in which a director, officer or de factor director or officer of the Company acts as a factor director in that the Board of such organization is accustomed to acting in accordance with his directions or instructions while acting in a capacity as and as a direct Company; other than as an extent auditor, receiver, administrator, administrator, administrative receiver or liquidator of that entity; or
 - (2) an employee of the Company but only with respect to:
 1. any Claim for a Wrongful Employment Practice; or
 2. any Claim for a Wrongful Act committed or alleged to have been committed in a managerial or supervisory capacity.
- (H) Insurer means the incorporated entity designated as such in ITEM 6 of the SCHEDULE.
- (I) Investigation Costs means any reasonable and necessary fees, costs and expenses (other than salary) incurred by an Insured, a such time when there is no allegation of a Wrongful Act or Wrongful Employment Practice against the Insured, in attending or participating in an investigation or examination conducted by an official governmental or regulatory body into the affairs of the Company, which investigation or examination is initiated and pursued outside of the United States of America, provided that the Insurer shall first have given its prior written consent to the incurring of such fees, costs and expenses. The LIMIT OF LIABILITY for Investigation Costs will not exceed the Sub- limit stated in ITEM 3 of the SCHEDULE.
- (j) Loss means Defence Costs, Investigation Costs, and any damages, settlements, judgments or other amounts (including punitive or exemplary damages and the multiplied portion of any multiplied damage award, other than punitive or exemplary damages awarded in respect of any Wrongful Employment Practice, except for employment- related defamation, if and where insurable by law) that an Insured is legally obliged to pay as a result of any Claim; provided, that Loss will not include fines, taxes or penalties or matters which are uninsurable under the law pursuant to which this Policy is construed.
- (K) Named Company means the entity designated as such in ITEM 1 of the SCHEDULE.
- (L) Outside Capacity means service by an Insured as a director, officer or trustee of, or in another equivalent executive position, with respect to an Outside Entity, provided such service is at the prior written request of the Company.
- (M) Outside Entity means:





- (1) any organization, association or entity; run on a non-profit basis; or
- (2) any organization, association or entity during any time in which the Company owns on or after the inception date of the Policy Period, between ____% and ____% of the issued and outstanding shares representing the right to vote for the election of such Outside Entity's directors,

provided however, that Outside Entity shall not include:

- (a) any organization, association or entity incorporated, domiciled, or having any of its Securities traded on an exchange in the United States of America or Canada; or
- (b) any financial institution (including any bank, depository institution, investment Company, Securities broker, dealer or underwriter, asset manager or insurance Company),

other than such organization, association, entity or financial institution which has with the express written consent of the Insurer been listed by endorsement to this Policy.

- (N) Policy Period means the period set forth in ITEM 2 of the SCHEDULE, subject to prior termination or cancellation pursuant to any applicable law.
- (O) Pollutants means any seepage, pollution or contamination, including but not limited to any solid, liquid, gaseous or thermal irritant, electromagnetic or ionizing radiation, or contaminant, including nuclear fuel or waste, radioactivity, smoke, rays, vapour, soot, fumes, acids, alkalis, chemicals, waste, combustible materials to be recycled, reconditioned or reclaimed.
- (P) Proposal means the Proposal deemed attached to and forming part of this Policy, including any materials or other information submitted in connection with such Proposal, all of which are deemed a part of the Policy.
- (Q) Securities means any instrument of the following issued by the Company:
- (1) bonds, debentures, evidence of indebtedness, notes, shares, stocks, scrips, stocks, debenture stock or other equity or debt security; and
 - (2) certificates of interest or participation in, receipts for, warrants or other rights to subscribe to or purchase, voting trust certificates relating to, certificates of deposit for, or other documentary evidence of interest in any of the Securities referred to in (1) above.
- (R) Subsidiary means any entity, during any time, on or before the inception of the Policy Period in which the Named Company, either directly or indirectly, through one or more other subsidiaries:
- (1) owns more than 50% of the issued and outstanding shares; or
 - (2) controls more than 50% of the voting rights; or
 - (3) controls the right to vote for the election or removal of the majority of such entity's board of directors.

Any entity created or acquired after the inception date of the Policy Period, that becomes a Subsidiary in accordance with these DEFINITIONS (R) (1); (2) or (3), shall be covered automatically in relation to Wrongful Acts committed or alleged to have been committed by an Insured subsequent to the date of creation or acquisition, provided that as of the date of its creation or acquisition:

- (a) the entity does not have any listings of its Securities on an exchange in the United States of America or Canada, and



- (b) the entity's total consolidated assets as of the latest annual report and accounts do not exceed ____% of the total consolidated assets of the Named Company.

With regard to any entity which is not automatically covered under the provisions of this DEFINITION, written notice and full particulars applicable to the entity and transaction involved must be provided to the Insurer as soon as practicable. Thereafter, with the express written consent of the Insurer coverage may be provided subject to any amended terms, conditions and additional premium which may be required by the Insurer, as set out in an endorsement to this Policy.

If an entity ceases to be a Subsidiary of the Named Company the coverage afforded under this Policy shall only apply with respect to Claims made against an Insured for Wrongful Acts committed or alleged to have been committed by an Insured whilst such entity is or was a Subsidiary.

(S) Wrongful Act means any:

- (1) actual or alleged negligent act, error, default, misfeasance, misrepresentation, misstatement, misleading statement, omission, breach of trust, breach of warranty of authority or breach of duty by an Insured in his or her capacity as such, including in an Outside Capacity; or
- (2) matter Claimed against an Insured solely by reason of his or her service in such capacity or in an Outside Capacity; or
- (3) actual or alleged Wrongful Employment Practice Claimed against an Insured in his or her capacity as such, or in an Outside Capacity;

(T) Wrongful Employment Practice means in relation to the Company's employees any:

- (1) unfair dismissal or wrongful termination of employment , or victimization whether actual or constructive; or
- (2) employment- related misrepresentation; or
- (3) sexual or other harassment of the Company's employees in the workplace; or
- (4) wrongful deprivation of career opportunity, employment or promotion; or
- (5) wrongful discrimination related to employment ; or
- (6) defamation of character related to employment, or to the giving of a reference to an ex-employee.

3. EXCLUSIONS

Unless otherwise specifically stated or provided for in GENERAL CONDITION (C) (2) or elsewhere in this Policy, the Insurer will not be liable to make any payment for Loss in connection with a Claim:

- (A) arising out of , based upon or attributable to the gaining by any Insured of any profit or advantage to which such Insured was not legally entitled; provided, that this EXCLUSION (A) will apply only if there has been any admission of the facts by an Insured or a final adjudication adverse to such Insured establishing that that Insured gained such a profit or advantage;
- (B) arising out of , based upon or attributable to the commission by any Insured of any deliberate, fraudulent, malicious or dishonest act; provided, that this EXCLUSION (B) will apply only if there has been any admission of the facts by an Insured or a final adjudication adverse to such Insured establishing that the Insured so acted;
- (C) arising out of, based upon or attributable to profits in fact made from the purchase or sale by the Insured of Securities of the Company within the meaning of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and any amendments thereto or similar provisions of any statutory law or foreign legal framework;



These EXCLUSIONS (A), (B) and (C) will only apply to an Insured who committed the Wrongful Act or relevant conduct or had the knowledge of the Wrongful Act or relevant conduct and did not expressly oppose the commission of such Wrongful Act or relevant conduct and did not actively take steps to mitigate the effect of such Wrongful Act or relevant conduct.

- (D) For any actual or alleged bodily injury, sickness, death, mental anguish, emotional distress except anguish or distress actually or allegedly arising from a Wrongful Employment Practice, disease or death of any person or damage to or destruction of any tangible property, including the Loss of use thereof, or for injury from any actual or alleged violation of a person's right of privacy; provided that this EXCLUSION (D) will not apply in respect of any Claim made by any Securities holder of the Company, either directly or derivatively;
- (E) for the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants; provided, that this EXCLUSION (E) will not apply in respect of any Claim made by any Securities holder of the Company, either directly or derivatively;
- (F) against an Insured while acting in a capacity as a trustee, fiduciary or administrator of any retirement, pension, profit sharing, welfare or employee benefits programme or scheme established by the Company for the benefit of its directors, officers or employees, or for any breach of an Insured's responsibilities imposed by the laws of any applicable jurisdiction governing such programmes or schemes (including but not limited to the Employees Provident Fund & Miscellaneous Provisions Act 1952, the Employees' state insurance Act 1948, the Public Provident Fund Act 1968, the Payment of Bonus Act 1965, the payment of Gratuity Act 1972, the Factories Act 1961 and any sweat equity scheme entered into by the Company, the United States Employee Retirement Income Security Act of 1974 and the United Kingdom's Pensions Act 1995); provided, however, that this EXCLUSION (F) will not apply to any Wrongful Employment Practice;
- (G) Brought by or on behalf of, or in the name or by right of, the Company or any Insured, unless such Claim is brought and maintained:
 - (1) independently of, and without the solicitation, assistance or active participation of, the Company or any Insured as a derivative action;
 - (2) by an Insured and is an Employment Practice Claim;
 - (3) by an Insured for contribution or indemnity and which directly results from another Claim covered under this Policy;
 - (4) by a former director, officer or employee of the Company;
 - (5) by a trustee in bankruptcy, receiver, conservator, rehabilitator, liquidator or other similar official duly appointed with respect to the Company;
 - (6) by an Insured where failure to bring such Claim will result in a legal liability being incurred by such Insured.
- (H) by or on behalf of, or in the name or by right of, any Outside Entity or such other entity as defined in DEFINITIONS (G) (1) (C), or any of its directors or officers, whether directly or derivatively, or any shareholder of the Outside Entity or such other entities holding more than ____% of the issued and outstanding voting capital of the Outside Entity or such other entities, against an Insured for a Wrongful Act while acting in an Outside Capacity with respect to such Outside Entity, or as a director, officer or de facto director or officer of a such other entities, unless such Claim is:



- (1) brought and maintained independently of, and without the solicitation, assistance or active participation of the Outside Entity or such other entities, the Company or any other Insured as a derivative action; or
 - (2) an Employment Practice Claim; or
 - (3) for contribution or indemnity and directly result from another Claim covered under this Policy.
- (I) arising out of, based upon or attributable to facts or circumstances alleged, or to the same or causally related Wrongful Acts alleged or contained, in any Claim which has been reported, or with respect to which any notice has been given, under any policy of which this Policy is a renewal or replacement or which it may succeed in time;
- (J) arising out of, based upon or attributable to any pending or prior litigation as of the Continuity date in ITEM 9 of the SCHEDULE, or alleging or derived from the same or essentially the same facts or circumstances as alleged in such pending or prior litigation;
- (K) arising out of, based upon or attributable to or in any way involving, directly or indirectly the actual or alleged failure to effect or maintain any insurance, reinsurance or bond;
- (L) alleging that the price or consideration paid or proposed to be paid for Securities of the Company is inadequate, including but not limited to the amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased; provided, however, that the foregoing exclusion shall not apply to Defence Costs incurred in connection with a Claim alleging a Wrongful Act.
- (M) for return by the Insured of any remuneration paid to the Insured without the previous approval of the Company's shareholders, which payment, without such previous approval, is determined by any admission of the facts by an Insured or a final adjudication adverse to such Insured establishing to be in violation of law;
- (N) arising out of, based upon or attributable to the Insured's the Company's, Outside Entity's or such other entity's (as defined in DEFINITIONS (G) (1) (C)) performance of or failure to perform professional services for others, any actual or alleged act, error, misstatement, misleading statement, omission, breach of duty or breach of contract or agreement relating thereto;
- (O) arising out of , based upon or attributable to any of the following regardless of any other cause or event contributing concurrently or in any other sequence such Loss:
- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
 - (2) any act of terrorism, including but not limited to the use of force or violence and/or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government, committed for political , religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear; or
 - (3) with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.





4. DISCOVERY PERIOD

If the Insurer or the Named Company fails or refuses this Policy, any Insured will have the right, provided that this Policy is not renewed or replaced with any other policy affording directors and officers liability coverage, upon payment of the Discovery Period Premium to an extension of the coverage granted by this Policy for the Discovery Period, but only with respect to any Claim first made during the Discovery Period against any Insured for any Wrongful Act which took place before the end of the Policy Period. A written request for this extension, together with payment of the Discovery Period Premium must be made within thirty (30) days after the effective date of non-renewal of the Policy. Such Discovery Period Premium will be deemed to be fully earned as of the inception of the Discovery Period.

If a "Change in Control" takes place as set out in GENERAL CONDITION (D), the Insured shall not have the right to purchase a Discovery Period as above, but shall have the right within thirty (30) days of the end of the Policy Period to request a Discovery Period from the Insurer. The Insurer shall offer a Discovery Period with terms, conditions and premium as it may reasonably decide.

It is further understood and agreed that in the event that the Named Company is unable to renew this Policy or replace it with any other policy affording directors and officers liability coverage, a Discovery Period of twelve (12) months after the end of the Policy Period will be provided to any Insured who may have retired before such date but only with respect to any Wrongful Act which took place before the date of his or her retirement and provided however that the limit of liability available to this Discovery Period is part of and not in addition to the LIMIT OF LIABILITY remaining at the date of his or her retirement as stated in ITEM 3 of the SCHEDULE. A written request for this extension must be made within thirty (30) days after the effective date of retirement.

5. EXTENSIONS

- (A) Subject to its terms and conditions, this Policy will afford coverage for Claims first made during the Policy Period or Discovery Period (if applicable) for Wrongful Acts of an Insured if such Claims are made against the estates, heirs, legal representatives or assigns of an Insured who is incompetent, insolvent or bankrupt, to the extent that such Claims would have been covered by this Policy in the absence of such death, incompetence, insolvency or bankruptcy.
- (B) Subject to its terms and conditions, this Policy will afford coverage for Claims first made during the Policy Period or Discovery Period (if applicable) for Wrongful Acts of an Insured if such Claims are made against the Insured's lawful spouse solely by reason of such spouse's legal status as a spouse's ownership interest in property or Hindu Undivided Property which the claimant seeks as recovery for alleged Wrongful Acts of the Insured. For purposes of the Policy, amounts which such spouse's legal status as a spouse of the Insured or such spouse's ownership interest in property or Hindu Undivided Property which the Claimant seeks as recovery for alleged Wrongful Acts of the Insured. For purposes of the Policy, amounts which such spouse becomes legally obliged to pay by reason of such Claim will be treated as Loss which the Insured is legally obliged to pay on account of the Claim made against the Insured. This coverage extension does not apply, however, to the extent the Claim alleges any Wrongful Act or omission by the Insured's spouse unless the Insured's spouse is an Insured.

6. GENERAL CONDITIONS

(A) Limit of Liability and Retention

- (1) The Insurer's maximum aggregate liability for all Loss on account of all Claims first made against an Insured during the same Policy Period and Discovery Period (if applicable), whether covered under one or more INSURING AGREEMENTS, will not exceed the LIMIT OF LIABILITY set forth in ITEM 3 of the SCHEDULE.



- (2) Defence Costs and Investigation Costs will be part of and not in addition to the LIMIT OF LIABILITY, and payment of Defence Costs and Investigation Costs will reduce the LIMIT OF LIABILITY. Defence Costs and Investigation Costs as incurred, will also be applied against the RETENTION.
- (3) The RETENTION stated in ITEM 4(b) of the SCHEDULE will apply to Loss, including Defence Costs and Investigation Costs, which the Company is required or permitted to pay as indemnification or an advance payment to or on behalf of the Insured, whether or not such Loss is actually paid. In the event and to the extent that the Company is permitted or required to Indemnify the Insured, but fails to do so, the Insurer will advance Defence Costs or Investigation Costs to the Insured on behalf of the Company, provided always that the RETENTION stated in ITEM 4(b) of the SCHEDULE shall be repaid by the Company to the Insurer unless the Company is insolvent or is referred to the Board of Industrial and Financial Reconstruction in accordance with the Sick Industrial Companies Act. For purposes of this GENERAL CONDITION (A) (3) the Company Memorandum, certificate of Incorporation, Charter, Articles of Association or other similar documents of the Named Company, each Subsidiary and each Outside Entity, including the bylaws and Resolutions thereof, will be deemed to have been adopted or amended to provide indemnification and advance payments to the Insured to the fullest extent permitted by law.
- (4) The Insurer will be liable for the amount of Loss in connection with any Claim which is in excess of the applicable RETENTION stated in ITEM 4 of the SCHEDULE and not in excess of the LIMIT OF LIABILITY or Sub-Limit of Liability stated in ITEM 3 of the SCHEDULE. Such RETENTION will apply to Loss arising from all Claims alleging the same Wrongful Act or causally related Wrongful Acts.
- (5) One RETENTION amount will apply to the covered portion of each and every single Claim. If a single Claim is covered under more than one INSURING AGREEMENT, the RETENTION stated in ITEM 4 of the SCHEDULE will be applied separately to the portions of the Claim covered by each INSURING AGREEMENT, and the sum of the RETENTION so applied will constitute the RETENTION for each single Claim, which in total will not exceed the largest of the applicable RETENTION.

(B) Notice-Interrelationship of Claims and Reporting Provisions

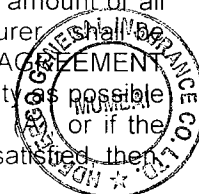
- (1) The Insured must, as a condition precedent to the obligations of the Insurer under this Policy, give written notice, including full details, to the Insurer of any Claim in accordance with GENERAL CONDITION (B) (4) below as soon as practicable after it is made but no later than thirty (30) days after receipt by the Insurer or Named Company of such Claim.
- (2) If written notice of a Claim has been given to the Insurer pursuant to GENERAL CONDITION (B) (1) above, then any Claim subsequently made against the Insured and reported to the Insurer alleging, arising out of, based upon or attributable to the facts alleged in the Claim of which such notice has been given, or alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged in the Claim and will be considered to have been made at the time such notice was given.
- (3) if, during the Policy Period or the Discovery Period (if applicable), the Insured:
 - (a) become aware of any circumstances which may reasonably be expected to give rise to a Claim against the Insured, or
 - (b) receive a written notice or demand from any party stating that it is the intention of that party to hold an Insured liable for any alleged Wrongful Act,

(4) All notices under this GENERAL CONDITION (B) must refer to the Policy Number, must be in writing, must request coverage under this Policy, and must request coverage under this Policy, and must be given by registered post with acknowledgement due to the address set forth in Item 6 of the SCHEDULE.

1) The Insurer has no duty under this policy to defend any Claim on behalf of any Insured. Each Insured must defend any Claim made against it. Such Insured must not admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any Defence Costs or Investigation Costs without the Insurers prior written consent as a condition precedent to the obligation of the Insurer under this policy. Only those settlements, judgments by consent, Defence Costs and Investigation Costs to which the Insurer has given its prior written consent will be recoverable as Loss under this Policy. The Insurer's consent may not be unreasonably withheld. The Insurer is entitled, at its own discretion, to associate in the defence and the negotiation of any settlement of any Claim.

3) If Loss covered by this Policy and Loss not covered by this Policy are both incurred in connection with a single Claim, either because the Claim includes both covered and uncovered matters, or because the Claim is made both against Insured and the against other not included within the definition of Insured, the Insured and the Insurer agree to use their best efforts to determine a fair and proper allocation of all such amount, taking into account the relative legal and financial exposures of the parties to the Claim and the relative benefits to be obtained by the resolution of the Claim. The Insurer will be obliged to pay only those amounts or portions of Loss allocated to covered matters Claimed against Insured. If the Insure and the Insurer are unable to agree upon an allocation, the until a final allocation is agreed upon or determined pursuant to the provisions of this Policy and applicable law, the Insurer will be obliged to make an interim payments of that amount or portion of Loss including Defence Costs or Investigation Costs, which the Parties agree is not in dispute.

4) If the Insurer is obliged to pay Loss including Defence Costs or Investigation Costs under more than one INSURING AGREEMENT, whether in connection with a single Claim or multiple Claims, the Insurer will first pay any Loss payable under INSURING AGREEMENT (A) and, if the Insurer concludes that the amount of all Loss, is likely to exceed the Insurer's LIMIT OF LIABILITY, the Insurer shall be entitled to withhold some or all of any Loss payable under INSURING AGREEMENT (B) to ensure that as much of LIMIT OF LIABILITY or Sub-limit of Liability as possible is available for the payment of Loss under INSURING AGREEMENT (A) or if the Insurer's obligations under INSURING AGREEMENT (A) have been satisfied, then





subject to the Insurer's LIMIT OF LIABILITY as set forth in ITEM 3 of the SCHEDULE, the Insurer will pay such Loss as it is required to pay under INSURING AGREEMENT (B) in such manner and, in the event of multiple Claims, apportioned among such Claims as the Name Company Shall Direct in writing.

(D) Changes in Control

- 1) If, during the Policy Period, any of the following transactions or events (each a "Change in Control") occurs with respect to the Named Company:

(a) The Named Company merges into or consolidates with another entity such that the Named Company is not the surviving entity, or

(b) Another entity, person or group of entities and/or person acting in concert acquires more than 50% of the outstanding shares of the Named Company or more than 50% of the voting rights which result in ownership or voting control by the other entity(ies) or person(s) of shares representing the right to vote election of directors of the Named Company,

then coverage under this Policy will continue in full force and effect until the end of the Policy Period with respect to Claims for Wrongful Acts committed or allegedly committed before the effective date of such Change in Control, but coverage will cease with respect to Claims for Wrongful Acts committed or allegedly committed thereafter (unless otherwise agreed to by the Named Company and Insurer) and the premium will be considered fully earned in consideration of the coverage extended.

- (2) If, during the Policy Period, the Subsidiary ceases to be a Subsidiary, then coverage under this Policy in respect thereof will force and effect until the end of the Policy Period or Discovery Period (if applicable) but only with respect to Claims made against an Insured for Wrongful Acts committed or alleged to have been committed by such Insured whilst such entity was a Subsidiary, and coverage under this Policy will cease with respect to Claims made against an Insured for Wrongful Acts committed or alleged to have been committed thereafter.

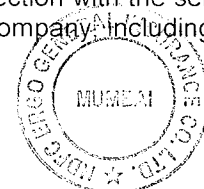
(E) Other Insurance and Other Indemnification

- (1) Such insurance as is provided by this Policy will apply only as excess over any other valid and collectible insurance or which would have been valid and collectible Insurance but for existence of this policy.

- (2) All coverage for Loss from Claims against an Insured Wrongful Acts in Outside Capacity will be specifically in excess of, and will not contribute with:

(a) any other valid policy of insurance available to such Insured by reason of their service in Outside Capacity (if such insurance is provided by the Insurer, then the total aggregate LIMIT OF LIABILITY for Loss under this Policy shall be reduced by the benefit of the Outside Entity and its directors and officers under the other insurance provided by the Insurer to the Outside Entity), and

(b) any indemnification available to such Insured in connection with the service in Outside Capacity from any source other than the Company, including but not limit to any Outside Entity.





(F) Cooperation and Subrogation

- (1) In the event of any notice under GENERAL CONDITION (B) of a Claim or of circumstances which may reasonable be expected to give rise to a Claim, the Insured will give the Insurer all information, assistance and cooperation that the Insurer may reasonably request with respect thereto.
- (2) In the event of any payment under this Policy, the Insurer will be subrogated to the extent of such payment to all of the Insured's rights of recovery, including without limitation the Insured's right to indemnification or an advance payment from the Company. The Insured must execute all papers required and do everything necessary to secure such rights and to enable the Insurer to bring suit in their name.

(G) Notice and Authority.

By acceptance of this Policy, the Insured agree that the Named Company shall act on behalf of all Insured with respect to the giving and receiving of any notices, the payment of premiums and the receiving of any return premium, the cancellation or renewal of this Policy and the acceptance of any amendments thereto

(H) Assignment

No assignment of interest under this policy will bind the Insurer without the Insurer's written consent.

(I) Titles and Headings

The titles and headings to the various paragraphs and sections in this Policy, including endorsements attached, are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such paragraphs and section to which they relate.

(J) Representations and Severability

The Insured represent that the particulars and statement contained in the Proposal are true, accurate and complete, and agree that such particulars and statements shall be deemed material to the acceptance of the risk assumed under this Policy; and for the purpose of such representation the person or persons signing the Proposal shall be deemed to be the duly authorized agent of each individual Insured. No knowledge or information possessed by any Insured will be imputed to any other Insured except for material facts or information known to the person or persons who signed Proposal. If any of the particulars or statement in the Proposal is untrue, this Policy will be void with respect to any Insured who knew of such untruth.

(K) Entire Agreement

By acceptance of this Policy, the Insured and the Insurer agree that this policy (including the Proposal and any materials submitted therewith) and any written endorsement attached hereto constitute the sole and entire agreement between the parties with respect to this insurance. Any prior agreement or understanding between the parties is therefore no longer valid.





(L) Territory.

This Policy applies to Wrongful Acts actually or allegedly taking place or Claims made anywhere in the world.

(M) Applicable Law and Jurisdiction

This Policy is to be governed by and its terms are to be construed in accordance with, the applicable law stated in the SCHEDULE. Any dispute or difference arising under or in respect of this Policy is to be subject to and determined within the exclusive jurisdiction stated in the SCHEDULE.

(N) Personal Data Protection

The interested party is hereby informed that any personal data, including all data provided in this document and all subsequent data provided related to the fulfilment of the insurance contract, will be included in a data file controlled by Insurer. The data will be processed for the purpose of fulfilling the insurance contract, and to enable the Insurer to send information on its products and services. The Insured hereby provides its express consent for the data to be transferred to other entities for co-insurance, reinsurance, portfolio assignment or management or for the adoption of anti-fraud measures. The Insured also provides its express consent for the data to be transferred to other companies belonging to the same group as Insurer located in countries outside the European Union, with the exclusive purpose that these may provide data processing services. The Insured may as many times exercise its right to access, rectify, cancel or oppose its data by notifying Insurer pursuant to the provisions of Indian applicable laws, on the Protection of Personal data.

Should be Insured provide Insurer with information related to the Insured, any damaged parties or any third person, the Insured hereby declares that all the data related to the Insured, damaged parties or any third person given to the Insurer have provided by them and that Insured, the damaged parties or any third person have provided their consent for their data to be transferred by the Insurer for the fulfillment of the insurance contract in the terms established in this clause.

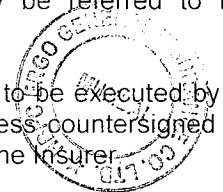
(O) Service

It is the always the intention to provide a first class service. However, if the Insured has cause for complaints the procedure described here should be followed and the Insurer will be pleased to give any additional information or advice that may be needed.

- (1) In the first instance the complaints should be made in writing and addressed to:
HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park
Andheri Kurla Road
Andheri East
Mumbai 400059
India

- (2) If the response is unsatisfactory the compliant may be referred to the Insurance Regulatory Development Authority.

In witness whereof the Insurer has caused this policy to be executed by its authorized officers, but this Policy will not be valid unless countersigned on the SCHEDULE by a duly authorized representative of the Insurer.



HDFC ERGO General Insurance Company Limited



Directors & Officers Liability Insurance Policy



Important Notice

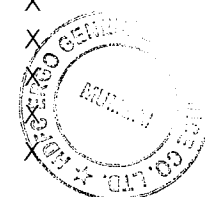
Please note that this is a Claims Made Policy. Accordingly, **HDFC ERGO** will only cover the **Insured** in respect of **Claims** which are first made against the **Insured** during the **Policy Period** and reported to **HDFC ERGO** during the **Policy Period**. The **Insured** should carefully read all of this **Policy**, including all definitions and, in particular, the exclusions, to ascertain the precise scope of cover afforded by this **Policy**. The **Insured** is advised to consult its insurance agent or broker to ensure a clear understanding of the **Insured's** rights and obligations under this **Policy**.

HDFC ERGO General Insurance Company Limited



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Policy Wording

In consideration of payment of the **Premium** by the **Insured** receipt thereof by the Company and subject to all the terms, conditions and exclusions, including all definitions, of this **Policy**, **HDFC ERGO** agrees as follows:

1. Insuring Clauses

1.1 Directors & Officers Liability

HDFC ERGO will pay on behalf of any **Insured Person** the **Loss** which the **Insured Person** is legally liable to pay as a result of a **Claim** alleging a **Wrongful Act** unless the **Insured Person** is entitled or able to be indemnified by the **Company** for such Loss but only if such Claim is reported to **HDFC ERGO** in accordance with 5.1 Notification of Claims of this **Policy**

1.2 Company Reimbursement

If the **Company** is legally required or permitted to indemnify the **Insured Person** for the Loss referred to in Insuring Clause 1.1, then **HDFC ERGO** will pay on behalf of the **Company** the amount of that indemnity but only if such Claim is reported to **HDFC ERGO** in accordance with 5.1 Notification of **Claims** of this **Policy**.

1.3 Defence Costs

HDFC ERGO will also pay for **Defence Costs** in respect of a **Claim** covered under Insuring Clause 1.1 or 1.2 or under any applicable extension.

HDFC ERGO will pay for these **Defence Costs** as and when they are incurred prior to the final resolution of the **Claim**.

However, an **Insured** shall repay to **HDFC ERGO** all payments of **Defence Costs** incurred on that **Insured's** behalf if and to the extent it is established that such **Defence Costs** are not insured under this **Policy**.

Defence Costs are subject to the applicable **Excess** and shall form part of the **Limit of Liability** specified in the **Schedule**.

2. Extensions

Subject to the applicable **Excess** and all the terms, conditions and exclusions, including all definitions, of this **Policy**, **HDFC ERGO** further agrees to extend cover in accordance with the following extensions. The **Excess** which is applicable will depend on whether the **Company** is legally required or permitted to indemnify the **Insured Person**. If it is, the **Excess** is the one applicable to Insuring Clause 1.2. If it is not, the **Excess** is the one applicable to Insuring Clause 1.1.

2.1 Inquiry Representation Costs

HDFC ERGO will pay on behalf of the **Insured** the costs and expenses incurred by an **Insured Person** (but excluding his or her salaries, wages, travel or accommodation expenses) in preparing for and attending an Inquiry, as and when they are incurred, provided that:

- (a) such costs and expenses were incurred with the prior written consent of **HDFC ERGO** which consent shall not be unreasonably withheld; and
- (b) the notice requiring the **Insured Person** to attend the **Inquiry** is first served upon the **Insured Person** and reported to **HDFC ERGO** during the **Policy Period**.





HDFC ERGO agrees to pay such **Inquiry** representation costs and expenses whether or not there is an allegation of a **Wrongful Act** against the **Insured Person**. However, the **Insured** shall repay to HDFC ERGO all payments of **Inquiry** representation costs and expenses incurred on that **Insured's** behalf if and to the extent it is established that such **Inquiry** representation costs and expenses are not **Insured** under this **Policy**.

Exclusion 4.6 in respect of "Pollution" does not apply to this extension.

The maximum amount payable by HDFC ERGO under this extension is the **Sub-Limit of Liability** specified in the **Schedule**.

2.2 **Pollution Defence Costs**

Notwithstanding Exclusion 4.6 in respect of "Pollution", HDFC ERGO will pay on behalf of the **Insured** the **Defence Costs** which an **Insured Person** incurs in defending a **Claim** in connection with the actual or alleged discharge, dispersal, release or escape of any **Pollutant**.

The maximum amount payable by HDFC ERGO under this extension is the **Sub-Limit of Liability** specified in the **Schedule**.

2.3 **Shareholder Pollution Claims**

Notwithstanding Exclusion 4.6 in respect of "Pollution", HDFC ERGO will pay on behalf of the **Insured** the **Loss** which an **Insured Person** is legally liable to pay as a result of a **Claim** made, either directly or derivatively, by any shareholder of the **Company** alleging loss to the **Company** or its shareholders as a result of any actual or alleged discharge, dispersal, release or escape of any **Pollutant**.

This extension shall not apply if:

- (a) on or before the **Continuity Date** specified in the **Schedule**, the **Company**, an **Insured Person** or any **Employee** with managerial responsibilities over environmental affairs, control or compliance of the **Company**, knew or could reasonably have suspected that there existed any situation, circumstance or **Wrongful Act** that might give rise to a **Claim**; or
- (b) the **Claim** is brought in the jurisdiction of the United States of America or any territory under its jurisdiction.

2.4 **Spouses & Executors**

HDFC ERGO will cover:

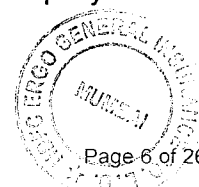
- (a) in the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** brought against his or her estate, heirs, executors, administrators or legal representatives; or
- (b) any **Claim** brought against the lawful spouse of an **Insured Person**,

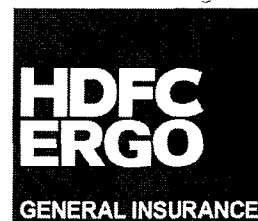
for a **Wrongful Act** by the **Insured Person** as if the **Claim** had been brought against that **Insured Person**.

No cover is provided under this extension for any conduct or wrongful act committed or allegedly committed by such estate, heirs, executors, administrators, legal representatives or lawful spouse.

2.5 **New Subsidiaries**

The definition of **Subsidiary** in Definition 7.27 is extended to include any **Company** which becomes a **Subsidiary** during the **Policy Period** provided that:





- (a) the total gross assets of the new **Subsidiary** do not exceed the **New Subsidiary Asset Size** specified in the **Schedule** and the new **Subsidiary** does not have any **Securities** listed or traded in the United States of America or Canada; or
- (b) if the total gross assets of the new **Subsidiary** exceed the **New Subsidiary Asset Size** or the new **Subsidiary** has any **Securities** listed or traded in the United States of America or Canada, the **Parent Company** provides **HDFC ERGO** with full details of the new **Subsidiary** and agrees to any additional premium and conditions **HDFC ERGO** may impose within 60 days of the new **Subsidiary** being acquired or created (failing the provision of which, the extension of coverage under this clause shall automatically terminate on the expiration of the said 60 day period).

2.6 Outside Directorships

The definition of **Insured Person** in Definition 7.11 is extended to include any **Insured Person** acting in the capacity of a **Director** or officer of an **Outside Entity** at the specific written request or with the written approval of the **Company**. **HDFC ERGO** will pay on behalf of the **Insured** the Loss which an **Insured Person** is legally liable to pay as a result of a **Claim** alleging a **Wrongful Act** in his or her capacity as a **Director** or officer of an **Outside Entity**.

The cover provided under this extension:

- (a) shall be specifically in excess of any indemnity or insurance available from or provided by the **Outside Entity** including any policies of the **Outside Entity** specified in the **Proposal** and any renewal or replacement of those policies;
- (b) shall not apply to any **Claim** brought by the **Outside Entity** unless the **Claim** is a derivative action brought in the name of the **Outside Entity** by any legally authorized individual or entity including any regulatory authority where the individual or entity acts without any assistance, intervention, solicitation or active participation by the **Outside Entity** or by any **Insured**;
- (c) shall not apply to any **Claim** brought by any other **Director**, officer or **Employee** of the **Outside Entity** unless the **Claim** alleges an **Employment Practice Breach**; and
- (d) shall not extend to the **Outside Entity** in which the outside **Directorship** is held or to any other **Director**, officer or **Employee** of such **Outside Entity**.

2.7 Extended Policy Period

If a **Change in Control** occurs during the **Policy Period** then the **Insured** may request an extended **Policy Period** of up to 84 months commencing from the end of the **Policy Period** during which time the **Insured** may notify any **Claim** to **HDFC ERGO** provided it results from a **Wrongful Act** committed or allegedly committed prior to the effective date of the **Change in Control**. The **Insured** must request this extended **Policy Period** before the **Policy Period** expires. **HDFC ERGO** may, but is not obliged to, offer this extended **Policy Period** on such terms and conditions and for such additional premium as **HDFC ERGO** may reasonably impose.

An extended policy period granted under this extension shall be non-cancellable by the **Insured** and any additional premium paid shall be non-refundable.

This extension is subject to the **Limit of Liability** and does not apply if this **Policy** is cancelled or avoided by **HDFC ERGO**.

2.8 Continuous Cover

Notwithstanding Exclusion 4.5(b) in respect of "Prior Matters", if an **Insured** was aware of any facts that might give rise to a **Claim**, prior to the **Policy Period** and had not notified **HDFC ERGO** of such facts prior to the



commencement of the **Policy Period**, HDFC ERGO will indemnify the **Insured** in respect of a **Claim** arising from such prior known facts, provided that:

- (a) the **Insured** first became aware of such facts after the **Continuity Date** specified in the **Schedule**; and
- (b) the failure to notify such facts was not a result of any fraudulent misrepresentation or fraudulent non-disclosure by the **Insured**; but
- (c) the limit of liability, sub-limits of liability and excesses of the **Policy** in force at the time when the **Insured** first became aware of such prior known facts shall apply; and
- (d) **HDFC ERGO** will reduce its liability to the extent of any prejudice suffered as a result of the **Insured's** failure to notify such facts giving rise to a **Claim**, prior to the **Policy Period**.

3. Optional Extensions

The following extensions are subject to all the terms, conditions and exclusions, including all definitions, of this **Policy** and shall apply only if they are specifically included in the **Schedule**.

3.1 Former Directors & Officers

- (a) If a **Change in Control** occurs during the **Policy Period** and the Parent **Company** does not purchase the extended policy period offered under Extension 2.7 in respect of "Extended policy period" or purchase the same or similar cover from another insurer or insurers, then **HDFC ERGO** will provide an extended **Policy Period** of 84 months following the effective date of the **Change in Control** but only for the benefit of those **Insured Persons** who resigned from the **Company** at least 6 months prior to the effective date of the **Change in Control**.
- (b) If a **Change in Control** does not occur during the **Policy Period** and at the end of the **Policy Period** the Parent **Company** does not renew this **Policy** with **HDFC ERGO** or replace this **Policy** with one or more Directors and Officers Liability policies issued by another insurer or insurers, then **HDFC ERGO** agrees to provide an extended **Policy Period** of 84 months following the end of the **Policy Period** but only for the benefit of those **Insured Persons** who resigned from the **Company** at least 6 months prior to the end of the **Policy Period**.

The **Insured Persons** referred to in 3.1(a) and (b) will be entitled to notify **HDFC ERGO** of any **Claim** during such extended **Policy Period** provided the **Claim** results from a **Wrongful Act** committed or allegedly committed whilst they were a **Director, Officer** or **Employee** of the **Company**.

3.2 Company Securities Liability

HDFC ERGO will pay on behalf of the **Company** the **Loss** and associated **Defence Costs** which the **Company** is legally liable to pay as a result of a **Securities Claim** alleging a **Wrongful Act**.

In respect of the cover provided under this extension, the **Company** will bear uninsured the **Coinsurance Percentage** of any **Loss** and associated **Defence Costs** which exceeds the **Excess**. **HDFC ERGO** will pay on behalf of the **Company** the remaining percentage of such **Loss** and associated **Defence Costs** up to the **Limit of Liability**.

The **Coinsurance Percentage** and **Excess** which apply to this extension are specified in the **Schedule**.

4. Exclusions

HDFC ERGO will not pay for any **Loss, Defence Costs** or any other amounts **Insured** under this **Policy** for, arising out of or in any way connected with:

4.1 Fraud & Dishonesty

- (a) any fraudulent, criminal, willfully reckless, malicious or dishonest act, error or omission including any intentional violation or breach of any law or regulation committed or omitted by any **Insured**; or
- (b) any improper use of position or information by an **Insured Person** for the purpose of gaining any profit, benefit or advantage to which an **Insured** is not legally entitled or to cause detriment to the **Company**.

These exclusions will only apply where it is established by an admission of such **Insured** or by a judgment, award, finding or other adjudication of a court, tribunal, commission or arbitrator that such conduct did in fact occur.

4.2 Insured versus Insured

any **Claim** brought by or on behalf of the **Company** or any **Insured Person** other than a **Claim**:

- (a) brought by or on behalf of any **Insured Person** for contribution or indemnity, if the **Claim** results directly from another **Claim** which would be covered under this **Policy** if made directly against the **Insured Person**;
- (b) brought in the name of the **Company** by any legally authorized individual or entity (other than the **Company** itself) provided that they are acting without the assistance, intervention, solicitation or active participation of the **Insured** against whom the **Claim** is brought;
- (c) alleging an **Employment Practice Breach**.

4.3 Professional Services

the provision of professional services or any actual or alleged breach of duty owed in a professional capacity. This exclusion does not apply to services provided by an **Insured Person** in his or her capacity as a **Director** or **Officer**.

4.4 Violation of duties and responsibilities

any actual or alleged violation of the responsibilities, obligations or duties imposed by the Indian **Employees Provident Fund and Miscellaneous Provisions Act, 1952**, the Indian **Employees State Insurance Act, 1948**, the Indian **Payment of Bonus Act, 1965**, the Indian **Payment of Gratuity Act, 1972**, the Indian **Maternity Benefits Act, 1961**; the USA **Employee Retirement Income Security Act, 1974**, rules or regulations promulgated thereunder and amendments thereto or similar provisions of any law, regulation or by-law anywhere in the world.

4.5 Prior Matters

- (a) any **Claim** made, threatened or intimated against an **Insured** prior to the commencement of the **Policy Period**;
- (b) any facts that an **Insured** was aware of before the commencement of the **Policy Period** that might give rise to a **Claim**;
- (c) any facts that might give rise to a **Claim** which have been reported, or which can be or could have been reported, to an insurer under any insurance policy entered into before the commencement of the **Policy Period**;
- (d) any facts that might give rise to a **Claim** which have been disclosed to any insurer in any proposal for insurance made before the commencement of the **Policy Period**; or
- (e) any facts that might give rise to a **Claim** which have been disclosed to **HDFC ERGO** in the **Proposal**.

4.6 Pollution

the actual or alleged presence, discharge, dispersal, release or escape of any **Pollutant** or the cost of removing, nullifying or cleaning up any **Pollutant**.

4.7 War

war or military action which includes, without limitation, the following:

- (a) war, including undeclared or civil war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government or public or local authority;
- (b) warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (c) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against the same.

4.8 Radiation & Nuclear

- (a) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- (b) any weapon of war employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter.

In addition, **HDFC ERGO** will not pay for any **Loss, Defence Costs** or any other amounts insured under this **Policy** for:

4.9 Personal Injury

death, bodily or mental injury, sickness or disease, emotional distress or mental anguish of any person. This exclusion shall not apply to **Claims** alleging emotional distress or mental anguish resulting from an **Employment Practice Breach**.

4.10 Property Damage

loss of, damage to or destruction of any real or personal property or any consequential losses flowing from such loss, damage or destruction.

4.11 Penalties & Punitive Damages

- (a) any fines or penalties; or
- (b) any exemplary, aggravated, multiple or punitive damages.

5. Claims Conditions

5.1 Notification of Claims

It is a condition precedent to cover under this **Policy** that as soon as the **Insured** becomes aware of a **Claim** or **Inquiry** during the **Policy Period**, the **Insured** must immediately notify **HDFC ERGO** in writing of the **Claim** or **Inquiry**.

Where the **Insured** becomes aware of facts that might give rise to a **Claim** against the **Insured** or **Inquiry** that might involve the **Insured** during the **Policy Period** then the **Insured** may elect to report those facts in writing to **HDFC ERGO** as soon as the **Insured** becomes aware of those facts but before the end of the **Policy Period** in which case any **Claim** or **Inquiry** that subsequently arises out of those reported facts shall be deemed to have been reported to **HDFC ERGO** at the time those facts were reported to **HDFC ERGO**.

HDFC ERGO General Insurance Company Limited



All notifications must be sent to:

**The Claims Department
HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park
Andheri Kurla Road
Andheri East
Mumbai 400059**

If the **Insured** reports a **Claim** or **Inquiry**, or facts that might give rise to a **Claim** or **Inquiry**, to **HDFC ERGO** then the **Insured** must give **HDFC ERGO** such information and co-operation as it may reasonably require including but not limited to:

- (a) a description of the **Claim** or **Inquiry**;
- (b) the nature of the alleged act, error or omission;
- (c) the nature of the alleged or potential loss;
- (d) the names of actual or potential **Claimants**; and
- (e) the manner in which the **Insured** first became aware of the **Claim** or **Inquiry**.

5.2 Defence & Settlement

In the event of a **Claim**, the **Insured** has the right to appoint lawyers to conduct the defence and settlement of the **Claim** or to have **HDFC ERGO** do so. The **Insured** may only appoint lawyers approved by **HDFC ERGO**, that approval to be obtained in writing prior to their appointment.

If the **Insured** appoints lawyers, **HDFC ERGO** has the right to associate effectively in the defence and settlement of the **Claim**.

It is a condition precedent to cover under this **Policy** that the **Insured** must:

- (a) take all reasonable steps to mitigate loss;
- (b) not agree to any waiver or limitation of or delay as to their legal rights of recovery against any other party;
- (c) not admit liability, negotiate any settlement, enter into any settlement agreement or incur any **Defence Costs** without the prior written consent of **HDFC ERGO** which consent shall not be unreasonably withheld; and
- (d) give **HDFC ERGO** all the information and assistance that **HDFC ERGO** requires for the purpose of investigating:
 - (i) the cause and consequences of any **Claim**;
 - (ii) the **Insured's** liability to any party in respect of any **Claim**; and
 - (iii) whether **HDFC ERGO** has any liability to the **Insured** under this **Policy** and, if so, the extent of its liability;

and where applicable, conducting the defence of any **Claim**.

5.3 Requirement to Contest a Claim

The **Insured** shall not be required to contest any **Claim** unless **Senior Counsel** advises that such **Claim** should be contested. In formulating such advice, **Senior Counsel** shall take into consideration the economics of the matter (including potential **Loss** and **Defence Costs**) and the prospects of the **Insured** successfully defending the **Claim**.



In the event that **HDFC ERGO** recommends settlement in respect of any **Claim** and the **Insured** does not agree that such **Claim** should be settled, then **Senior Counsel**'s advice shall be obtained as to whether the **Claim** should be settled. In formulating such advice, **Senior Counsel** shall take into consideration the economics of the matter (including potential **Loss** and **Defence Costs**) and the prospects of the **Insured** successfully defending the **Claim**. If **Senior Counsel** advises that such **Claim** should be settled, the **Insured** may nevertheless elect to contest such **Claim** provided always that the liability of **HDFC ERGO** shall not exceed the amount for which the **Claim** could have been settled plus **Defence Costs** incurred with **HDFC ERGO**'s prior written consent up to the date of such election.

5.4 **Allocation Clause**

In the event an **Insured** is a party to a demand, proceeding, inquiry, investigation or examination which is covered only in part by this **Policy**, the **Insured** and **HDFC ERGO** will use their best efforts to agree upon a fair and proper allocation of **Loss**, **Defence Costs** or any other amounts **Insured** under this **Policy** which relates solely to what is covered under this **Policy**.

In the event that an agreement cannot be reached, **Senior Counsel** shall determine, as an independent expert but not as an arbitrator, a fair and proper allocation. Until the **Senior Counsel** has made his or her determination, **HDFC ERGO** may, in its absolute discretion, pay such **Loss**, **Defence Costs** or any other amount **Insured** under this **Policy** as it considers appropriate.

5.5 **Order of Payments**

HDFC ERGO will pay for **Losses**, **Defence Costs** and other amounts **Insured** under this **Policy** in the order that they are presented to **HDFC ERGO**.

If it becomes apparent to **HDFC ERGO** that the **Limit of Liability** will not be sufficient to cover all such **Losses**, **Defence Costs** and other amounts, then **HDFC ERGO** will first pay for **Losses**, **Defence Costs** and other amounts **insured** under this **Policy** for which any **Insured Person** is legally liable. If after paying all such amounts there remains an unexhausted portion of the **Limit of Liability**, then **HDFC ERGO** will pay such **Losses**, **Defence Costs** and other amounts for which the **Company** is entitled to indemnity under this **Policy**.

5.6 **Subrogation**

If **HDFC ERGO** grants indemnity under this **Policy** in respect of any **Claim**, then **HDFC ERGO** shall be subrogated to all the **Insured**'s rights of recovery in respect of such **Claim** whether or not payment has in fact been made and whether or not the **Insured** has been compensated in full for their loss. Each **Insured** must, at its own cost, provide all reasonable assistance to **HDFC ERGO** (including, but not limited to, giving information, signing documents and giving evidence) to help enforce those rights.

The **Insured** must not do anything that may prejudice **HDFC ERGO**'s position or its potential or actual rights of recovery against any party. Any amounts recovered by **HDFC ERGO** in excess of **HDFC ERGO**'s total payment to the **Insured** (including **Defence Costs**) shall be restored to the **Insured** less the cost to **HDFC ERGO** of such recovery.

5.7 **Other Insurance**

If **Loss**, **Defence Costs** or any other amounts insured under this **Policy** are also potentially insured under any other insurance policy or policies, then the **Insured** must advise **HDFC ERGO** within a reasonable time of making a claim under this **Policy** and provide **HDFC ERGO** with details of the other insurance.

5.8 **Excess Insurance**

If at the time of making any claim under this **Policy** there is, or would be but for the existence of this **Policy**, any other policy of indemnity or insurance in favour of or effected by or on behalf of the **Insured** applicable to such **claim**, **HDFC ERGO** shall not be liable under this **Policy** to indemnify the **Insured** for such claim except insofar as it concerns any excess beyond the amount which would be payable under such policy of indemnity or insurance had this **Policy** not been effected.

6. General Conditions

6.1 **Premium Payment**

- (a) It is hereby agreed that, as a condition precedent to any liability under this **Policy**, any premium due must be paid and actually received by **HDFC ERGO** in full.
- (b) Notwithstanding anything herein contained but subject to paragraphs (a) and (c) of this Section, it is hereby agreed and declared that any premium due must be paid and actually received by **HDFC ERGO**, or any intermediary through whom this **Policy** is effected, on or before the:
 - (i) commencement of the **Policy Period**; or
 - (ii) the effective date of each endorsement for which premium is payable, if any, issued under this **Policy**.
- (c) Subject to paragraph (a) of this Section, in the event that any premium due is not paid and actually received in full by **HDFC ERGO**, or any intermediary through whom this **Policy** is effected, within the period referred to above, then:
 - (i) this **Policy** shall be deemed to be terminated and the cover under this **Policy** or each endorsement for which premium is payable, if any, shall be deemed to be void ab initio;
- (d) The validity of this **Policy** is subject to the condition precedent that:
 - (i) for the risk insured, the **Insured** has never had any insurance **Policy**, whether or not with **HDFC ERGO**, terminated in the last twelve (12) months prior to the commencement of the **Policy Period** due solely or in part to a breach of any premium payment condition in such insurance **Policy**; or
 - (ii) if the **Insured** has breached any premium payment condition in respect of any previous insurance **Policy**, whether or not with the , in the last twelve (12) months prior to the commencement of the **Policy Period**:
 - (a) the **Insured** has fully paid all outstanding Premium for the time on risk in accordance with the previous insurer's calculations; and
 - (b) a copy of the written confirmation from the previous insurer to this effect has been submitted by the **Insured** to **HDFC ERGO** prior to the commencement of the **Policy Period**.

6.2 **Limit of Liability**

The maximum amount payable by **HDFC ERGO** under this **Policy** for all **Loss, Defence Costs** and other amounts **Insured** under this **Policy** is the **Limit of Liability** specified in the **Schedule**. The **Limit of Liability** is inclusive of any **Defence Costs, Inquiry** representation costs, **Sub-Limits of Liability** and other amounts **Insured** under this **Policy** but does not include costs incurred by **HDFC ERGO** in determining whether the **Policy** provides insurance to the **Insured**.

6.3 **Excess**

HDFC ERGO will only pay in respect of each **Loss** (or alleged **Loss**) and associated **Defence Costs** and each claim under the **Policy** for other amounts insured, the amount which is above the applicable **Excess** specified in the Schedule. The **Excess** shall be the first amount borne by the **Insured** and shall remain uninsured.

6.4 **Rights of Third Parties**

In this **Policy** a person or organisation that is not a party to this insurance contract shall have no right to enforce any of its terms.

6.5 **Alteration and Assignment**

No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by a written endorsement to this **Policy** which is signed by an Authorised **Employee** of the **Company**.

6.6 **Valuation & Foreign Currency**

All premiums, limits, deductibles, Loss and other amounts under this **Policy** are expressed and payable in the currency of India. If judgement is rendered, settlement is denominated, or any element of Loss is stated in a currency other than Indian Rupees, then payment under this **Policy** shall be made in Indian Rupees at the cash rate of exchange for the purchase of Indian Rupees published by the Reserve Bank of India on the date the final judgement is reached, the amount of the settlement is agreed upon, or the any element of Loss is due, respectively..

6.7 **Notices**

Any notice given to **HDFC ERGO** under this **Policy** must be in writing and sent to the address specified in Claims Condition 5.1. A notice served by post, if not received earlier, is taken to have been received on the next day after posting. A notice served by fax is taken to be served only if a complete and correct transmission report is received and it is taken to be received by the addressee (whether it is in fact received or not) on the day of transmission.

6.8 **Preservation of Right to Indemnity**

If the **Company** is legally required or permitted to indemnify any **Insured Person** for **Loss**, **Defence Costs** or other amounts insured under this **Policy** but fails or refuses to do so, then **HDFC ERGO** will pay for the **Loss**, **Defence Costs** or other amounts **Insured** under this **Policy** on behalf of the **Insured Person**. In such event the **Company** will be required to pay to **HDFC ERGO** the **Excess** specified in the **Schedule** for Insuring Clause 1.2.

6.9 **Severability of Proposal**

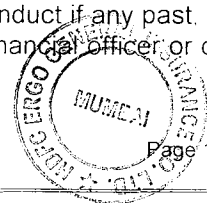
Failure by any **Insured** to comply with their duty of disclosure or misrepresentation by any **Insured** to **HDFC ERGO** shall not prejudice the right of any other **Insured** to cover under this **Policy**. Cover is only provided to an **Insured** who is innocent of and has no prior knowledge of such failure or misrepresentation.

6.10 **Non-Imputation**

For the purposes of determining the availability of cover provided under this **Policy**, the conduct of one **Insured** shall not be imputed to any other **Insured**, provided that cover is only provided to an **Insured** who is innocent of and has no prior knowledge of such conduct.

6.11 **Knowledge of the Company**

The **Company** will be deemed to have knowledge of any particular fact or conduct if any past, present or future chairman of the board, chief executive officer, chief operating officer, chief financial officer or chief legal officer



(or any person performing the duties of such officers irrespective of their title) of the **Company** has or ought to have knowledge of those facts or conduct.

6.12 **Change in Control**

If a **Change in Control** occurs during the **Policy Period**, this **Policy** will continue to provide cover but only in respect of **Wrongful Acts** committed or allegedly committed prior to the effective date of the **Change in Control**.

6.13 **Governing Law & Jurisdiction**

This **Policy** is governed by the law in force in India. All matters arising from or relating to the construction or operation of the provisions of this **Policy** shall be submitted to the exclusive jurisdiction of the courts of India.

6.14 **Policy Interpretation & Construction**

The headings in this **Policy** are for descriptive purposes only and do not form part of this **Policy** for the purpose of its construction or operation. Words used in the singular shall include the plural and vice versa. For the meaning of any words in bold refer to the **Schedule** or to Section 7 - Definitions.

7. **Definitions**

In this **Policy**:

7.1 **Change in Control** means any one of the following events:

- (a) the **Parent Company** specified in the **Schedule** consolidates or merges with, or sells all or substantially all of its assets to a person, entity or group of persons or entities acting in concert;
- (b) the **Parent Company** becomes a **Subsidiary** of another entity or becomes controlled by another entity; or
- (c) an administrator, receiver or liquidator is appointed to the **Parent Company**.

7.2 **Claim** means any:

- (a) written demand for damages or other legal remedy;
- (b) civil proceeding including third party proceeding or counterclaim;
- (c) criminal proceeding; or
- (d) administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

first made or brought against an **Insured Person** during the **Policy Period** (or the extended policy period under Extension 2.7 in respect of "Extended **Policy Period**" or Optional Extension 3.1 in respect of "Former Directors & Officers", if applicable) and reported to **HDFC ERGO** during the **Policy Period** (or the extended **Policy Period** under Extension 2.7 in respect of "Extended **Policy Period**" or Optional Extension 3.1 in respect of "Former Directors & Officers", if applicable) for a **Wrongful Act** which may result in **Loss, Defence Costs** or any other amounts insured under this **Policy**.

Where Optional Extension 3.2 in respect of "Company Securities Liability" applies, reference to a **Claim** also includes a **Securities Claim**.

7.3 **Company** means the **Parent Company** specified in the **Schedule** and its **Subsidiaries**.

7.4 **Defence Costs** means:





- (a) costs and expenses incurred by **HDFC ERGO**, or by an **Insured** but only with **HDFC ERGO's** prior written consent, solely for the benefit of the **Insured** in the investigation, settlement, defence or appeal of any **Claim** covered under this **Policy**; and
- (b) the costs of obtaining **Senior Counsel's** advice or determination under this **Policy**.

Defence Costs does not include the **Insured's** salaries, wages, travel or accommodation expenses.

7.5 **Director** means a person who:

- (a) is appointed to the position of director of the **Company**;
- (b) is appointed to the position of alternate director of the **Company** and is acting in that capacity; or
- (c) is not validly appointed as a director of the **Company** but acts in the position of a director of the **Company**.

7.6 **Employee** means a person who is or was employed by the **Company** including any full time, part time or casual employee. **Employee** does not include **Directors**, consultants, independent contractors, secondees to or agents of the **Company** or their respective employees (including the employees of labour-hire companies).

7.7 **Employment Practice Breach** means any:

- (a) unfair, harsh, unreasonable, unjust or unlawful dismissal or termination of employment for which a statutory remedy exists or allegedly exists;
- (b) harassment (including sexual harassment) of any kind in the workplace including the alleged creation or permission of an harassing workplace environment;
- (c) discrimination on any unlawful basis;
- (d) victimisation on any unlawful basis;
- (e) misleading or deceptive advertising or representation in respect of employment;
- (f) unfair failure to employ or promote, unfair deprivation of a career opportunity, unfair discipline, unfair failure to grant tenure or negligent performance evaluation;
- (g) unlawful interference with privacy;
- (h) denial of natural justice or denial of procedural fairness;
- (i) defamation; or
- (j) wrongful infliction of emotional distress, anguish or humiliation,

committed or allegedly committed against an **Employee** or prospective employee in respect of that person's past, present or prospective employment with the **Company**.

7.8 **Service Tax** means the tax imposed as services tax under the Finance Act, 1994 or as amended and any penalty and interest payable in respect of that tax.

7.9 **Inquiry** means any administrative or regulatory proceeding, official investigation, examination or inquiry into the affairs of the **Company** at or in which:

- (a) an **Insured Person** is legally required to attend; or
- (b) an **Insured Person** has been specifically designated in writing as a person under investigation in respect of their conduct as a **Director** or Officer.

7.10 **Insured** means any **Insured Person** and the **Company**.

7.11 **Insured Person** means any past, present or future **Director**, Officer or **Employee** of the **Company**.



In the case of a pension, retirement or provident benefit fund established for the benefit of **Employees**, **Insured Person** also includes a natural person trustee or a director or officer of a corporate trustee or a policy committee member.

Insured Person does not include any independent contractors, professional consultants, service providers, auditors, receivers, managers, liquidators, administrators, trustees, mortgagees in possession or the like, or any employee of such persons or entities, who are not employed by the **Company**.

7.12 **HDFC ERGO** means HDFC ERGO General Insurance Company Limited.

7.13 **Loss** means:

- (a) damages or claimant's costs or both payable by the **Insured** pursuant to an award or judgment entered against the **Insured**;
- (b) settlements negotiated by **HDFC ERGO** and consented to by the **Insured**; or
- (c) settlements negotiated by the **Insured** but only with the prior written consent of **HDFC ERGO**.

Loss does not include:

- (i) amounts uninsurable at law;
- (ii) salaries, wages, travel or accommodation expenses of an **Insured** incurred in assessing, investigating, dealing with or assisting others to deal with the **Claim**; or
- (iii) any **Service Tax** imposed or payable in respect of the **Premium** or any payment of **Insured** amounts made under this **Policy**.

All **Loss** attributable to one source or originating cause will be deemed one Loss.

7.14 **Not-for-Profit Entity** means any entity with a written constitution prohibiting the distribution of profits or assets amongst its members during the lifetime of the entity or upon its winding up.

7.15 **Officer** means an **Employee** (including any **Company** secretary) who:

- (a) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the **Company**; or
- (b) is concerned in, or takes part in, the management of the **Company**.

7.16 **Outside Entity** means:

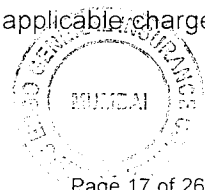
- (a) any **Not-for-Profit Entity**; and
- (b) any other entity specifically listed as such by **HDFC ERGO** in an endorsement to this **Policy**.

7.17 **Policy** means this **Policy** wording, any endorsements to it, the **Schedule** and the **Proposal**.

7.18 **Policy Period** means the period of time specified in the **Schedule** unless the **Policy** is cancelled in which event the **Policy Period** will end on the effective date of the cancellation.

7.19 **Pollutant** means any solid, liquid, gaseous, biological or thermal irritant or contaminant including, but not limited to, smoke, vapour, soot, fumes, noise, acids, alkalis, compounds, chemicals, asbestos, mould or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

7.20 **Premium** means the amount payable by the **Insured** for this **Policy** including any applicable charges advised by **HDFC ERGO**.



7.21 **Proposal** means the proposal form and any other information submitted by the **Insured** in applying for this insurance which shall be incorporated in and form the basis of this **Policy**.

7.22 **Schedule** means the schedule attached to this **Policy** and signed by an authorized representative of **HDFC ERGO**.

7.23 **Securities** means any security representing an equity interest in or debt of the **Company**.

7.24 **Securities Claim** means any:

- (a) written demand for damages or other legal remedy or civil proceeding including third party proceeding or counterclaim brought either directly or derivatively by any holder of **Securities** (other than a **Director** or **Officer**) in the holder's capacity as an investor in the **Company**; or
- (b) administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

first made or brought against the **Company** during the **Policy Period** (or the extended **Policy Period** under Extension 2.7 in respect of "Extended Policy Period", if applicable) and reported to **HDFC ERGO** during the **Policy Period** (or the extended policy period under Extension 2.7 in respect of "Extended Policy Period", if applicable) for a **Wrongful Act** which may result in **Loss** or **Defence Costs** insured under this **Policy**.

7.25 **Senior Counsel** shall mean a Senior Counsel to be mutually agreed upon by **HDFC ERGO** and the **Insured**.

7.26 **Subsidiary** means any company which, according to the laws of India:

- (a) was or is a subsidiary of the **Parent Company** prior to or at the commencement of the **Policy Period**; or
- (b) becomes a subsidiary during the **Policy Period** but only in accordance with Extension 2.5 in respect of "New Subsidiaries".

Cover in respect of any such company applies only in respect of **Wrongful Acts** committed or allegedly committed whilst the company was or is a **Subsidiary**.

7.27 **Wrongful Act** means any:

- (a) act, error or omission including breach of duty, breach of trust, neglect, misstatement, misleading statement, misrepresentation or breach of warranty of authority committed or allegedly committed by an **Insured Person** in his or her capacity as a **Director** or **Officer**; or
- (b) matter claimed against an **Insured Person** solely because of his or her status as a **Director** or **Officer**.

Wrongful Act includes any **Employment Practice Breach** but it does not include any other act, error or omission committed or allegedly committed against an **Employee**.

For the purposes of any **Securities Claim** against the **Company**, **Wrongful Act** means any act, error or omission including breach of duty, breach of trust, neglect, misstatement, misleading statement, misrepresentation or breach of warranty of authority committed or allegedly committed by the **Company** in connection with the purchase or sale of, or the offer to purchase or sell, **Securities** whether such purchase, sale or offer involves a transaction with the **Company** or occurs in the open market.



THIS POLICY SHALL BE VOIDABLE AT THE OPTION OF HDFC ERGO IN THE EVENT OF MIS-REPRESENTATION, MIS-DESCRIPTION OR NON-DISCLOSURE OF ANY MATERIAL PARTICULAR BY THE POLICY HOLDER, PERSON INSURED UNDER THE POLICY OR A BENEFICIARY UNDER THIS POLICY IF HE IS DIFFERENT FROM THE PERSON INSURED. ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE INSURANCE COMPANY OR OTHER PERSONS, FILES A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE INSURANCE COMPANY'S SOLE DISCRETION AND RESULT IN A DENIAL OF INSURANCE BENEFITS.

IF A CLAIM IS IN ANY RESPECT BE FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR OTHER DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE POLICYHOLDER, PERSON INSURED UNDER THE POLICY, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF TO OBTAIN ANY BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE POLICYHOLDER, PERSON INSURED, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY STAND FORFEITED.

HDFC ERGO shall not be liable to make any payment under this Policy in respect of any Claim, if such Claim be, in any manner fraudulent or supported by any fraudulent statement or devise, whether by the persons covered under the Policy or by any person on their behalf.

Arbitration: Any and all disputes or differences under or in relation to this Policy shall be determined by the Indian Courts and subject to Indian law.

If any dispute or difference shall arise as to the quantum to be paid under this Policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing jointly by the Beneficiary and the Company or if they cannot agree upon a single arbitrator to be appointed within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by the Beneficiary and the Company respectively and the third arbitrator to be appointed by the two arbitrators, which arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time and for the time being in force.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as hereinbefore provide, if Company has disputed liability under or in respect of this Policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that the award by such arbitrators of the amount of the loss or damage shall be first obtained.

Grievance Redressal

Any person who has a grievance against HDFC ERGO, may himself or through his legal heirs make a complaint in writing to the Insurance Ombudsman in accordance with the procedure contained in The Redressal of Public Grievance Rules, 1998 (Ombudsman Rules). Proviso to Rule 16(2) of the Ombudsman Rules however, limits compensation that may be awarded by the Ombudsman, to the lower of compensation necessary to cover the loss suffered by the Insured as a direct consequence of the Insured peril or Rs. 20 lakhs Rupees Twenty Lakhs Only) inclusive of ex-gratia and other expenses. A copy of the said Rules shall be made available by the Company upon prior written request by the Insured.

STATUTORY NOTICE: INSURANCE IS THE SUBJECT MATTER OF THE SOLICITATION



EXECUTIVE AND ORGANIZATION LIABILITY INSURANCE POLICY

In consideration of the payment of the premium, and in reliance upon the Application and the statements therein, which form a part of this policy, the Insurer agrees as follows:

1. INSURING AGREEMENTS

With respect to Coverage A, B and C, solely with respect to Claims first made against an Insured during the Policy Period or the Discovery Period (if applicable) and reported to the Insurer pursuant to the terms of this policy, and subject to the other terms, conditions and limitations of this policy, this policy affords the following coverage:

COVERAGE A: EXECUTIVE LIABILITY INSURANCE

This policy shall pay the Loss of any Insured Person arising from a Claim made against such Insured Person for any Wrongful Act of such Insured Person, except when and to the extent that an Organization has indemnified such Insured Person. Coverage A shall not apply to Loss arising from a Claim made against an Outside Entity Executive.

COVERAGE B: ORGANIZATION INSURANCE

- (i) Organization Liability: This policy shall pay the Loss of any Organization arising from a Securities Claim made against such Organization for any Wrongful Act of such Organization.
- (ii) Indemnification of an Insured Person: This policy shall pay the Loss of an Organization arising from a Claim made against an Insured Person (including an Outside Entity Executive) for any Wrongful Act of such Insured Person, but only to the extent that such Organization has indemnified such Insured Person.

COVERAGE C: OUTSIDE ENTITY EXECUTIVE LIABILITY INSURANCE

This policy shall pay the Loss of any Outside Entity Executive arising from a Claim made against such Outside Entity Executive for any Wrongful Act of such Outside Entity Executive but only excess of any indemnification provided by an Outside Entity and any insurance coverage afforded to an Outside Entity or its Executives applicable to such Claim, except when and to the extent that an Organization has indemnified such Outside Entity Executive.

COVERAGE D: CRISIS FUND SM INSURANCE

This policy shall pay the Crisis Loss (including Delisting Crisis Loss) of an Organization solely with respect to a Crisis (including a Delisting Crisis) occurring during the Policy Period or the Discovery Period (if applicable) and reported to the Insurer pursuant to the terms of this policy, up to the amount of the respective Crisis Fund SM. from first dollar; provided that payment of any Crisis Loss under this policy shall not waive any of the Insurer's rights under this policy or at law. This Coverage D shall apply regardless of whether a Claim is ever made against an Insured arising from such Crisis and, in the case where a Claim is made, regardless of whether the amount is incurred prior to or subsequent to the making of the Claim.



2. DEFINITIONS

- (a) "Application" means each and every signed application, any attachments to such applications, other materials submitted therewith or incorporated therein and any other documents submitted in connection with the underwriting of this policy or the underwriting of any other directors and officers (or equivalent) liability policy issued by the Insurer, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time, and any public documents filed by an Organization with any federal, state, local or foreign regulatory agency (including but not limited to the Securities and Exchange Commission (SEC)).
- (b) "Claim" means: (1) a written demand for monetary, non-monetary or injunctive relief; (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by: (i) service of a complaint or similar pleading; (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or (iii) receipt or filing of a notice of charges; or (3) a civil, criminal, administrative or regulatory investigation of an Insured Person: (i) once such Insured Person is identified in writing by such investigating authority as a person against whom a proceeding described in Definition (b)(2) may be commenced; or (ii) in the case of an investigation by the SEC or a similar state or foreign government authority, after the service of a subpoena upon such Insured Person.

The term "Claim" shall include any Securities Claim and any Employment Practices Claim.

- (c) "Crisis" has the meaning as defined in Appendix B attached to this policy.
- (d) "Crisis Fund SM" means: (1) in the case of all Crisis Loss, other than Delisting Crisis Loss, the dollar amount set forth in Item 7(a) of the Declarations; and (2) in the case of Delisting Crisis Loss the dollar amount set forth in Item 7(a) of the Declarations plus the additional dollar amount set forth in Item 7(b) of the Declarations, combined.
- (e) "Crisis Loss" has the meaning as defined in Appendix B attached to this policy. "Delisting Crisis Loss" means a Crisis Loss resulting solely from a Delisting Crisis (as defined in Appendix B).
- (f) "Defense Costs" means reasonable and necessary fees, costs and expenses consented to by the Insurer (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and/or appeal of a Claim against an Insured, but excluding any compensation of any Insured Person or any Employee of an Organization.
- (g) "Employee" means any past, present or future employee, other than an Executive of an Organization, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any fulltime, part-time, seasonal and temporary employee.
- (h) "Employment Practices Claim" means a Claim alleging any Employment Practices Violation.



- (i) "Employment Practices Violation" means any actual or alleged: (1) wrongful dismissal, discharge or termination, either actual or constructive, of employment; (2) harassment (including but not limited to sexual harassment); (3) discrimination; (4) retaliation; (5) employment-related misrepresentation; (6) employment-related libel, slander, humiliation, defamation or invasion of privacy; (7) wrongful failure to employ or promote; (8) wrongful deprivation of career opportunity, wrongful demotion or negligent Employee evaluation; (9) wrongful discipline; (10) failure to grant tenure; or (11) with respect to any of the foregoing items (1) through (10) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights, but only if such act, error or omission relates to an Executive of, an Employee of or an applicant for employment with an Organization or an Outside Entity, whether committed directly, indirectly, intentionally or unintentionally. In addition, with respect to any natural person customer or client, "Employment Practices Violation" shall mean only actual or alleged discrimination, sexual harassment or violation of an individual's civil rights relating to such discrimination or sexual harassment, whether committed directly, indirectly, intentionally or unintentionally.
- (j) "Executive" means any: (1) past, present and future duly elected or appointed director, officer, trustee or governor of a corporation, management committee member of a joint venture and member of the management board of a limited liability company (or equivalent position); (2) past, present and future person in a duly elected or appointed position in an entity organized and operated in a Foreign Jurisdiction that is equivalent to an executive position listed in Definition (j)(1); or (3) past, present and future General Counsel and Risk Manager (or equivalent position) of the Named Entity.
- (k) "Foreign Jurisdiction" means any jurisdiction, other than India or any of its territories or possessions.
- (l) "Foreign Policy" means the Insurer's standard executive managerial liability policy (including all mandatory endorsements, if any) approved by HDFC ERGO to be sold within a Foreign Jurisdiction that provides coverage substantially similar to the coverage afforded under this policy. If more than one such policy exists, then "Foreign Policy" means the standard policy most recently registered in the local language of the Foreign Jurisdiction, or if no such policy has been registered, then the policy most recently registered in that Foreign Jurisdiction. The term "Foreign Policy" shall not include any partnership managerial, pension trust or professional liability coverage.
- (m) "Indemnifiable Loss" means Loss for which an Organization has indemnified or is permitted or required to indemnify an Insured Person pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of an Organization.
- (n) "Insured" means any:
 - (1) Insured Person; or
 - (2) Organization, but only with respect to a Securities Claim.
- (o) "Insured Person" means any:
 - (1) Executive of an Organization;
 - (2) Employee of an Organization; or
 - (3) Outside Entity Executive.



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- (p) "Loss" means damages, settlements, judgments (including pre/post-judgment interest on a covered judgment), Defense Costs and Crisis Loss; however, "Loss" (other than Defense Costs) shall not include: (1) civil or criminal fines or penalties; (2) taxes; (3) punitive or exemplary damages; (4) the multiplied portion of multiplied damages; (5) any amounts for which an Insured is not financially liable or which are without legal recourse to an Insured; and (6) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Notwithstanding the foregoing paragraph, Loss shall specifically include (subject to this policy's other terms, conditions and limitations, including but not limited to exclusions relating to profit or advantage, deliberate fraud or deliberate criminal acts): (1) civil penalties assessed against any Insured Person pursuant to Section 2(g) (2)(C) of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2(g)(2)(C); and (2) solely with respect to Securities Claims, punitive, exemplary and multiplied damages. Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such penalties and punitive, exemplary and multiple damages.

In the event of a Claim alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity is inadequate, Loss with respect to such Claim shall not include any amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased; provided, however, that this paragraph shall not apply to Defense Costs or to any Non-Indemnifiable Loss in connection therewith.

- (q) "Management Control" means: (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an Organization, to elect, appoint or designate a majority of: the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.
- (r) "No Liability" means a final judgment of no liability obtained: (1) prior to trial, in favor of each and every Insured named in the Claim, by reason of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals; or (2) after trial and after the exhaustion of all appeals, in favor of each and every Insured named in the Claim. In no event shall the term "No Liability" apply to a Claim made against an Insured for which a settlement has occurred.
- (s) "Non-Indemnifiable Loss" means Loss for which an Organization has neither indemnified nor is permitted or required to indemnify an Insured Person pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of an Organization.
- (t) "Organization" means:
- (1) the Named Entity;
 - (2) each Subsidiary; and
 - (3) in the event a bankruptcy proceeding shall be instituted by or against the foregoing entities, the resulting debtor-in-possession (or equivalent status outside the United States), if any.



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- (u) "Outside Entity" means any: (1) not-for-profit entity; or (2) other entity listed as an "Outside Entity" in an endorsement attached to this policy.
 - (v) "Outside Entity Executive" means any: (1) Executive of an Organization who is or was acting at the specific written request or direction of an Organization as an Executive of an Outside Entity; or (2) any other person listed as an Outside Entity Executive in an endorsement attached to this policy.
 - (w) "Policy Period" means the period of time from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in such Item 2 or the effective date of cancellation of this policy.
 - (x) "Pollutants" means, but is not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and Waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
 - (y) "Securities Claim" means a Claim, other than an administrative or regulatory proceeding against, or investigation of an Organization, made against any Insured:
 - (1) alleging a violation of any federal, state, local or foreign regulation, rule or statute regulating securities (including but not limited to the purchase or sale or offer or solicitation of an offer to purchase or sell securities) which is:
 - (a) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any securities of an Organization; or
 - (b) brought by a security holder of an Organization with respect to such security holder's interest in securities of such Organization; or
 - (2) brought derivatively on the behalf of an Organization by a security holder of such Organization.
- Notwithstanding the foregoing, the term "Securities Claim" shall include an administrative or regulatory proceeding against an Organization, but only if and only during the time that such proceeding is also commenced and continuously maintained against an Insured Person.
- (z) "Subsidiary" means: (1) any for-profit entity that is not formed as a partnership of which the Named Entity has Management Control ("Controlled Entity") on or before the inception of the Policy Period either directly or indirectly through one or more other Controlled Entities; and (2) any not-for-profit entity under section 501(c)(3) of the Internal Revenue Code of 1986 (as amended) sponsored exclusively by an Organization.
 - (aa) "Wrongful Act" means:
 - (1) any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act or any actual or alleged Employment Practices Violation:
 - (i) with respect to any Executive of an Organization, by such Executive in his or her capacity as such or any matter claimed against such Executive solely by reason of his or her status as such;
 - (ii) with respect to any Employee of an Organization, by such Employee in his or her capacity as such, but solely in regard to any: (a) Securities Claim, or (b) other Claim so long as such other Claim is also made and continuously maintained against an Executive of an Organization; or

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- (iii) with respect to any Outside Entity Executive, by such Outside Entity Executive in his or her capacity as such or any matter claimed against such Outside Entity Executive solely by reason of his or her status as such; or
- (2) with respect to an Organization, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by such Organization, but solely in regard to a Securities Claim.

3. WORLDWIDE EXTENSION

Where legally permissible, this policy shall apply to any Claim made against any Insured anywhere in the world.

In regard to Claims brought and maintained solely in a Foreign Jurisdiction against an Organization formed and operating in such Foreign Jurisdiction or an Insured Person thereof for Wrongful Acts committed in such Foreign Jurisdiction, the Insurer shall apply to such Claim(s) those terms and conditions (and related provisions) of the Foreign Policy registered with the appropriate regulatory body in such Foreign Jurisdiction that are more favorable to such Insured than the terms and conditions of this policy. However, this paragraph shall apply only to Clauses 1-4, 9-13, 15, 16, 18, 20 and 21 of this policy and the comparable provisions of the Foreign Policy. In addition, this paragraph shall not apply to the non-renewal or claims made and reported provisions of any policy.

All premiums, limits, retentions, Loss and other amounts under this Policy are expressed and payable in the currency of India.

4. EXCLUSIONS

The Insurer shall not be liable to make any payment for Loss in connection with any Claim made against an Insured:

- (a) arising out of, based upon or attributable to the gaining in fact of any profit or advantage to which the Insured was not legally entitled;
- (b) arising out of, based upon or attributable to payments to an Insured of any remuneration without the previous approval of the stockholders or members of an Organization, which payment without such previous approval shall be held to have been illegal;
- (c) arising out of, based upon or attributable to the committing in fact of any deliberate criminal or deliberate fraudulent act by the Insured;
- (d) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related Wrongful Acts alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- (e) alleging, arising out of, based upon or attributable to, as of the Continuity Date, any pending or prior:
 - (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an Insured had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;
- (f) with respect to any Outside Entity Executive, for any Wrongful Act occurring prior to the Continuity Date if any Insured, as of such Continuity Date, knew or could have reasonably foreseen that such Wrongful Act could lead to a Claim under this policy;

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- (g) alleging, arising out of, based upon or attributable to any actual or alleged act or omission of an Insured Person serving in his or her capacity as an Executive or an Employee of any entity that is not an Organization or an Outside Entity, or by reason of his or her status as an Executive or an Employee of such other entity;
- (h) for bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;
- (i) which is brought by or on behalf of an Organization or any Insured Person, other than an Employee of an Organization; or which is brought by any security holder or member of an Organization, whether directly or derivatively, unless such security holder's or member's Claim is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of, any Executive of an Organization or any Organization; provided, however, this exclusion shall not apply to:
 - (1) any Claim brought by an Insured Person in the form of a cross-claim or third-party claim for contribution or indemnity which is part of, and results directly from, a Claim that is covered by this policy;
 - (2) any Employment Practices Claim brought by an Insured Person, other than an Insured Person who is or was a member of the Board of Directors (or equivalent governing body) of an Organization;
 - (3) in any bankruptcy proceeding by or against an Organization, any Claim brought by the examiner, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such Organization, if any;
 - (4) any Claim brought by any past Executive of an Organization who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, General Counsel or Risk Manager (or equivalent position) of or consultant for an Organization for at least four (4) years prior to such Claim being first made against any person; or
 - (5) any Claim brought by an Executive of an Organization formed and operating in a Foreign Jurisdiction against such Organization or any Executive thereof, provided that such Claim is brought and maintained outside the United States, Canada or any other common law country (including any territories thereof);
- (j) for any Wrongful Act arising out of the Insured Person serving as an Executive of an Outside Entity if such Claim is brought by the Outside Entity or by any Executive thereof; or which is brought by any security holder of the Outside Entity, whether directly or derivatively, unless such security holder's Claim is instigated and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of the Outside Entity, any Executive of the Outside Entity or an Organization or any Executive of an Organization;
- (k) alleging, arising out of, based upon or attributable to, directly or indirectly: (i) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or (ii) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants, (including but not limited to a claim alleging damage to an Organization or its securities holders); provided, however, that this exclusion shall not apply to Non-Indemnifiable Loss, other than Non-Indemnifiable Loss constituting Cleanup Costs;



"Cleanup Costs" means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of Pollutants.

- (l) for emotional distress of any person, or for injury from libel, slander, defamation or disparagement, or for injury from a violation of a person's right of privacy; provided, however, this exclusion shall not apply to an Employment Practices Claim; and
- (m) for violation(s) of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 or amendments thereto, or any similar provisions of any state, local or foreign statutory or common law.

For the purpose of determining the applicability of the foregoing Exclusions 4(a) through 4(c) and Exclusion 4(f):

- (1) the facts pertaining to and knowledge possessed by any Insured shall not be imputed to any other Insured Person; and
- (2) only facts pertaining to and knowledge possessed by any past, present or future chairman of the board, president, chief executive officer, chief operating officer, chief financial officer or General Counsel (or equivalent position) of an Organization shall be imputed to an Organization.

This Clause 4, Exclusions, shall not be applicable to Crisis Loss.

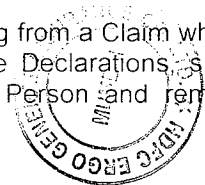
5. LIMIT OF LIABILITY (FOR ALL LOSS - INCLUDING DEFENSE COSTS)

The Limit of Liability stated in Item 3 of the Declarations is the aggregate limit of the Insurer's liability for all Loss, under Coverages A, B, C and D combined, arising out of all Claims first made against each and every Insured, and all Crisis Loss occurring, during the Policy Period and the Discovery Period (if applicable). The Limit of Liability for the Discovery Period and the Crisis Fund SM shall be part of, and not in addition to, the Limit of Liability for the Policy Period. Further, a Claim which is made subsequent to the Policy Period or Discovery Period (if applicable) which pursuant to Clause 7(b) or 7(c) is considered made during the Policy Period or Discovery Period shall also be subject to the one aggregate Limit of Liability stated in Item 3 of the Declarations. The limit of the Insurer's liability for Crisis Loss and Delisting Crisis Loss arising from all Crises occurring during the Policy Period, in the aggregate, shall be the amounts set forth as the Crisis Fund SM. The Crisis Fund SM shall be the aggregate limit of the Insurer's liability for all Crises under this policy regardless of the number of Crises occurring during the Policy Period.

Defense Costs are not payable by the Insurer in addition to the Limit of Liability. Defense Costs are part of Loss and as such are subject to the Limit of Liability for Loss.

6. RETENTION CLAUSE

For each Claim, the Insurer shall only be liable for the amount of Loss arising from a Claim which is in excess of the applicable Retention amounts stated in Item 4 of the Declarations. Such Retention amounts to be borne by an Organization and/or the Insured Person and remain uninsured, with regard to all Loss other than Non- Indemnifiable Loss.



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A single Retention amount shall apply to Loss arising from all Claims alleging the same Wrongful Act or related Wrongful Acts.

In the event a Claim triggers more than one of the Retention amounts stated in Item 4 of the Declarations, then, as to that Claim, the highest of such Retention amounts shall be deemed the Retention amount applicable to Loss (to which a Retention is applicable pursuant to the terms of this policy) arising from such Claim.

Further, with respect to all Claims, other than Employment Practices Claims, no Retention shall apply to Loss arising from such Claims and the Insurer shall reimburse Defense Costs otherwise covered hereunder and paid by the Insured, in the event of: (1) a determination of No Liability of each and every Insured against whom the same Claim or related Claims have been made; or (2) a dismissal or a stipulation to dismiss each and every Insured against whom the same Claim or related Claims have been made without prejudice and without the payment of any consideration by or on behalf of any Insured. However, in the case of (2) above, such reimbursement shall occur 90 days after the date of dismissal or stipulation as long as such Claim is not brought (or any other Claim which is subject to the same single retention by virtue of Clause 6 is not pending or brought) again within that time, and further subject to an undertaking by an Organization in a form acceptable to the Insurer that such reimbursement shall be paid back by such Organization to the Insurer in the event the Claim (or any other Claim which is subject to the same single retention by virtue of Clause 6) is brought after such 90-day period.

No Retention amount is applicable to Crisis Loss or Non-Indemnifiable Loss.

7. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to the Insurer named in Item 8 of the Declarations at the address indicated in Item 8 of the Declarations. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

- (a) An Organization or an Insured shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Insurer of a Claim made against an Insured or a Crisis as soon as practicable: (i) after the Named Entity's Risk Manager or General Counsel (or equivalent position) first becomes aware of the Claim; or (ii) the Crisis commences, but in all events no later than either:
- (1) the end of the Policy Period or the Discovery Period (if applicable); or
 - (2) within 30 days after the end of the Policy Period or the Discovery Period (if applicable), as long as such

Claim was first made against an Insured within the final 30 days of the Policy Period or the Discovery Period (if applicable).

- (b) If written notice of a Claim has been given to the Insurer pursuant to Clause 7(a) above, then a Claim which is subsequently made against an Insured and reported to the Insurer alleging, arising out of, based upon or attributable to the facts alleged in the Claim for which such notice has been given, or alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged in the Claim of which such notice has been given, shall be considered related to the first Claim and made at the time such notice was given.

- (c) If during the Policy Period or during the Discovery Period (if applicable) an Organization or an Insured shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against an Insured and shall give written notice to the Insurer of the circumstances, the Wrongful Act allegations anticipated and the reasons for anticipating such a Claim, with full particulars as to dates, persons and entities involved, then a Claim which is subsequently made against such Insured and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

8. DEFENSE COSTS, SETTLEMENTS, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS)

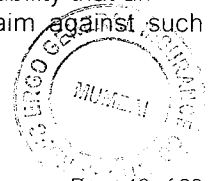
Under Coverages A, B and C of this policy, except as hereinafter stated, the Insurer shall advance, excess of any applicable retention amount, covered Defense Costs no later than ninety (90) days after the receipt by the Insurer of such defense bills. Such advance payments by the Insurer shall be repaid to the Insurer by each and every Insured or Organization, severally according to their respective interests, in the event and to the extent that any such Insured or Organization shall not be entitled under this policy to payment of such Loss.

The Insurer does not, however, under this policy, assume any duty to defend. The Insureds shall defend and contest any Claim made against them. The Insureds shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any Defense Costs without the prior written consent of the Insurer. Only those settlements, stipulated judgments and Defense Costs which have been consented to by the Insurer shall be recoverable as Loss under the terms of this policy. The Insurer's consent shall not be unreasonably withheld, provided that the Insurer shall be entitled to effectively associate in the defense, the prosecution and the negotiation of any settlement of any Claim that involves or appears reasonably likely to involve the Insurer.

The Insurer shall have the right to effectively associate with each and every Organization and Insured Person in the defense and prosecution of any Claim that involves, or appears reasonably likely to involve, the Insurer, including, but not limited to, negotiating a settlement. Each and every Organization and Insured Person shall give the Insurer full cooperation and such information as it may reasonably require.

Notwithstanding any of the foregoing, if all Insured defendants are able to dispose of all Claims which are subject to one retention amount (inclusive of Defense Costs) for an amount not exceeding any applicable retention amount, then the Insurer's consent shall not be required for such disposition.

No Organization is covered in any respect under Coverage A or Coverage C. An Organization is covered, subject to the policy's terms, conditions and limitations only with respect to: (1) its indemnification of its Insured Persons under Coverage B(ii) as respects a Claim against such Insured Persons; and (2) under Coverage B(i) for a Securities Claim. Accordingly, the Insurer has no obligation under this policy for covered Defense Costs incurred by, judgments against or settlements by an Organization arising out of a Claim made against an Organization other than a covered Securities Claim, or any obligation to pay Loss arising out of any legal liability that an Organization has to a claimant, except as respects a covered Securities Claim against such Organization.



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With respect to: (i) Defense Costs jointly incurred by; (ii) any joint settlement entered into by; and/or (iii) any judgment of joint and several liability against any Organization and any Insured in connection with any Claim other than a Securities Claim, any such Organization and any such Insured and the Insurer agree to use their best efforts to determine a fair and proper allocation of the amounts as between any such Organization, any such Insured and the Insurer, taking into account the relative legal and financial exposures, and the relative benefits obtained by any such Insured and any such Organization. In the event that a determination as to the amount of Defense Costs to be advanced under the policy cannot be agreed to, then the Insurer shall advance Defense Costs excess of any applicable retention amount which the Insurer states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

This Clause 8 shall not be applicable to Crisis Loss. Nevertheless the Insurer does not, under this policy, assume any duty to defend.

9. PRE-AUTHORIZED SECURITIES DEFENSE ATTORNEYS

Affixed as Appendix A hereto and made a part of this policy is a list of Panel Counsel law firms ("Panel Counsel Firms"). The list provides the Insureds with a choice of law firms from which a selection of legal counsel shall be made to conduct the defense of any Securities Claim made against such Insureds.

The Insureds shall select a Panel Counsel Firm to defend the Securities Claim made against the Insureds in the jurisdiction in which the Securities Claim is brought. In the event the Claim is brought in a jurisdiction not included on the list, the Insureds shall select a Panel Counsel Firm in the listed jurisdiction which is the nearest geographic jurisdiction to either where the Securities Claim is brought or where the corporate headquarters of the Named Entity is located. In such instance the Insureds also may, with the express prior written consent of the Insurer, which consent shall not be unreasonably withheld, select a non-Panel Counsel Firm in the jurisdiction in which the Securities Claim is brought to function as "local counsel" on the Claim to assist the Panel Counsel Firm which will function as "lead counsel" in conducting the defense of the Securities Claim.

With the express prior written consent of the Insurer, an Insured may select a Panel Counsel Firm different from that selected by another Insured defendant if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable. The list of Panel Counsel Firms may be amended from time to time by the Insurer. However, no firm shall be removed from the specific list attached to this policy during the Policy Period, without the consent of the Named Entity.

10. DISCOVERY CLAUSE

Except as indicated below, if the Named Entity shall cancel or the Named Entity or the Insurer shall refuse to renew this policy, the Named Entity shall have the right to a period of either one, two or three years following the effective date of such cancellation or nonrenewal (the "Discovery Period") upon payment of the respective "Additional Premium Amount" described below in which to give to the Insurer written notice pursuant to Clause 7(a) and 7(c) of the policy of: (i) Claims first made against an Insured; and (ii) circumstances of which an Organization or an Insured shall become aware, in either case during said Discovery Period and solely with respect to a Wrongful Act occurring prior to the end of the Policy Period and otherwise covered by this policy.

The Additional Premium Amount for:

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- (1) one year shall be no more than 75% of the Full Annual Premium;
- (2) two years shall be no more than 150% of the Full Annual Premium; and (3) three years shall be no more than 225% of the Full Annual Premium. As used herein, "Full Annual Premium" means the premium level in effect immediately prior to the end of the Policy Period.

Notwithstanding the first paragraph of Clause 5, if the Named Entity shall cancel or the Insurer or the Named Entity shall refuse to renew this policy, then the Named Entity shall also have the right, to request an offer from the Insurer of a Discovery Period (with respect to Wrongful Acts occurring prior to the end of the Policy Period) with an aggregate limit of liability applicable to Claims made against the Insured during such Discovery Period which is in addition to, and not part of, the applicable Limit of Liability set forth in Item 3 of the Declarations. The Insurer shall quote such a Discovery Period pursuant to such terms, conditions, exclusions and additional premium as it deems appropriate in its sole and absolute discretion.

In the event of a Transaction as defined in Clause 12(a), the Named Entity shall have the right to request an offer from the Insurer of a Discovery Period (with respect to Wrongful Acts occurring prior to the effective time of the Transaction). The Insurer shall offer such Discovery Period pursuant to such terms, conditions, exclusions and additional premium as the Insurer may reasonably decide. In the event of a Transaction, the right to a Discovery Period shall not otherwise exist except as indicated in this paragraph.

The Discovery Period is not cancelable and the additional premium charged shall be fully earned at inception.

This Clause 10 shall not apply to any cancellation resulting from non-payment of premium. The rights contained in this Clause 10 shall terminate unless written notice of election of a Discovery Period together with any additional premium due is received by the Insurer no later than thirty (30) days subsequent to the effective date of the cancellation, nonrenewal or Transaction.

11. CANCELLATION CLAUSE

This policy may be canceled by the Named Entity at any time only by mailing written prior notice to the Insurer or by surrender of this policy to the Insurer or its authorized agent. This policy may only be canceled by or on behalf of the Insurer in the event of non-payment of premium by the Named Entity. In the event of non-payment of premium by the Named Entity, the Insurer may cancel this policy by delivering to the Named Entity or by mailing to the Named Entity, by registered, certified, or other first class mail, at the Named Entity's address as shown in Item 1(a) of the Declarations, written notice stating when, not less than 15 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice. The Policy Period terminates at the date and hour specified in such notice, or at the date and time of surrender. The Insurer shall have the right to the premium amount for the portion of the Policy Period during which the policy was in effect.

If this policy shall be canceled by the Named Entity, the Insurer shall retain the customary short rate proportion of the premium herein. If the period of limitation relating to the giving of notice as set forth in this Clause 11 is also set forth in any law controlling the construction thereof, then such period shall be deemed to be amended so as to be equal to the minimum period of limitation set forth in the controlling law.

12. ORGANIZATIONAL CHANGES



HDFC ERGO General Insurance Company Limited



- (a) If during the Policy Period:
- (1) the Named Entity shall consolidate with, merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
 - (2) any person or entity or group of persons or entities acting in concert shall acquire Management Control of the Named Entity; (any of such events being a "Transaction"), then this policy shall continue in full force and effect as to Wrongful Acts occurring prior to the effective time of the Transaction, but there shall be no coverage afforded by any provision of this policy for any actual or alleged Wrongful Act occurring after the effective time of the Transaction. This policy may not be canceled after the effective time of the Transaction and the entire premium for this policy shall be deemed earned as of such time. The Named Entity shall also have the right to an offer by the Insurer of a Discovery Period described in the fourth paragraph of Clause 10 of this policy.
- (b) **Subsidiary Additions:** "Subsidiary" also means any for-profit entity that is not formed as a partnership of which the Named Entity first had Management Control during the Policy Period, whether directly or indirectly through one or more other Subsidiaries, and:
- (1) whose assets total less than 25% of the total consolidated assets of each and every Organization as of the inception date of this policy; or
 - (2) whose assets total 25% or more than the total consolidated assets of each and every Organization as of the inception date of this policy, but such entity shall be a "Subsidiary" only: (i) for a period of sixty (60) days from the date the Named Entity first had Management Control of such entity; or (ii) until the end of the Policy Period, which ever ends or occurs first (hereinafter "Auto-Subsidiary Period"); provided that the Named Entity or any other Insured shall report such Subsidiary to the Insurer, in writing, prior to the end of the Policy Period.
- The Insurer shall extend coverage for any Subsidiary described in 12(b)(2) above, and any Insured Person thereof, beyond its respective Auto-Subsidiary Period if during such Auto-Subsidiary Period, the Named Entity shall have provided the Insurer with full particulars of the new Subsidiary and agreed to any additional premium and amendment of the provisions of this policy required by the Insurer relating to such Subsidiary.
- Further, coverage as shall be afforded to any Subsidiary and any Insured Person thereof is conditioned upon the Named Entity paying when due any additional premium required by the Insurer relating to such Subsidiary.
- (c) **Insured Persons and Outside Entity Executives:** Coverage will automatically apply to all new Insured Persons of and Outside Entity Executives of an Organization following the inception date of this policy.
- (d) **Other Organizational Changes:** In all events, coverage as is afforded under this policy with respect to a Claim made against any Organization and/or any Insured Person thereof shall only apply for Wrongful Acts committed or allegedly committed after the effective time such Organization became an Organization and such Insured Person became an Insured Person, and prior to the effective time that such Organization ceases to be an Organization or such Insured Person ceases to be an Insured Person. An organization ceases to be an Organization when the Named Entity no longer maintains Management Control of an Organization either directly or indirectly through one or more of its Subsidiaries.

13. SUBROGATION

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of such payment to all of each and every Organization's and Insured's rights of recovery thereof, and each such Organization and Insured shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of any and all documents necessary to enable the Insurer effectively to bring suit in the name of each such Organization and each such Insured. In no event, however, shall the Insurer exercise its rights of subrogation against an Insured under this policy unless such Insured has been convicted of a deliberate criminal act, or been determined to have in fact committed a deliberate fraudulent act, or been determined to have in fact obtained any profit or advantage to which such Insured was not legally entitled.

14. OTHER INSURANCE AND INDEMNIFICATION

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided by this policy. This policy shall specifically be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a Claim for which this policy may be obligated to pay Loss.

In the event of a Claim made against an Outside Entity Executive, coverage as is afforded by this policy, whether under Coverage B(ii) or Coverage C, shall be specifically excess of:

- (1) any indemnification provided by an Outside Entity; and
- (2) any insurance coverage afforded to an Outside Entity or its Executives applicable to such Claim. Further, in the event such other Outside Entity insurance is provided by the Insurer or any other company (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 Insurer's maximum aggregate Limit of Liability for all Loss under this policy, as respects any such Claim, shall be reduced by the amount of the limit of liability (as set forth on the Declarations) of the other insurance provided to such Outside Entity.

15. NOTICE AND AUTHORITY

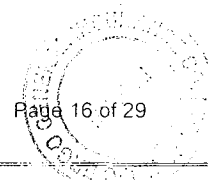
It is agreed that the Named Entity shall act on behalf of its Subsidiaries and each and every Insured with respect to the giving of notice of Claim, the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy and the exercising or declining of any right to a Discovery Period.

16. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the written consent of the Insurer.

17. ARBITRATION

- (a) Any and all disputes or differences which may arise under, out of, in connection with or in relation to this policy, or to its existence, validity or termination, or to the determination of the amount or any amounts payable under this policy, shall be referred to a sole arbitrator



to be appointed by the parties to the dispute within 30 days of any party giving notice of arbitration to the other(s).

- (b) In the event that the parties are unable to agree upon the identity of a sole arbitrator, the disputes or differences shall be referred to the decision of 3 arbitrators of whom one shall be appointed in writing by each of the parties within a period of 30 days after the failure to appoint a sole arbitrator and the third (who shall serve as Chairman) shall be appointed by the nominated arbitrators. In case either party shall refuse or fail to appoint an arbitrator within the aforesaid 30 days after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator who shall thereafter be empowered to conduct the arbitration and determine the disputes or differences referred to him as if he had been appointed a sole arbitrator with the consent of both parties.
- (c) The parties shall share the expenses of the arbitrator or arbitral tribunal equally and such expenses, along with the reasonable costs of the parties in the arbitration, shall be awarded by the arbitrator or arbitral tribunal in favour of the successful party in the arbitration or, where no party can be said to have been wholly successful, to the party who has substantially succeeded.
- (d) The place of arbitration shall be India, the language of the arbitration shall be English, the law applicable to and in the arbitration shall be Indian law and the arbitration process will be in accordance with the provisions of the Arbitration & Conciliation Act 1996, as amended from time to time.
- (e) It is a condition precedent to any right of action or suit upon this policy that the award by such arbitrator or arbitrators shall be first obtained.
- (f) In the event that these arbitration provisions shall be held to be invalid then all such disputes shall be referred to the exclusive jurisdiction of the Indian courts.

18. ACTION AGAINST INSURER

Except as provided in Clause 17 of the policy, no action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, or until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against such Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Insurer as a party to any action against any Insured or Organization to determine the Insured's liability, nor shall the Insurer be impleaded by any Insured Person, their spouse, any Organization or any legal representative of the foregoing.

19. BANKRUPTCY

Bankruptcy or insolvency of any Organization or any Insured Person shall not relieve the Insurer of any of its obligations hereunder.

It is further understood and agreed that the coverage provided under this policy is intended to protect and benefit the Insured Persons. Further, if a liquidation or reorganization proceeding is

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commenced by the Named Entity and/or any other Organization (whether voluntarily or involuntarily) under Title 11 of the United States Code (as amended), or any similar state, local or foreign law (collectively "Bankruptcy Law") then, in regard to a covered Claim under this policy, the Insureds hereby:

- (a) waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this policy under such Bankruptcy Law; and
- (b) agree not to oppose or object to any efforts by the Insurer or any Insured to obtain relief from any stay or injunction applicable to the proceeds of this policy as a result of the commencement of such liquidation or reorganization proceeding.

20. SPOUSAL AND LEGAL REPRESENTATIVE EXTENSION

If a Claim against an Insured Person includes a Claim against:

- (i) the lawful spouse of such Insured Person; or
- (ii) a property interest of such spouse, and such Claim arises from any actual or alleged Wrongful Act of such Insured Person, this policy shall cover Loss arising from the Claim made against that spouse or the property of that spouse to the extent that such Loss does not arise from a Claim for any actual or alleged act, error or omission of such spouse. This policy shall cover Loss arising from a Claim made against the estates, heirs, or legal representatives of any deceased Insured Person, and the legal representatives of any Insured Person, in the event of incompetency, insolvency or bankruptcy, who was an Insured Person at the time the Wrongful Acts upon which such Claim is based were committed.

21. RENEWAL APPLICATION PROCEDURE

If this policy is a renewal of, a replacement of, or succeeds in time any policy (providing similar coverage) issued by the Insurer, or any of its affiliates, then in granting coverage under this policy it is agreed that the Insurer has relied upon the Application as being accurate and complete in underwriting this policy. This Clause 21 together with the Application constitute the complete Application that is the basis of this policy and form a part hereof, and is material to the risk assumed by the Insurer. No written renewal application form need be completed by the Named Entity in order to receive a renewal quote from the Insurer, although the Insurer reserves the right to require specific information upon renewal.

22. ORDER OF PAYMENTS

In the event of Loss arising from a covered Claim for which payment is due under the provisions of this policy, then the Insurer shall in all events:

- (a) first, pay Loss for which coverage is provided under Coverage A and Coverage C of this policy; then
- (b) only after payment of Loss has been made pursuant to Clause 22(a) above, with respect to whatever remaining amount of the Limit of Liability is available after such payment, at the written request of the chief executive officer of the Named Entity, either pay or withhold payment of such other Loss for which coverage is provided under Coverage B(ii) of this policy; and then
- (c) only after payment of Loss has been made pursuant to Clause 22(a) and Clause 22(b) above, with respect to whatever remaining amount of the Limit of Liability is available after such payment, at the written request of the chief executive officer of the Named Entity, either pay or withhold payment of such other Loss for which coverage is provided under Coverages B(i) and D of this policy.

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In the event the Insurer withholds payment pursuant to Clause 22(b) and/or Clause 22(c) above, then the Insurer shall at such time and in such manner as shall be set forth in written instructions of the chief executive officer of the Named Entity remit such payment to an Organization or directly to or on behalf of an Insured Person.

The bankruptcy or insolvency of any Organization or any Insured Person shall not relieve the Insurer of any of its obligations to prioritize payment of covered Loss under this policy pursuant to this Clause 22.

23. HEADINGS

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

HDFC ERGO General Insurance Company Limited



Corporate Guard - Directors & Officers Liability Insurance

POLICYHOLDER:

POLICY NUMBER:

NOTICES: The Insurance Covers under this policy are afforded solely with respect to claims first made against an insured during the policy period and reported to the insurer as required by this policy. Amounts incurred for legal defence will reduce the limits of liability available to pay judgments or settlements, and be applied against the retention. The insurer does not assume any duty to defend.

Please read this policy carefully and review its cover with your insurance agent or broker.



In consideration of the payment of the premium and in reliance upon the *submission*, the *insurer* and the *policyholder* agree as follows.

1. Insurance Cover

The following insurance covers are afforded solely for *claims* first made against an *insured* during the *policy period* and reported to the *insurer* as required by this policy.

1.1. Management Liability

(i) **Individuals**

The *insurer* shall pay the *loss* of each *insured person* due to any *wrongful act*.

(ii) **Outside entity directors**

The *insurer* shall pay the *loss* of each *outside entity director* due to any *wrongful act*.

(iii) **Company reimbursement**

If a *company* pays the *loss* of an *insured person* due to any *wrongful act* of the *insured person*, the *insurer* will reimburse the *company* for such *loss*.

1.2. Special excess protection for non-executive directors

The *insurer* will pay the *non-identifiable loss* of each and every *non-executive director*, up to the *per non-executive director special excess limit*, due to any *wrongful act* when:

(i) the *limit of liability*;

(ii) all other applicable insurance whether specifically written as excess over the *limit of liability* of this policy or otherwise;

and

(iii) all other indemnification for *loss* available to any *non-executive director* have all been exhausted.

2. Extensions

2.1. Discovery

(i) **Bilateral discovery period**

If this policy is neither renewed nor replaced with similar cover, the *policyholder* shall be entitled to a *discovery period*, automatically of 30 days, or, upon payment of the applicable additional premium, of the period specified in Item 9



of the schedule.

(ii) ***Discovery period for retired insured persons***

If this policy is neither renewed nor replaced with similar cover, *retired insured persons* shall automatically be entitled to a *discovery period* of six years at no additional premium.

2.2. ***Emergency costs***

If, due to an emergency, the *insurer's* written consent cannot reasonably be obtained before *defence costs* are incurred with respect to any *claim*, the *insurer* will give retrospective approval for such *defence costs* of up to, Rs. XXXXX in the aggregate.

2.3. ***Additional regulatory crisis response***

Apart from *investigation costs*, the insurer will pay, as part of the *limit of liability* up to Rs. XXXXXXXXX for *regulatory crisis response costs* incurred through the *regulatory response team* only in response to a *critical regulatory event* that does not fall within the definition of *claim* or *investigation*.

2.4. ***Mitigation and avoidance services***

The *insurer* has arranged for the *regulatory response team* to make available during the *policy period*, upon election by the *policyholder*, the loss avoidance and mitigation services package specified in Item 12 of the schedule. These services are detailed in Appendix 1 to this policy.(if applicable)

2.5. ***Assets and liberty costs***

(i) ***Prosecution costs***
The *insurer* will pay, where permitted by law, the *prosecution costs* of each *insured person* to obtain the discharge or revocation of a *judicial order* entered during the *policy period* imposing:

- (a) confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of such *insured person*;
- (b) a charge over real property or personal assets of such *insured person*;
- (c) a temporary or permanent prohibition on such *insured person* from holding the office of or performing the function of a *director* or *officer*;
- (d) restriction of such *insured persons* liberty to a specified domestic residence or an *official detention*;



(e) deportation of an *insured person* following revocation of otherwise proper, current and valid immigration status for any reason other than such *insured person's* conviction of a crime; or

(f) extradition of such *insured person*.

(ii) ***Bail bond and civil bond expenses***

The *insurer* will pay *bail bond and civil bond expenses* of each *insured person* incurred directly in connection with a *claim* covered under any insurance cover of this policy during the *policy period*.

(iii) ***Damage to reputation***

The *insurer* will pay the *public relations expenses* of each *insured person*. The *insurers* total aggregate liability for cover under this extension 2.5 shall not exceed Rs. XXXXXX

2.6. **Kidnap response**

In the event of a *kidnapping, hijacking or wrongful detention* of an *insured person* during the *policy period*, the *insurer* will pay for *kidnap response costs* of up to Rs. XXXXXXXX incurred through the *kidnap consultants* after they have been contacted as specified at Item 13 of the schedule.

2.7. **New subsidiaries**

If the *policyholder* obtains, during the *policy period*, either directly or indirectly through one or more of its *subsidiaries*:

- (i) control of the composition of the board of directors;
- (ii) control of more than half of the shareholder voting power; or
- (iii) a holding of more than half of the issued share capital; of any corporation, then the term *subsidiary* will be extended to include that corporation unless, at the time of obtaining such control or holding, the corporation has total gross assets which are more than 10% of the total consolidated assets of the *policyholder* at inception or is incorporated or domiciled in the United States of America its territories or possessions. In all other circumstances, the *policyholder* may request an extension of this policy for such corporation; provided that the *policyholder* gives the *insurer* sufficient details to permit the *insurer* to assess and evaluate the *insurer's* potential increase in exposure. The *insurer* shall be entitled to amend the policy terms and conditions, during the *policy period*, including by the charging of a reasonable additional premium.

3. **Definitions**

In this policy the following words in italics shall have the definitions that follow:

3.1. ***Approved person***

any natural person employed by any *company* to whom the Financial Services Authority has given its approval to perform one or more of controlled functions 1-20



for a *company* pursuant to Section 59 of the Financial Services and Markets Act 2000.

3.2. ***Bail bond and civil bond expenses***

the reasonable premium (but not collateral) for a bond or other financial instrument to guarantee for up to 12 months an *insured persons* contingent obligation for a specified amount required by a court hearing a *claim* for any *wrongful act*.

3.3 ***Claim***

- (i) a written demand or civil, criminal, regulatory or arbitration proceeding seeking compensation or other legal remedy for a specified *wrongful act*;
- (ii) with respect to *insured persons*, an *investigation*.

3.4. ***Company***

the *policyholder* or any *subsidiary*.

3.5. ***Consensual claim***

means any *claim* which is solicited by, or brought with the voluntary (rather than legally required) intervention, assistance or participation of any *insured* against whom it is brought. A *claim* by any *company* shall be presumed to be a *consensual claim* if made against: (i) another *company*; or (ii) any *insured person* who still serves in an *insured person* capacity at the time the *claim* is made.

3.6. ***Continuity date***

the applicable date specified as such in Item 8 of the schedule.

3.7. ***Critical regulatory event***

- (i) a raid or on-site visit to any *company* which first takes place during the *policy period* by any official regulator (such as the Securities and Exchange Board of India, Reserve Bank of India or any similar entity organized under the laws of any jurisdiction) that involves the production, review, copying or confiscation of files or interviews of any *insured persons*;
- (ii) a public announcement relating to the foregoing; or
- (iii) the receipt by any *insured* during the *policy period* from any official regulator of a formal notice which legally compels the *insured* to produce documents to, or answer questions by or attend interviews with that regulator.

3.8. ***Defence costs***

reasonable costs and expenses incurred either as *emergency costs* or with the *insurer's* prior written consent (which shall not be unreasonably delayed or withheld), by or on behalf of an *insured* after a *claim* is made, directly in connection with its investigation, defence, settlement or appeal, but shall not include remuneration of any *insured*, cost of their time or costs or overheads of any *company*. *Defence costs* include the reasonable fees, costs and expenses of an accredited expert retained through defence counsel approved by the *insurer* on behalf of an *insured* to prepare

an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a covered claim.

3.9. **Director or officer**

any natural person director or officer of a *company*.

3.10. **Discovery period**

a period immediately following expiry of the *policy period* during which written notice may be given to the *insurer* of a *claim* first made during such period or the *policy period*, for a *wrongful act* occurring prior to the expiry of the *policy period*, provided any applicable additional premium required by the *insurer* is paid within 30 days of expiry of the *policy period*.

3.11. **Emergency costs**

defence costs incurred in accordance with extension 2.2, *Emergency Costs*.

3.12. **Employment practice violation**

- (a) any actual or alleged unfair or wrongful dismissal, discharge or termination, either actual or constructive, of employment, including breach of an implied contract; employment-related misrepresentation; wrongful failure to employ or promote; wrongful deprivation of career opportunities, or wrongful discipline; failure to furnish accurate job references; failure to grant tenure; negligent employee evaluation; sexual or workplace or racial or disability harassment of any kind (including the alleged creation of a harassing workplace environment); unlawful discrimination, whether direct, indirect, intentional or unintentional; failure to provide adequate employee policies and procedures; retaliation (including lockouts); and (b) any other basis for a *claim* pursuant to the Indian Labour Laws and any amendments made thereto from time to time or any similar legislation in any jurisdiction: provided that the foregoing act, error omissions or basis relates to the employment or prospective employment of any past, present, future or prospective employee of any *company*.

3.13. **Hijacking**

legal holding under duress for a period in excess of six hours, of an *insured person*, during travel in the course of employment with a *company*, on or in any aircraft, motor vehicle or waterborne vessel.

3.14. **Insured**

any *insured person*.

3.15. **Insured person**

any natural person who was, is or during the *policy period* becomes:

- (i) a *director or officer*, but not an external auditor or insolvency officer-holder of a *company*;
- (ii) an *approved person*;



- (iii) an employee of a *company*:
 - (a) while acting in a managerial or supervisory capacity in that *company*;
 - (b) with respect to a *claim* alleging an *employment practice violation*; or
 - (c) named as a co-defendant with a *director* or *officer* of a *company* in a *claim* in which such employee is alleged to have participated or assisted in the commission of a *wrongful act*;
- (iv) a *shadow director*;
- (v) an *outside entity director*;
- (vi) the spouse of an *insured person* who is deceased, incompetent or insolvent, for loss arising from a *claim* for a *wrongful act* of such *insured person*; and
- (vii) the administrator or executor of a deceased *insured person's* estate for loss arising from a *claim* for a *wrongful act* of such *insured person*.

3.16. **Insurer**

the *insurer* shall be HDFC ERGO General Insurance Company Ltd.

3.17. **Investigation**

any formal hearing, investigation or inquiry by any *official body* concerning possible misconduct by any *insured person* in his capacity as such once the *insured person*:

(i) becomes legally compelled to attend; or (ii) is identified in writing by an investigating authority as a target of the hearing, investigation or inquiry. An *investigation* shall be deemed to be first made when the *insured person* is first so compelled or so identified. *Investigations* shall not mean routine regulatory supervision, inspections or compliance reviews, internal investigations or any investigation which is industry-focused rather than *company* focused - or *insured person*-focused.

3.18. **Investigation**

costs

reasonable fees, costs and expenses (except remuneration of any *insured*, cost of their time or costs or overheads of any *company*) incurred with the *insurers* prior written consent by or on behalf of an *insured person* directly in connection with preparing for and attending an *investigation*.

3.19. **Judicial order**

- (i) an interim or interlocutory judicial order; or
- (ii) with respect to any proceeding concerning the deportation or extradition of any *insured person*: any judicial order:

entered against an *insured person* in connection with a *claim* against such *insured person* that is covered under any insurance cover of this policy. *Judicial order* shall not include a final order made in the disposition or adjudication of such *claim*.

3.20. ***Kidnapping***

any event or connected series of events of seizing, detaining or carrying away by force or fraud an *insured person*, while acting outside his country of residence in the course of employment by a *company*, for the purpose of demanding ransom monies.

3.21. ***Kidnap consultants***

any person or entity described in Item 1 3 of the schedule.

3.22. ***Kidnap response costs***

the reasonable fees and expenses of the *kidnap consultants* incurred in response to any *kidnapping*, *hijacking* or *wrongful detention* incident anywhere in the world (excluding Colombia, Iraq, Nigeria, and the Philippines). Such fees and expenses shall include related costs for travel; accommodation; qualified interpretation; communication and payments to informants.

3.23. ***Limit of liability***

the sum specified in Item 3 of the schedule.

3.24. ***Loss***

any *defence costs*, *investigation costs*, awards of damages (including punitive and exemplary damages), awards of costs or settlements for which an *insured* is legally liable resulting from a *claim* against an *insured* for any *wrongful act*.

Loss also includes payments made by the *insurer* under any extension, including with respect to: extension 2.2. *Emergency Costs*; extension 2.3. *Regulatory Crisis Response Costs*; extension 2.5. *Prosecution Costs, Bail Bond and Civil Bond Expenses* and *Public Relations Expenses*; and extension 2.6 *Kidnap Response Costs*.

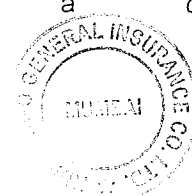
Loss shall not include fines or penalties, taxes, remuneration or employment related benefits. the multiplied portion of multiple damages, any sum payable pursuant to a financial support direction or contribution notice issued by the Pensions Regulator or amounts which are uninsurable.

3.25. ***Non-executive***

director

any natural person who serves as a *director* of the *policyholder* at the inception of the *policy period* and:

- (i) does not serve and has not served as an *officer* or employee of any *company*; and
- (ii) does not receive and has not received compensation, either directly or indirectly, from any *company* for services rendered as a consultant or in any capacity, other than as a *director*.



Non-executive director also means any natural person who begins serving as a director of the *policyholder* during the *policy period* and who satisfies (i) and (ii) above.

3.26. ***Non-indemnifiable loss***

loss of an *insured person* that a *company* is unable to indemnify due to legislative prohibition or publicly declared or established insolvency.

3.27. ***Official body***

any regulator, government body, government agency or official trade body.

3.28. ***Official detention***

confinement of an *insured person* in secure custodial premises, operated by or on behalf of a governmental or judicial agency in connection with a *claim* against such *insured person* and either without charge or without a judicial finding of culpability or liability in that *claim*.

3.29. ***Outside entity***

any corporation other than a corporation that:

- (i) is incorporated, domiciled or has any of its securities listed on a securities exchange or market within the United States of America; is or has securities that are legally required to be the subject of any registration statement filed with the United States Securities and Exchange Commission (the "SEC"); or is subject to any obligation to file reports with the SEC in accordance with Section 13 of the Securities Exchange Act of 1934;
- (ii) is a bank, clearing house, credit institution, undertaking for collective investment in securities, investment firm, investment advisor/manager, investment fund or mutual fund, private equity or venture capital company, stock brokerage firm, insurance company or similar entity; or had negative net assets at the inception date of this policy; unless listed by endorsement to this policy as an *outside entity*.

3.30. ***Outside entity director***

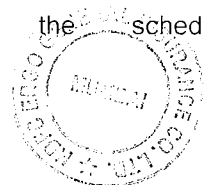
a natural person who did or does, or during the *policy period* begins to serve, at the specific request of a *company* as a *director*, *officer*, trustee, governor or equivalent of an *outside entity*.

3.31. ***Per non-executive director special excess limit***

the sum specified in Item 5 of the schedule.

3.32. ***Policyholder***

the organization specified in Item 1 of the schedule.



3.33. ***Policy period***

the period from the inception date to the expiry date specified in Item 2 of the schedule.

3.34. ***Pollutant***

any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous substance, or contaminant, including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

3.35. ***Prosecution costs***

reasonable legal fees, costs and expenses, incurred by an *insured person* with the prior written consent of the *insurer*, to bring legal proceedings.

3.36. ***Public relations expenses***

reasonable fees, costs and expenses of the *public relations consultants* retained by an *insured person* to mitigate the adverse effect on that *insured person's* reputation from a *claim* first made during the *policy period* for any *wrongful act*, by disseminating findings made in a final judicial disposition of that *claim* which exonerates the *insured person* from fault, liability or culpability.

3.37. ***Public relations consultants***

any person or entity described in Item 11(b) of the schedule.

3.38. ***Regulatory crisis response costs***

reasonable fees, costs and expenses of the *regulatory response team* incurred in responding to a *critical regulatory event*.

3.38. ***Regulatory response team***

any person or entity described in Item 11(a) of the schedule.

3.39. ***Retention***

the sum specified in Item 6 of the schedule.

3.40. ***Retired insured person***

any *director, officer* or employee of a *company* who retired from that *company* before the expiry of the *policy period* and has not subsequently served in any *insured person* capacity.

3.42. ***Security***

any security representing debt of or equity interests in a *company*



3.43. **Shadow director**

any natural person, who, as a consequence of being a *director, officer* or employee of any *company*, is deemed a shadow director, as defined in Section 741 of the Companies Act 1985, of any other *company*.

3.44. **Submission**

each and every signed proposal form, the statements, warranties, and representations therein; its attachments; the financial statements of and other documents of any *company* filed with a regulator and all other information submitted to the *insurer*.

3.45. **Subsidiary**

a corporation in which the *policyholder*, either directly or indirectly through one or more other entities:

- (i) controls the composition of the board of directors;
- (ii) controls more than half of the shareholder voting power; or
- (i) holds more than half of the issued share capital.

on or before the inception date of this policy.

3.46. **Transaction**

any one of the following events:

- (i) the *policyholder* consolidates with or merges into, or sells all or a majority of its assets to, any other person or entity or group of persons and/or entities acting in concert; or
- (ii) any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 5Q% of the rights to vote at general meetings of the *policyholder* or control the appointment of *directors* who are able to exercise a majority of votes at meetings of the board of directors of the *policyholder*.

3.47. **US claim**

a *claim* brought or maintained within the jurisdiction of, or based upon acts in or any laws of the United States of America, its states, localities, territories or possessions.

3.48. **Wrongful act**

any actual or alleged act, error or omission by an *insured person* in any of the capacities listed in the definition of *insured person*; or any matter claimed against an *insured person* solely because of such listed capacity.

3.49. **Wrongful detention**

the arbitrary or capricious confinement of an *insured person*, while acting in the course of his employment by a *company*, by person(s) acting as agent(s) or with the tacit approval of any government or governmental entity, or acting or purporting

to act on behalf of any insurgent party, organization or group. A connected series of *wrongful detentions* will be considered one *wrongful detention*.

4. Exclusions

The *insurer* shall not be liable to make any payment under any extension or in connection with any *claim*:

4.1. Conduct

arising out of, based upon or attributable to:

- (i) a *wrongful act* intended to secure or which does secure the gaining of profit or advantage to which the *insured* was not legally entitled; or
- (ii) the intentional committing of, condoning of or conniving in:
 - (a) dishonesty or fraud; or
 - (b) a criminal breach of law or regulation; in the event that any of the above is established by final adjudication of a judicial or arbitral tribunal, admission by the *insured* or written finding of a regulator.

4.2. Injury and property damage

for bodily injury, sickness, disease, death or emotional distress, or damage to, destruction, impairment or loss of use of any property: provided, however, that any *claim* for emotional distress shall not be excluded with respect to an *employment practice violation*.

4.3. Prior claims and circumstances

arising out of based upon or attributable to:

- (i) facts alleged or the same or related *wrongful act(s)* alleged or contained in any *claim* which has been reported or in any circumstances of which notice has been given under any policy of which this policy is a renewal or replacement or which it may succeed in time; or
- (ii) any pending or prior litigation as of the *continuity date*, or alleging or deriving from the same or essentially the same facts as alleged in the pending or prior litigation. For the purposes of this exclusion, the term 'litigation' shall include, but not be limited to, any civil or criminal proceeding as well as any administrative or regulatory proceeding or official investigation or arbitration or adjudication.

4.4. Pollution

arising out of, based upon **or** attributable to the actual, alleged or threatened discharge, dispersal, release or escape of, or records concerning *pollutants*; or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize *pollutants*: provided, however, this exclusion shall not apply to:

- (i) *defence costs* which fall within *non-indemnifiable loss*; nor
- (ii) any *claim* against an *insured person* by a shareholder of a company, whether made directly or derivatively, alleging damage to that company or its shareholders due to a breach of duty owed by the *insured person*.



4.5. arising out of, based upon or attributable to an act or omission by an *insured* as a trustee, fiduciary or administrator of a *company's* pension, profit-sharing or employee benefits programme.

4.6. **Consensual claims**

- (i) arising out of, based upon or attributable to any consensual claim; or
- (ii) brought within the United States of America, its states, localities, territories or possessions or under any laws thereof against any insured by or on behalf of any:
 - (a) company;
 - (b) outside entity of which any person serves or served in an outside entity executive capacity; or
 - (c) insured person of such company or outside entity;

except for any claim against any insured person:

- (1) pursued as a shareholder derivative action brought or maintained on behalf of a company, not solicited by or brought with the voluntary (rather than legally required) intervention, assistance or active participation of any director or officer or any company;
- (2) for any employment practice violation brought or maintained by any insured person;
- (3) pursued by an insured person for contribution or indemnity, if the claim directly results from another claim otherwise covered under this policy;
- (4) pursued by any past director, officer or employee of the company; or
- (5) pursued by an insolvency administrator, receiver, trustee or liquidator of any company either directly or derivatively on behalf of a company;

This exclusion shall not apply to defence costs of any insured person unless the claim is proven to be a consensual claim by final adjudication of a judicial or arbitral tribunal, written finding of an official regulator or admission by an insured.

4.7. **Exclusions applying only to extension 2.6: Kidnap response**

The *insurer* shall not be liable to make any payment under extension 2.6: Kidnap response, resulting directly or indirectly from:



- (i) fraudulent, dishonest or criminal acts of an *insured, company* or any person authorized by an *insured person* or *company* to have custody of ransom monies:
- (ii) *kidnapping, hijacking, or wrongful detention of an insured person:*
 - (a) who has had other kidnap insurance cancelled or declined;
 - (b) who has been *kidnapped* previously; or
 - (c) within his country of residence; or
- (iii) *wrongful detention* in connection with or as a result of:
 - (a) any actual or alleged violation by the detained *insured person* of the laws of the country in which he is detained, or failure to maintain and possess duly authorized and issued required documents and visas, unless the *insurer* determines such allegations to be intentionally false, fraudulent or malicious and made solely to achieve a political, propaganda or coercive effect upon or at tire expense of a *company* or *insured person*;
 - (b) failure of the detained *insured person* to evacuate from the country in which he is detained within ten (10) days after issuance of advice by the government of the *insured person's* domicile or residence, or travel to that country contrary to advice from that government; or
 - (c) active membership by the detained *insured person* in any governmental organization, official law enforcement, or military force.

5. General Provisions

5.1. *Discovery period*

The *policyholder* must make any request for a *discovery period* in writing no later than 15 days after expiry of the *policy period*. A *discovery period* is not cancelable. While this policy affords to the *policyholder* no right to a *discovery period* if a *transaction* takes place: upon written request of the *policyholder*, the *insurer* may quote a run-off *discovery period*. In considering such request, the *insurer* shall be entitled to fully underwrite the exposure and to extend such offer on whatever terms, conditions and limitations that the *insurer* deems appropriate.

5.2. *Severability & reliance*

For the purpose of determining the applicability of exclusion 4.1, Conduct, the information or knowledge possessed by any *insured person* shall not be imputed to any other *insured person*; and only information and knowledge possessed by any

past, present or future chief executive officer, chief operating officer, chief financial officer or chief legal officer (or the equivalent positions) of a *company* shall be imputed to that *company*. With respect to the *submission*, no statements made or knowledge possessed by any *insured person* shall be imputed to any other *insured person* to determine whether cover is available for any *claim* made against such other *insured person*.

5.3. **Non-rescindable**

The *insurer* irrevocably waives any right it may have to rescind this policy on the grounds of non-disclosure or misrepresentation.

5.4. **Limit of liability**

The *limit of liability* is the aggregate limit of the *insurer's* liability in respect of all insurance covers and extensions, except insurance cover 1 .2. The *per non-executive director special excess limit* is a separate aggregate limit of the *insurer's* liability to each *non-executive director* under insurance cover 1 .2 and it is in addition to, and not part of, the *limit of liability*. The *insurer* shall have no liability in excess of such limits irrespective of the number of *insureds* or *claims* made during the *policy period* or *discovery period*; including, *claims* or related *claims* which are accepted as made during the *policy period* pursuant to general provision 5.11.

Each sublimit of liability set forth in the policy is the most the *insurer* will pay in the aggregate under this policy as *loss* in respect of any insurance cover or extension to which it applies.

Any sum paid by HDFC ERGO General Insurance Company Ltd. under this policy shall erode the *insurers* liability for *loss* under the *limit of liability* and, if applicable, the *per non-executive director special excess limit*.

5.5. **Retention**

The *retention* is not applicable to *non-identifiable loss*. For *loss* of any *company*, or that any *company* has indemnified or has agreed to indemnify, the *insurer* shall be liable only for the amount of that *loss* which exceeds the *retention*. The *retention* is not part of the *insurer's* liability for *loss*. The *retention* is to be borne by the *companies* and shall remain uninsured. A single *retention* shall apply to all *loss* arising from any *claim* or series of *claims* arising out of, based upon or attributable to continuous, repeated or related *wrongful acts*. If the *insurer* advances *loss* for which a *retention* applies, the *insureds* agree to repay the *insurer* immediately to the full extent the *retention* applies, once the *insurer* notifies the *insureds* of the *loss* so advanced.

5.6 **Claims made & reported**

The insurance covers under this policy are afforded solely with respect to *claims* first made against an *insured* during the *policy period* or an applicable *discovery period* or accepted as such pursuant to general provision 5.11 and upon the condition precedent that such *claims* have been reported to the *insurer* as soon as practicable, but in all events no later than either:

- (i) during the *policy period* or *discovery period*; or
- (ii) within 30 days after the end of the *policy period* or the *discovery period*, as long as such *claim* was first made against an *insured* within the final 30 days of the *policy period* or *discovery period*, if applicable.

5.7. **Kidnap response notice and information**

As a condition precedent to the *insurer's* liability under extension 2.6, the *policyholder* will make every reasonable effort to determine that the *kidnapping*, *hijacking*, or *wrongful detention* has actually occurred, give immediate oral and written notice to the *insurer* and maintain confidentiality of the existence of extension 2.6.

5.8. **Reporting critical regulatory events**

As a condition precedent to cover for *regulatory crisis response costs* from any *critical regulatory event*, the *critical regulatory event* must have been reported to the *insurer* as soon as practicable.

5.9. **Claim notification**

All notifications relating to *claims* or circumstances must be in writing to:

HDFC ERGO General Insurance Company Limited
Leela Business Park
6th Floor, Andheri Kurla Road
Andheri East, Mumbai — 400059.

5.10. **Reporting circumstances**

Any *insured* may during the *policy period*, notify the *insurer* at the above address of any circumstance reasonably expected to give rise to a *claim*. The notice must include the reasons for anticipating that *claim* and full particulars as to dates, acts and persons involved.

5.11. **Related claim, single claim**

Any *claim* made after expiry of the *policy period* (or applicable *discovery period*) which alleges, arises out of, is based upon or attributable to any fact alleged in, or *wrongful act* which is pertinent to:

- (i) a *claim* first made during the *policy period* (or applicable *discovery period*) or
- (ii) a circumstance reasonably expected to give rise to a *claim*.

which was reported to the *insurer* as required by this policy, will be accepted by the *insurer* as having been made at the same time as the notified *claim* was made or the circumstance was reported, and reported at the same time as the notified *claim* or circumstance. Also, any *claim* or series of *claims* arising out of, based upon or attributable to continuous, repeated or related *wrongful acts* shall be considered a single *claim*.



5.12. Defence and settlement of claims

Each *insured* shall defend and contest any *claim* made against them. The *insurer* shall be entitled to participate fully in such defence and in the negotiation of any settlement that involves or appears reasonably likely to involve the *insurer*.

The *insurer* will accept as reasonable and necessary the retention of separate legal representation to the extent required by a material conflict of interest between any *insureds*.

If a *claim* is made against an *insured person* by the *policyholder*, the *insurer* shall have no duty or obligation to communicate with any other *insured person* or the *company* in relation to that *claim*.

5.13. Co-operation and fraudulent behaviour

All *insureds* must, at their own cost, render all reasonable assistance to and cooperate with the *insurer*. In the event of any *claim*, each *insured* shall take reasonable steps to mitigate *loss*. If any *insured* shall give any notice or assert cover for any *loss* under this policy knowing such notice or assertion to be false or fraudulent: or if an *insured*, prior to the inception of the *policy period*, had knowledge of a material mis-statement in or omission from the *submission*; then, as to each such *insured*, this policy shall afford no cover.

5.14. Payment of defence costs

The *insurer* shall pay *defence costs* in excess of the *retention*, if applicable, covered by this policy promptly after sufficiently detailed invoices for those costs are received by the *insurer*. The *policyholder* shall reimburse the *insurer* for any payments which are ultimately determined not to be covered by this policy. Each *company* will provide indemnification and advance *defence costs* to its *insured persons* to the extent not prevented due to legislative prohibition and at the *insurer's* request and expense will make in good faith any application for court approval to provide such indemnification.

5.15. Consent

The *insurer* may settle any *claim* with respect to any *insured* that it deems expedient. No *insured* shall admit or assume any liability, enter into any settlement agreement or consent to any judgment without the prior written consent of the *insurer*. Only judgments resulting from *claims* defended in accordance with this policy shall be recoverable as a *loss* under this policy. If any *insured* shall compromise or settle any *claim* or potential *claim* without the *insurer's* prior written consent, in a manner that limits or precludes recovery or recourse against such *insured* or assets of or in the possession of such *insured*, and expressly or effectively preserves for or provides to a claimant or potential claimant recourse against this policy or the *insurer*, this policy shall afford no cover in connection with that *claim* or potential *claim*.

5.16. Allocation

The *insurer* shall be liable only for *defence costs* or other *loss* derived exclusively from a covered *claim* against an *insured person*. The *insurer* has no obligation under this policy for *defence costs* incurred by judgments against or settlements by



a *company* arising out of a *claim* made against a *company*, nor any obligation to pay loss arising out of any legal liability that a *company* has to a claimant.

Accordingly, with respect to: (i) *defence costs* jointly incurred by: (ii) any joint settlement entered into by: and/or (iii) any judgment of joint and several liability against any *company* and any *insured person* in connection with any *claim*, any such *company* and any such *insured person* and the *insurer* agree to use their best efforts to determine a fair and proper allocation of the amounts as between any such *company*, any such *insured* and the *insurer*, taking into account the relative legal and financial exposures, and the relative benefits obtained by any such *insured person* and any such *company*.

In the event that any *claim* involves both covered matters and matters or persons not covered under this policy, a fair and proper allocation of any *defence costs*, judgments and/or settlements shall be made between the *company*, the *insured persons* and the *insurer* taking into account the relative legal and financial exposures attributable to covered matters and matters or people not covered under this policy.

5.17. Disputes between insurer and insureds

In the event that a determination as to the amount of *defence costs* to be advanced to any *insured* under this policy cannot be agreed to, then any obligation of the *insurer* to advance *defence costs* shall not exceed the amount which the *insurer* determines to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

5.18. Arbitration

- (a) Any and all disputes or differences which may arise under, out of, in connection with or in relation to this *policy*, or to its existence, validity or termination, or to the determination of the amount or any amounts payable under this *policy*, shall be referred to a sole arbitrator to be appointed by the parties to the dispute within 30 days of any party giving notice of arbitration to the other(s).
- (b) In the event that the parties are unable to agree upon the identity of a sole arbitrator, the disputes or differences shall be referred to the decision of 3 arbitrators of whom one shall be appointed in writing by each of the parties within a period of 30 days after the failure to appoint a sole arbitrator and the third (who shall serve as Chairman) shall be appointed by the nominated arbitrators. In case either party shall refuse or fail to appoint an arbitrator within the aforesaid 30 days after receipt of notice in writing requiring an appointment, the other party shall be at liberty to appoint a sole arbitrator who shall thereafter be empowered to conduct the arbitration and determine the disputes or differences referred to him as if he had been appointed a sole arbitrator with the consent of both parties.
- (c) The parties shall share the expenses of the arbitrator or arbitral tribunal equally and such expenses, along with the reasonable costs of the parties in the arbitration, shall be awarded by the arbitrator or arbitral tribunal in favour of the successful party in the arbitration or, where no party can be

said to have been wholly successful. to the party who has substantially succeeded.

- (d) The place of arbitration shall be India, the language of the arbitration shall be English, the law applicable to and in the arbitration shall be Indian law and the arbitration process will be in accordance with the provisions of the Arbitration & Conciliation Act 1996, as amended from time to time.
- (e) It is a condition precedent to any right of action or suit upon this *policy* that the award by such arbitrator or arbitrators shall be first obtained.
- (f) In the event that these arbitration provisions shall be held to be invalid then all such disputes shall be referred to the exclusive jurisdiction of the Indian courts.

5.19. Changes in Risk

Cover for any *claim* shall apply only for *wrongful acts* committed while the *insured person* serves in an *insured person* capacity.

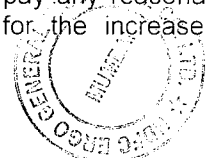
The *insurer* shall not be liable to make any payment or to provide any services in connection with any *claim* arising out of, based upon or attributable to a *wrongful act* committed after the occurrence of a *transaction*.

5.20. US SEC Exposure

If, prior to or during the *policy period* any:

- (i) *securities* are, become or are legally required to be the subject of any registration statement filed with the United States of America Securities and Exchange Commission (the "SEC") in accordance with Section 5 of the Securities Act of 1933

or
- (ii) *company* is or becomes subject to any obligation to file reports with the SEC in accordance with Section 13 of the Securities Exchange Act of 1934, then, where such registration or reporting obligation first attached during the *policy period*, this policy shall remain in full force and effect if:
 - (a) the *policyholder* has, as soon as practicable, provided the *insurer* with notice of the registration or reporting requirements. and such information as the *insurer* may require to evaluate and assess any additional exposure; and
 - (b) the *policyholder* has accepted any amendment to the terms and conditions of this policy and/or has agreed to pay any reasonable additional premium charged by the *insurer* for the increase in exposure.



Otherwise, the *insurer* shall not be liable to make any payment or to provide any services in connection with any *claim* directly or indirectly arising out of, based upon or attributable to: any *securities* referred to in (i) *above*, the event referred to in (ii) *above*, such *company*, its parents or any of their respective *insured persons*, the registration or reporting requirements, unless such cover is expressly provided in an endorsement to this policy.

5.21. Subrogation and co-operation

The *insurer* shall be subrogated to all *insureds* rights of recovery, contribution and indemnity before or after any payment under this policy. The *insured persons* and *companies* shall do nothing to prejudice such rights. It shall be a condition precedent to the obligations of the *insurer* that *insured persons* and *companies* will, at their own cost: (i) give the *insurer* full details of a reported circumstance or *claim* as soon as possible together with all relevant documents; and (ii) assist and cooperate with the *insurer* in the investigation, defence, settlement or appeal of a *claim* or reported circumstance. The *insurer* shall not exercise its rights of subrogation against an *insured person* in connection with a *claim* unless the *insurer* can establish that exclusion 4.1. conduct applies to that *claim* and that *insured person*.

5.22. Other insurance & indemnification

Insurance provided by this policy applies excess over insurance and indemnification available from any other source. The *insurer* will not pay the *loss* of an *insured person* arising out of a *wrongful act* in an *outside entity* capacity unless: (i) that *outside entity* is unable to indemnify that *loss* due to legislative prohibition or insolvency; and (ii) the *loss* is not covered under any other applicable, collectible insurance issued to the *outside entity* or for the benefit of its directors, officers or employees.

Further, for *regulatory crisis response costs* incurred in response to any *critical regulatory event* (and any other related *critical regulatory events*) covered under this policy and any other insurance coverage provided by the *insurer* or any other company of American International Group, Inc. (AIG) (or would be provided but for the application of a *retention*, exhaustion of a *limit of liability* or failure to submit a notice as required), then Alas maximum obligation for *regulatory crisis response costs* combined in response to all such *critical regulatory events* under all such coverage shall be Rs. XXXXXX

5.23. Services disclaimer

Services of a third party that may be offered in connection with this policy are being provided to the *Insureds* by the third-party directly, as its client, without the supervision of the *insurer*. Accordingly, the *insurer* cannot and does not make any warranties, guarantees or representations with respect to any such services or any failure to provide same; and the *insurer* shall have no liability for acts, errors or omissions of any third party service provider or otherwise for damages from the use of, or inability to use any such services.

5.24. Notice and authority

The *policyholder* shall act on behalf of all *insureds* in connection with all matters relevant to this policy.



5.25. **Assignment**

Neither this policy nor any right hereunder may be assigned without written consent of _____ the _____ insurer.

5.26. **Policy interpretation**

Any interpretation of this policy or issue relating to its construction, validity or operation shall be determined by the laws of India. No amendment to this policy will be effective unless it is written. Except as otherwise provided herein, the parties will submit to the exclusive jurisdiction of the courts of India.

This policy, its schedule and any endorsements are one contract in which, unless the _____ context _____ otherwise _____ requires:

- (i) headings are descriptive only, not an aid to interpretation;
- (ii) singular includes the plural, and vice versa;
- (iii) the male includes the female and neuter;
- (iv) all references to specific legislation include amendments to and reenactments of such legislation and similar legislation in any jurisdiction in which a *claim* is made; and
- (v) references to positions, offices or titles shall include their equivalents in any jurisdiction in which a *claim* is made.

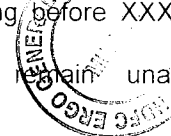
5.27. **Cancellation of the policy**

- (a) The *insurer* may cancel this policy by giving 30 days written notice of such cancellation to the last known address of the *policyholder* and in such event the *insurer* will return a pro-rata portion of the premium for the unexpired *policy period*
- (b) This policy may also be cancelled by the *policyholder* by giving 30 days written notice to the *insurer* in which event the *insurer* will retain premium at the customary short period scale provided that there has been no *claim* under the policy during the *policy period* in which case no refund of premium shall be allowed.
- (c) The 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.

PRIOR ACTS EXCLUSION

The *insurer* shall not be liable to make any payment under any insurance cover or extension arising out of, based upon or attributable to a *wrongful act* occurring before XXXXXXXX

All other terms, exclusions and conditions of this policy remain unaltered.



HDFC ERGO General Insurance Company Limited



This endorsement effective XXXXXXXXXX forms a part of policy number XXXXXXXXXX issued to XXXXXXXXXX by HDFC ERGO General Insurance Company Limited.

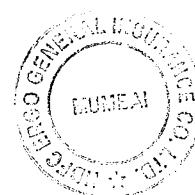
MAJOR SHAREHOLDER EXCLUSION

The *insurer* shall not be liable to make any payment under any insurance cover or extension arising out of, based upon or attributable to any *claim* made by or on behalf of, whether directly or derivatively, any *major shareholder*.

For the purposes of this endorsement only:

Major shareholder means an individual or entity that owns or controls (whether beneficially, directly or indirectly) the *threshold percentage* or more of the issued and outstanding voting share capital of the *company*. *Threshold percentage* means 15%.

All other terms, exclusions and conditions of this policy remain unaltered.



This endorsement effective XXXXXXXXXX forms a part of policy number XXXXXXXXXX issued to XXXXXXXXXX by HDFC ERGO General Insurance Company Limited Insurance Company Limited.

INVESTIGATION COSTS SUB-LIMITED

3. **Definitions 3.18 Investigation Costs** is deleted and replaced with the following:

3.18 **Investigation Costs**

reasonable fees, costs and expenses (except remuneration of any *insured*, cost of their time or costs or overheads of any *company*). as part of the *limit of liability* upto Rs. XXXXXXXX incurred with the *insurers* prior written consent by or on behalf of an *insured person* directly in connection with preparing for and attending an investigation.

All other terms, exclusions and conditions of this policy remain unaltered.



This endorsement effective XXXXXXXXXX forms a part of policy number XXXXXXXXXX issued to XXXXXXXXXX by HDFC ERGO General Insurance Company Limited Insurance Company Limited.

SECONDARY OFFERING EXCLUSION

The *insurer* shall not be liable to make any payment under any insurance cover or extension, arising out of, based upon or attributable to the actual or intended private placement or public offering of any *securities* occurring after the inception of the policy.

However, in the event of any private placement or public offering, the *insurer* may consider in its sole discretion the removal of this exclusion subject to the *policyholder*

- (a) providing the *insurer* with such information as the *insurer* may require to evaluate and assess any additional exposure; and
- (b) accepting any amendments to the terms and conditions of this policy and agreeing to pay any additional premium charged by the *insurer*.

Any removal of this exclusion must be by written endorsement to this policy expressly deleting this exclusion.

All other terms, exclusions and conditions of this policy remain unaltered.



HDFC ERGO General Insurance Company Limited



This endorsement effective XXXXXXXXXX forms a part of policy number XXXXXXXXXX issued to XXXXXXXXXX by HDFC ERGO General Insurance Company Limited

COMPANY SECURITIES EXTENSION

2. Extensions

Company Securities Liability

2.8 The cover provided under this policy is extended to pay the loss of each *company* arising from a *securities claim* for any *wrongful act* of that company.

3. Definitions

Definitions **deleted** **and** **replaced**

For the purposes of this endorsement only:

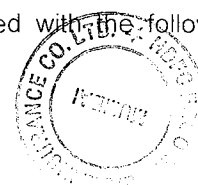
1. 3.24 **Loss** is deleted in its entirety and replaced with the following: any *defence costs*, awards of damages (including punitive and exemplary damages), awards of costs or settlements for which an *insured* is legally liable resulting from a *claim* against an *insured* for any *wrongful act*. For **Insurance Covers** 1.1 and 1.2 only, *loss* also means any *investigation costs*.

Loss also includes payments made by *insurer* under any extension: including with respect to: Extension 2.2 *Emergency Costs*; Extension 2.3 *Regulatory Crisis Response costs*; Extension 2.5 *Prosecution Costs*; *Bail Bond and Civil Bond Expenses and Public Relations Expenses*; and Extension 2.6 *Kidnap Response Cost*

Loss shall not include fines or penalties, taxes, remuneration or employment-related benefits. the multiplied portion of multiple damages any sum payable pursuant to a financial support direction or contribution notice issued by the Pensions Regulator nor amounts which are uninsurable under the laws of India: however, for *securities claims* only *loss* shall include the multiplied portion of multiple damages.

In the event of a *c/aim* alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all of the ownership interest in or assets of any entity is inadequate, *loss* with respect to such *claim* shall not include any amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased: provided, however, that this paragraph shall not apply to *defence costs* nor to any *non-indemnifiable loss* in connection with such *c/aim*.

2. 3.48 **Wrongful Act** is deleted in its entirety and replaced with the following:



- (i.) with respect to any *insured person*: any actual or alleged act, error or omission by an *insured person* in any of the capacities listed in the definition of *insured person*; or any matter claimed against an *insured person* solely because of such listed capacity;
- (ii.) with respect to any *company*: any actual or alleged act, error or omission by the *company*, but solely as respects a *securities c/aim*.

Definitions amended

3. The following definition is amended:

3.14 **Insured** shall also mean the *company* but only for *securities c/aims*.

Definitions added

4. The following definitions are added to the policy:

Securities

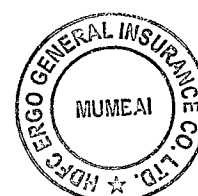
Claims

any *claim*, other than an administrative or regulatory proceeding against, or an investigation of a *company*, made against an *insured*:

- (i) alleging a violation of any laws (statutory or common), rules or regulations regulating *securities*, the purchase or sale or offer or solicitation of an offer to purchase or sell *securities*, or any registration relating to such *securities*:
 - (a) brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale, or offer or solicitation of an offer to purchase or sell any *securities* of a *company*; or
 - (b) brought by a *security* holder of the *company* with respect to such *security* holders interest in *securities* of such *company*; or
- (ii) brought derivatively on behalf of a *company* by a *security* holder of that *company*

Securities claim shall not mean any *c/aim* by an employee or *director* or *officer* of a *company* alleging, arising out of, based upon or attributable to the loss of, or the failure to receive or obtain, the benefit of any *securities* (including any warrants or options).

- 5. Securities **Claims Continuity Date** shall mean, for securities claims only the earlier of:
 - (i) the date referred to in Item 8A of the schedule; or
 - (ii) the effective date of the first *securities c/aims* Endorsement issued by the *insurer* to the *policyholder* and continuously maintained in effect until the effective date of this endorsement.



4. **Exclusions**

Exclusion 4.3 is deleted in its entirety and replaced by the following:

4.3 **Prior claims and circumstances**

arising out of, based upon or attributable to:

- (i) facts alleged or the same or related *wrongful act(s)* alleged or contained in any *claim* which has been reported or in any circumstances of which notice has been given under any policy of which this policy is a renewal or replacement or which it may succeed in time; or
- (ii) any pending or prior litigation as of the *continuity date* or the *securities claims continuity date*, or alleging or deriving from the same or essentially the same facts as alleged in the pending or prior litigation. For the purposes of this exclusion, the term 'litigation' shall include, but not be limited to, any civil or criminal proceeding as well as any administrative or regulatory proceeding or official investigation or arbitration or adjudication.

5. **General Provisions**

For the purposes of this endorsement only:

1. **General Provision 5.2 Severability & reliance** is deleted in its entirety and replaced with the following:

5.2 **Severability & reliance**

With respect to the contents of the *submission* and for the purposes of the application of exclusion 4.1:

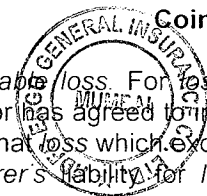
- (i) no statements made nor any information or knowledge possessed by any *insured person*, nor any act, error or omission of any *insured person*, shall be imputed to any other *insured person*; and
- (ii) only the statements and knowledge of any chief executive officer, chief operating officer, chief financial officer or chief legal officer (or equivalent positions) of a *company* shall be imputed to that *company*, but such knowledge of the same officers of the *policyholder* will be imputed to all *companies*.

2. **General Provision 5.3 Non-rescindable** is deleted in its entirety.

3. **General Provision 5.5 Retention** is deleted in its entirety and replaced by the following:

5.5 **Retention & Coinsurance**

The *retention* is not applicable to *non-indemnifiable loss*. For loss of any *company*, or that any *company* has indemnified or has agreed to indemnify, the *insurer* shall be liable only for the amount of that loss which exceeds the *retention*. The *retention* is not part of the *insurer's liability* for loss. The



retention is to be borne by the *companies* and shall remain uninsured. A single *retention* shall apply to all *loss* arising from any *claim* or series of *claims* arising out of, based upon or attributable to continuous, repeated or related *wrongful acts*.

In the event that any *company* is able to indemnify an *insured person* but does not, the *insurer* shall advance to the *insured person* all *loss* within the *retention*. Under these circumstances the *retention* shall be payable by the *company* to the *insurer*.

If the *insurer* advances *loss* for which a *retention* or coinsurance applies, the *insureds* agree to repay the *insurer* immediately to the full extent the *retention* or coinsurance applies, once the *insurer* notifies the *company* of the *loss* so advanced.

For each *claim* made in whole or in part against any *company*, the defendant (or respondent) *company* shall, excess of the applicable *retention*, bear uninsured at its own risk and pay the coinsurance percentage proportion of such *loss*. The *insurer's* liability hereunder with respect to *loss* of any *company* shall apply only to the remaining percentage of such *loss*, and the *insurer* shall have no obligation to pay to the extent that any applicable coinsurance is not paid by a *company*. Payments of coinsurance shall not be subject to and do not reduce any limits of liability under this policy.

4. **General Provision 5.16 Allocation** is deleted in its entirety and replaced by the following:

5.16 Allocation

The *insurer* shall be liable only for *defence costs* or other *loss* derived exclusively from a covered *claim* against an *insured person* or a covered *securities claim* against a *company*. The *insurer* has no obligation under this policy for *defence costs* incurred by judgments against or settlements by a *company* arising out of a *claim* made against a *company* other than a covered *securities claim*, nor any obligation to pay *loss* arising out of any legal liability that a *company* has to a claimant, except as respects a covered *securities claim* against such *company*.

Accordingly, with respect to: (i) *defence costs* jointly incurred by; (ii) any joint settlement entered into by; and/or (iii) any judgment of joint and several liability against any *company* and any *insured* in connection with any *claim* other than a *securities claim*, any such *company* and any such *insured person* and the *insurer* agree to use their best efforts to determine a fair and proper allocation of the amounts as between any such *company* and any such *insured person* and the *insurer*, taking into account the relative legal and financial exposures and the relative benefits obtained by any such *insured* and any such *company*.

In the event that any *claim* involves both covered matters and matters or persons not covered under this policy, a fair and proper allocation of any *defence costs*, judgments and or settlements shall be made between the *company*, the *insured person* and the *insurer* taking into account the relative legal and financial exposures attributable to covered matters and matters or

people riot covered under this policy.

5. **General Provision 5.19 Changes in Risk** is deleted in entirety and replaced with the following:

5.19 Changes in Risk

COMPANIES AND INSURED PERSONS: Cover for any *claim* against any *company* or any *insured person* of a *company* shall apply only for *wrongful acts* committed while such entity is a *company* and while such *insured person* serves in an *insured person* capacity.

TRANSACTIONS: The *insurer* shall not be liable to make any payment or to provide any services in connection with any *claim* arising out of, based upon or attributable to a *wrongful act* committed after the occurrence of a *transaction*.

6. The following **General Provision** is added:

5.28 Order of Payments

The *insurer* will pay *loss* covered under this policy in the order in which such *loss* is presented to the *insurer* for payment. Should the *insurer*, in its sole and absolute discretion, determine that the *limit of liability* will not be sufficient to cover all such *loss*

- (i) the *insurer* will first pay *loss* which is covered under insurance cover 1.1 (i); and
- (ii) thereafter with respect to any remaining balance of the *limit of liability* may, at its option, request the *policyholder* to elect in writing either to stipulate the order and the amounts in which *loss* is to be discharged, or to receive such balance to be held on behalf of any *insured* who has incurred such *loss*.

The *policyholder* and each and every other *insured* agree that payment pursuant to this order of payments clause fully discharges the *insurer* from its obligations under this policy. Once a payment has been made under (i) and (ii) above, if applicable, the *policyholder* will indemnify and keep indemnified the *insurer* in relation to the order and amounts paid by the *insurer* in relation to such *loss*.

Schedule

The following Items are added to the Schedule:

Item 6A. Coinsurance: Securities Claim(s) only

Insurer: 100%

Company: NIL

Item 8A Securities Claims Continuity Date:

XXXXXXXXXXXXX

All other terms, exclusions and conditions of this policy remain unaltered.

