



Investment Management Insurance

Luxembourg

POLICY WORDING

POLICY – NUMBER:

LF32000216

POLICYHOLDER:

BAUMANN & PARTNERS S.A.

Important Notice:

This is a **Claims made & Discovery** based insurance **Policy**. Any cover under this **Policy** is afforded solely with respect to **Claims** first made against the **Insured** during the **Policy Period** or the **Discovery Period** (if applicable) and to **Direct Financial Loss Discovered** during the **Policy Period**.

The following documents and statements shall form the basis of this **Policy** (insurance contract):

- (a) proposal form (including any information, statement, representation or fact presented in this form and further including any submitted enclosure, annex or any reference made);
- (b) any other written information submitted by the **Policyholder** to the **Insurer**; and
- (c) any other material statement made by the **Policyholder** before **Inception Date** of this **Policy**.

A material statement is one that would influence the acceptance or assessment of the risk. In addition, the **Insurer** has the right (but not the obligation) to rely on all publicly available documents and information.

Please discuss the cover of this **Policy** with your insurance broker.

Schedule

Policy Number:

LF32000216

Policyholder	BAUMANN & PARTNERS S.A.			
Policyholder's main Address	145 rue de Trêves L-2630 Luxembourg Grand Duchy of Luxembourg			
Policy Period	From:	1.8.2012	To:	31.7.2012
	At respectively 00:00 and 24:00 at the address of the Policyholder .			
Continuity Date	1.8.2012			
Retroactive Date	1.10.2011			
	With respect to Sections 1.2 & 1.3 of the Policy , cover applies to any Wrongful Professional Act and Wrongful Employment Practices committed on or after this Retroactive Date .			
Discovery Period	36 months for the Company . 60 months for any Insured Person . The Discovery Period does not apply to Section 1.4. The Discovery Period is provided at no additional premium.			
Limit Of Liability	Aggregate Limit of Liability per Policy Period for all Loss of all Insured under all insurance covers and extensions combined: EUR 1.000.000,00			
Insurance Covers				
	Section 1.1	Managerial Liability	Covered	
	Section 1.2	Professional Liability	Covered	
	Section 1.3	Employment Practices Liability	Not Covered	
	Section 1.4	Fraud Insurance	Not Covered	
Additional In-House Funds				
Additional External Funds				
Aggregate Sublimits (each and every event triggering a Claim or an Extension)	Repair of Reputation		250.000,00 EUR	
	Assets and Liberty Costs		250.000,00 EUR	
	Extradition Media Expenses		250.000,00 EUR	
	Extradition Crisis Costs		50.000,00 EUR	
	Bail Bond and Civil Bond Expenses		250.000,00 EUR	
	Court Attendance		250.000,00 EUR	
	Investigation Costs		Full Limit	
	US Investigation Costs		250.000,00 EUR	
Independent Director Special Excess Limit	Separate excess aggregate limit for all Independent Directors of the Company together:		Up to 10% of the Limit Of Liability with a maximum of EUR 500.000,00	

Territory	Worldwide, excluding Claims introduced in the USA, its territories and possessions.																									
Retention (art. 5.2 of the Policy)	<table border="1"> <tr> <td colspan="2">Section 1.1 : Managerial Liability</td> </tr> <tr> <td>Any indemnifiable US Claim</td><td>N.A.</td> </tr> <tr> <td>Any other Claim</td><td>nil</td> </tr> <tr> <td colspan="2">For US Claims, If the Company is legally permitted or required to indemnify the Insured Person, but for any reason whatsoever fails to do so, the Insurer will indemnify the Insured Person for such Loss without applying the Retention, it being understood that such Retention remains due by the Company to the Insurer.</td> </tr> <tr> <td colspan="2">Section 1.2: Professional Liability</td> </tr> <tr> <td>Any US Claim</td><td>N.A.</td> </tr> <tr> <td>Any other Claim</td><td>EUR 50.000,00</td> </tr> <tr> <td colspan="2">Section 1.3 : Employment Practice Liability</td> </tr> <tr> <td>Any US Claim</td><td>N.A.</td> </tr> <tr> <td>Any other Claim</td><td>N.A.</td> </tr> <tr> <td colspan="2">Section 1.4 : Fraud Insurance (per any Direct Financial Loss)</td> </tr> <tr> <td colspan="2">N.A.</td> </tr> </table>		Section 1.1 : Managerial Liability		Any indemnifiable US Claim	N.A.	Any other Claim	nil	For US Claims , If the Company is legally permitted or required to indemnify the Insured Person , but for any reason whatsoever fails to do so, the Insurer will indemnify the Insured Person for such Loss without applying the Retention , it being understood that such Retention remains due by the Company to the Insurer .		Section 1.2: Professional Liability		Any US Claim	N.A.	Any other Claim	EUR 50.000,00	Section 1.3 : Employment Practice Liability		Any US Claim	N.A.	Any other Claim	N.A.	Section 1.4 : Fraud Insurance (per any Direct Financial Loss)		N.A.	
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Section 1.4 : Fraud Insurance (per any Direct Financial Loss)																										
N.A.																										
Premium:	EUR 11.000,00																									
Insurance Tax: (4%)	EUR 440,00																									
Total annual premium:	EUR 11.440,00																									
Retroactivity	An additional premium of 3.300 € is charged the first year for the backdating of the retroactive date with effect 1.10.2011.																									
Insurer Address to report Claims and circumstances	Chartis Europe S.A., Succursale de Luxembourg rue des Mérovingiens 10B L-8070 Bertrange, Luxembourg Phone : +352.44.30.32.23 Fax : +352.44.33.31.07 infoluxembourg@chartisinsurance.com .																									
The undersigned Policyholder acknowledges understanding the English language and expressly agrees to the use of such language for the drafting of this Policy and any related documents. The undersigned Policyholder has read and understood the clause "Power of Attorney" of the general terms and conditions attached hereto. The undersigned Policyholder herewith appoints the Belgian branch and the Irish branch of Chartis Europe S.A. as its proxyholders, each with power to substitute, to receive, on the Policyholder's behalf and in the Policyholder's name, any information relating to the Policy in accordance with and as further detailed in the clause "Power of Attorney" of the general terms and conditions.																										

Signed in Luxembourg in threefold, on 13.09.2012

For the **Policyholder**

Date

Name

Title

Signature

For the **Insurer**

Date

Name

Title

Signature

13. 9. 2012

Alessandro Guarrata

Financial Institutions Manager

10B, rue des Mérovingiens
L-8070 Bertrange

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General Conditions

In consideration of the payment of the premium, subject to the provisions of this **Policy** and in reliance upon the proposal which forms part of this **Policy**, the **Insurer** and the **Policyholder** agree as follows:

Section 1: Insurance Cover

- 1.1 **Managerial Liability** The **Insurer** shall pay on behalf of any **Insured Person** or the **Company** the **Loss** resulting from any **Claim** made during the **Policy Period** against an **Insured Person** and based upon any **Wrongful Managerial Act**.
- 1.2 **Professional Liability** The **Insurer** pay on behalf of any **Insured** the **Loss** resulting from any **Claim** made during the **Policy Period** against an **Insured** and based upon any **Wrongful Professional Act**.
- 1.3 **Employment Practice Liability** The **Insurer** shall pay on behalf of any **Insured** the **Loss** resulting from any **Claim** made during the **Policy Period** against an **Insured** and based upon any **Wrongful Employment Practice**.
- 1.4 **Crime Protection** The **Insurer** will reimburse any **Company** for its **Direct Financial Loss** which is **Discovered** during the **Policy Period** and which results directly from any :
- (a) **Act of Infidelity ; or**
 - (b) **Third Party Crime.**

Section 2: Extensions

Extensions applicable to all Insurance Covers

- 2.1 **Vicarious Liability** The **Insurer** shall pay on behalf of any **Insured** all **Loss** resulting from any **Claim** based upon any act which the **Insured** did not make but for which he is nonetheless legally liable as a matter of law in his quality of **Insured**.
- 2.2 **Discovery Period** In case of termination or non-renewal of this **Policy**, the **Insured** is granted an automatic **Discovery Period** of 60 (sixty) months for an **Insured Person** and of 36 (thirty-six) months for the **Company** following the effective date of termination or non-renewal of this **Policy**, at no additional premium.
- No **Discovery Period** is available if the **Policyholder** renews or replaces this **Policy** with any other **Policy** affording similar liability cover or if this **Policy** is being cancelled by the **Insurer** due to non-payment of premium.
- No **Discovery Period** is available under Section 1.4.
- 2.3 **New Subsidiaries** The definition of **Subsidiary** will be extended to any new entity which meets, during the **Policy Period**, the criteria set forth in the definition of "Subsidiary", unless that entity:
- (a) is incorporated or domiciled in the United States of America; or
 - (b) has, has had, or plans to have during the **Policy Period** its securities traded in the United States of America.
- With respect to Sections 1.1, 1.2 and 1.3 of this **Policy**, the relevant **Insurance Cover** (including extensions) afforded to such new entity shall apply solely in respect of the **Loss** resulting from **Claims** made against an **Insured** during the part of the **Policy Period** starting on the effective date of creation or acquisition of such new subsidiary or during the **Discovery Period** and based upon a

Wrongful Act committed on or after the effective date of creation or acquisition of such new subsidiary.

With respect to Section 1.4 of this **Policy**, the relevant **Insurance Cover** afforded to such new entity shall apply solely in respect of **Direct Financial Loss Discovered** during the part of the **Policy Period** starting on the effective date of creation or acquisition of such new entity and which result directly from any **Act of Infidelity or Third Party Crime** committed on or after the effective date of creation or acquisition of such new entity.

If a newly acquired or created entity does not meet the requirements of this Extension, such entity will be covered as a **Subsidiary** under this **Policy**, but only for a period of thirty (30) days from the date the **Company** first acquired or created such entity, or until the end of the **Policy Period**, which ever occurs first.

The **Company** may provide the **Insurer** with sufficient details about any new entity which does not meet the criteria set forth in the definition of "Subsidiary". The **Insurer** will assess and evaluate any increase in risk and may then, at his absolute discretion, agree to extend cover in consideration of the payment of an additional premium and/or require amendments to the terms of this **Policy**.

2.4 *New In-House Funds*

The definition of **In-House Fund** will be extended to any new undertaking for collective investment which meets, during the **Policy Period**, the criteria set forth in the definition of **In-House Fund**.

With respect to Sections 1.1, 1.2 and 1.3 of this **Policy**, the relevant **Insurance Cover** (including extensions) afforded to such **In-House Fund** shall apply solely in respect of the **Loss** resulting from **Claims** made against an **Insured** during the part of the **Policy Period** starting on the effective date of creation or acquisition of such **In-House Fund** or during the **Discovery Period** and based upon a **Wrongful Act** committed on or after the effective date of creation or acquisition of such **In-House Fund**.

With respect to Section 1.4 of this **Policy**, the relevant **Insurance Cover** afforded to such **In-House Fund** shall apply solely in respect of **Direct Financial Loss Discovered** during the part of the **Policy Period** starting on the effective date of creation or acquisition of such **In-House Fund** and which result directly from any **Act of Infidelity or Third Party Crime** committed on or after the effective date of creation or acquisition of such **In-House Fund**.

The **Policyholder** may provide the **Insurer** with sufficient details about any new undertaking for collective investment which does not meet the criteria set forth in the definition of **In-House Fund**. The **Insurer** will assess and evaluate any increase in risk and may then, at his absolute discretion, agree to extend cover in consideration of the payment of an additional premium and/or require amendments to the terms of this **Policy**.

2.5 *Repair of Reputation*

The **Insurer** indemnifies or will pay, up to the sublimit mentioned in the Schedule, the reasonable costs and expenses for advice and support provided by an independent public relations professional consultant incurred – with the prior written consent of the **Insurer** – by an **Insured**, in order to mitigate damage to his reputation in case of :

- (a) circumstances that may lead to a **Claim**; or
- (b) a **Claim**, or
- (c) a **Direct Financial Loss**.

Extensions applicable to Section 1.1 - Managerial Liability

2.6 *Additional Limit of Liability for Independent*

If the **Limit of Liability** is completely eroded due to payment by **Insurers** of **Loss** and after all other indemnification available to the **Independent Directors** has been exhausted, it is agreed that the **Limit of Liability** shall be reinstated as

<i>Directors</i>	mentioned in the Schedule for each individual Independent Director in the aggregate for all Claims made against each individual Independent Director during the Policy Period provided that if the Company has <u>in effect</u> any Policy or policies providing coverage in excess of this Policy , the reinstated Limit of Liability provided by this Cover Extension will take effect after the total exhaustion of any amounts payable under such other policies but <u>before</u> any similar reinstatement provisions as may be contained in any such other Policy or policies.
2.7 <i>Assets and Liberty Costs</i>	Subject to its prior written consent and up to the sublimit specified in the Schedule, the Insurer will pay, where permitted by all applicable laws, the reasonable and necessary legal fees, costs and expenses, 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 estate 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 an Insured Person; (d) restriction of such Insured Person's liberty to a specified domestic residence or an official detention; (e) deportation of an Insured Person following revocation of otherwise current and valid immigration status for any reason other than such Insured Person's conviction of a criminal act.
2.8 <i>Extradition Proceedings</i>	The Insurer shall pay the reasonable fees, costs and expenses of each Insured Person (except remuneration of any Insured Person, cost of their time or costs or overheads of any Company) incurred with the Insurer's prior written consent, by or on behalf of such Insured Person acting in their capacity as such, in connection with challenging, resisting and/or defending Extradition Proceedings brought against such Insured Person following: (a) receipt by such Insured Person of an official written notice in writing from the responsible governmental authority advising of a request for extradition being made against them; or (b) the execution of a warrant for arrest of such Insured Person, whichever is the earlier. With the Insurer's prior written consent, the Insurer shall also pay, as part of the limit of liability, the Extradition Crisis Costs and the Extradition Media Expenses, up to the sublimit specified in the Schedule.
2.9 <i>Investigation Costs</i>	The Insurer shall pay, up to the sublimit specified in the Schedule, Investigation Costs incurred by any Insured Person in relation to an Investigation in which the Insured Person first becomes involved during the Policy Period or the Discovery Period .
2.10 <i>Corporate Manslaughter</i>	The Insurer will pay, up to the sublimit specified in the Schedule, the costs and expenses incurred in relation to a Claim against an Insured Person for Corporate Manslaughter; It is expressly agreed, however, that this Cover Extension applies only in excess of any other valid and collectible insurance.
2.11 <i>Bail Bond and Civil Bond Expenses</i>	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, up to the sublimit specified in the Schedule. For the purposes of this Extension, bail bond and civil bond shall mean the reasonable premium (but not collateral) for a bond or other financial instrument to guarantee an Insured Person's contingent obligation for a specified amount

required by a court hearing a **Claim** for any **Wrongful Act**.

- 2.12 *Emergency Costs* If the **Insurer's** written consent cannot reasonably be obtained before **Defense Costs** are incurred with respect to a **Claim** for a **Wrongful Managerial Act** first made during the **Policy Period**, then the **Insurer** will give retrospective approval for such **Defense Costs** of up to the sublimit specified in the Schedule.
- 2.13 *Domestic Partner Liability* Any **Claim** made against an **Insured Person's** lawful spouse or other legally recognized domestic partner for any **Wrongful Act** of the **Insured Person**, shall be covered under this **Policy** as if such **Claim** were made against the **Insured Person**.
- 2.14 *Heirs, Estates & Legal Personal Representatives* Any **Claim** made against the estates, heirs, legal representatives or assignees of any deceased, incompetent, insolvent or bankrupt **Insured Person** for **Wrongful Acts** of that **Insured Person**, shall be covered under this **Policy** as if such **Claim** were made against that **Insured Person**.

Extensions applicable to Section 1.2 – Professional Liability

- 2.15 *Defamation* The **Insurer** shall pay on behalf of the **Insured** the **Loss** resulting from any **Claim** based upon libel or slander committed unintentionally by an **Insured**.
- 2.16 *Intellectual Property* The **Insurer** shall pay on behalf of the **Insured** the **Loss** resulting from any **Claim** based upon any Infringement of intellectual property by any **Insured**.
- 2.17 *Court Attendance* **Defense Costs** shall include EUR 200 per day for each day on which an **Insured Person** has been required to and has attended court as a witness in connection with a **Claim** notified under and covered by this **Policy**. The **Retention** shall not apply to this Extension.
- 2.18 *Loss of Documents* The **Insurer** shall pay on behalf of the **Insured** the **Loss** resulting from any **Claim** for the destruction of or loss of any document (documents of any nature whatsoever other than currency or other negotiable instruments or records thereof) of any customer or client of the **Company**, for which the **Insured** is legally responsible, while such document is in the custody of the **Insured**.

Extensions applicable to Section 1.4 – Crime Protection

- 2.19 *Repair of Computer Programs* The **Insurer** shall reimburse the **Company** for reasonable expenses incurred or reasonable fees paid by such **Company** with the prior written approval of the **Insurer**, for the verification or reconstitution or removal of electronic computer programs which have been fraudulently or maliciously prepared, modified or deleted after a payment for **Direct Financial Loss** by the **Insurer** under Section 1.4 of this **Policy**. No further **Retention** amount shall be applied to expenses incurred or fees paid under this Extension other than that **Retention** amount applicable to such original payment. The **Insurer's** liability under this Extension is limited to the lesser of the **Limit of Liability** or EUR 1.000.000,00 in the aggregate for the **Policy Period**.

Section 3: Exclusions

The **Insurer** shall not be liable to make any payment on account of any **Investigation, Claim, Loss, Direct Financial Loss** or in the framework of any extension:

Exclusions applicable to all Insurance Covers and Extensions

- 3.1 *Bodily Injury & Property Damages* For bodily injury, property damage or personal injury.
This exclusion does not apply to (i) **Defense Costs**, to (ii) **Claims** to which cover under extension "Corporate Manslaughter" applies, or to (iii) **Claims** alleging emotional distress caused by a **Wrongful Employment Practice**.
- 3.2 *Pollution (US Claims)* Based upon or arising directly or indirectly from **Pollutants**.
This exclusion does not apply to (i) **Defense Costs**, and to (ii) any **Claim** which is not a **US Claim**.
- 3.3 *Established Misdeeds* Based upon or arising directly or indirectly from:
(a) the gaining of any profit or advantage to which the **Insured** is/was not legally entitled; or
(b) the committing of any dishonest or fraudulent act or omission by an **Insured**.
In the event that any of the above is established by final adjudication of a judicial or arbitral tribunal or any, formal written admission by the **Insured**.
It is understood that the **Insurer** shall advance **Defense Costs** incurred by the **Insured** prior to the misdeed being proven. Such payments must however be repaid to the **Insurer** by the **Insured**, severally according to their respective interests, in the event and to the extent that the **Claim** is ultimately determined not to be covered, or resolved on terms or in a manner which exclude it from coverage under this **Policy**.
This exclusion does not apply to Insurance Cover 1.4 "Crime Protection".
- 3.4 *Regulatory* Brought by, in the right of, on behalf of or instigated by a regulator whether directly or indirectly, except:
(a) with respect to **Investigation Costs** extension; or
(b) when acting solely in such regulator's capacity as a customer or client of an **Insured**; or
(c) when acting on behalf of any client or customer or group of clients or customers of an **Insured** pursuant to any statutory provision in any covered jurisdiction.
- 3.5 *US Claims brought by Insured (D&O)* Brought by or on behalf of any **Insured**.
This exclusion shall only apply to **US Claims**.
This exclusion shall not apply to **Defense Costs** of any **Insured Person**.
This exclusion shall not apply to Insurance Clause 1.3 "Employment Practice Liability".
This exclusion shall not apply to any **Claim** brought by or on behalf of:
(a) an **Employee** as a customer or client of the **Company** and is not solicited by or brought with the voluntary (rather than legally required) intervention, assistance or participation of any **Insured** against whom it is brought; or
(b) an **In-house Fund**, on advice from independent legal counsel selected by and at the expense of the **In-house Fund** (selection of such counsel being subject to the prior written approval of the insurer) that, on the balance of probabilities, the failure to make such **Claim** would be a breach of duty

owed by the **Directors and Officers** of such **In-house Fund**.

This exclusion shall not apply to any **Claim** against any **Insured Person**:

- (a) pursued as a shareholder derivative action brought or maintained on behalf of a **Company, Outside Entity or External Fund**; and that has not been solicited or brought with the voluntary (rather than legally required) intervention, assistance or active participation of any **Insured Person**;
- (b) pursued by an **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** otherwise covered under this **Policy**;
- (c) pursued by any past director, officer or employee of a **Company, Outside Entity or External Fund**; or
- (d) pursued by an insolvency administrator, receiver, trustee or liquidator of any **Company, Outside Entity or External Fund** either directly or derivatively on behalf of a **Company, Outside Entity or External Fund**.

Exclusions applicable to Sections 1.1: **Managerial Liability**

3.6 *Prior Knowledge, Prior/Pending Litigations*

Based upon or arising directly or indirectly from:

- (a) any actual or alleged fact or circumstance that, prior to the inception of this **Policy** or the **Continuity Date**, whichever occurs first, may reasonably have been expected by the **Company** or by an **Insured Person** to give rise to a **Claim**; or
- (b) any litigation or **Claim** commenced or made prior to, or pending at the inception of this **Policy** or at the **Continuity Date**, whichever occurs first, or derived from the same or essentially the same facts as alleged in such prior or pending litigation or **Claim**.

"Litigation" means any civil, criminal, administrative or regulatory proceeding, or any official investigation, examination, inquiry, arbitration, mediation or adjudication.

3.7 *Money Laundering*

Based upon or arising directly or indirectly from any "Money Laundering".

For the purposes of this exclusion, 'Money Laundering' shall mean any actual or attempted conspiracy to commit or aid or abet or assist or counsel or procure or incite or instigate any act which is a breach or is an offence under any and all laws or statutes or regulations which pertain, wholly or in part, to money laundering and to which the **Insured Person** and/or the **Company** are subject.

It is understood that the **Insurer** shall advance **Defense Costs** incurred by the **Insured Person** prior to the misdeed being proven. Such payments must however be repaid to the **Insurer** by the **Insured**, severally according to their respective interests, in the event and to the extent that the **Claim** is ultimately determined not to be covered, or resolved on terms or in a manner which exclude it from coverage under this **Policy**.

Exclusions applicable to Section 1.2: **Professional Liability**

3.8 *Prior Acts Exclusion*

Based upon or arising directly or indirectly from any **Wrongful Professional Act** committed prior to the **Retroactive Date**.

3.9 *Technology Failure*

Based upon or arising directly or indirectly from electrical, software or mechanical failures, defects or disturbances, including any electrical power, communication or other utility interruption, surge, brownout or blackout, wear and tear or electromagnetic radiation.

This exclusion shall not apply to any **Claim** to the extent that such **Claim** results from a **Wrongful Act** committed by an **Insured Person** in using the systems of the **Company**.

- 3.10 *Patent / Trade Risk* Based upon or arising directly or indirectly from the breach of any intellectual property license, patent, trade or service mark; any other form of registered intellectual property right or any breach of a right to privacy or misappropriation of a trade secret.
- 3.11 *Contractual Penalties / Obligation of Results* Based upon or arising directly or indirectly from liability assumed or accepted by the **Insured** under:
 (a) any contract except to the extent such liability would have attached to the **Insured** in the absence of such contract or agreement;
 (b) or any guarantee or warranty or indemnity.
- 3.12 *Fees, Commissions or other Compensation* Based upon or arising directly or indirectly from fees, commissions, or other compensation for any services rendered or required to be rendered by an **Insured** or that portion of any settlement or award in an amount equal to such fees, commissions, or other compensation.
- 3.13 *Proprietary Risk* Based upon or arising directly or indirectly from a proprietary trading loss, financial loss or a business loss where the **Company** is acting on its own behalf or as principal.

Exclusions applicable to Section 1.4: Crime Protection

- 3.14 *Authorized Access* Resulting from the input of electronic data at an authorized electronic terminal by a customer, or another person who had authorized access to the customer's authentication mechanism, unless:
 (a) such customer was accessing the **Company's** computer system for a purpose not pre-agreed by the **Company** and such act was committed with the intent to cause the **Company** to sustain a **Direct Financial Loss**;
 or
 (b) such loss qualifies as a **Direct Financial Loss** covered under Section 1.4.
- 3.15 *Credit Risk* Resulting from the complete or partial non-payment of or default upon any loan, unless such loss qualifies as a **Direct Financial Loss** and directly results from an **Act of Infidelity**, a **Fraudulent Transaction** or a **Computer Fraud**;
- 3.16 *Directors Infidelity* Resulting from any **Act of Infidelity** of any **Director or Officer** of the **Company**, except to the extent that the **Director or Officer** or partner is an **Employee** and is acting solely in their capacity as an **Employee**.
- 3.17 *Extortion / Kidnap* Due to or payment for extortion, kidnapping, hijacking or wrongful detention.
- 3.18 *Legal Fees, Costs and Expenses* Resulting in costs, fees or other expenses incurred in establishing the existence or amount of loss qualifying as a **Direct Financial Loss**, or in prosecuting any proceeding.
- 3.19 *Fraudulent Features in Computer Programs* Resulting from fraudulent features contained in computer programs developed for sale to, or that were sold to, multiple customers at the time of their acquisition from a vendor or consultant unless:
 (a) no other purchaser of the computer programs has sustained an insurable loss resulting from such fraudulent features during the period of 60 (sixty) days from the date of **Discovery** of the **Direct Financial Loss** by the **Company**;
 (b) at the time of **Direct Financial Loss** such fraudulent features were contained solely on the computer programs of the **Company** and not on those sold to any other customer; or
 (c) such fraudulent features were inserted subsequent to the date of their acquisition;
- 3.20 *Indirect Loss* Which is Indirect or consequential loss of any nature.

3.21	<i>Loss of Income</i>	Representing loss or deprivation of income or profits (including but not limited to interest and dividends);
3.22	<i>Business Interruption</i>	Arising out of, based upon or attributable to business interruption (including loss of computer time or use);
3.23	<i>Mechanical Failure</i>	Arising out of, based upon or attributable to mechanical, electronic or software failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, electronic data corruption, failure or breakdown or any malfunction or error in programming or errors or omissions in processing;
3.24	<i>Wear & Tear</i>	Arising out of, based upon or attributable to loss of or damage to any property whatsoever by reason of wear, tear, gradual deterioration, moth or vermin;
3.25	<i>Property Damage</i>	Attributable to loss, damage or destruction: (a) of or to any office, premises or real estate, however caused; (b) of or to any property as a result of fire, explosion, implosion or collapse, other than loss of Property due to a malicious act of an Employee; (c) as a result of looting, or any act of God or nature, including hurricane, typhoon, earthquake, or subterranean fire; or (d) arising out of, based upon or attributable to ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or the radioactive, toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
3.26	<i>Property in the Mail</i>	Attributable to loss of Property while in the custody of any postal service, other than Property sent via registered mail or recorded delivery.
3.27	<i>Proprietary Information, Trade Secrets and Intellectual Property</i>	Attributable to the actual or alleged plagiarism of, or arising directly or indirectly from the accessing of, any confidential information (including but not limited to trade secrets, computer programs, customer information, patents, trademarks, trade names or copyrights), except to the extent that any such confidential information is used to support or facilitate the commission of an Act of Infidelity or Third Party Crime covered by this Policy .
3.28	<i>Travellers Cheques, Bills of Lading and Similar Documents</i>	Resulting directly or indirectly from any items which are or purport to be travellers' cheques, travellers' letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable, or any other bill, document or receipt similar in nature or effect or serving a similar purpose, unless such loss qualifies as a Direct Financial Loss covered under Section 1.4.
3.29	<i>War and Terrorism</i>	Resulting from damage to or destruction of Property arising out of or relating to war or terrorism. This exclusion shall not apply to Direct Financial Loss under Section 1.4(b) where the Third Party Crime results from any act of actual or attempted burglary, robbery, hold-up, theft or larceny by any natural person arising out of or relating to such natural person's actual or alleged involvement in terrorism or connection to or association with others who are involved in or connected to terrorism.
3.30	<i>Source Documentation</i>	From Computer Fraud resulting directly or indirectly from fictitious, forged, fraudulently altered, counterfeit or fraudulent documents, written or printed instruments or instructions, negotiable instruments or certificated securities in physical form used as source documentation in the creation, preparation or modification of electronic data or Electronic Communications .
3.31	<i>Physical Documents</i>	From Computer Fraud resulting directly or indirectly from the Insured (or a Financial Organization acting on behalf of the Insured) having acted or relied upon documents, written or printed instruments or instructions negotiable instruments or certificated securities provided in physical form by a third party to the Insured (or to a Financial Organization acting on behalf of the Insured).

3.32 *Statements of Condition*

From **Computer Fraud** resulting directly or indirectly from the **Insured** (or a **Financial Organization** acting on behalf of the **Insured**) having acted or relied upon electronic data (including electronic data contained in an third party originated **Electronic Communication**) provided to the **Insured** (or to a **Financial Organization** acting on behalf of the **Insured**) which electronic data represents fictitious, dishonest or fraudulent:

- (a) financial accounts or financial records;
- (b) statements of account;
- (c) valuations of investments or real property; or
- (d) other statements of condition intended to obtain or gain access to:
 - i. a loan or other extension of credit or guarantee;
 - ii. actual or committed investment funds;
 - iii. the proceeds of insurance or assurance policies;

held by, or from, the **Insured**.

Severability of exclusions: For the purposes of the application of the exclusions, with respect to cover for **Loss** which arises out of a **Claim** for a **Wrongful Act**, no statement made, nor any information or knowledge possessed by any **Insured Person**, nor any acts errors or omissions of any **Insured Person**, shall be imputed to any other **Insured Person**.

Section 4: Definitions

- 4.1 **"Act of Infidelity"** means any dishonest, fraudulent or malicious act committed by an **Employee** alone or in collusion with others, with the intent to cause the **Insured** to sustain such loss or to obtain an improper financial gain for the **Employee**.
- However, with respect to Loans and Trading, **Act of Infidelity** means only a dishonest, fraudulent or malicious act committed by an **Employee** with the intention of obtaining and which results in an improper financial gain for the **Employee** who committed such act.
- Salary, fees, commissions, bonuses, salary increases, promotions, profit sharing and other emoluments or benefits including business entertainment do not constitute improper financial gain.
- For the purpose of the above:
- "Loan" shall mean :
- (a) any loan or transaction in the nature of, or amounting to, a loan or extension of credit, including a lease, made by or obtained by or from the **Company**; or
 - (b) any note, account, invoice, agreement or other evidence of debt, assigned or sold by or to, or discounted or otherwise acquired by the **Company**; or
 - (c) any payments made or withdrawals from the account of a customer of the **Company** involving items which are not finally paid for any reason.
- "Trading" shall mean the trading or other dealings in securities, commodities, futures, options, foreign or Federal funds, currencies, foreign exchange and the like.
- 4.2 **"Automated Clearing House"** means any corporation or association which operates an electronic clearing and transfer mechanism for the transfer of pre-authorized debits and credits between **Financial Organizations** on behalf of **Financial Organizations'** customers.
- 4.3 **"Central Depository"** means any clearing corporation where, as the direct result of an electronic clearing and transfer mechanism, entries are made evidencing an increase or reduction in an account, an obligation, a number of shares or the rights of any party.
- 4.4 **"Certificate of Deposit"** means a written acknowledgement by a **Financial Organisation** of a deposit with a promise to pay such deposit to any person or by order of such person.
- 4.5 **"Claim"** means any written demand (other than by or on behalf of the **Company**), any civil, criminal, administrative or arbitration proceedings seeking compensation or other legal remedy for a specified **Wrongful Act** against an **Insured**.
- 4.6 **"Company"** means the **Policyholder**, its **Subsidiaries** and any **In-House Fund**.
- 4.7 **"Computer Fraud"** means:
- (a) the **Impairment** of any electronic data, **Uncertificated Security**, electronic computer program, **Electronic Communications** or **Voice Initiated Instruction** upon which an **Insured**, or any **Financial Organization** acting on its behalf, has acted or relied or
 - (b) **Impairment** of, or reliance by an **Automated Clearing House** or a **Financial Organization** upon, any **Electronic Communication** or **Voice Initiated Instruction** which purported to, but which did not, originate from an **Insured**.
- 4.8 **"Computer System"** means a computer and all networks, input, output, processing, storage or communication facilities, which are connected, directly or indirectly, to such a

device.

- 4.9 **"Computer Virus Damage"** means the loss or destruction of or amendment to or damage to any electronic data upon which an **Insured**, or any **Service Bureau**, has acted or relied due to any unauthorized program or code fraudulently or maliciously created and/or distributed through the **Computer System** of an **Insured** or a **Service Bureau**.
- 4.10 **"Corporate Manslaughter"** means any proceedings brought in any jurisdiction against an **Insured Person** for any gross breach of duty of care in relation to the business of the **Company** that causes the death of another person.
- 4.11 **"Counterfeit"** means an imitation of any instrument which, because of the quality of the imitation, the **Insured** believes is the authentic original instrument. Fictitious instruments, which merely contain fraudulent misrepresentation of fact and are genuinely signed or endorsed, are not **Counterfeit**.
- 4.12 **"Defense Costs"** means any reasonable and necessary fees, costs and expenses incurred, with the prior consent of the **Insurer** (such consent not to be unreasonably withheld), by or on behalf of an **Insured** in the investigation, defence and/or settlement of a **Claim** against an **Insured**.
- Defense Costs** do not include any remuneration or other overhead costs of the **Insured**, as well as any **Investigation Costs** that fall within the scope of extension "Investigation Costs" under Section 2.
- 4.13 **"Discovered" or "Discovery" (of a Direct Financial Loss)** means when any responsible person first becomes aware of or has any knowledge of any act, omission or event which could reasonably be foreseen to give rise to a **Direct Financial Loss** covered by this **Policy**, even though the exact amount or details of such **Direct Financial Loss**, act, omission or event are not known at the time of **Discovery**. Such **Discovery** shall constitute **Discovery** by every **Insured**.
- 4.14 **"Direct Financial Loss"** means the pecuniary loss sustained by the **Company** directly as a result of any single act, single omission, or single event. A series of related or continuous acts, omissions or events up to the time of **Discovery** shall be treated as a single act, omission or event.
- Direct Financial Loss** shall not include
- (a) fines and penalties,
 - (b) salaries, fees, commission, bonuses and similar employee benefits, including salary increases and promotions, other than bonuses, commissions or profit sharing paid to an **Employee** as a result of a specific transaction undertaken by such **Employee** and which is an **Act of Infidelity**.
- 4.15 **"Director or Officer"** means (i) any natural person within the **Company** holding a management or supervisory position or equivalent position under the laws of any jurisdiction, (ii) any natural person general partner of the **Company** if the **Company** is established as a partnership limited by shares, as well as any natural person representing the general partner, if the general partner has taken the form of a legal entity, (iii) any conducting officer of the **Company**, or (iii) any natural person not appointed or elected as a director or officer of the **Company** who performs duties ordinarily performed by a duly appointed or elected director or officer, and who, as a result of performing such duties, incurs a personal liability as a director or officer of the **Company**.
- 4.16 **"Discovery Period"** Means the period mentioned in the Schedule and immediately following the non-renewal of this **Policy** by the **Company** during which written notice may be given to the **Insurer** of any **Claim** first made against the **Insured** during such period of time, but solely for any **Wrongful Act** committed or allegedly committed prior to

the end of the **Policy Period** and otherwise covered by this **Policy**.

4.17 **"Document"**

Means any cheque, bill of exchange, draft, **Certificate of Deposit**, letter of credit, promissory note, withdrawal order or receipt for the withdrawal of funds or **Property**, money order, orders upon public treasuries, or any similar instruments of value serving the same purpose.

4.18 **"Electronic Communication"**

Means the communication that have been transmitted electronically through an **Electronic Communications System**, via the Internet by **Tested Communication**, or through communications recorded on electronic data or electronic data processing media.

4.19 **"Electronic Communication Systems"**

Means **Electronic Communications** operations by automated communications systems or any **Computer System** which provides a **Company**, or any **Financial Organization** acting on their behalf, with direct access to the **Computer System** of another **Financial Organization** and vice versa, including cash management systems and other computer-based systems which allow dematerialised communications between an **Company** and other parties.

4.20 **"Employee"**

means any:

- (a) natural person under a contract of employment with or under the direct control and supervision of the **Company**;
- (b) any **Director or Officer** when performing acts coming within the scope of the usual duties of an **Employee** rather than directorial acts on behalf of that **Company**
- (c) company or person(s) authorized by a written contract with the **Company** to perform accounting, data processing of cheques, payroll or computing services outsourced by the **Company**.
- (d) with respect to Section 1.4 – Crime Protection only:
 - (i) ex-employee, for a period not exceeding 60 (sixty) days following the termination of his/her contract of employment with the **Company**, other than when such termination is a result of an **Act of Infidelity** covered under this **Policy**;
 - (ii) employee of the **Company** whom the **Policyholder** is unable to identify by name, but whom the **Policyholder** proves beyond reasonable doubt has committed an **Act of Infidelity** which caused a **Direct Financial Loss** covered under this **Policy**;
 - (iii) solicitor, other than a sole practitioner, retained by the **Company**, or any employee of such solicitor, whilst providing legal services exclusively for the **Company**; or
 - (iv) company or person(s) authorized by a written contract with the **Company** to perform accounting, data processing of cheques, payroll or computing services outsourced by the **Company**.

The term **Employee** does not mean any independent broker, independent financial adviser, or any similar agent or independent representative remunerated on a sales or commission basis unless specifically agreed by the **Insurer** and endorsed to this **Policy**.

4.21 **"External Fund"**

means:

- (a) any Luxembourg regulated UCITS, Part II Fund or SIF or other undertaking for collective investment which is not an **"In-House Fund"**, and which has delegated specific functions to the **Policyholder**; and
- (b) any other entity specifically listed in the Schedule or by endorsement to this **Policy**.

An entity ceases to be an **External Fund** when none of the foregoing applies.

4.22 **"External Fund"**

Means any **Director or Officer** or **Employee** who did or does, or during the **Policy**

Director"	Period begins to serve, at the specific request of the Company, as a Director or Officer, trustee, governor or equivalent of an External Fund. This cover shall be provided exclusively for Wrongful Acts committed during such time where such person was effectively an External Fund Director under the terms of the Policy. This cover will apply in excess of any other specific insurance available to the External Fund Director from any such External Fund.
4.23 "Extradition Crisis Costs"	means reasonable fees, costs and expenses of any accredited: (i) counsel or attorney, and (ii) tax advisor, retained by the Insured Person directly in connection with Extradition Proceedings brought against such Insured Person.
4.24 "Extradition Media Expenses"	Means reasonable fees, costs and expenses of the public relations consultants retained by an Insured Person and incurred exclusively and directly in connection with Extradition Proceedings brought against such Insured Person.
4.25 "Extradition Proceedings"	means any extradition proceedings including any appeal relating thereto, any judicial review applications challenging the designation of any territory for the purposes of any extradition law or challenging or appealing any extradition decision by the responsible governmental authority including the designation of citizenship in relation to extradition proceedings or applications to the European Court of Human Rights or similar court with respect to extradition proceedings.
4.26 "Financial Organization"	means : (a) any bank, credit institution, financial institution, undertaking for collective investment in Securities, investment firm or similar entity; or (b) a Central Depository in connection with the purchase, sale, transfer or pledge of an Uncertificated Security; or (c) any person or organization with which the Company has a written agreement for the provision of purchasing services, safekeeping, registration and entitlement records in connection with Securities.
4.27 "Forgery" or "Forged"	Means the hand-written signing or endorsing of the name of a genuine person or a copy of said person's signature without authority and with intent to deceive. It does not include the signing or endorsing in whole or in part of one's own name, with or without authority, in any capacity, for any purpose. Mechanically or electronically produced or reproduced signatures are treated the same as hand-written signatures. Any endorsement upon a Document of a fictitious name, or an endorsement upon a Document procured in a face to face transaction of the name of anyone impersonated, shall be deemed to be a Forged endorsement.
4.28 "Fraudulent Alteration"	Means a material alteration to an instrument for a fraudulent purpose by any person other than a person who was authorized to prepare or sign the instrument.
4.29 "Fraudulent Transaction"	means the Company or any Financial Organization acting on their behalf, having in good faith and in the ordinary course of business, acted or relied upon: (a) any Forged, Fraudulently Altered or Counterfeit; (i) Document; (ii) Instruction; (iii) Security which is in the actual physical possession of the Insured or a Financial Organization acting on behalf of the Insured for the purpose of secure possession; (iv) currency; or (b) any Security which has been lost or stolen.
4.30 "Impairment"	Means any actual or attempted preparation, input, modification or destruction

for a fraudulent purpose.

4.31 "Independent Director"

Means any past, present or future director which is considered to be an independent director of the **Company** according to the legislation and/or the ruling corporate governance code of the country where the **Claim** is brought.

4.32 "In-House Fund"

means any Luxembourg regulated UCITS, Part II Fund or SIF (or any similar vehicle in any other European jurisdiction), to which the **Policyholder** or its **Subsidiaries** act as sponsor, promoter, co-promoter, promoter "on behalf of" or initiator on the inception date of this **Policy**, as well as the general partner of such undertaking for collective investment, where the latter is established as a partnership limited by shares.

The definition of **In-House Fund** shall also include any European based non-regulated special purpose companies (such as SPV and Soparfi) which are set up, managed and used by the **Policyholder** for the purpose of the services provided to the **In-House Fund**. The definition of **In-House Fund** does not include any of the assets hold by such special purpose companies and which are not directly controlled by the **Policyholder**.

The definition of **In-House Fund** can be extended to any other entity listed in the Schedule or by endorsement to this **Policy**.

An entity ceases to be an **In-House Fund** when none of the foregoing applies.

4.33 "Instruction"

means any written or printed instruction (other than an e-mail or facsimile), or **Tested** facsimile or **Tested** telex directed to equipment maintained by the **Company** within a secure environment, authorizing or acknowledging the transfer, payment, delivery or receipt of funds or property.

4.34 "Insured"

Means the **Company** and any **Insured Person**.

4.35 "Insured Person"

Means:

- (a) any past, present or future **Director or Officer, Independent Director or External Fund Director; any Outside Entity Director; and**
- (b) any **Employee**, with respect to Section 1.2.

Insured Person shall not include any external auditor or external liquidator of a **Company**.

4.36 "Investigation"

means any official investigation, examination or inquiry into the affairs of the **Company** which is instigated by a person or an institution which is legally empowered to conduct the investigation, examination or inquiry and which the **Insured Person** are legally compelled to attend, and which involves the conduct of the **Insured Person** in their capacity as a director or officer of the **Company**.

Investigation shall not mean routine regulatory supervision, inspection or compliance reviews, or any investigation which focuses on an industry rather than an insured.

4.37 "Investigation Costs"

means reasonable fees, costs and expenses (except remuneration of any **Insured**, cost of their time or costs or overheads of any **Company**) incurred with the **Insurer's** prior written consent and within the sublimit specified in the Schedule by or on behalf of an **Insured Person** directly in connection with preparing for and attending an **Investigation**.

4.38 "Loss"

means any (i) **Defense Costs**, (ii) **Investigation Costs**, (iii) awards of damages pursuant to a final judgement or other final adjudication entered against an **Insured**; (iv) damages resulting from a settlement negotiated with the **Insurer's** prior written consent (such consent not to be unreasonably withheld); (v) legal costs and expenses awarded against an **Insured** but only in connection with covered damages.

Loss does not include: (i) taxes, (ii) the cost of complying with any settlement for or award of non-monetary relief; (iii) fines or penalties; (iv) remuneration or other

employment-related benefits; and (v) matters which are uninsurable under the governing law of this **Policy**.

Exclusively with respect to **US Claims** based upon **Wrongful Employment Practices**, **Loss** does not include aggravated, punitive or exemplary damages, or the multiplied portion of multiple damages.

- 4.39 **"Outside Entity"** Means any entity other than an entity that:
- (a) has any of its securities listed; or
 - (b) is a **Subsidiary, In-House Fund** or **External Fund**;
- unless such entities in (i) or (ii) above are listed by endorsement to this **Policy** as an **Outside Entity**.
- 4.40 **"Outside Entity Director"** Means any natural person who did or does, or during the **Policy Period** begins to serve, at the specific request of the **Company**, as a **Director or Officer**, trustee, governor or equivalent of an **Outside Entity**.
- This cover shall be provided exclusively for **Wrongful Acts** committed during such time where such person was effectively an **Outside Entity Director** under the terms of the **Policy**.
- This cover will apply in excess of any other specific insurance available to the **Outside Entity Director** from any such **Outside Entity**.
- 4.41 **"Policy"** Means this *Investment Management Insurance* contract under the **Policy** Number specified in the Schedule, including the present General Conditions and any future endorsement.
- 4.42 **"Policy Period"** Means the period of time from the Inception Date to the Expiry Date of the **Policy** specified in the Schedule.
- 4.43 **"Pollutant"** Means, but is not limited to any solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, asbestos, fungus, chemical or waste materials (including but not limited to any materials to be recycled, reconditioned or reclaimed).
- 4.44 **"Property"** means:
- (a) cash (including currency, coins and banknotes), bullion, precious metals and articles made therefrom, jewellery, gems (including uncut gem stones), precious and semi-precious stones, stamps, postal orders and insurance policies;
 - (b) any **Document**;
 - (c) any **Security**;
 - (d) all other negotiable and non-negotiable instruments or contracts representing money or other property (real or personal) or interests therein, and other valuable papers, including books of account and other records used by the **Company** in the conduct of their business, in which the **Company** has an interest, or which are held by the **Company** for any purpose or in any capacity; or
 - (e) physical media upon which electronic data are stored or recorded.
- 4.45 **"Security"** means an:
- (a) original (including original counterparts) agreements in writing, (other than corporate, partnership or personal guarantees), having value which is, in the ordinary course of business, transferable by delivery of such agreements with any necessary endorsement or assignment, or
 - (b) original corporate, partnership or personal guarantee.
- 4.46 **"Service Bureau"** means a natural person, partnership or corporation authorized by written agreement with the **Company** to perform data processing services using **Computer Systems**.

4.47 "Statement Of Uncertificated Security"

means a written statement of the issuer of an **Uncertificated Security** containing:

- (a) a description of the issue of which the **Uncertificated Security** is a part; and
- (b) the number of shares or units:
 - (i) transferred to the registered owner,
 - (ii) pledged by the registered owner to the registered pledgee,
 - (iii) released from the pledge by the registered pledgee,
 - (iv) registered in the name of the registered owner on the date of the statement, or
 - (v) subject to pledge on the date of the statement; and
- (c) the name and address of the registered owner and registered pledgee; and
- (d) a notation of any liens and restrictions of the issuer and any adverse claims to which the **Uncertificated Security** is or may be subject or a statement that there are no such liens, restriction or adverse claims; and
- (e) the date:
 - (i) the transfer of the shares or units to the new registered owner of the share or units is registered,
 - (ii) the pledge of the registered pledgee was registered, or
 - (iii) of the statement, if it is a periodic or annual statement.

4.48 "Subsidiary"

means any entity in which the **Policyholder** either directly or indirectly through one or more of its **Subsidiaries**:

- (a) controls the composition of the board of directors; or
- (b) controls more than half of the shareholder or equity voting power; or
- (c) holds more than half of the issued share capital or equity;

on or before the inception date of this **Policy**.

The definition of **Subsidiary** includes any European domiciled non-regulated special purpose companies (such as SPV or Soparfi) which are set up, managed and used by the **Policyholder** for the purpose of servicing the **Policyholder**. It does not include however the any of the assets hold by such special purpose companies and which are not directly controlled by the **Policyholder**.

An entity ceases to be a **Subsidiary** when none of the foregoing applies.

An entity ceases to be a **Subsidiary** when none of the foregoing applies.

4.49 "Tested"

means tested/approved by a method of authenticating the contents of a communication between a **Company** and a customer or a **Financial Organization**, or between offices of the **Company**, for the purpose of protecting the integrity of the communication.

4.50 "Third Party Crime"

means:

- (a) any **Fraudulent Transaction**,
- (b) any **Computer Fraud** or **Computer Virus Damage**, or
- (c) the physical loss of, damage to or destruction of **Property** anywhere by any means,

which does not fall within the definition of **Act of Infidelity** and is performed by any natural person who is not an **Employee**.

4.51 "Uncertified Security"

means a share, participation or other interest in property, or an enterprise of the issuer or an obligation of the issuer which:

- (a) is a type commonly dealt in upon securities exchanges or markets;
- (b) is either one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations; and
- (c) (i) is not represented by any instrument, (ii) is part of a master or global certificate, or (iii) represents a paper certificate that has been surrendered by a **Financial Organization** and which paper certificate

has been combined into a master depository note and the paper certificates are immobilized,
and such **Security** is shown as an electronic entry on the account of the transferor, pledgor or pledgee at a **Central Depository**.

- 4.52 **"US Claim"** means any **Claim** brought or commenced within the jurisdiction of, or based upon any laws of the United States of America, its states, districts, territories and other possessions (including the Commonwealth of Puerto Rico).
- 4.53 **"US Investigation Costs"** means **Investigation Costs** incurred directly in connection with preparing for and attending an **Investigation** incurred in the USA, its states, districts, territories and other possessions.
- 4.54 **"Voice Initiated Instruction"** means any telephone instruction requesting the transfer of funds or **Property** which is **Tested** or subject to a call back to an authorized person other than the individual initiating the transfer.
- 4.55 **"Wrongful Act"** means any **Wrongful Managerial Act**, any **Wrongful Professional Act** and any **Wrongful Employment Practice**.
- 4.56 **"Wrongful Managerial Act"** means any actual or alleged breach of duty, error or omission by an **Insured Person** in his/her capacity as **Insured Person** of the **Company**.
- 4.57 **"Wrongful Professional Act"** means any actual or alleged breach of duty, error or omission by an **Insured**, on or after the **Retroactive Date**, in the performance of or failure to perform financial, economic or investment advice regarding investments in securities and/or investment management services or any advice in connection with the capital structure or financial administration of any **In-house Fund**, **External Fund** or third party assets pursuant to a written contract defining the scope of such advice and/or services, as long as such service is rendered for or on behalf of a customer or client of the **Company** for compensation or in conjunction with services rendered for compensation.
- 4.58 **"Wrongful Employment Practice"** means any form of unlawful employment-related practice, including but not limited to:
- (a) wrongful dismissal or termination,
 - (b) wrongful failure to hire or promote,
 - (c) misleading representation or advertising,
 - (d) unlawful discrimination,
 - (e) sexual harassment, mobbing or other workplace harassment,
 - (f) defamation,
 - (g) retaliation, or
 - (h) wrongful infliction of emotional distress,
- committed or allegedly committed, on or after the **Retroactive Date**, against an **Employee** of the **Company** in respect of that **Employee's** past, present or prospective employment with the **Company**.
- The employment-related wrongful infliction of emotional distress and/or invasion of privacy are also considered to be "Wrongful Employment Practices".

Section 5: Limit of Liability and Retention

- 5.1 **Limit of Liability** The **Limit of Liability** is the total aggregate limit of the **Insurer's** liability under all **Insurance Covers** and Extensions of this **Policy**.
- The **Limit of Liability** for the **Discovery Period** shall be part of and not in addition to the total aggregate **Limit of Liability** for the **Policy Period**. **Loss** arising from any **Claim** which is made subsequent to the **Policy Period** or **Discovery Period** which pursuant to Extension "Discovery Period" under Section 2 is considered made during the **Policy Period** or **Discovery Period** shall also be subject to the

same total aggregate **Limit of Liability**.

5.2 Retention

The **Retention** is not part of the **Insurer's** liability for **Loss** or **Direct Financial Loss** (including any loss incurred under any extension). The **Insurer** shall only be liable for the amount of each **Loss** or **Direct Financial Loss** that is in excess of the **Retention**. The applicable **Retention** is specified in the Schedule.

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 a **Claim** triggers more than one of the **Retentions** stated in the Schedule, then, as to that **Claim**, the highest of such retention shall be deemed the retention applicable to the **Loss** arising from such **Claim**.

Under Insurance Clause 1.1 :

No retention shall be borne by an **Insured**. For **US Claims**, if the **Company** is legally permitted or required to indemnify the **Insured** (indemnifiable loss), but for any reason whatsoever fails to do so, the **Insurer** will indemnify the **Insured** for such **Loss** without applying the **Retention**, it being understood that such **Retention** remains due by the **Company** to the **Insurer**.

In the event a **Claim** triggers both the Insurance Clause 1.1 and 1.2, the **Insurer** will indemnify the **Insured Person** for such **Loss** without applying the **Retention** of the Insurance Clause 1.2, it being understood that such **Retention** remains due by the **Company** to the **Insurer**.

Section 6: Reporting of Loss and Settlement

6.1 Notice and Reporting of Claims and Loss

This **Policy** affords cover solely with respect to **Claims, Loss, Investigations, Direct Financial Loss, Extensions** which are:

- (a) first made / **Discovered** against the **Insured** during the **Policy Period** or the **Discovery Period** (where applicable), and
- (b) reported by the **Insured** in writing to the **Insurer** as soon as practicable and in any case within thirty (30) days after the end of the **Policy Period** or the **Discovery Period** (where applicable) provided that the **Insured** notifies the **Insurer** no later than thirty 30 (thirty) days after the date such **Claims** were first made against the **Insured**.

The **Insured** may e-mail, fax or post **Claims / Direct Financial Loss** to the Luxembourg branch of Chartis Europe S.A.:

Chartis Europe S.A.
Succursale de Luxembourg
10B, rue des Mérovingiens
L-8070 Bertrange
Luxembourg
Phone : +352.44.30.32.23
Fax : +352.44.33.31.07
infoluxembourg@chartisinsurance.com.

6.2 Circumstances that may lead to a Claim

Exclusively with respect to Insurance Cover 1.1, 1.2 and 1.3.

If, during the **Policy Period** or the **Discovery Period** (where applicable), the **Insured** becomes aware of circumstances that it reasonably expects to give rise to a **Claim**, the **Insured** may inform the **Insurer** about those circumstances in writing. Such notification has to be detailed, presented in chronological order and contain at least the following information:

- (a) the alleged, supposed or potential **Wrongful Act**;
- (b) the date, time and place of the alleged, supposed or potential **Wrongful**

Act;

- (c) the potential Claimants and all other potentially involved persons and/or entities;
- (d) an estimate of the possible Loss.

The **Insurer** shall treat any **Claim** subsequently made against the **Insured** which is attributable to those circumstances as if it had been reported to the **Insurer** at the time the **Insured** first informed the **Insurer** about them.

6.3 Related Claims

Any **Claims** arising out of, based upon or attributable to related or continuous **Wrongful Acts** shall be considered to be a single **Claim** for the purposes of this **Policy**.

6.4 Subrogation and Recovery

If the **Insurer** makes any payment under this **Policy**, it shall be subrogated to the extent of such payment in all of the **Insured's** rights of recovery and shall be entitled to pursue and enforce such rights in the **Insured's** name, even if the **Insured** is compensated for such **Loss**.

Subrogation against employees and directors or officers of the **Policyholder** or its **Subsidiaries** shall be limited to cases where such employees have been found guilty of an intentional, fraudulent or criminal act by any court or government entity through final adjudication.

The **Insured** shall provide the **Insurer** with all reasonable assistance and shall do everything that may be necessary to secure any rights including the execution of any documents necessary for the **Insurer** to bring suit in the **Insured's** name. Any amount recovered in excess of the **Insurer's** total payment shall be restored to the **Insured** less the recovery cost.

6.5 Claim Settlement

The **Insured** shall not, without the **Insurer's** prior written consent, admit or assume any liability, settle any **Claim**, consent to any judgment or incur any **Defense Costs**.

The **Insurer** may investigate, conduct negotiations and, with the written consent of any of the **Insured** or upon recommendation by defense counsel, settle any **Claim** as the **Insurer** deems reasonable.

6.6 Defense and Defense Costs

The **Insurer** does not assume any duty to defend, and the **Insured** must defend and contest any **Claim** made against him/her/them unless the **Insurer**, in its sole and absolute discretion, elects in writing to take over and conduct the defense and settlement of any **Claim**. If the **Insurer** does not so elect, it shall be entitled, but not required, to participate fully in such defense and in the negotiation of any settlement that involves or appears reasonably likely to involve the **Insurer**.

Defense Costs may only be incurred with the prior written consent of the **Insurer**, such consent not to be unreasonably withheld or delayed.

The **Insured** must take all reasonable measures to mitigate or avoid the **Loss** and render all reasonable assistance to the **Insurer** to enable it to investigate and determine the **Insurer's** liability under the **Policy**.

6.7 Basis of Valuation

In determining the amount collectable under Insuring Clause 1.4 of this **Policy** for any **Direct Financial Loss**, deductions shall be made in respect of any property (including **Property**) received from any source whatsoever, including payments and receipt of principal, interest, dividends, commissions and the like, whenever received, in connection with any matter from which an indemnifiable loss has arisen.

Further:

- (a) if the **Direct Financial Loss** includes the loss of foreign funds or currencies, the value of these shall be determined by the actual market value, published in the Financial Times in the United Kingdom or

equivalent local daily financial newspaper, of securities, foreign funds, currencies or precious metals at the close of business on the day the e was discovered, or, if less, the actual cost of replacing the securities;

- (b) if the **Direct Financial Loss** includes loss of books of accounts or other records, the value shall not be more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data furnished by the **Insured** in order to reproduce books of accounts and records;
- (c) In case of loss of, or damage to, electronic data processing media the value shall not be more than the cost of blank electronic data processing media and the cost of labour for the actual transcription or copying of electronic data furnished by the **Insured**, in order to reproduce such electronic data;
- (d) in case of loss of electronic data or electronic computer programs, the **Insurer** shall be liable under this **Policy** only if such electronic data or electronic computer programs are actually reproduced by other electronic data or electronic computer programs of the same kind or quality and then for not more than the cost of labour for the actual transcription or copying of data or programs which shall have been furnished by the **Insured** in order to reproduce such electronic data or electronic computer programs;
- (e) in case of loss of or damage to any property other than as described above, the value shall not be more than the actual cash value of such other property at the time of loss or the actual cost of repairing or replacing the property with property or material of like quality or value, whichever is less.

Section 7: General Provisions and Conditions

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| 7.1 Advancement of Costs | Except to the extent that the Insurer has denied indemnity for a Claim , the Insurer shall advance Defense Costs incurred to the Insured in respect of any Claim prior to the final resolution of the Claim . Such payments must be repaid to the Insurer by the Insured , severally according to their respective interests, in the event and to the extent that the Claim is ultimately determined not to be covered, or resolved on terms or in a manner which exclude it from coverage under this Policy . |
| 7.2 Allocation | In the event that any Claim involves both covered matters and matters not covered under this Policy , a fair and proper allocation of any Defense Costs , judgments and/or settlements shall be made between the Insured and the Insurer taking into account the relative legal and financial exposures, and the relative benefits obtained by any such Insured and the Company . |
| 7.3 Assignment | This Policy and any rights hereunder or in respect of it cannot be assigned without the Insurer's prior written consent. |
| 7.4 Renewal or termination of this Policy | <p>This Policy is valid for the Policy Period stated in the Schedule or the latest issued endorsement and shall, at the end of such Policy Period and each subsequent Policy Period, be automatically renewed for a new Policy Period of 12 months; except that either of the Policyholder or the Insurer may terminate this Policy by giving the other party written notice of such termination by registered post no later than three months prior to the end of the current Policy Period.</p> <p>The Policyholder and the Insurer can mutually agree to shorten such notice period.</p> |

This **Policy** may be terminated by the **Insurer** at any time for non-payment of the premium, in accordance with applicable law.

7.5 Changes in Risk

If during the **Policy Period** any of the following changes in risk take place, then the cover provided under this **Policy** is amended to apply only to those acts committed prior to the effective date of such change in risk.

For the purpose of this provision changes in risk shall mean:

- (a) the **Policyholder** is merged with, 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; or
- (b) any person or entity or group of persons or entities acting in concert acquires management control of the **Policyholder**; or
- (c) the receivership, bankruptcy, liquidation or administration of the **Policyholder**, except in the case of a solvent winding up.

The **Policyholder** shall give the **Insurer** written notice of the change in risk as soon as practicable, but not later than thirty (30) days after the effective date of the change in risk.

If the **Policyholder** and the **Insurer** fail to agree on the amended **Policy** conditions, the parties shall have the right to terminate this **Policy** in accordance with the provisions of articles 33 and 34 of the amended Luxembourg law of 27 July 1997 on the insurance contract.

7.6 Other Insurance

Insurance provided by this **Policy** applies excess over more specific liability or fraud insurance available from any other source.

The **Insurer** will not pay the loss of an **External Fund Director** or **Outside Entity Director** arising out of a **Wrongful Act** in an **External Fund Director** or **Outside Entity Director** capacity unless that **External Fund** or **Outside Entity** has not indemnified that **Loss**.

If any **Loss** or **Direct Financial Loss** is both covered by this **Policy** and by one or more other insurance policies issued by a subsidiary or affiliated company of Chartis Inc., then the total amount payable under all such other insurance policies will be limited to the highest limit of liability mentioned in those other insurance policies.

7.7 Service Disclaimer

Services of a third-party offered in connection with this **Policy** are being provided to the **Insured** by the third-party directly, as the **Insured's** counterparty, without the **Insurer's** supervision. Accordingly, the **Insurer** does not make any warranties, indemnities, 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.

7.8 Severability and Representation

If any of the provisions of the **Policy** is held to be unlawful or unenforceable, that particular provision will be severable from the remaining terms which will remain valid and enforceable.

The **Insurer** has relied upon the following documents and statements that shall form the basis of this **Policy** (insurance contract):

- (a) proposal form (including any information, statement, representation or fact presented in this form and further including any submitted enclosure, annex or any reference made);
- (b) any other written information submitted by the **Policyholder** to the **Insurer**; and
- (c) any other material statement made by the **Policyholder** before the **inception date** of this **Policy**.

A material statement is one that would influence the acceptance or assessment of the risk. In addition, the **Insurer** has the right (but not the obligation) to rely on all publicly available documents and information.

With respect to the proposal, no state of mind or knowledge possessed by any one of the **Insured Persons** shall be imputed to any other of the **Insured** to determine whether cover is available for any **Claim** made against any such other of the **Insured**.

7.9 Governing Law

Any interpretation of this **Policy** relating to its construction, validity or operation shall be made in accordance with the laws of Luxembourg and in accordance with the language of this **Policy**. Any dispute relating to this **Policy** shall be subject to the exclusive competence of the Luxembourg courts.

7.10 Definitions, Plurals and Titles

The titles of paragraphs in this **Policy** are for convenience only and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. Words in bold typeface have special meaning and are defined under Section "Definitions", above, or in the Schedule at the front of the **Policy**. Words not specifically defined herein have the meaning normally attributed to them.

7.11 Geographical Scope

Please refer to the Schedule of this **Policy**.

7.12 Power of Attorney

Nominative information relating to the **Policy** (including relating to insured and claims) may be forwarded by the **Insurer** to some of its affiliated entities, located outside the territory of the G.D. of Luxembourg, in view of various management and IT support functions.

The **Policyholder** in view thereof authorizes the Belgian branch of Chartis Europe S.A. with address at Pleinlaan 11, 1050 Brussels, Belgium and the Irish branch of Chartis Europe SA with address at George's Avenue, Dublin 1, Ireland, acting as its proxyholders, each with power to substitute, to receive, on its behalf and in its name from the **Insurer**, any information relating to the **Policy** (including relating to insured and claims). The **Policyholder/Insured** will furthermore undertake to ratify every act that may be initiated pursuant to this Power of Attorney by its proxyholder or their substitutes. The Power of Attorney shall continue until expressly revoked or terminated in writing.

7.13 OFAC

Payment of **Loss** or **Direct Financial Loss** under this **Policy** shall only be made in full compliance with all United States of America economic sanctions, including, but not limited to, sanctions enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

COMPLAINTS

Every effort is made to ensure you receive a high standard of service. If you are not satisfied with the service you have received, you should contact your broker. He will report to the person in charge within Chartis Europe S.A.

We will do our best to resolve any difficulty directly with you, but if we are unable to do this to your satisfaction you may be entitled to refer any dispute to the Insurance Regulatory body who will review your case, without prejudice of the possibility for you or a third party to commence legal actions. The address is:

*Commissariat aux Assurances
7, boulevard Royal
L- 2449 Luxembourg*

The complaints may also be submitted to the Luxembourg insurance mediator:

C/O Association des Compagnies d'Assurances

75, rue de Mamer
L-8081 Bertrange

Jan 14

