

Insurance Solution for Asset Managers

General Terms and Conditions (GTC ZGCCH – ISAM 01-2012 EN)

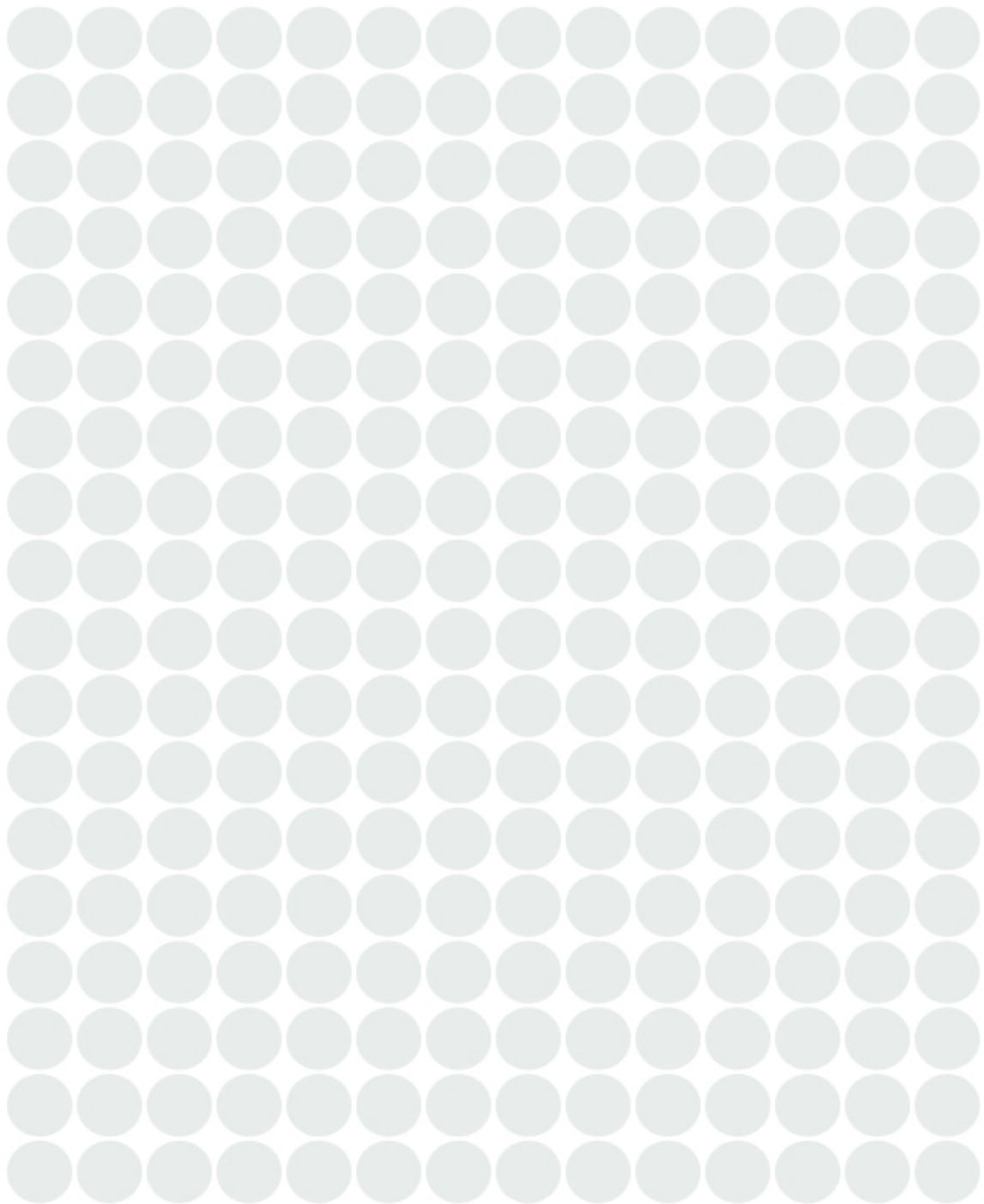


Table of contents

I. Basis of the Policy	3
II. Insurance Cover	3
1. Insurance Clause A - Professional Indemnity Insurance.....	3
2. Insurance Clause B - Directors' and Officers' Liability Insurance.....	3
3. Insurance Clause C - Crime Insurance	3
4. Insurance Clause D - General Liability	3
5. Indemnity payments for A, B, C and D.....	4
III. Cover Extensions.....	4
6. Cover extensions for Insurance Clauses A and C	4
7. Cover extensions for Insurance Clauses A and B	4
8. Cover extensions for for Insurance Clause A	4
9. Cover extensions for Insurance Clause B	5
10. Cover extensions for Insurance Clause C	6
11. Cover extensions for Insurance Clause D	6
IV. Exclusions.....	6
12. General exclusions for all Insurance Clauses A, B, C and D.....	6
13. Specific Exclusions for Insurance Clause A	7
14. Specific Exclusions for Insurance Clause B.....	8
15. Specific Exclusions for Insurance Clause C	9
16. Specific Exclusions for Insurance Clause D	9
V. Scope of insurance.....	10
17. Limit of liability and coverage	10
18. Deductible.....	10
VI. Temporal Scope	10
19. Term of the policy	10
20. Insurance Clauses A, B and D	11
21. Insurance Clause C	11
22. Interrelated losses.....	12
23. Insurance for Subsidiaries and Investment Funds.....	12
25. Retired directors	13
VII. Changes in exposure	13
26. Obligations.....	13
27. Breach of obligations.....	13
28. New subsidiaries.....	14
29. Liquidation, Merger or Takeover of the Policyholder or Company	14
30. Initial public offerings (IPO) and increase in capital	15
VIII. In case of a claim	15
31. Claims notification for Insurance Clauses A, B and D	15
32. Claims notification for Insurance Clauses C	15
33. Claims handling	15
34. Allocation.....	16
35. Claims legitimation against Zurich	16
36. Rights of recovery against third parties	17
37. Notification of circumstances.....	17
IX. General Conditions	17
38. Waiver of Cancellation in Accordance with Art. 42 LCI.....	17
39. Prescription	17
40. Severability for Insurance Clause B.....	17
41. Premium	17
42. Territorial scope.....	17
43. Broker fees, broker clause	18
44. Other insurance.....	18
45. Jurisdiction and applicable law	18
46. Notifications to Zurich	18
X. Definitions	19

I. Basis of the Policy

This policy is based on the following:

1. The provisions contained in the policy including any endorsements;
2. The General Conditions (GC) ZGCCH ISAM 01-2012;
3. The Swiss Federal Law on Insurance Contracts (VVG) of April 2, 1908 for cases not covered by the provisions set out in the given policy or any endorsements thereto;
4. Any and all written declarations made by the **policyholder** or, if applicable, by the insurance broker in the request for an offer and/or in relevant documents associated with the conclusion and/or renewal of the policy.

II. Insurance Cover

1. Insurance Clause A - Professional Indemnity Insurance

1.1 Professional Indemnity Insurance

Zurich will make **indemnity payments** on behalf of the **insured** if a **third party** files a **claim** under statutory liability provisions due to a **wrongful act** committed during the performance of **financial services**.

2. Insurance Clause B - Directors' and Officers' Liability Insurance

2.1 Directors' and Officers' Liability Insurance

Zurich will make **indemnity payments** on behalf of the **Director or Officer** for a **claim** under statutory liability provisions due to a **wrongful act**.

2.2 Company Reimbursement

If a **company** has fully or partially indemnified a **Director or Officer** for a **claim** as defined in Art. 2.1 and if permitted by law, the **company** will be subrogated to the extent of the indemnification payment to the right to pay under this policy.

3. Insurance Clause C - Crime Insurance

3.1 Crime Insurance

3.1.1 **Zurich** will indemnify the **company** for a **financial loss** caused by **criminal acts** of **employees** if the loss was first **discovered** during the **period of insurance**.

3.1.2 **Zurich** will indemnify the **company** for a **financial loss** of third party assets caused by **criminal acts** of **employees** for which the **insured** is legally liable towards that **third party**.

4. Insurance Clause D - General Liability

4.1 General Liability Insurance

Zurich will make **indemnity payments** for **bodily injury** or **property damage** on behalf of the **insured** if a **third party** files a **claim** under statutory liability provisions due to a **wrongful act** committed during the performance of **financial services**.

5. Indemnity payments for A, B, C and D

5.1.1 The scope of cover for the insurance clauses A, B and D consist of:

The **indemnity payments** provided by **Zurich** consisting of indemnity for legitimate **claims** and the defense of unjustified **claims**.

5.1.2 The scope of cover for the insurance clause C consists of:

Zurich indemnifies the **financial loss** and provides other expenses listed in the policy.

III. Cover Extensions

6. Cover extensions for Insurance Clauses A and C

6.1 Mitigation Cost

Zurich will indemnify the **insured** for **loss prevention costs** incurred to mitigate, prevent or contain an imminently expected **financial loss** due to a **wrongful act** or **criminal act** of which the **insured** first becomes aware during the **period of insurance**.

Zurich will pay if all of the following conditions are met:

6.1.1 The **insured** must prove that the **wrongful act** or **criminal act** would have been covered under this policy;

6.1.2 The **insured** is liable for every act or omission that leads to an increase in the actual **financial loss** suffered;

6.1.3 **Loss prevention costs** are paid up to a **sub-limit** of 10(ten) % of the **limit of liability** quoted under subparagraph 6 of the schedule.

7. Cover extensions for Insurance Clauses A and B

7.1 Waiver of Gross Negligence

Within the scope of Insurance Clauses A (professional indemnity) and B (directors' and officers' liability), **Zurich** waives its right in accordance with Art. 14 paragraph 2 LIC to reduce benefits under this policy due to grossly negligent behavior, but not due to reckless behavior.

7.2 Investigation Costs

Zurich will assume **costs** incurred by the **insured** for an **investigation** first initiated during the **period of insurance**.

7.3 Spouses, Registered Partners, Heirs and Legal Representatives

The following persons have the same status as the **insured**:

7.3.1 Their spouses, insofar as **claims** are made against them as the **insured's** spouse for the **insured's wrongful acts**;

7.3.2 The partners who have registered a partnership with the **insured** to the extent **claims** are made against them as the **insured's** registered partner for the **insured's wrongful acts**;

7.3.3 Their heirs and legal representatives (guardians, executors, etc.) to the extent **claims** are made against them for **wrongful acts** committed by the **insured** before death, irresponsibility, insolvency or bankruptcy of the **insured**.

No insurance coverage is provided for acts or omissions committed directly by the spouses, registered partners, heirs or legal representatives.

8. Cover extensions for Insurance Clause A

8.1 Loss of documents

Zurich will pay the **financial loss** on behalf of the **insured** if a **third party** files a **claim** under statutory liability provisions due to the loss, destruction or mislaying of **documents** in the performance of **financial services**.

8.2 Violation of the Rights to Privacy of the Individual and Defamation of a Third Party

Zurich will pay the **financial loss** on behalf of the **insured** if a **third party** files a **claim** under statutory liability provisions due to the violation of a **third party's** rights to privacy of the individual during the performance of **financial services**.

8.3 Vicarious Liability

8.3.1 **Zurich** will pay the **financial loss** on behalf of the **insured** if a **third party** files a **claim** against the **insured** under statutory liability provisions due to a **wrongful act** committed by a vicarious agent, who provides **financial services** for the **insured**, during the performance of their contractual obligations.

8.3.2 **Zurich** expressly reserves its right of recovery against such vicarious agent.

9. Cover extensions for Insurance Clause B

9.1 Insured versus Insured

If a **claim** is made against a **director or officer** at the behest of a **company** or another **director or officer**, it will only be deemed insured under Art. 2.1 or Art. 2.2 if it is asserted before a court of law and upheld. This is subject to Art. 14.2.

9.2 Employment Practices Liability

Zurich will pay the **financial loss** if a **claim** is made by a **staff member** against a **director or officer** or another **staff member** due to an **employment-related wrongful act**.

9.3 Outside Executives

9.3.1 If a **director or officer** acts as a member of the board of trustees, board of directors or supervisory board at an **outside entity** (outside position) at the request and directive of a **company**, the insurance coverage afforded under the other provisions of this policy will also cover **wrongful acts** committed by the **director or officer** in his/her capacity as a member of the board of trustees, board of directors or supervisory board of the **outside entity**. The **continuity date** in each case is the time when the outside position is assumed or the inception date of this policy, whichever is later.

9.3.2 This coverage is only granted to the extent the loss exceeds any benefits owed or effectively paid by other insurance policies and/or other indemnities owed, paid or available to the **outside entity** and/or the **company**. If, however, the other insurance policy was also concluded with one of the companies of Zurich Insurance Group Ltd., the **payment** available under this coverage will be reduced by the amount of the **limit of liability** that Zurich Insurance Group Ltd. grants to the **outside entity** in accordance with such other insurance policy.

9.4 Additional Costs for Directors and Officers

Zurich will compensate the **directors or officers** for

9.4.1 **costs** involved in **extradition**;

9.4.2 **costs involved in appealing against criminal prosecution**;

9.4.3 **reputational recovery cost**; or

9.4.4 necessary and reasonable expenses involved in obtaining **bail**;

if such **costs** or expenses are incurred due to a **wrongful act**.

Zurich will indemnify the **directors or officers** up to a **sub-limit** of 10(ten)% for each case of 9.4.1, 9.4.2, 9.4.3 or 9.4.4, but no more than 30(thirty)% for all cases of 9.4.1, 9.4.2, 9.4.3 and 9.4.4 taken together, of the **limit of liability** quoted under sub-paragraph 6 of the schedule.

10. Cover extensions for Insurance Clause C

10.1 Computer Crime

Zurich will compensate the **company** for the **financial loss** suffered as a result of **computer crime** committed by a **third party**.

10.2 Forgery

10.2.1 **Zurich** will compensate the **company** for the **financial loss** suffered as a result of forgery of banknotes, checks, payment instructions or promissory notes by a **third party**.

10.2.2 Fictitious instruments as named above, which merely contain fraudulent misrepresentations of facts and are genuinely signed or endorsed, are not considered as forged.

10.3 Criminal Prosecution Costs

10.3.1 **Zurich** will compensate the **company** for the **criminal prosecution costs** to the extent they are first incurred during the **period of insurance** and are directly related to a **financial loss** resulting from an **employee's criminal act**.

10.3.2 After prior written consent, **Zurich** will cover the **criminal prosecution costs** up to a **sub-limit** of 10 (ten) %, but not to exceed CHF 250'000, of the **limit of liability** quoted under sub-paragraph 6 of the schedule.

11. Cover extensions for Insurance Clause D

11.1 Owners', landlords' and tenants' liability

This policy covers the **insured's** statutory liability for **claims** made by a **third party** for **bodily injury** or **property damage** resulting from a **wrongful act** as the owner or tenant of buildings, land or rooms purchased or leased by the **insured** for the purpose of providing **financial services** and to the extent they are used by the **insured**.

11.2 Losses on business trips

This policy covers the **insured's** statutory liability for **claims** made by a **third party** for **bodily injury** or **property damage** resulting from **wrongful acts** caused by the **insured** on business trips whilst performing **financial services**.

11.3 Damage to leased telecommunications equipment

This policy covers the **insured's** statutory liability for **claims** made by a **third party** for **bodily injury** or **property damage** resulting from a **wrongful act** as the renter or lessee of telecommunications equipment leased by the **insured** for the performance of **financial services** and to the extent it is used by the **insured**.

IV. Exclusions

12. General exclusions for all Insurance Clauses A, B, C and D

Zurich will make no **indemnity payments** for **losses** resulting from or in connection with

12.1 Bodily injury/ property damage

12.1.1 **bodily injury** or **property damage**;

12.1.2 This exclusion applies in all cases except for Insurance Clause D.

12.2 Contractual penalties, Fines, Exemplary damages and Contractual Liability

12.2.1 contractual penalties, fines and monetary penalties, unpaid taxes, contributions or duties;

12.2.2 punitive, aggravated, exemplary or multiplied damages;

12.2.3 contractual obligations that exceed statutory liability such as the Code of Ethics and Professional Conduct by the Swiss Association of Asset Managers, guarantees and other indemnities, unless the **insured** would be held legally liable in the absence of a contractual obligation.

12.3 Environmental Impairments and War and Terrorism

12.3.1 **Pollutants;**

12.3.2 war, terrorism and/or acts of violence in any shape or form;

12.4 Insured versus Insured

12.4.1 the internal relationships of the **insured** to the extent the **claims** are brought by an **insured** against other **insured**.

12.4.2 this exclusion applies in all cases, except for Insurance Clause B.

12.5 Exclusion regarding the US

12.5.1 violations of any kind of the provisions of the US Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and similar provisions regarding occupational retirement provision or insurance policies, retirement, profit sharing or health and welfare programs having emerged from federal, state or local legislation or incorporating the same in any way;

12.5.2 violations of any kind of the provisions of the US Securities Act of 1933 or the Securities Exchange Act of 1934 and all amendments thereto or violations of similar provisions or regulations in state statutory or common law;

12.5.3 violations of any kind of the provisions of the US Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §1961f. and all amendments thereto or violations of similar provisions or regulations in state statutory or common law;

12.6 Money laundering

12.6.1 actual or alleged **money laundering;**

12.6.2 the request or the instigation of a **third party** to perform or participate in acts of **money laundering;**

12.7 Criminal and willful acts

12.7.1 willful or criminal acts or omissions, crimes or offenses, **wrongful acts** or violations of statutory or administrative requirements which the **insured** knowingly committed;

12.7.2 an unjust enrichment or an improper gain of the **insured** or the unlawful acceptance of benefits of any kind;

12.7.3 The provisions of Art. 40.1.2 apply exclusively to Insurance Clause B;

12.7.4 This exclusion applies in all cases except for Insurance Clause C.

12.8 Indirect financial loss

indirect **financial loss** or consequential damages from a **financial loss**. This applies, but is not limited to,

12.8.1 lost profits, interest and/or other income;

12.8.2 business interruption;

12.9 Employment-related Claims

12.9.1 violations of labor law, labor contracts or disputes in connection with the employment relationship.

12.9.2 This exclusion applies in all cases except for Insurance Clause B.

13. Specific Exclusions for Insurance Clause A

Zurich will make no **indemnity payments** for **claims** resulting from or in connection with

13.1 Diminution in Value

13.1.1 a decrease (or non-increase) in the value of investments of any kind, including, but not limited to, **securities**, currencies, options, futures, funds, commodities, real estate or other investments, an erroneous calculation of or failure to calculate the net asset value (NAV), net present value (NPV) or the value of shares, a declaration, consultation, guarantee or assurance actually or allegedly made or given by the **insured** or in the **insured's** name with regard to the future performance of such investments or the decrease or loss in value of leasing products or leasing transactions;

13.1.2 Insurance coverage is provided if such decrease (or non-increase) in value is exclusively and directly attributable to a **wrongful act** by the **insured** during the performance or implementation of **financial services**.

13.2 Bankruptcy

bankruptcy, excess indebtedness and/or insolvency of a **company**, a company in an **exposed industry** or an **outside entity** and a proceeding related thereto;

13.3 Disputes regarding Remuneration

remuneration for **financial services** invoiced by the **insured** or in connection with other remuneration, including, but not limited to, retrocession or commissions;

13.4 Intellectual property rights

infringement of **intellectual property rights**;

13.5 Technical Failure

13.5.1 the breakdown, interruption, defectiveness, malfunction, failure of computers (hardware), computer or data processing programs (software), networks, storage media and/or other means of communication;

13.5.2 computer viruses, computer worms, malicious software (malware) and/or other harmful computer programs;

13.5.3 acts or omissions by the **insured** that lead to a breakdown, interruption, defect, malfunction, failure of computers, computer programs and/or networks;

13.5.4 power outage, failure of telephone or data transmission systems.

14. Specific Exclusions for Insurance Clause B

Zurich will make no **indemnity payments** for **claims** resulting from or in connection with

14.1 Services provided to Third Parties

an allegedly or actually omitted or defective service provided to a **third party** resulting from rendering or failure to render professional services of an **outside entity**.

14.2 Insured versus Insured in the US/Canada

the United States of America (USA) or Canada to the extent that the **claims** are brought in these countries or under the laws applicable in these countries at the behest of an **insured**, an **outside entity** or the partner of a joint venture. Coverage is, however, provided:

14.2.1 for **costs** up to a **sub-limit** of 10 (ten)% of the **limit of liability**;

14.2.2 for **derivative actions**;

14.2.3 for **claims** in connection with **employment related wrongful acts**;

14.2.4 for recovery claims brought by a **director or officer** to the extent that the recovery claims are the direct result of payments that this **director or officer** had to make as a consequence of an insured **claim**;

14.2.5 for **claims** brought directly or on the **company's** behalf by a liquidator, trustee in bankruptcy or administrator without the solicitation of the **company** or a **director or officer** and without the participation or direction of an **insured**;

14.2.6 for **claims** brought by former **directors or officers** without the solicitation of the **company** or a **director or officer** and without the participation or direction of an **insured**.

15. Specific Exclusions for Insurance Clause C

Zurich will make no **indemnity payments**

15.1 Criminal Employees

for a **financial loss** caused by **employees** where the **insured**, the partners or the shareholders of the **policyholder** knew that the **employee** had committed **criminal acts** in the past; this also applies to continued **criminal acts** after the **discovery** and identification of the offending **employee**;

15.2 Criminal acts committed by directors

15.2.1 for a **financial loss** caused by members of the board of directors or supervisory board and/or partners and/or business proprietors and/or shareholders unless such persons are acting as **employees** at the time of the **criminal act**.

15.2.2 However, the percentage of the **financial loss** exceeding the percentage of the participation of such persons upon the **policyholder** on the day of the committed **criminal act**, remains covered;

15.3 Loan Agreements and Other Obligations

in connection with the non-payment or partial payment or the non-performance or partial performance of purchase agreements, leases or **loans**;

15.4 Kidnapping

in connection with kidnapping, extortion, ransom demands and/or other threats;

15.5 Unauthorized Trading

15.5.1 in connection with the transaction(s) or trading of assets of any kind, including, but not limited to, money, **loans** and **securities** if the person performing the transaction was not authorized to do so;

15.5.2 This exclusion does not apply if an **employee** obtained an **improper financial gain** by performing the transaction(s).

16. Specific Exclusions for Insurance Clause D

Zurich will make no **indemnity payments** for **claims** resulting from or in connection with

16.1.1 **property damage** to **third party** property that was in the **insured's** custody for processing, safekeeping or for other reasons;

This exclusion applies for precious metals, money, jewelry and any other item of value.

16.1.2 the keeping or use of land vehicles, aircraft or nautical vessels of any kind;

16.1.3 the participation of the **insured** in consortia or joint ventures;

16.1.4 the liability of the **insured** as a principal of building works;

16.1.5 the activity of an **insured** in his/her capacity or function as a **director or officer** of a **company** or **outside entity**;

16.1.6 buildings, land, rooms, goods or equipment used as an investment to perform **financial services**;

16.1.7 damage which was caused by fire, lightning, explosion, water, moisture, heat, natural hazards, weather, smoke, dust, wear and tear, gradual exposure or which was wantonly inflicted;

16.1.8 damage to furniture, machines, equipment;

16.1.9 asbestos and asbestos-containing materials.

V. Scope of insurance

17. Limit of liability and coverage

17.1.1 **Indemnity payments** include a **financial loss, costs, reputational recovery cost** and other expenses listed in the policy and are limited by the **limit of liability** and/or the **sublimits**.

17.1.2 The **limit of liability** quoted in the schedule is the limit of indemnity that **Zurich** will pay for each and every **loss** and in the aggregate per **period of insurance**.

17.1.3 The **sublimits** of the **limit of liability** quoted in the schedule and/or policy may be used only once for each insured risk.

17.1.4 Whether insurance coverage exists based on article 1, 2, 3 and 4 of section II (Insurance Cover) depends on the terms of section 6.1 of the schedule.

18. Deductible

Zurich shall only be liable for the portion of the **indemnity payments** that exceed the **deductible** in accordance with the schedule. **Zurich** is under no obligation to the **insured** or a **third party** to assume part or all of any payments that fall within the **deductible**.

If a **loss** includes several **claims**, the **deductible** is owed only once. If a **loss** includes several **financial losses** (in accordance with Insurance Clause C), the **deductible** is owed only once.

VI. Temporal Scope

19. Term of the policy

The policy is concluded for the duration of the **period of insurance** stated under sub-paragraph 4 of the schedule.

Both the **policyholder** and **Zurich** have the right to terminate the policy at any time by giving written notice at least 3 (three) months prior to the expiration of the **period of insurance**.

The termination is deemed timely if the other party to the policy receives it on or before the last day before the start of the three-month deadline period. If the policy is not terminated, it will automatically be renewed for one year each time, but for no more than 2 (two) additional **period of insurances**

Unless otherwise stated in the policy, the policy will tacitly renew each year for 2(two) additional **periods of insurance** if

19.1.1 no **claims** or **circumstances** are reported during the **period of insurance**;

19.1.2 no **financial loss** (in accordance with Insurance Clause C) is **discovered** during the **period of insurance**;

19.1.3 the (consolidated) annual financial statements of the **company** for the previous financial year do not show **negative equity**; or

19.1.4 the managed **third-party** assets (assets under management) do not increase by more than 50 percent during the **period of insurance**.

If one or more of the events stated 19.1.1, 19.1.2, 19.1.3 or 19.1.4 occur during the **period of insurance**, the policy will end upon the expiration of the **period of insurance** without requiring written notice of termination. A new written agreement will be required to continue the policy. The delivery and/or payment of the continuation invoice are not considered a mutual agreement to renew the policy.

The policy ends upon the expiration of the third **period of insurance** without requiring written notice of termination. A new written agreement will be required to continue the policy. The delivery and/or payment of the continuation invoice are not considered a mutual agreement to renew the policy.

The **policyholder** has the right to terminate this policy if he/she cannot agree with **Zurich** on the provisions or premium as described in Art. 28 (New subsidiaries) or Art. 30 (Initial public offerings and capital increases).

20. Insurance Clauses A, B and D

20.1 Claims made, Continuity and Retroactivity

Insurance coverage is provided for **claims** first made during the **period of insurance** or during an extended reporting period (claims made policy).

Claims made based on **wrongful acts** committed prior to the **retroactive date** in accordance with sub-paragraph 5 of the schedule or listed elsewhere in the policy are deemed not insured.

The following applies if the **retroactive date** is prior to the inception date of this policy or a **retroactive date** has not been agreed upon: **Claims** based on **wrongful acts** committed prior to the first inception date of this policy (**continuity date**) are insured under the condition that, at the time of the first inception date, the **insured** neither knew nor, given the circumstances, should have been aware of the **wrongful acts**.

No insurance coverage is provided:

20.1.1 for **claims** relating to legal disputes or preliminary investigations by the police or public prosecutors against the **insured or outside entities** that were initiated, pending or concluded prior to the inception date of this policy;

20.1.2 for **claims** as set forth in 20.1.1 which are based on or derived from the same or essentially the same facts as the above legal disputes or preliminary investigations by the police or public prosecutors;

20.1.3 for **claims** or **circumstances** already reported during another **period of insurance** of this policy; or

20.1.4 for **claims, wrongful acts** or **circumstances** declared in any warranty statement and/or other statements.

21. Insurance Clause C

21.1 Discovery, Continuity and Retroactivity

Insurance coverage is provided for a **financial loss** (in accordance with Insurance Clause C) that is first **discovered** during the **period of insurance** (discovery basis).

A **financial loss** due to **criminal acts** committed prior to the **retroactive date** in accordance with sub-paragraph 5 of the schedule or listed elsewhere in the policy is deemed not insured.

The following applies if the **retroactive date** is prior to the inception date of this policy or a **retroactive date** has not been agreed upon: a **financial loss** due to **criminal acts** committed prior to the first inception date of this policy (**continuity date**) is insured under the condition that, at the time of the first inception date, the **insured** neither knew nor, given the circumstances, should have known about the **criminal act**.

No insurance coverage is provided:

- 21.1.1 for a **financial loss** or **criminal acts** that were already known and/or **discovered** prior to the inception date of this policy;
- 21.1.2 for a **financial loss, criminal acts** or **discoveries** that were already reported during another **period of insurance** of this policy;
- 21.1.3 for a **financial loss, criminal acts** or **discoveries** that were already reported under another insurance policy;
or
- 21.1.4 for a **financial loss, criminal acts, discoveries** or **circumstances** declared in any warranty statement and/or other statements.

22. Interrelated losses

Several **losses** that are attributable to the same facts and that are legally, economically or temporally related, or that have the same cause, are deemed to be a single **loss** (loss series).

For Insurance Clauses A, B and D:

Each and every **claim** made within the scope of a **loss** during the **period of insurance** is deemed to be a single **claim**. This single claim is assigned to the **period of insurance** during which the first **claim** was made. If the first **claim** of the **loss** was made prior to the inception date of this policy, the entire **loss** is deemed not insured. If the first **wrongful act** of the **loss** was made prior to the **retroactive date**, the entire **loss** is deemed not insured.

For Insurance Clause C:

Each and every **financial loss** reported within the scope of a **loss** during the **period of insurance** is deemed to be a single **financial loss**. This single **financial loss** is assigned to the **period of insurance** during which the first **financial loss** was **discovered**. If the first **financial loss** of the **loss** was **discovered** prior to the inception date of this policy, the entire **loss** is deemed not insured. If the first **criminal act** of the **loss** was committed prior to the **retroactive date**, the entire **loss** is deemed not insured.

23. Insurance for Subsidiaries and Investment Funds

Insurance coverage is only provided for **claims** and/or a **financial loss** (in accordance with Insurance Clause C) resulting from **wrongful acts** and/or **criminal acts** committed during the time when the company was a **subsidiary** or an **investment fund**.

24. Extended reporting period

In the event of a non-renewal of this policy, the **policyholder** has the right to extend the insurance coverage for another 12 months, but only

- 24.1.1 for **claims** due to **wrongful acts** committed prior to the expiration of the last **period of insurance**; or
- 24.1.2 for a **financial loss** (in accordance with Insurance Clause C) due to **criminal acts** committed prior to the expiration of the final **period of insurance** and **discovered** for the first time during the extended reporting period; but only
- 24.1.3 within the scope of the unexhausted part of the **limit of liability** or **sublimit** for the final **period of insurance**.

To exercise this right, **Zurich** must be given written notice thereof within 7 days after the expiration of the **period of insurance** at the latest.

The annual premium for supplementary insurance is determined exclusively by **Zurich**.

This insurance coverage ends automatically when another insurance policy begins or as soon as one of the insured risks is insured elsewhere.

25. Retired directors

If this policy is neither renewed nor extended in accordance with Art. 24, the **directors or officers** who leave the **company** or retire for age-related reasons during the last **period of insurance** are insured for an additional period of 72 months from the date of the non-renewal, but only:

25.1.1 for **claims** made due to **wrongful acts** committed during the **period of insurance** and before leaving or retiring as a **director or officer**; and

25.1.2 for the unexhausted part of the **limit of liability** for the final **period of insurance**.

This insurance coverage ends automatically when another directors' and officers' liability insurance policy begins or as soon as the risk is insured elsewhere. This coverage does not apply in the event of Art. 29 (liquidation, merger or takeover of the policyholder or company).

VII. Changes in exposure

26. Obligations

The **insured** must notify **Zurich** in writing as soon as possible, but within 30 days at the latest, if one or more of the following changes occur during the **period of insurance**:

26.1.1 an initial public offering, formation, capital increase, liquidation, merger or takeover of a **company** takes place in accordance with Art. 28, 29 or 30;

26.1.2 the formerly stated **financial services** undergo a major change in terms of the activities conducted and/or geographic focus;

26.1.3 the **third-party** assets managed by the **insured** (assets under management) increase by more than 50 (fifty)% during the **period of insurance**;

26.1.4 deployment of a new **computer program**;

26.1.5 the (consolidated) annual financial statement of the **company** for the previous financial year shows **negative equity** or it showed a loss greater than 20 (twenty)% of equity;

26.1.6 notification of a **claim** in accordance with Art. 30 or the **discovery** of a **financial loss** in accordance with Art. 31;

26.1.7 the number of **staff members** increases by more than 50 (fifty) %.

In this event, **Zurich** has the right to demand an additional premium and modify the terms of policy as of the time of the increase of risk.

The **policyholder** is additionally obligated to

26.1.8 keep computers, computer programs and networks state-of-the-art and protect them from unauthorized intrusion by a **third party**;

26.1.9 back up data in adequate intervals but at least weekly;

26.1.10 Securely store **documents** and **securities**.

27. Breach of obligations

If an **insured** or **outside entity** breaches its obligations under this policy, **Zurich** will no longer be obligated to indemnify.

This disadvantage will not occur if, under the circumstances, the wrongful act is considered to be an unintentional act or omission or if the loss would have occurred even if the duties had been fulfilled.

The failure to pay a premium as a result of the premium payer's insolvency is not considered a non-culpable act or omission.

28. New subsidiaries

If the **policyholder** directly or indirectly forms or acquires a new **subsidiary** during the **period of insurance**, coverage will automatically extend to such **subsidiary** for **wrongful acts** and **criminal acts** occurring after the time of acquisition and/or formation to the extent that

28.1.1 the subsidiary does not show **negative equity**;

28.1.2 its head office is in Switzerland or Fürstentum Liechtenstein;

28.1.3 this enterprise's **securities** are not listed on a stock exchange;

28.1.4 it is not a special-purpose entity, investment fund or **investment fund**;

28.1.5 it has not been **discovered** or notified of any **financial loss** (in accordance with Insurance Clause C) in the previous 5 years;

28.1.6 no **financial services** other than the previous ones will be provided.

If one or more of these conditions are not met, a newly acquired or formed enterprise will be considered a **subsidiary** within the scope of the remaining provisions of this policy for a period of 30 days from the date of acquisition or formation. After the expiration of 30 days, coverage will no longer extend to the new **subsidiary** unless **Zurich** has agreed to do so in writing. **Zurich** reserves the right to modify the terms of the policy with regard to such new **subsidiary**, including to charge an additional premium.

If **Zurich** does not accept the new **subsidiary**, insurance coverage in this regard will automatically cease at the end of the 30-day period after the formation or acquisition of the relevant **subsidiary**. This also applies if **Zurich** and the **policyholder** are unable to agree on the new terms of policy. The **policyholder** also reserves the right of cancellation in accordance with Art. 19.

29. Liquidation, Merger or Takeover of the Policyholder or Company

If the **policyholder** is given a debt moratorium, is liquidated voluntarily or involuntarily, declares bankruptcy, merges or if one or more persons take over the majority of votes of the **policyholder**, insurance coverage will only be provided for **wrongful acts** and **criminal acts** committed prior to the beginning of the debt moratorium, liquidation, merger or takeover. Insurance coverage ends upon the expiration of the **period of insurance**. Art. 24 does not apply in these cases.

In the event of a voluntarily liquidation, merger or takeover of a **company**, the **policyholder** has the option of inviting **Zurich** to submit an offer for an extended reporting period prior to the expiration of the **period of insurance**. It is left to **Zurich** to submit an offer and determine the terms and premium accordingly.

In the event of an involuntary liquidation or insolvency of the **policyholder**, this policy does not cease according to Art. 55 LIC. In this case **Zurich** reserves the right to adjust the terms of the policy, including to demand an additional premium. According to the terms of this policy, an extended reporting period of 12 months applies starting on the date of the involuntary liquidation or insolvency but only:

29.1.1 for **claims** made during the extended reporting period but only **claims** due to **wrongful acts** committed prior to the date of the involuntary liquidation or insolvency; or

29.1.2 for a **financial loss** (in accordance with Insurance Clause C) due to **criminal acts** committed prior to the date of the involuntary liquidation or insolvency and **discovered** for the first time during the extended reporting period;

but only within the scope of the unexhausted part of the **limit of liability** or **sublimit** for the current **period of insurance**.

To exercise this right, **Zurich** must be given written notice thereof within 14 days after the liquidation, take over or insolvency at the latest.

30. Initial public offerings (IPO) and increase in capital

If, during the **period of insurance**,

30.1.1 listing of **securities** of a **company** is initiated, or **securities** of a **company** are listed for the first time on a securities exchange or listed on another securities exchange or delisted; or

30.1.2 if the capital of a **company** is increased by issuing new **securities**;

insurance coverage will also extend to the aforementioned transactions within the scope of the remaining provisions of this of this policy for a period of 30 days from the initial public offering, delisting and/or capital increase.

After the expiration of 30 days, coverage will no longer extend to **wrongful acts** in connection with these transactions unless **Zurich** has expressly agreed to do so in writing. **Zurich** reserves the right to modify the terms of the policy with regard to such a transaction, including the charging of an additional premium. If **Zurich** does not accept these transactions, insurance coverage in this regard will automatically cease retroactively as of the date of their occurrence. This also applies if **Zurich** and the **policyholder** are unable to agree on the new terms for the policy. The **policyholder** reserves the right of cancellation in accordance with Art. 19.

VIII. In case of a claim

31. Claims notification for Insurance Clauses A, B and D

Insurance coverage is provided if a **claim** is notified to **Zurich** in writing and received by **Zurich** as soon as possible but no later than 30 days after the expiration of the respective **period of insurance** during which this **claim** was made or, where agreed upon, within the extended reporting period.

Each notification of a loss must include information about the actual or expected **financial loss**, the **bodily injury** or **property damage**, the alleged or actual **wrongful act**, the time of the **wrongful act**, and the **insured** and **third parties** involved.

32. Claims notification for Insurance Clauses C

Insurance coverage is provided if the **discovery** and/or knowledge of a **financial loss** is notified to **Zurich** in writing and received by **Zurich** as soon as possible but no later than 30 days after the time of the **discovery** of the **financial loss**.

Each notification of a loss must include information about the actual or expected **financial loss**, the (alleged) **criminal act**, the alleged time of the **criminal act**, and the **employees** and/or **third parties** who were (presumably) involved.

33. Claims handling

The following applies exclusively to Insurance Clauses A, B and D:

Zurich will only handle a **loss** if the **claim** exceeds the agreed **deductible**. The **insured** or the **outside entity** must immediately provide **Zurich** with complete documentation.

Zurich does not assume any duty to defend any **claim** made against an **insured**. The **insured** shall defend themselves by all means at their disposal against any **claim** made against them.

The amount of damages to be paid by **Zurich** shall be based on a final decision of a court, a judicial authority or an arbitration court wherein an **insured** is sentenced to pay compensatory damages. Settlements made under court approval or out of court shall be deemed equivalent if **Zurich** has consented thereto in writing.

The **insured** shall neither admit nor settle any **claims** in whole or in part, nor incur **costs** without the prior written consent of **Zurich**. He/she/it is obliged to support **Zurich** in the investigation of the facts and circumstances and not to do or to omit anything which reduces or may reduce the rights of **Zurich**. On culpable breach of these obligations by the the **insured**, **Zurich** shall not be liable for all consequences attributable thereto.

If **Zurich** wishes to settle a **claim** whereas the **insured** is opposed to such settlement, **Zurich's** total aggregate payments under this Policy shall be limited to the amount by which the **claim** could have been settled by compromise.

Attorney's fees and costs awarded to the **insured** in court shall pass to **Zurich** to the extent of its payments under this Policy.

The choice of legal counsel will be left to the **insured** subject to written approval from **Zurich**.

If a **loss** is subsequently found not to have resulted in an insured **claim** or only to have resulted in a partially insured **claim**, the **insured** must refund **Zurich** at first request for the **indemnity payments** made, waiving any defenses and objections.

The following applies exclusively to Insurance Clause C:

Zurich will only handle a loss if the **financial loss** exceeds the applicable **deductible**.

The **insured** must immediately provide **Zurich** with complete documentation. The **insured** must assist **Zurich** in the handling of a **financial loss** to the best of his/her/its ability.

In the event of a **financial loss**, the **insured** must, if so requested by **Zurich**, press criminal charges and/or file a lawsuit against the **employees** or **third parties** for damages.

The **insured** must provide proof of the **financial loss**. A comparison of book and actual holdings and/or any differences or statistically determined data are not deemed proof of a **financial loss**.

The **insured** is not entitled to assign claims under this insurance policy to the injured parties or a **third party** without **Zurich's** prior written consent.

If a **loss** is subsequently found not to have resulted in any covered **financial loss** or only to have resulted in a partially covered **financial loss**, the **insured** must refund **Zurich** at first request for the indemnity paid, waiving any defenses and objections.

34. Allocation

The following applies if a **claim** is brought against both the **insured** and uninsured, or if this insurance policy does not cover all of the facts asserted against the **insured** as part of an insured **claim**:

34.1.1 any **indemnity payments** are prorated based on the ratio between the insured and the uninsured portion of the **claim**; and

34.1.2 no **indemnity payment** will bind **Zurich** with regard to its indemnity obligation under this policy.

35. Claims legitimation against Zurich

The sole legitimate claimants of this policy are the **policyholder** and **directors or officers** or, if they are indemnified in accordance with Art. 2.2, the **company**. For Insurance Clauses A, B and D, **Zurich** is authorized to pay damages directly to the injured parties.

36. Rights of recovery against third parties

All rights of recovery of the **insured** against third parties shall be assigned to **Zurich** to the extent of its payments under this policy. The **insured** is liable for any act or omission that may prejudice these rights of recovery. All rights to payments under this policy shall be forfeited if third parties are relieved of liability without the consent of the **Zurich**.

37. Notification of circumstances

If during the **period of insurance** an **insured** becomes aware of a **circumstance** that will most likely lead to a covered **claim**, written notice can be given to **Zurich** of these **circumstances** before expiry of the current **period of insurance**. As a result of the notification, any demands for compensation arising from this **circumstance** will be considered to have been made and notified to **Zurich** at the time of the notification.

As a condition precedent for coverage, the notification must include the following required/mandatory information about the individual **circumstances**:

37.1.1 Reasons for believing that a claim might be made;

37.1.2 Detailed information about the potential claimant and the **insured** involved;

37.1.3 Detailed information about the actual or expected **financial loss, bodily injury or property damage**;

37.1.4 Detailed information about the alleged or actual **wrongful act**.

IX. General Conditions

38. Waiver of Cancellation in Accordance with Art. 42 LCI

Zurich waives its right to terminate the policy during a **period of insurance** in the event of a partial loss granted under Art. 42 of the Swiss Federal Law on Insurance Contract dated April 2, 1908 (VVG).

39. Prescription

The claims of the **insured** under this policy will be time-barred five years after the conclusion of an out-of-court or in-court settlement or after the final judgment.

40. Severability for Insurance Clause B

40.1.1 In granting cover under this Policy **Zurich** has relied upon the questionnaire which shall be considered as incorporated in and constituting part of this policy. The proposal shall be construed to be a separate application for cover for each **director or officer**. In respect of the declarations and statements contained in the proposal form no statement in the proposal form or knowledge possessed by any **director or officer** – with the exception of Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the General Counsel – shall be imputed to any other **director or officer** for the purpose of determining the availability of cover under this Policy.

40.1.2 The following applies regarding the application of Art. 12.7 of this policy:

The **wrongful acts**, acts or omissions of one **director or officer** shall not be imputed to another **director or officer**.

41. Premium

Unless otherwise agreed, the premium (plus taxes, charges and duties) is determined per **period of insurance** and due and payable at the inception of the **period of insurance**.

42. Territorial scope

The insurance coverage applies worldwide.

43. Broker fees, broker clause

If a **third party**, e.g. a broker represents the interests of the **policyholder** with regard to the conclusion or management of this insurance policy, **Zurich** may remunerate said **third party** for his activities on the basis of an agreement. The **policyholder** can contact the **third party** if he/she would like further information about this.

The broker is entitled to conduct all business transactions between the **policyholder** and **Zurich**. He is authorized by the **policyholder** to accept requests, notifications, declarations, declarations of intent etc. (though not payments) from **Zurich** and to pass requests, notifications, declarations, declarations of intent etc. (though not payments) to **Zurich** for the **policyholder**. They are deemed to have been received by the **policyholder** upon receipt by the broker.

44. Other insurance

The following applies to **claims**, a **financial loss** (in accordance with Insurance Clause C) or **criminal acts** that are or would be covered under any other valid insurance policy at the time of their assertion if this policy did not exist:

44.1.1 Difference in limits coverage: **Zurich's** insurance benefit is limited to the difference between the **limit of liability** and/or **sub-limits** specified in this insurance policy and those specified in the other policy;

44.1.2 Difference in conditions coverage: This policy provides coverage where the provisions of this policy are different from those of another insurance policy, namely in those cases for which the scope of cover afforded by this policy is broader.

45. Jurisdiction and applicable law

The **policyholder** or the claimant may elect as place of jurisdiction (forum) for disputes arising from this policy either:

45.1.1 The city of Zurich, as the head office of **Zurich**; If the parties do not reach any agreement regarding the settlement of claims and a court decision becomes unavoidable, the Zurich Tribunal of Commerce (Zürcher Handelsgericht) will be in charge of the litigation. However, if it lies beyond the competence of this tribunal due to e.g. a small value in litigation (below CHF 30'000), the competency lies with the ordinary court in Zurich.

45.1.2 the location of the **Zurich** branch office in Switzerland that is directly involved with this policy;

45.1.3 the Swiss or Fürstentum Liechtenstein – not, however, another foreign – residence or head office of the **policyholder** or beneficiary.

All claims under or in connection with this policy are governed solely by Swiss law. This choice of law does not however affect the question of the liability of an **insured**.

46. Notifications to Zurich

All Notifications must be sent to Zurich Insurance Company Ltd, P.O. Box, CH-8085 Zurich, Switzerland.

X. Definitions

The terms printed in **bold** in this policy as defined in both singular and plural forms as follows:

1. **Bail** is a security deposit that a civil or criminal court for the first time demands from a **director or officer** during the **period of insurance** provided it is directly related to a covered **claim**. Other security deposits will not be reimbursed.
2. **Bodily injury** means death, injury or other impairment of health suffered by any person. In this context, **bodily injury** does not include the consequences of the employment-related infliction of emotional distress.
3. **Circumstances** are incidents, events, facts, situations, matters, **wrongful acts**, **criminal acts**, acts or omissions that could lead to a **claim** or a **financial loss**.
4. **Claim**,
 - 4.1 for Insurance clause A, is a written demand for compensation against an **insured** for a **financial loss** due to a **wrongful act** committed during the performance of **financial services**;
 - 4.2 for Insurance Clause B, is a written demand for compensation against a **director or officer** for a **financial loss** due to a **wrongful act**;
 - 4.3 for Insurance Clause D, is a written demand for compensation against an **insured** for **bodily injury** or **property damage** due to a **wrongful act** committed during the performance of **financial services**.
5. **Company** is the **policyholder**, its **subsidiaries** and **investment funds**.
6. **Computer crime** is the fraudulent use, misuse or manipulation of **insured's** computers or **computer programs** committed by a **third party**.
7. **Computer program** is a program whose main function is to execute and process asset transactions in the performance of **financial services**.
8. **Continuity date** is the time at which a **wrongful act** or **criminal act** is known or should have been known given the circumstances.
9. **Costs** are all the necessary and reasonable expenses in connection with an insured **claim** limited to the costs of expert reports, lawyer's fees, court fees and indemnifications of parties.
10. **Costs involved in appealing against criminal prosecution** are **costs** involved in appealing against a judicial order, which first occurred during the **period of insurance** and was directly related to an insured **claim**, and which either restricts a **director or officer's** freedom to travel across borders, or bars a **director or officer** temporarily or permanently from serving as a **director or officer** or confiscates personal assets of the **director or officer**.
11. **Criminal acts** are all fraudulent or dishonest acts or series of acts, whether committed separately, repeatedly or continually, which are perpetrated by one or more **employees** with or without a **third party** with the clear intention to cause a **financial loss** on the **insured** and obtaining an **improper financial gain** from the **insured**. **Criminal acts** include **computer crime** committed by **employees**.
12. **Criminal prosecution costs** are all necessary and reasonable expenses incurred by the **company** from retaining a **third party** in order to assert claims for damages for insured **financial loss**.

13. **Deductible** shall mean the amount stated in sub-paragraph 7 of the schedule which the **insured** must pay for each **loss** under the policy.
14. **Derivative action** is a **claim** brought on behalf or for the benefit of a **company** by one or more of its shareholders without the solicitation of the **company** or an **insured** and without the participation or direction of a **company** or **director or officer**.
15. **Director or officer** shall mean any natural person who is a past, present and future
- 15.1 member of the board of directors and/or supervisory board;
 - 15.2 member of management board;
 - 15.3 member of the board of trustees, provided it is not an employee pension plan;
 - 15.4 member of internal audit committee;
 - 15.5 **staff member** who is a de facto director or officer,
- in his/her capacity or function as a director or officer of a **company**.
- Director or officer** shall not include: agents, contractors, legal or other advisors, external auditors, official trustees in bankruptcy, receivers and liquidators.
16. **Discovered** or **Discovery** shall mean the moment on which the **insured** or one or several shareholders of the **policyholder**, not in collusion with any **employee(s)** committing the **criminal act**, becomes aware of any fact or facts that give reasonable grounds to believe that a **loss** as insured under this policy has been or may be incurred even though the exact amount or details of the **loss** may not then be known.
17. **Documents** are letters of credit, promissory notes, payment instructions given by the tax office, revenue stamps, insurance policies, deeds of transfer, certificates and account books in the possession of the **insured** and for which the **insured** is statutorily liable.
- Documents** do not include electronically stored documents and/or files, money and **securities**.
18. **Employees** are
- 18.1 **staff members** while being in a contractual employment relationship with the **company**;
 - 18.2 **directors or officers** but excluding members of the board of directors of the **policyholder**;
- Employee** does not include: certified public accountants, brokers, mediators, managing clerks, commission agents, sales agents, contractors and other agents, representatives, official trustees in bankruptcy, receivers and liquidators, legal advisors or similar persons.
19. **Employment-related wrongful act** is an actual or alleged illegal act or omission committed by a **director or officer** in connection with an employment-related termination of employment or dismissal; discrimination or harassment in employment and occupation; failure to employ or promote; discipline; deprivation of a career opportunity; invasion of privacy; defamation; infliction of emotional distress; *whistleblowing* (according to the definition under the applicable law) which leads to a **claim** against a **director or officer**.
20. **Exposed industries** are banks of any kind, investment and hedge funds, trusts, leasing companies, insurance and reinsurance companies, pension funds, pension plans, investment companies, special-purpose vehicles, venture capitalists (venture capital, private equity), real estate companies, insurance/reinsurance brokers, advisors and intermediaries of financial products and services, brokerage firms, asset managers and advisors, providers of factoring services, and auditing and certified public accounting firms.
21. **Extradition** is any formal request, demand, arrest, warrant or other administrative act based on the applicable local extradition law which is first issued against a **director or officer** during the **period of insurance** due to a **wrongful act**.

22. **Financial loss** is a loss which is neither directly nor indirectly resulting from **bodily injury** or **property damage**.
23. **Financial services** refer to asset management and financial advisory activities that the licensed and authorized **insured** provides to a **third party** on behalf of the **policyholder** for a fee. The consulting for, formation, management or operation of an **investment fund** is also considered as **financial services**.
- Financial services** do not include: the issuing of **securities**, mergers and acquisitions, corporate finance, reorganizations including advisory services in connection with these activities, as well as tax and legal consulting.
24. **Improper Financial Gain** of **employees** occurs when employees procure a financial advantage from the **insured** for themselves without being statutorily or contractually entitled to it.
- Improper Financial Gain** does not include: salaries, bonus payments, fees, commissions, benefits, emoluments or other forms of compensation.
25. **Indemnity payments** are compensation payments for:
- 25.1 **financial loss;**
 - 25.2 **costs;**
 - 25.3 **reputational recovery costs;**
 - 25.4 **costs involved in appealing against criminal prosecution;**
 - 25.5 other expenses listed in the policy.
26. **Insureds** are
- 26.1 the **company;**
 - 26.2 the **director or officers;** and
 - 26.3 the **staff members.**
- Insureds** do not include: independent brokers, independent financial advisors, independent agents, independent representatives paid on a commission or fee basis.
27. **Intellectual property rights** are confidential information, copyrights, patents, licenses, formulas, formulations, trademarks, brand names, marks, trade and business secrets, manufacturing plans, construction plans, building plans, customer information, database rights or other intellectual property rights including the loss or theft of customer data.
28. **Investigation** shall mean a criminal or administrative investigation, a hearing or inquiry by a government agency, public authority or official supervisory authority first initiated against an **insured** during the **period of insurance** due to a **wrongful act**.
29. **Investment funds** exclusively refer to the insured special-purpose entities specifically named in sub-paragraph 3.1 of the schedule or in any endorsements.
30. The **Limit of Liability** is the limit of indemnity specified under sub-paragraph 6 of the schedule that **Zurich** is obligated to pay under this policy for each **loss**, for all **claims** and **indemnity payments** taken together under Insurance Clauses A, B, C and D in the aggregate and per **period of insurance**.
31. **Loans** are financial obligations of any kind, including, but not limited to, liabilities, promissory notes, invoices or liabilities from leasing transactions.
32. **Loss** for Insurance Clauses A, B and D is one or more **claims**
- 32.1 arising from a single negligent act, mistake or omission or a series of related negligent acts, mistakes or omissions committed by one or more **insureds**; and/or
 - 32.2 arising from a **wrongful act** or a series of related **wrongful acts** committed by one or more **insureds**; and/or

- 32.3 that are attributable to the same loss or facts and that are legally, economically or temporally related; and/or
- 32.4 that have the same cause;
- and, for Insurance Clause C is one or more **financial loss(es)**
- 32.5 resulting from one single or a series of related or repeated **criminal acts** committed by one or more **employees**; and/or
- 32.6 resulting from one single or a series of related or repeated crimes listed in the policy; and/or
- 32.7 that are attributable to the same loss or facts and that are legally, economically or temporally related; and/or
- 32.8 that have the same cause.
33. **Loss prevention costs** are reasonable, necessary expenses to mitigate, prevent or contain an imminently expected **financial loss**.
- Loss prevention costs** shall not include salary, wage, remuneration or other forms of compensation of a **staff member** or **director of officer**.
34. **Money laundering** means actual or attempted acts, agreements, abetments, advice on or instigation of acts that violate anti-money laundering laws (or regulations or provisions issued by the authorities in this context) or constitute a criminal act, including, without limitation: statutory provisions, including, but not limited to, EU Council Directives 91/308/EEC and 2001/97/EC, Article 305 of the Swiss Penal Code, Part 7 of the US Criminal Act 2002 (c. 29) and the US Racketeer Influenced and Corrupt Organizations Act (RICO), 18 US Code, Chapter 96, and amendments thereto.
35. **Negative equity** means that the liabilities of a **company** or an **outside entity** exceed its assets when the policy commences or is renewed or when an outside position is assumed. **Wrongful acts** are insured as long as the shareholder **equity** is not **negative**.
36. **Outside entities** are all legal entities but excluding any entities which a) are domiciled in the United States, b) are a **company**, c) show **negative equity**, d) are part of the **exposed industry** or e) have issued **securities** that are traded on a stock exchange.
37. **Period of insurance** is the period from the inception to the end of this policy as defined in sub-paragraph 4 of the schedule, unless the policy is cancelled or terminated earlier.
38. **Policyholder** is the contracting party specified in sub-paragraph 3 of the schedule.
39. **Pollutants** refer to any actual, alleged or suspected pollution of the soil, mobile or immobile objects, water, the air, flora, fauna or the atmosphere. Pollution includes, but is not limited to, contamination with solid, liquid or chemical irritants, gases, vibration, mist, steam, soot, smoke, acids, bases, chemicals, pharmaceuticals, waste, heat, cold, radiation, radioactivity, explosions, explosives, oil, substances made completely or partially with oil, infectious substances, genetically modified plants or living things, medical waste, mold and noise.
40. **Property damage** refers to the loss, damage or destruction of property, including the loss of use of the property and any consequential damages resulting directly therefrom.
41. **Reputational recovery cost** shall mean necessary and reasonable expenses incurred by an external advisor subject to **Zurich's** prior written consent, provided such expenses serve to mitigate the damage to reputation of a **director or officer** inflicted by a **claim** that was first brought and made public during the **period of insurance**.

42. The **retroactive date** is the earliest date on which a **wrongful act** and/or **criminal act** must take place and give grounds for a **claim** and/or **financial loss**. The **retroactive date** is defined in sub-paragraph 5 of the schedule or elsewhere in the policy.
43. **Securities** shall mean any kind, including, but not limited to, equity instruments, debt instruments, derivative products, etc.
44. **Staff members** are all natural persons who at any time in the past, present or future are employed by a **company**, required to follow instructions and compensated by a salary.
45. **Sublimit** is a limited sum within, but not in addition to, the **limit of liability** for a certain risk.
46. **Subsidiaries** are legal entities in which, prior to or at the inception of the **period of insurance**, the **policyholder**, in accordance with sub-paragraph 4 of the schedule:
- 46.1 directly or indirectly held or holds more than 50(fifty)% of the voting rights;
- 46.2 appoints the majority of the members of the board of directors; or
- 46.3 has the right, pursuant to a written agreement with other shareholders, to appoint the majority of the members of the board of directors;
- provided that
- 46.4 they are domiciled in Switzerland or Fürstentum Liechtenstein; and
- 46.5 they are not special-purpose vehicles, investment funds and/or **investment funds**.
47. **Third party** shall mean any natural person or legal entity other than an **insured**.
- Third party** does not include: parent companies of the **insured** or other natural persons or legal entities who have a controlling financial interest, a management interest, influence over **financial services** performed or a controlling interest in the **insured** unless these persons are acting exclusively in their capacity as a customer of the **insured** and are not connected, directly or indirectly, with the **wrongful act** and/or **criminal act**.
48. **Wrongful act**,
- 48.1 for Insurance Clauses A and D, is any alleged or actual act or omission by an **insured** in the performance of **financial services** which leads to statutory liability with respect to a **third party**;
- 48.2 for Insurance Clause B, is any alleged or actual act or omission by a **director or officer** which leads to statutory liability in his capacity or function as a director or officer of a **company** or an **outside entity**.
49. **Zurich** stands for Zurich Insurance Company Ltd.

* * *