

OLD REPUBLIC UNION INSURANCE COMPANY

INVESTMENT ADVISOR MANAGEMENT LIABILITY COVERAGE SECTION

Important Notice

This is a claims made policy that applies only to **Claims** first made during the **Policy Period** or the **Extended Reporting Period**, if exercised. **Defense Costs** shall be applied against the Retention, if applicable. **Defense Costs** paid by the Insurer shall reduce and may completely exhaust the Limit of Liability of the **Policy**.

Please read the entire Policy carefully.

I. INSURING CLAUSES

A. Directors and Officers Liability

The Insurer shall pay on behalf of the **Insured Persons Loss** for which the **Insured Persons** are not indemnified by the **Entity** and which the **Insured Persons** become legally obligated to pay by reason of any **Claim** first made against the **Insured Persons** during the **Policy Period** or any applicable **Extended Reporting Period** for any **Wrongful Acts**.

B. Entity Indemnification

The Insurer shall pay on behalf of the **Entity Loss** for which the **Entity** grants indemnification to the **Insured Persons**, as permitted or required by law, and which the **Insured Persons** have become legally obligated to pay by reason of any **Claim** first made against the **Insured Persons** during the **Policy Period** or any applicable **Extended Reporting Period** for any **Wrongful Acts**.

C. Entity Liability

The Insurer shall pay on behalf of the **Entity Loss** which the **Entity** becomes legally obligated to pay by reason of any **Claim** first made against the **Entity** during the **Policy Period** or any applicable **Extended Reporting Period** for any **Wrongful Acts**.

II. COVERAGE EXTENSIONS

A. Derivative Investigation Costs and Books and Records Costs

The Insurer shall pay on behalf of the **Entity**:

- (i) **Derivative Investigation Costs** for which the **Entity** becomes legally obligated to pay in response to a **Derivative Demand** first received, or a derivative lawsuit first made on behalf of the **Entity**, and
- (ii) **Books and Records Costs** for which the **Entity** becomes legally obligated to pay in response to a **Books and Records Request** first received,

during the **Policy Period**. The Insurer's maximum aggregate liability for all **Derivative Investigation Costs** and all **Books and Records Costs** covered pursuant to this Section II. A. shall be the respective Sublimit of Liability set forth in Item 5. of the Declarations, which amount shall be part of, and not in addition to, the otherwise applicable Limit(s) of Liability, and no Retention shall apply to such amount.

B. **Outside Position Liability**

Subject to their other terms and conditions, Insuring Clauses A. and B. above include coverage for any **Insured Person** while serving in an **Outside Position**. Any such coverage shall be specifically excess of any indemnity and any valid and collectible insurance available from or provided by the **Outside Entity** in which the **Insured Person** serves in the **Outside Position**.

C. **Asset Protection Costs**

The Insurer shall pay on behalf of the **Insured Persons** reasonable fees, costs, charges and expenses incurred by the **Insured Persons** to oppose any efforts by any **Enforcement Authority** or by a claimant in a **Claim** to seize or otherwise enjoin the personal assets or real property of the **Insured Person** in connection with a **Claim** covered under this Coverage Section, or to revoke, overturn or set aside a court order relating to a **Claim** covered under this Coverage Section which in any way impairs the use of such assets or property; provided such fees, costs, charges and expenses are not indemnified by any **Entity** as described in the definition of **Non-Indemnified Loss** and are not otherwise covered under this Coverage Section. The Insurer's maximum liability under this Coverage Section for all such fees, costs, charges and expenses incurred by all **Insured Persons** shall be the Asset Protection Costs Sublimit of Liability set forth in Item 5. of the Declarations.

D. **Reputational Costs**

The Insurer shall pay on behalf of the **Insured Persons** the reasonable fees, costs, charges and expenses incurred by the **Insured Persons** in connection with using a public relations firm to mitigate the adverse effects to the reputation of the **Insured Person** from a **Claim** against the **Insured Person** which is covered under this Coverage Section, including without limitation from any negative public statement regarding the **Insured Persons** by an **Enforcement Authority** or by an **Entity** relating to such **Claim** or the **Wrongful Acts** alleged therein; provided such fees, costs, charges and expenses are not indemnified by an **Entity** as described in the definition of **Non-Indemnified Loss** and are not otherwise covered under this Coverage Section. The Insurer's maximum liability under this Coverage Section for all such fees, costs, charges and expenses incurred by all **Insured Persons** shall be the Reputational Costs Sublimit of Liability set forth in Item 5. of the Declarations.

III. **DEFINITIONS**

When used in this Coverage Section, either in the singular or the plural:

A. **Insured Persons** means:

1. any **Executive Officer**;
2. any one or more **Employees** not described in subparagraph A. 1. above (including employed lawyers solely in their capacity as an **Employee** of any **Entity**); provided such **Employees** shall not be considered **Insured Persons** for purposes of subparagraph a. of Exclusion A. 1. in Section IV. of this Coverage Section; and
3. solely with respect to Insuring Clauses A. and B., any one or more natural persons described in subparagraph A. 1. above while serving in an **Outside Position**.

B. **Insureds** means (1) the **Insured Persons**, and (2) the **Entity**.

C. **Wrongful Act** means:

1. any error, misstatement, misleading statement, act, omission, neglect or breach of duty, including any aiding and abetting thereof, actually or allegedly committed or attempted by any of the **Insured Persons** in their capacity as such, or in an **Outside Position** or, with respect to Insuring Clause C., by the **Entity**, or
2. any matter claimed against the **Insured Persons** by reason of their status as such or their serving in such capacity or in an **Outside Position**.

IV. EXCLUSIONS

A. The Insurer shall not be liable for **Loss** on account of that portion of any **Claim**:

1. Entity vs. Insured

brought or maintained by or on behalf of the **Entity** or, with respect to coverage under Section II. B., an **Outside Entity**, provided this Exclusion shall not apply to **Defense Costs** covered under Insuring Clause A. or to the following **Claims** against **Insured Persons**:

- a. any such **Claim** that is a derivative action brought or maintained on behalf of the **Entity** or such **Outside Entity** by one or more persons who are not **Insured Persons** and who bring and maintain the **Claim** without the active assistance or participation of, or solicitation by, the **Entity**, such **Outside Entity** or any **Insured Person**, other than assistance, participation or solicitation by **Insured Persons** that is protected pursuant to any whistleblower protection provision in any applicable federal, state, local or foreign law which protects such **Insured Persons**;
- b. any such **Claim** brought or maintained while such **Entity** or such **Outside Entity** is in **Financial Impairment**, including without limitation any such **Claim** by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver, similar official or creditors committee for such **Entity** or **Outside Entity**;
- c. any such **Claim** brought and maintained outside the United States, Canada or any other common law country, including any territories thereof; or
- d. any such **Claim** against an **Independent Director** of the **Entity**.

2. Underwriter/Broker/Dealer

based upon, arising out of, or attributable to any activities as an underwriter, broker or dealer, as defined in Section 2(11) of the Securities Act of 1933, as amended, or Sections 3(a)(4), 3(a)(5) and 3(a)(6) of the Securities Exchange Act of 1934, as amended;

3. Investment Banking

based upon, arising out of, or attributable to the rendering or failure to render advice or services to any customer or client of an **Insured** (except a **Portfolio Company**) in connection with a merger, acquisition, restructuring or divestiture; provided, however, that this Exclusion shall not apply to any financial advice or any investment management activity or service provided in connection with investing in the securities of the entities involved in mergers, acquisitions, restructurings or divestitures but only to the extent such **Insured** is not providing such services to or on behalf of any entity involved in such merger, acquisition, restructuring or divestiture;

4. Publicly Traded Securities

based upon, arising out of, or attributable to any purchase or sale, or offer to purchase or sell, any securities issued by any **Entity** or **Outside Entity** either in or after a public offering of such securities;

5. Employment Practices, Discrimination and Sexual Harassment

based upon, arising out of, or attributable to an employment-related or any discrimination against or sexual harassment of any natural person who is not an **Insured Person**;

6. Professional Services

for the rendering of or failure to render **Investment Advisory Services** or any other services by the **Entity** for others in connection with the **Entity's** business, regardless whether such services are compensated or uncompensated, provided this Exclusion shall not apply to

Insuring Clause A. or to any **Claim** for an **Insured Person's** failure to supervise another **Insured Person** with respect to such services; or

7. Personal Injury

based upon, arising out of, or attributable to any libel, slander or oral or written publication of defamatory or disparaging material; false arrest, detention or imprisonment; malicious prosecution or malicious use or abuse of process; wrongful entry or eviction; invasion of the right of private occupancy or privacy; loss of consortium; or assault or battery; provided this Exclusion shall not apply to any **Claim** with respect to libel, slander or defamatory or disparaging material solely in the **Investment Advisor's** written communications to its clients in the performance of **Investment Advisory Services**.

B. The Insurer shall not be liable under Insuring Clause C. for **Loss** on account of that portion of any **Claim** made against the **Entity**:

1. Contract

for any actual or alleged liability of the **Entity** under any oral or written contract or agreement, provided that this Exclusion shall not apply to the extent that such **Entity** would have been liable in the absence of such contract or agreement;

2. Intellectual Property

based upon, arising out of, or attributable to any actual or alleged infringement or violation of any patent, copyright, trademark, trade name, trade dress, or service mark; any misappropriation of ideas, trade secrets or other intellectual property rights; any false patent markings; or any violation of a federal, state, local or foreign intellectual property law, rule or regulation; or

3. Pollution

for (i) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or (ii) any direction or request that the **Entity** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so; provided this Exclusion shall not apply to Insuring Clause A.