

**Policy** Wording

# Directors & Officers Liability



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## Insuring Clause

In consideration of payment of the premium, in reliance on the proposal, declarations, statements and information (which shall be deemed to be the basis of this Policy) and subject to its terms, conditions, exclusions, warranties and endorsements Vero Liability Insurance Limited ("the Company"), agrees to indemnify:

- (a) each Insured Person against all Loss, for which such Insured Person does not receive an indemnity from the Insured Organisation;
- (b) the Insured Organisation against all Loss, for which the Insured Organisation indemnifies any Insured Person as permitted or required by law,

and which such Insured Person became legally obliged to pay on account of any claim(s) made against him/her individually or otherwise, during the Period of Insurance and reported to the Company, in accordance with the Reporting and Notice section, during the same period or, if exercised, the Extended Reporting Period, for a Wrongful Act allegedly committed by such Insured Person at any time.

## Limit of Indemnity and Excess

1. For the purpose of this Policy, all Loss arising out of all interrelated Wrongful Acts of any Insured Person(s) will be treated as one claim, and such claim, will be treated as reported to the Company in the Period of Insurance in which the relevant notice is given as required by the Reporting and Notice section.
2. The limit of the Company's liability during the Period of Insurance under this Policy is the Limit of Indemnity in the Schedule.
3. The Company's liability in respect of each and every claim is for Loss to the Insured Person exceeding the Excess in the Schedule.

## Automatic Extensions

### 1. Advancement of Defence Costs

The Company will advance on behalf of the Insured Person(s) or the Insured Organisation, Defence Costs that the Insured Person(s) or the Insured Organisation have incurred in connection with claims made against the Insured Person in relation to Wrongful Acts, prior to disposition of such claims. Provided that to the extent it is finally established by judgment, settlement or other final adjudication that any such Defence Costs are not covered under this Policy the Insured Person(s) or the Insured Organisation, severally according to their interests, agree to repay the Company such Defence Costs.

### 2. Apportionment

If the allegations against an Insured Person, or an investigation or inquiry:

- (a) include both insured and uninsured allegations, and/or
- (b) are also directed at uninsured parties (including the Insured Organisation itself);

then the Company shall:

- (i) pay only those Defence Costs which are solely attributable to the Insured Person's defence of the insured allegations;
- (ii) not be liable to pay any of the costs or expenses solely attributable to the Insured Person's defence of uninsured allegations and/or to the defence of insured and uninsured parties;
- (iii) pay 70% of those costs which are attributable to the Insured Person's defence of both insured and uninsured allegations and/or to the defence of insured and uninsured parties.

In respect of any particular claim the Insured Person and the Insured Organisation and the Company may agree on

an apportionment of costs and expenses in a manner that fairly reflects the allocations in (i) to (iii) above. But, in the absence of such agreement, the separate allocations in (i) to (iii) above shall apply.

The Company shall, subject to Automatic Extension 1 - Advancement of Defence Costs, pay the Defence Costs, and its allocated share of the common costs or expenses as and when they are incurred.

### 3. Compensation for Court Attendance

If an Insured Person is required to attend court as a witness in connection with a claim under this Policy, the Company will pay that Insured Person \$300 for each day or part day on which attendance is required. The cover provided under this extension shall be subject to a sub-limit of \$10,000 in the aggregate and shall be part of and not in addition to the Limit of Indemnity on the Schedule.

### 4. Consolidation or Merger

If the Insured Organisation acquires by merger, or consolidates with, or is merged into or acquired by any other organisation after the commencement of the Period of Insurance, immediate written notice will be given to the Company together with any underwriting information the Company may require and payment will be made of any additional premium required.

### 5. Continuous Cover

This Policy is extended to cover Loss arising out of any claim, fact, matter or circumstance that was not notified, but that could or should have been notified, to the Company under the terms of any previous insurance provided that:

- (a) the failure to notify was innocent;
- (b) the previous insurance, under which the claim, fact, matter or circumstance could or should have been notified was issued by the Company;
- (c) cover under this extension will be subject to the terms of this insurance or to the terms of the previous insurance, whichever the Company at its sole discretion decides; and
- (d) the amount payable under this extension will be reduced by the amount that fairly represents the extent to which the Company's interests were prejudiced by the failure to notify.

### 6. Employment Practices Liability Cover for Insured Persons

The Company shall indemnify any Insured Person for Loss arising from an Employment Related Wrongful Act.

### 7. Employment Superannuation Scheme Trustee Liability

The Company will pay on behalf of any person any claim by reason of any Wrongful Act resulting in Loss arising out of their individual or collective capacities as trustees of the Insured Organisation's own superannuation or pension funds. Cover provided by this extension shall not be excluded solely on the ground that a claim is brought by a member of the superannuation or pension scheme who is also a director or Insured Person of the Insured Organisation.

### 8. Estates & Legal Representatives

This Policy extends to claims for Wrongful Acts of any Insured Person made against the estates, heirs, legal representatives or assigns of any Insured Person who is incompetent, insolvent or bankrupt.

### 9. Extended Reporting Period

If the Company terminates this Policy or refuses to issue a new policy on its termination, the Insured Person(s) and/or the Insured Organisation have the right, upon payment of an additional premium of 50% of the current annual premium, to elect an extension of this insurance for a further period of 12 months immediately following the

effective date of such termination, but only with respect to any Wrongful Act allegedly committed prior to the effective date of such termination. This right of extension lapses unless written notice of such election is given to the Company prior to or within 30 days following the effective date of termination of this Policy.

If the Insured Person(s) and/or the Insured Organisation terminates this Policy or declines to accept a new Policy, the Company may at its sole option, grant a similar Extended Reporting Period. The Company's liability under the Extended Reporting Period for Loss is specifically in excess of, and reduced by the amount of any payments on account of the Loss received by the Insured Person(s) and/or the Insured Organisation under any other insurance.

#### 10. Goods & Services Tax

Where an Insured Person or the Insured Organisation is liable to pay tax under the Goods and Services Tax Act 1985 (or any statutory amendment or re-enactment of the Act) on receiving any payment under this Policy, the Company will cover the Insured Person or the Insured Organisation for the cost of that tax. The amount payable under this extension is payable by the Company in addition to the stated Limit of Indemnity.

#### 11. Health & Safety Act Defence Costs

The Company agrees to pay Defence Costs incurred in connection with the prosecution of an Insured Person under New Zealand's Health and Safety in Employment Act 1992 or any amendment to or re-enactment of that Act, or any other New Zealand legislation governing workplace conditions and procedures.

Provided that the Company's liability for these Defence Costs will not exceed \$250,000 in the aggregate for the Period of Insurance, the amount being part of, and not additional to, the Limit of Indemnity.

#### 12. Innocent Non-Disclosure

The Company waives its right to avoid the Policy for material non-disclosure or misrepresentation, provided always that:

- (a) the Company has continuously been the insurer of the Insured Person under a Directors and Officers Insurance Policy between the date when such disclosure or representation should have been given and the date when it was, in fact, given; and
- (b) the Directors or Officers establish to the satisfaction of the Company that such non-disclosure or misrepresentation was innocent and free from any dishonesty or intent to deceive; and
- (c) cover under this extension will be subject to the terms of this Policy or the terms of the previous insurance, whichever the Company at its sole discretion decides; and
- (d) the premium and terms of the current Policy shall be adjusted at the discretion of the Company to those which would have applied had such disclosure or representation been made at the correct time; and
- (e) the Company's liability to indemnify will be no greater than the indemnity for which the Company would have been liable had the proper disclosure or representation been made at the correct time.

#### 13. Insured Versus Insured

Notwithstanding Exclusion (j) and Extension 6, the Policy is extended to include claims made against an Insured Person by another Insured Person but only where the claim is:

- (a) a derivative action brought or maintained on behalf of the Insured Organisation without solicitation, assistance or active participation by the Insured Organisation or any Insured Person; or

- (b) brought or maintained by any Insured Person for contribution or indemnity if the claim directly results from another claim covered under this Policy; or
- (c) brought by or on behalf of the Insured Organisation by any regulatory authority, receiver, receiver and manager, administrator, statutory manager or liquidator.

#### 14. Newly Created or Acquired Subsidiary(ies)

If any Subsidiary(ies) created or acquired by the Insured Organisation after the commencement of the Period of Insurance would have been included within the meaning of Insured Organisation as a result of the description of Insured Organisation in the Schedule, such Subsidiary(ies) shall be included provided that:

- (a) within 14 days of acquisition written notice is given to the Company together with any underwriting information the Company may require and payment is made of any additional premium required; and
- (b) in respect of acquisitions there is no cover for Wrongful Acts known by any Insured Person at the date of such acquisitions.

#### 15. Official Investigations & Inquiries

The Company agrees to pay Defence Costs arising out of any legally compellable attendance by any Insured Person(s) at any official investigation, examination or inquiry in relation to the affairs of the Insured Organisation where such official investigation, examination or inquiry may lead to a claim under this Policy. Provided that the maximum aggregate amount payable under this extension shall be \$250,000, which is part of and not in addition to the Limit of Indemnity stated in the Schedule.

#### 16. Outside Position Liability

If an Insured Person holds any Outside Position solely for the purpose of representing the Insured Organisation, this Policy provides indemnity for claims resulting from the Outside Position, as if the Wrongful Act was in the course of his/her duties to the Insured Organisation, provided that:

- (a) this indemnity is restricted to such Insured Person;
- (b) this indemnity is in excess of any other indemnity or insurance available and is only provided to such Insured Person by reason of serving in such Outside Position;
- (c) this indemnity only applies if such Outside Position is in existence at the commencement of the Period of Insurance. However, this cover will extend to new Outside Positions undertaken during the Period of Insurance, subject to written notice within 14 days of appointment to the Company and provision of any underwriting information required as well as payment of any additional premium required. For former Outside Positions, there will be indemnity only if previously notified and agreed to by the Company in writing.
- (d) this indemnity does not apply to any Outside Position in any company or entity incorporated or resident in USA or Canada or their protectorates.

#### 17. Pollution Defence Costs

The Company agrees to pay Defence Costs incurred in connection with any claim alleging any Wrongful Act resulting in seepage, pollution, contamination or breach of any law prohibiting or controlling emissions or effluents of any kind, or from any enforcement action or proceeding brought under or pursuant to any law.

Provided that the Company's liability for these Defence Costs will not exceed \$250,000 in the aggregate for the Period of Insurance, the amount being part of, and not additional to, the Limit of Indemnity.

**18. Preservation of Indemnity**

If any Insured Person is unable to obtain the full benefit of a right to indemnity against the Insured Organisation to which he or she is entitled, by reason only of the Insured Organisation being placed in liquidation (other than voluntary liquidation) and having insufficient funds available so as to indemnify the Insured Person, then it is hereby agreed that the Company shall indemnify the Insured Person against Loss arising from any claim.

The Excess applicable to Insuring Clause (b) shall apply. The burden of adducing satisfactory proof to obtain the benefit of this Extension shall rest entirely with the Insured Person and shall include the production of documentary evidence of the Insured Organisation's assets and liabilities and any official statements issued by the liquidator, receiver, statutory manager or compromise manager.

**19. Previous Subsidiaries of the Insured Organisation**

The definition of Insured Organisation includes any entity that ceased to be a Subsidiary before or during the Period of Insurance, but the Company will not pay for Loss arising from Wrongful Acts occurring after it ceased to be a Subsidiary, nor will the Company pay for Loss arising from Wrongful Acts occurring before it became a Subsidiary.

**20. Severability & Non-Imputation**

With respect to Exclusions 1(a) – 1(q) of the Policy, no fact pertaining to, nor knowledge possessed by, or any Wrongful Act committed by any Insured Person(s) will be imputed to any other Insured Person(s) for the purpose of determining the availability of coverage for or with respect to claims made against any Insured Person(s).

**21. Spousal Liability**

This Policy extends to claims for Wrongful Acts of any Insured Person made against the lawful spouse of any Insured Person solely by reason of such spouse's:

- (a) legal status as a spouse of the Insured Person; or
- (b) ownership or interest in property which the claimant seeks as recovery for alleged Wrongful Acts of the Insured Person, all loss which such spouse becomes legally obligated to pay by reason of such claim will be treated for purposes of this Policy as Loss which the Insured Person becomes legally obligated to pay on account of the claim made against the Insured Person. All terms and conditions of this Policy, including without limitation the retention amount, applicable to Loss incurred by such Insured Person in the claim will also apply to such spousal loss.

The cover provided by this Extension does not apply to the extent the claim alleges any act or omission by the Insured Person's spouse.

**22. Successful Defence of Criminal Prosecution**

The Company will indemnify any Insured Person(s) for Defence Costs arising out of any criminal prosecution in which they are Acquitted by a court.

Provided that:

- (a) no Defence Costs other than those incurred with the prior written consent of the Company shall be payable under this Extension; and
- (b) the Company shall not be under any obligation to advance Defence Costs as they are incurred, but may advance Defence Costs at its sole and absolute discretion; and
- (c) the Insured Person(s), according to their respective interests, shall repay any payments advanced by the Company back to the Company in the event that they are not entitled to such payment under this Policy; and

- (d) the indemnity available under this extension shall only be available where the criminal prosecution arises directly from the Insured Person's duties as a director or Insured Person of the Insured Organisation.

**Exclusions**

The Company will not indemnify any Insured Person(s) or the Insured Organisation for any claim:

1.
  - (a) arising out of any circumstances which any Insured Person was aware or ought reasonably to have been aware before the Period of Insurance might give rise to a claim;
  - (b) alleging bodily injury, sickness, disease or death, or loss of or damage to tangible property, including loss of use;
  - (c) arising out of or alleging seepage, pollution or contamination or the breach of any statute, regulation or ordinance prohibiting or controlling emissions or effluents of any kind or from any enforcement action or proceeding brought under or pursuant to any statute, regulation or ordinance;
  - (d) for the return by any Insured Person of any remuneration paid without the previous approval of the shareholders of the Insured Organisation, if a judgment or other final adjudication determines that such remuneration is in violation of law, or if such remuneration is to be repaid to the Insured Organisation under a settlement agreement;
  - (e) arising from or alleging insider trading in terms of the Securities Amendment Act 1988 or any similar statute or regulation in any territory to which this Policy applies;
  - (f) brought about or contributed to by the dishonesty of any Insured Person, if a judgment or other final determination establishes that there was dishonesty by such Insured Person and the dishonesty was material to the finding of liability;
  - (g) based upon or attributable to any Insured Person having gained any personal profit or advantage to which he/she was not legally entitled, regardless of whether:
    - (i) a judgment or other final determination establishes that such Insured Person in fact gained such personal profit or other advantage;
    - (ii) the Insured Person entered into a settlement agreement to repay such personal profit or relinquish such advantage to the Insured Organisation;
  - (h) arising out of any litigation in existence at the commencement of the Period of Insurance;
  - (i) for any fine or penalty;
  - (j) by or on behalf of an Insured Person, the Insured Organisation or the Parent Organisation;
  - (k) for death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
    - (i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property under the order of any government or public or local authority; or
    - (ii) any act of terrorism.

Definition: "act of terrorism" means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any



organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic, or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (i) and/or (ii) above;

- (l) arising out of any failure or omission to effect or maintain insurance;
- (m) arising out of a breach of duty owed in the Insured Person's professional capacity other than as a Professional Director;
- (n) arising out of any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, asbestos in whatever form or quantity;
- (o) brought by or on behalf of any shareholder who owns more than 15% of the nominal value of the equity share capital of the Insured Organisation;
- (p) arising out:
  - (i) any public or private issue of shares, preference shares (redeemable or otherwise), debentures of whatever kind, promissory notes or any other form of negotiable or non-negotiable security for the raising of capital by equity, debt or any other means;
  - (ii) the issue of any prospectus or similar document or the making of any written or oral representation, in connection with (i) above;
- (q) for any liability for, or to fulfil any obligation in respect of any claim or defence costs, which are directly or indirectly caused by or contributed to, or arises directly or indirectly out of:
  - (i) the action or effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa or any similar or like forms, in any building or structure; or
  - (ii) any cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralising, remediating or disposal of, or in anyway responding to or assessing the effects of mould, fungi, mildew, rot, decay, gradual deterioration, micro-organisms, bacteria, protozoa or similar or like forms, in any building or structure; or
  - (iii) the failure of any building or structure to meet or perform to the requirements of the New Zealand Building Code contained in the first schedule to the Building Regulations 1992 (or any amendment or substitution thereof) in relation to:
    - (a) external water or moisture; or
    - (b) either durability or protection from external water or moisture entering that building or structure, or the effects thereof.
- 2. in respect of any Wrongful Act committed or alleged to have been committed prior to the Retroactive Date stated in the Schedule.

## Conditions

### 1. Agency Clause

In relation to all aspects of this Policy, the Insured Person(s) appoint each signatory of the proposal (or his/her appointed replacement) as their agent, provided that, by notice in writing to the Company at any time and with the Company's written acknowledgement, any

Insured Person may revoke or limit such agency in respect of himself/herself without prejudice to any other rights he/she may have.

### 2. Alteration and Assignment

No change in, modification of, or assignment of interest under this Policy will be effective unless it is by written endorsement to this Policy signed by an authorised employee of the Company.

### 3. Claims

- (a) The Insured Person(s), the Insured Organisation or anyone acting on their behalf, shall not admit liability for or settle any claim, or incur any costs or expenses, without the prior written consent of the Company which shall be entitled to take over and to conduct (which shall be a condition precedent to the Insured Person(s)' and/or Insured Organisation's right to be covered under this Policy) the defence or settlement of any claim, and any counterclaim. Nevertheless, neither the Insured Person(s) nor the Insured Organisation nor the Company shall be required to contest any legal proceedings, unless a Queen's Counsel (to be mutually agreed) shall advise that such proceedings should be contested.
- (b) If the Insured Person(s) and/or the Insured Organisation shall refuse to consent to any settlement recommended by the Company, and shall elect to contest or continue any legal proceedings, the Company's liability for the claim shall not exceed the amount for which the claim could be so settled (less the deductible specified in the Schedule), plus the costs and expenses incurred up to the date of such refusal.
- (c) The Insured Person(s) and/or the Insured Organisation shall use due diligence, and do and concur in doing all things reasonably practicable, to avoid or diminish any claim and, on request, give to the Company or its authorised representatives all such information and assistance as they may require.

### 4. Reporting and Notice

- (a) A specific Wrongful Act will be treated as first reported to the Company when the Insured Person gives written notice to the Company of the first of the following:
  - (i) a claim made against any Insured Person for such Wrongful Act;
  - (ii) the material facts or circumstances relating to such Wrongful Act, or facts or circumstances having the potential to give rise to a claim being made against any Insured Person;
  - (iii) the receipt of written or oral notice from any party of an intention to hold any Insured Person responsible for such Wrongful Act.
- (b) The Insured Person(s) and/or the Insured Organisation shall, as a condition precedent to the Company's liability under this Policy, give to the Company written notice as soon as practicable of any claim made against any Insured Person for any Wrongful Act, and shall give the Company such information and co-operation as it may reasonably require.
- (c) Any notice required by this Policy will be given to the Company at Auckland, New Zealand.

### 5. Extent of Indemnification

For the purposes of Insuring Clause (b), the extent to which the Insured Organisation is required or permitted to indemnify any Insured Person will be determined by reference to statute or common law or duly effective charter, by-law, resolution or other written agreement. If

there is any dispute between the parties about the existence or validity of any indemnity, it shall be resolved by an opinion from an independent counsel to be mutually agreed upon by the Company and the Insured Organisation.

#### 6. Other Insurance

If any Insured Person is insured under any other valid policy(ies), prior or current, then this Policy only covers Loss, to the extent not insured by such other insurance.

#### 7. Subrogation

If the Company makes payment under this Policy, it will be subrogated to all the Insured Person(s)' and/or the Insured Organisation's rights of recovery. The Insured Person(s) and/or the Insured Organisation will execute all papers required, and do everything necessary, to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring legal proceedings in the name of the Insured Person(s) and/or the Insured Organisation.

The Company waives all rights of subrogation against all Insured Persons, unless the right of subrogation arises from the dishonest or criminal conduct of the particular Insured Person.

#### 8. Termination of Policy

This Policy terminates in its entirety at the earliest of the following times:

- (a) 60 days after sending to the address in the Schedule of a written notice of termination from the Company or, if a later time is specified in such notice, at such later time;
- (b) upon receipt by the Company of written notice of termination from the Insured Organisation or, if a later time is specified in such notice, at such later time;
- (c) at such time as may be agreed upon by the Company and the Insured Organisation;
- (d) upon expiration of the Period of Insurance noted in the Schedule.

The Company will refund any unearned premium computed at customary short rates, if the Policy is terminated in its entirety by the Insured Organisation. Under any other circumstances, the refund will be computed pro-rata.

#### 9. Waiver of Privilege

If the Company instructs any lawyer to investigate or defend any claim against the Insured Person(s), the Insured Organisation and/or the Insured Person(s) authorises the lawyer to provide to the Company any documents, information or advice in respect of the claim, including in relation to indemnity and the Insured Organisation and/or the Insured Person(s) waive(s) any privilege to the extent necessary to give full effect to the Company's entitlement in this respect.

#### 10. Territory and Jurisdiction

This Policy extends to claims made against Insured Person(s) within the Jurisdictional Limits stated in the Schedule for Wrongful Acts allegedly committed within the Territorial Limits stated in the Schedule.

### Definitions

When used in this Policy:

#### 1. Acquitted

means dismissal of charges prior to a hearing or, upon completion of a defended hearing of a prosecution of any Insured Person(s), the delivery by a presiding judge of either: a dismissal of the charges at the conclusion of the prosecution case, or a verdict of Not Guilty at the

conclusion of the defended hearing (but shall not include a dismissal pursuant to a plea bargain).

#### 2. Defence Costs

means that part of Loss consisting of costs, charges and expenses (other than regular or overtime wages, salaries or fees of the directors, Insured Persons or employees of the Insured Organisation) incurred in the defence of legal actions (whether criminal or civil), claims, proceedings and appeals and the cost of enforcement processes.

#### 3. Employment Related Wrongful Act

means any actual or alleged:

- (a) personal grievance or wrongful dismissal;
  - (b) defamation directly related to a personal grievance or wrongful dismissal;
  - (c) sexual harassment;
  - (d) discrimination or breach of privacy;
- in relation to actual or proposed employment.

#### 4. Insured Organisation

means the organisation described in the Schedule and shall include any Subsidiary(ies).

#### 5. Insured Person(s):

- (i) means any natural person occupying at the relevant time the position of director (by whatever name called), including employees who may be deemed to be directors of the Insured Organisation and/or any Subsidiary;
- (ii) does not include any person referred to in s.126 (1) (b) - (d), (2) & (3) Companies Act 1993 or s.180 (1) (b) - (d) Companies Act 1955, other than employees referred to in paragraph (i) above;
- (iii) does not include any external auditor, external professional advisor or shareholder.

#### 6. Loss

means the total amount of Defence Costs, damages, judgments and costs for which an Insured Person is legally obligated to pay on account of all claims made against them for Wrongful Acts to which this Policy applies.

However Loss does not include:

- (i) any amount for which the Insured Persons and/or the Insured Organisation are absolved from payment; or
- (ii) taxes, fines or penalties imposed by law; or
- (iii) the multiple portion of any multiplied damage award; or
- (iv) punitive or exemplary damages; or
- (v) any other amount which is uninsurable under the law pursuant to which this Policy is construed.

#### 7. Outside Position

means the executive position held by an Insured Person at the specific request of the Insured Organisation in any other corporation, joint venture, trust or other enterprise, other than the Insured Organisation.

#### 8. Parent Organisation

means any organisation which holds directly or indirectly more than 50% of the voting shares of the Insured Organisation.

#### 9. Period of Insurance

means the period noted in the Schedule, unless earlier terminated, in accordance with Condition 8.

#### 10. Subsidiary(ies)

means any organisation controlled by the Insured Organisation through ownership of more than 50% of the issued voting stock.

**11. Wrongful Act**

means any error, misstatement or misleading statement, act or omission, or neglect or breach of duty allegedly made, or committed by any Insured Person, individually or otherwise, in the course of his/her duties to the Insured Organisation or any matter claimed against him/her solely by reason of his/her serving the Insured Organisation. All causally connected errors, statements, acts, omissions, neglects or breaches of duty or other such matters alleged against one or more Insured Persons will be treated as interrelated Wrongful Acts. Wrongful Act does not include any act or omission in conflict between any entities within the definition of Insured Organisation or Parent Organisation, or to prefer the interests of any such entity over any other such entity.

