



CHUNG KUO Directors & Officers Liability Insurance (MEGA1)

本商品經本公司合格簽署人員檢視其內容業已符合保險精算原則及保險法令，惟為確保權益，基於保險業與消費者衡平對等原則，消費者仍應詳加閱讀保險單條款與相關文件，審慎選擇保險商品。本商品如有虛偽不實或違法情事，應由本公司及負責人依法負責。

本公司財務及業務等公開資訊，歡迎至本公司網站 (<http://www.cki.com.tw>) 查閱，或親蒞本公司(10044 台北市中正區武昌街一段五十八號)及各分支機構洽詢。
免費申訴電話: 0800-053-588

106 年 10 月 06 日兆產備字第 1064300756 號函備查

In consideration of the payment of the premium and in reliance upon all statements made and information provided to the Insurer, including statements made in the Proposal Form and materials accompanying it and subject to all terms, conditions and limitations of this Policy the Insurer and the Insured agree as follows:

1 INSURING CLAUSES

1.1 Directors & Officers Liability

The Insurer will pay on behalf of the Insured Person all Loss resulting from a Claim first made during the Policy Period against an Insured Person except where the Company has indemnified such Loss.

1.2 Company Reimbursement Liability

The Insurer will pay on behalf of the Company all Loss resulting from a Claim first made during the Policy Period against an Insured Person where the Company has indemnified or agreed to indemnify such Loss.

1.3 Company Securities Liability

The Insurer will pay on behalf of the Company all Loss resulting from a Securities Claim first made during the Policy Period.

1.4 Legal Representation Expenses – Non-Indemnified by the Company

The Insurer will pay on behalf of the Insured Person all Legal Representation Expenses in respect of an Investigation for which the Insured Person is not indemnified by the Company which identifies such Insured Person in writing and is notified to them during the Policy Period.

1.5 Legal Representation Expenses – Indemnified by the Company

The Insurer will pay on behalf of the Insured Person all Legal Representation Expenses in respect of an Investigation indemnified by the Company which identifies the Insured Person in writing and is notified to the Company during the Policy Period.

2 EXTENSIONS

2.1 Additional Excess Limit for Non-Indemnifiable Loss

2.1.1 Subject to the Aggregate Additional Excess Limit, the Insurer will pay to or on behalf of a Director of the Policyholder or a non-executive Director of any Subsidiary, Non-Indemnifiable Loss up to the Individual Additional Excess Limit, in respect of a Claim first made or Investigation first commenced during the Policy Period, and whether forming part of a Single Claim or otherwise, provided that:

- a) the Limit of Liability; and
- b) any other directors' and officers' liability policy which covers any part of that Non-Indemnifiable Loss; and
- c) all other indemnification available to any Director,

have been exhausted.

2.1.2 The **Individual Additional Excess Limit** is part of and not in addition to the **Aggregate Additional Excess Limit**.

2.1.3 The **Aggregate Additional Excess Limit** is:

- a) the **Insurer's** maximum aggregate liability for all **Loss** under this Extension for all **Directors** irrespective of the number of claims under this **Policy**, the amount claimed or the number of **Directors** who claim;
- b) is in addition to, and not part of, the **Limit of Liability**; and
- c) shall be eroded by each payment of **Non-Indemnifiable Loss** under this Extension to the extent of such payment.

2.1.4 This Extension shall not apply to a reinstated **Limit of Liability** under Extension 2.18.

2.2 Advance Payment of Defence Costs and Legal Representation Expenses

2.2.1 The **Insurer** will advance covered **Defence Costs** and covered **Legal Representation Expenses** on an ongoing basis prior to the **Final Adjudication** or settlement of any **Claim** within 30 days of receipt of an itemised invoice for such costs and/or expenses.

2.2.2 Subject to sub-paragraph 2.2.3, the **Insurer** will advance, in excess of any applicable **Deductible**, **Defence Costs** and **Legal Representation Expenses** which the **Company** fails to advance or indemnify, on an ongoing basis prior to the **Final Adjudication** or settlement of any **Claim** within 30 days of receipt of an itemised invoice for such costs and/or expenses.

2.2.3 Any **Defence Costs** and **Legal Representation Expenses** advanced under this Extension shall be repaid to the **Insurer** by the **Insured** who received them, if and to the extent it is determined that such costs and/or expenses are not covered under this **Policy**.

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

2.3.1 This **Policy** shall extend to cover, as **Loss**:

- a) **Bail Bond Costs** up to the amount of the sub-limit shown in Item 4.3 of the Schedule;
- b) **Crisis Costs** up to the amount of the sub-limit shown in Item 4.4 of the Schedule;
- c) **Public Relations Expenses** up to the amount of the sub-limit shown in Item 4.5 of the Schedule; and
- d) **Reputation Protection Expenses** up to the amount of the sub-limit shown in Item 4.6 of the Schedule.

2.4 Civil Fines and Penalties

This **Policy** shall extend to cover, as **Loss**, civil fines and penalties imposed by law on an **Insured Person** as a result of a **Claim** first made or **Investigation** first commenced during the **Policy Period**, unless impermissible or uninsurable under applicable laws.

2.5 Continuous Cover

2.5.1 Notwithstanding Exclusion 4.5, the **Insurer** will pay on behalf of an **Insured** all **Loss** resulting from a **Claim** or an **Investigation**, provided always that:

- a) the **Insured** first became aware of such **Claim** or **Investigation** after the Pending or Prior Date specified in Item 14 of the Schedule;
- b) had the **Claim** or **Investigation** been notified under the policy which was in force when the **Insured** first became aware of them, the **Insured** would have been covered under such policy;
- c) written notice of the **Claim** or an **Investigation** has been given to the **Insurer** during the **Policy Period**;

- d) there has been no fraudulent non-disclosure or misrepresentation to the **Insurer** in respect of the **Claim** or **Investigation**;
- e) the **Insured** has maintained, without interruption, a directors and officers liability policy with the **Insurer** from the Pending or Prior Date specified in Item 14 of the Schedule;
- f) cover under this Extension shall be in accordance with the terms, conditions, exclusions and limitations of the policy under which the **Claim** or **Investigation** could and should have been notified but only where such policy affords no broader cover in respect of the **Claim** or an **Investigation** than the provisions of this **Policy**; and

2.5.2 The **Insured** agrees not to claim under more than one policy issued by the **Insurer**.

2.6 Deprivation of Assets

- 2.6.1 This **Policy** shall extend to cover, as **Loss, Deprivation of Assets Expenses** of an **Insured Person** arising from a **Claim** first made or **Investigation** first commenced during the **Policy Period**, up to the sub-limit of liability shown in Item 5.1 of the Schedule.
- 2.6.2 The sub-limit of liability under this Extension is part of and not in addition to the maximum aggregate liability for cover under sub-paragraph 2.6.3.
- 2.6.3 The **Insurer's** maximum aggregate liability for cover under this Extension shall not exceed the amount shown in Item 5.2 of the Schedule irrespective of the number of claims under this **Policy**, the amount claimed or the number of **Insureds** who claim.

2.7 Derivative Investigation Hearing

This **Policy** shall extend to cover, as **Loss**, the **Derivative Investigation Costs** of an **Insured Person** arising from a **Derivative Investigation** first commenced during the **Policy Period**.

2.8 Environmental Violation

This **Policy** is extended to pay to or on behalf of an **Insured Person** all **Loss** resulting from an **Environmental Proceeding** first commenced during the **Policy Period** up to the additional sub-limit in Item 6 of the Schedule, which shall apply in addition to, and is not part of, the **Limit of Liability**. The additional sub-limit in Item 6 of the Schedule shall not apply to a reinstated **Limit of Liability** under Extension 2.18.

2.9 Emergency Costs and Expenses

If, because of an emergency, it is not possible for the **Insured Person** to obtain the **Insurer's** prior written consent to the incurring of **Defence Costs, Legal Representation Expenses, Bail Bond Costs, Public Relations Expenses, Crisis Costs** or **Pre-Investigation Costs**, the **Insurer** will waive the requirement for prior written consent, provided that the **Insurer's** retroactive consent is sought within 30 days of the first of such costs being incurred.

2.10 Extradition Proceeding

This **Policy** shall extend to cover, as **Loss**:

- a) **Bail Bond Costs**;
- b) **Crisis Costs**;
- c) **Defence Costs**;
- d) **Overseas Travelling Costs**;
- e) **Public Relations Expenses**; or
- f) **Reputation Protection Expenses**,

in relation to an **Extradition Proceeding** first commenced within the **Policy Period**.

2.11 Foreign Liberalisation

With respect to a **Claim** or **Investigation** solely in a **Foreign Jurisdiction**, the **Insurer** shall apply to such **Claim** or **Investigation** those terms and conditions of the **Foreign Policy** in such **Foreign Jurisdiction** that are more favourable to the **Insured Person** than the terms and conditions of this **Policy**. However, this clause shall only apply to the Insuring Clauses and Definitions of this **Policy** and will specifically not apply to any terms or conditions of this **Policy** in any way relating to limits of liability, sub-limits, retentions, other insurance, non-renewal, conduct of proceedings, taxes, claims made and dispute resolution provisions, nor anything itemised in the Schedule nor any matter contained in an endorsement to this **Policy**.

2.12 Indemnity to the Company for Shareholder Costs

This **Policy** is extended to provide cover, as **Loss**, to the **Company** in the event and to the extent it is legally liable, pursuant to a court order, to indemnify the costs, charges and expenses incurred by a shareholder of the **Company** in pursuing a **Claim** against any **Insured Person** on behalf of the **Company** which is first made during the **Policy Period**.

2.13 Interpretive Counsel - International Securities Laws

The term **Defence Costs** expressly includes reasonable costs and expenses incurred by **Insured Persons** for legal advice within their home jurisdiction to interpret and apply legal advice received from a **Foreign Jurisdiction** in response to any **Securities Claim** in such **Foreign Jurisdiction**.

2.14 Management Buy-outs

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

2.15 Mitigation of Loss

This **Policy** is extended to cover the **Insured** under Insuring Clauses 1.1 and 1.2 only for **Mitigation Costs**, provided that:

- a) written notice of the fact or circumstance first discovered by the **Insured** during the **Policy Period** is given to the **Insurer** during the **Policy Period** and before **Mitigation Costs** are incurred or agreed to be incurred by the **Insured**;
- b) no admission of liability is made by the **Insured** in connection with any such fact or circumstance;
- c) **Mitigation Costs** are incurred or agreed to be incurred only with the prior written consent of the **Insurer** (not to be unreasonably withheld or delayed);
- d) the maximum aggregate amount payable under this Extension is shown in **Item 7** of the Schedule;
- e) in the event that the fact or circumstance notified in accordance with sub-paragraph a) later evolves into a **Claim** to which this **Policy** responds, the **Mitigation Costs** to which the **Insurer** gave its written consent in accordance with sub-paragraph c) shall deplete the **Limit of Liability**;
- f) this Extension shall not cover **Mitigation Costs** which are compensatory or restitutionary in nature; and
- g) the burden of proof that any fact or circumstance notified in accordance with sub-paragraph a) has evolved into a **Claim** to which this **Policy** responds shall rest with the **Insurer** and be the balance of probabilities.

2.16 Occupational Health and Safety

Notwithstanding Exclusion 4.1, this **Policy** covers, as **Loss**, all **Defence Costs** of an **Insured Person** and **Legal Representation Expenses** arising from any **Claim** first made or **Investigation** first commenced during the **Policy Period** alleging a violation or breach of an occupational health and safety, including but not limited to any workplace death or industrial manslaughter law in any jurisdiction.

2.17 Outside Directorship Liability

- 2.17.1 This **Policy** shall extend to pay, on behalf of an **Insured Person**, all **Loss** resulting from a **Claim** first made during the **Policy Period** against the **Insured Person** in their capacity as a director, officer, trustee, governor or equivalent of any **Outside Entity**, where such role was assumed by the **Insured Person** at the specific request of the **Company**.
- 2.17.2 Cover under this Extension shall be excess of any indemnification provided by the **Outside Entity** and any valid and collectible directors' and officers' liability insurance where such payment is made in respect of the **Outside Entity**.
- 2.17.3 If the **Outside Entity's** directors' and officers' liability Insurance is provided by the **Insurer**, then the total aggregate amount of available cover for **Loss** under this Extension shall be reduced by the amount paid to the **Outside Entity** or any **Insured Person** under such policy.

2.18 Preservation of Side A Limit

In the event the **Insurer** pays **Loss** under Insuring Clauses 1.2 or 1.3, the **Limit of Liability** shall be reinstated once in respect of **Non-Indemnifiable Loss** under Insuring Clause 1.1 and 1.4 only, by an amount equal to such payment, subject to the **Limit of Liability** and the conditions. For the avoidance of doubt, the **Limit of Liability** shall not be reinstated following any payment of **Loss** under Insuring Clause 1.1 or 1.4.

2.19 Pre-Investigation Costs

This **Policy** is extended to cover, as **Loss**, the reasonable and necessary fees, costs and expenses of an **Insured Person** (but not including any remuneration, cost of their time or costs or overheads of any **Company**) incurred directly with respect to:

- a) any **Pre-Investigation**; and
- b) preparing any written notice or reports to any official body in connection with any **Pre-Investigation**.

The sub-limit of liability for **Pre-Investigation Costs** is the sub-limit specified in **Item 11** of the Schedule;

2.20 Prosecution Costs

This **Policy** is extended to cover, as **Loss**, **Prosecution Costs** arising from a **Claim** first made or **Investigation** first commenced during the **Policy Period**.

The sub-limit of liability for **Prosecution Costs** is the sub-limit specified in Item 12 of the Schedule;

2.21 Reinstatement of Limit after a Recovery

The **Limit of Liability** shall be reinstated by the amount actually received by the **Insurer** (net of the **Insurer's** costs and expenses associated with such recovery) in the exercise of the **Insurer's** rights of subrogation.

2.22 Retired Directors or Officers

Provided a **Transaction** has not taken place and this **Policy** is not renewed or replaced with any other policy affording directors' and officers' liability cover or where on renewal the policy no longer provides cover for **Retired Directors or Officers**, then this **Policy** shall be extended to cover any **Retired Directors or Officers** for an unlimited period following its expiry date, in respect of **Claims** made or **Investigations** commenced against such persons, but only in respect of **Wrongful Acts** or conduct which occurred prior to them ceasing to act as an **Insured Person**.

This Extension shall not apply in the event an **Insured Person** resigns or retires from their position with the **Company** by reason of a **Transaction**.

2.23 Cover for New Subsidiary

- 2.23.1 If during the **Policy Period** the **Company** acquires or creates an entity so that it becomes a **Subsidiary** that:
- a) has total assets less than the Acquisition Limit shown in **Item 8** of the Schedule; and

b) has no public listing of its **Securities** traded in any exchange in the United States of America,

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

2.23.2 For the purpose of this Extension, listing of equity pursuant to Rule 144A of the Securities Act 1933 shall not constitute a public listing of **Securities** traded on any exchange in the United States of America.

2.23.3 Any **Subsidiary** acquired or created during the **Policy Period** and not covered in subparagraph 2.23.1 above shall automatically be covered under this **Policy** for a period of 60 days from the date of acquisition or creation but only in respect of **Wrongful Acts** or conduct after such entity becomes a **Subsidiary**. With the written agreement of the **Insurer** and subject to any additional premium, amended terms and conditions, this **Policy** may be extended to include such **Subsidiary** beyond 60 days, but only in respect of **Wrongful Acts** or conduct after such entity becomes a **Subsidiary**.

2.23.4 If the **Company** effects a sale or dissolution of a **Subsidiary** either prior to or during the **Policy Period**, this **Policy** shall continue to include such **Subsidiary** but only for **Wrongful Acts** or conduct prior to the effective date of sale or dissolution.

2.23.5 The **Insurer** shall only be liable for **Loss** in respect of **Wrongful Acts** or conduct whilst an entity is a **Subsidiary**.

2.23.6 The **Insurer** may extend this **Policy** to include **Claims** for **Wrongful Acts** or conduct by the **Directors or Officers** or **Employees** of an acquired **Subsidiary** prior to the time which such entity became a **Subsidiary**. Such Extension is subject to additional terms, conditions, and premium as the **Insurer** may require.

2.24 Takeovers and Mergers Run-off

In the event of a **Transaction** taking place, the **Insurer** may extend this **Policy** to include **Claims** first made or **Investigations** first commenced against an **Insured Person** within a period of 84 months from the expiry date of the **Policy Period**. Such Extension is subject to additional terms, conditions, and premium as the **Insurer** may require.

2.25 Tax

A **Wrongful Act** under this **Policy** is extended to include an **Insured Person's** personal liability under applicable insolvency legislation for the **Company's** unpaid taxes solely by reason of their capacity or position as a **Director or Officer** without any allegation of wrongdoing, where the **Company** has become insolvent, and except to the extent that such liability arises from a breach of any statutory duty governing the payment of taxes by the **Company** at the deliberate instigation or with the full knowledge and assistance of such **Insured Person**.

3 DEFINITIONS

When used in bold type in this **Policy**:

3.1 Aggregate Additional Excess Limit

means the amount shown in Item 4.1 of the Schedule.

3.2 Bail Bond Costs

means the reasonable premium (not including any collateral) for a bond or other financial instrument to guarantee an **Insured Person's** contingent obligation for bail or equivalent in any jurisdiction required by a court in respect of any **Claim**.

3.3 Claim

means

3.3.1 any written demand addressed to an **Insured Person** in which a **Wrongful Act** is alleged against such **Insured Person**;

- 3.3.2 any civil, statutory or arbitral proceeding naming an **Insured Person** as a party and in which a **Wrongful Act** is alleged against such **Insured Person**;
- 3.3.3 any criminal prosecution naming an **Insured Person** as a party and in which a **Wrongful Act** is alleged against such **Insured Person**;
- 3.3.4 any formal administrative or regulatory proceeding against an **Insured Person** and in which a **Wrongful Act** is alleged against such **Insured Person**;
- 3.3.5 any alternative dispute resolution proceeding or mediation proceeding (including any counter-claim or proceeding brought in any employment tribunal or employment appeal tribunal) naming an **Insured Person** as a party and in which a **Wrongful Act** is alleged against such **Insured Person**;
- 3.3.6 monetary, non-monetary injunctive or equitable relief or other legal remedy sought from an **Insured Person** and in which a **Wrongful Act** is alleged against such **Insured Person**;
- 3.3.7 a **Derivative Proceeding** in which a **Wrongful Act** is alleged against an **Insured Person**;
- 3.3.8 a formal application to a court to prevent a proceeding or procedure described in sub-paragraph 3.3.6 from being commenced;
- 3.3.9 any **Extradition Proceeding**;
- 3.3.10 a written request to waive or toll a statutory limitation period or a contractual time bar in respect of a **Claim**; or
- 3.3.11 any **Securities Claim** against the **Company**

3.4 Company

means the **Policyholder** and/or any **Subsidiary** at or before the commencement of the **Policy Period** or in the event of a bankruptcy proceeding the resulting debtor-in-possession or functional equivalent in any other jurisdiction.

3.5 Crisis Costs

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

- 3.5.1 counsellor; or
- 3.5.2 tax adviser;

retained by an **Insured Person** with the **Insurer's** prior written consent (which shall not be unreasonably withheld or delayed), in respect of any **Claim**.

3.6 Defence Costs

means reasonable legal and other professional fees costs and expenses incurred with the **Insurer's** prior written consent (which shall not be unreasonably delayed or withheld), by or on behalf of an **Insured** in response to a **Claim**, directly in connection with its investigation, defence, settlement or appeal, but shall not include remuneration of any **Insured Person**, cost of their time or costs or overheads of any **Company**. **Defence Costs** include the reasonable fees, costs and expenses of an accredited expert retained through the **Insured's** defence counsel with the approval of the **Insurer** to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a **Claim**.

3.7 Deprivation of Assets Expenses

means the payment for schooling, housing, utilities or personal insurance directly to the provider of such services in the event of an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of an **Insured Person** or creating a charge over real property or personal assets of the **Insured Person** during the **Policy Period**. Such expenses will only be payable for a period of up to 12 months after (i) the exhaustion of any personal allowance directed by the court to meet such payments, and (ii) 30 days following any of the events described above.

3.8 Derivative Demand

means written notice given by any shareholder of a **Company** to the board of directors (or equivalent management body) of the **Company** of an application for leave to commence a civil proceedings on behalf of the **Company** against any **Insured Person** for a **Wrongful Act** under the Company Act of the Republic of China or any similar legislation in any other jurisdiction.

3.9 Derivative Investigation

means an internal inquiry or investigation undertaken by the **Insured** specifically and solely to determine how the **Company** should respond to a **Derivative Demand** received by an **Insured** or a **Derivative Proceeding** received by an **Insured Person**.

3.10 Derivative Investigation Costs

means the reasonable and necessary fees, costs and expenses incurred by an **Insured Person**, with the **Insurer's** prior written consent, solely in connection with the **Insured Person's** preparation for and response to a **Derivative Investigation** in respect of that **Insured Person**.

Derivative Investigation Costs shall not include (i) the remuneration of any **Insured Person**, costs of their time or any other costs or overheads of any **Company**; or (ii) the costs of complying with any formal or informal discovery or other request seeking documents, records or electronic information in the possession or control of any **Company**, the requester or any other third party.

3.11 Derivative Proceeding

means civil proceedings commenced or maintained by any shareholder of a **Company** on behalf of the **Company** against any **Insured Person** for a **Wrongful Act** under the Company Act of the Republic of China or any similar legislation in any other jurisdiction.

3.12 Director or Officer

means a director, supervisor or officer of the **Company** including the equivalent position in any other jurisdiction or a de facto director.

also means any juristic person elected as a director or supervisor of the **Company**, and any natural person designated as the proxy of such juristic person to exercise the duty of director or supervisor in the **Company**, according to Paragraph 1, Article 27 of the company Act of the Republic of China (as amended)

3.13 Discovery Period

means a period shown in Item 9 of the Schedule from the date on which the **Policy Period** expires.

3.14 Domestic Partner

means any natural person qualifying as a domestic partner of, or being in a similar relationship to, an **Insured Person** under the provisions of any applicable law or under the provisions of any formal program established by an **Company**.

3.15 Employee

means:

- 3.15.1 an employee (including but not limited to a secondee or consultant) of the **Company** acting in a managerial or supervisory capacity;
- 3.15.2 an employee of the **Company** for an **Employment Related Wrongful Act**;
- 3.15.3 an employee of the **Company**, in respect of any **Claim** or **Investigation** in which such employee is named as a co-defendant or is required to attend with any **Director or Officer**; or
- 3.15.4 an employee of the **Company** acting as a director, officer, trustee, governor or equivalent of an **Outside Entity** under Extension 2.18.

3.16 Employment Related Wrongful Act

means:

- 3.16.1 discrimination with respect to the terms or conditions of employment on the basis of an individual's race, colour, religion, age, sex, national origin, disability, pregnancy, sexual orientation or preference or other status protected under applicable law; denial of natural justice; or breach of any oral or written employment contract or quasi-employment contract;
- 3.16.2 sexual harassment, including unwelcome sexual advances, requests for sexual favours, and any unwelcome verbal, visual or physical contact of a sexual nature which:
 - a) is explicitly or implicitly made a term or condition of employment;
 - b) creates a hostile or offensive working environment; or
 - c) when rejected or opposed by a person becomes a basis for decisions regarding that person's employment;
- 3.16.3 inadvertent defamation, libel or slander which relates to a person's job skills, job performance, qualifications for employment, professional reputation, disciplinary history, or termination of employment;
- 3.16.4 wrongful termination of employment, wrongful failure to promote, wrongful refusal to hire, wrongful discipline, wrongful deprivation of a career opportunity, failure to grant tenure, failure to provide accurate references, negligent evaluation or employment- related misrepresentation;
- 3.16.5 an adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another;
- 3.16.6 invasion of privacy; or
- 3.16.7 breach of duty whether arising under statutory law or common law or otherwise committed by or on behalf of the **Insured** in connection with the employment by the **company** of any current, former or prospective employee.

3.17 Environmental Condition

means:

- 3.17.1 any actual or alleged or threatened **Pollution**; or
- 3.17.2 any regulatory direction or request to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralise **Pollution**.

3.18 Environmental Proceeding

means any **Claim**:

- 3.18.1 that is a **Securities Claim**;
- 3.18.2 that is for an **Employment Related Wrongful Act**;
- 3.18.3 that is for a **Wrongful Act** which involves actually or allegedly misrepresenting or failing to disclose information as governed by any statute, regulation, rule or common law regulating or creating liability for an **Environmental Condition**; or
- 3.18.4 that results in a **Non-Indemnifiable Loss** to any **Insured Person**;

if and to the extent based upon, arising out of or attributable to an **Environmental Condition**.

3.19 External Administrator means any liquidator, receiver, receiver and manager, administrator, administrative receiver, judicial manager or holder of similar office or position in any jurisdiction, whether appointed under the provisions of any law anywhere in the world or pursuant to the provisions of any contract or other instrument.

3.20 Extradition Proceeding

means:

3.20.1 a request for extradition of an **Insured Person**, a warrant for arrest in respect of an **Insured Person** or other related proceedings under the Code of Criminal Procedure and Extradition Law of the Republic of China and any associated regulations or any amendment or re-enactment thereof;

3.20.2 any associated appeals and the pursuit of judicial review proceedings against the decision of an appropriately authorised representative of the government to extradite an **Insured Person**; or

3.20.3 the equivalent of the above in any other jurisdiction.

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

3.21 Extranet

means a restricted-access group of inter-connected networks accessible via a gateway or portal.

3.22 Final Adjudication

means:

3.22.1 a formal written admission, or

3.22.2 in respect of any conviction, judgment, finding, or refusal of relief by a judicial or arbitral tribunal:

a) if not appealed against, when the period in which an appeal must be brought has expired; or

b) if appealed against, when such appeal has been determined, abandoned or otherwise ceased.

3.23 Foreign Jurisdiction

means any jurisdiction other than the jurisdiction in which this **Policy** was issued.

3.24 Foreign Policy

means the standard public company directors' and officers' liability policy issued by the **Insurer** within a **Foreign Jurisdiction** at the time when this **Policy** was issued. If more than one such policy exists, then **Foreign Policy** means the standard public company directors' and officers' policy most recently issued or most commonly used by the **Insurer** in the **Foreign Jurisdiction**. The term **Foreign Policy** shall not include any partnership, management liability, pension trust, professional liability or private company entity policy, nor manuscripted, nor bespoke policies.

3.25 Individual Additional Excess Limit

means the amount shown in Item 4.2 of the Schedule.

3.26 Insured

means **Insured Person** and, in respect of **Securities Claims** only and otherwise solely for giving effect to the terms of this **Policy**, also the **Company**.

3.27 Insured Person

means a natural person who was, now is or becomes:

- 3.27.1 a **Director or Officer**;
- 3.27.2 a **Shadow Director**;
- 3.27.3 an **Employee**;
- 3.27.4 any lawful spouse or **Domestic Partner** of any natural person as set out in sub-paragraphs 3.26.1 to 3.26.3 and 3.26.7 to 3.26.9 of this definition, but only in respect of the **Wrongful Act** of such identified persons;
- 3.27.5 the estate, heir or legal representative of a deceased **Director or Officer** or **Employee**;
- 3.27.6 the legal representative of a **Director or Officer** or **Employee** in the event of the incapacity, insolvency or bankruptcy of such **Director or Officer** or **Employee**;
- 3.27.7 a person who, on behalf of the **Company**, performs a Senior Management Function as defined by Section 59ZA of the UK Financial Services and Markets Act 2000 and any person who performs an equivalent function for the **Company** in any other jurisdiction, from time to time, but not including an **External Administrator**;
- 3.27.8 a prospective director in any listing particulars or prospectus issued by the **Company**;
- 3.27.9 a lawyer employed by the **Company** who in their capacity as such must comply with the US Sarbanes- Oxley Act 2002;
- 3.27.10 a senior accounting officer of the **Company** as defined under the UK Finance Act 2009 and any person who performs an equivalent function for the **Company** in any other jurisdiction, from time to time; or
- 3.27.11 management committee member or member of a supervisory or management board;

but, except in the case of subparagraph 3.26.4, only when and to the extent that such **Insured Person** is acting for and on behalf of the **Company** in any of the capacities referred to above.

Insured Person does not include an external auditor.

3.28 Insurer

means Chung Kuo Insurance Company Limited,.

3.29 Intranet

means an electronic network owned and controlled by the **Insured** which contains information about the **Insured's** business and is only accessible to designated employees and not to the general public.

3.30 Investigation

means a formal or official investigation, examination or inquiry into the **Company** or an **Insured Person** in their capacity as such **Insured Person** at which the attendance of such **Insured Person** is first required or requested in writing by the investigating body, including but not limited to by the service of a target letter or Wells Notice, during the **Policy Period**.

For the sole purpose of giving effect to the terms of this **Policy** where the context requires, and subject always to their specific terms of cover, **Investigation** shall also include a **Pre-Investigation** and a **Derivative Investigation**.

3.31 Legal Representation Expenses

means reasonable legal costs and related professional fees incurred by or on behalf of an **Insured** (but not including any remuneration of any **Director or Officer** or employee of the **Company**) with the prior written consent of the **Insurer**, not to be unreasonably withheld or delayed, directly in connection with an **Insured** co-operating (including the provision of information or documents) with an **Investigation**.

3.32 Limit of Liability

means the amount shown in Item 3 of the Schedule.

3.33 Loss

means:

- 3.33.1 all amounts which an **Insured Person** is legally and personally obligated to pay including but not limited to :
- a) any statutory awards, damages compensation or interest awarded, judgments entered, settlements reached including plaintiff's legal costs;
 - b) **Defence Costs;**
 - c) **Legal Representation Expenses;**
 - d) **Bail Bond Costs;**
 - e) **Crisis Costs;**
 - f) **Deprivation of Assets Expenses;**
 - g) **Prosecution Costs;**
 - h) **Public Relations Expenses;**
 - i) **Reputation Protection Expenses;**
 - j) aggravated, punitive and exemplary damages where permissible and insurable under applicable laws;
 - k) civil fines and penalties where permissible and insurable under applicable laws;
 - l) **Pre-Investigation Costs** provided in Extension 2.19;
 - m) **Derivative Investigation Costs;**
 - n) **Mitigation Costs;**
 - o) **Overseas Travelling Costs;** or
- 3.33.2 In respect of Insuring Clause 1.3 only, **Loss** means all amounts which the **Company** is legally obligated to pay, including but not limited to:
- a) any damages awarded, judgments entered, settlements reached including plaintiff's legal costs;
 - b) **Defence Costs;** or
 - c) aggravated, punitive and exemplary damages where permissible and insurable under applicable laws.
- 3.33.3 **Loss** also includes any items not otherwise set out in this definition for which cover is expressly provided in the Extensions or by endorsement to this **Policy**.
- 3.33.4 In respect of all Insuring Clauses and Extensions, **Loss** does not include:
- a) criminal fines or penalties;
 - b) any matter which is not permissible or uninsurable under applicable laws. Provided, however, the **Insurer** shall not assert that the portion of any amount representing an award, settlement, judgment, **Legal Representation Expenses** or **Defence Costs** in a **Claim** alleging violations of Sections 11, 12 or 15(a) of the US Securities Act 1933, is uninsurable under applicable laws;

- c) taxes or sums payable in relation to taxes except as provided under Extension 2.25; or
- d) any costs or expenses incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralising, detoxifying or assessing the effects of **Pollutants** or restoring natural resources or property to their original state.

3.33.5 In respect of Insuring Clause 1.3 only, **Loss** does not include:

- a) the multiplied portion of any damages awarded; or
- b) any amount representing the amount by which the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity, is inadequate.

3.34 Mitigation Costs

means reasonable and necessary costs and expenses incurred or agreed to be incurred by the **Insured** in direct response to a fact, matter or circumstance (but not a **Claim**) first discovered by the **Insured** during the **Policy Period**, with the sole aim of preventing or mitigating **Loss** (but not **Mitigation Costs**) covered under this **Policy**.

3.35 Non-Indemnifiable Loss

means **Loss** where a **Company** is unable to indemnify an **Insured Person** due to:

3.35.1 legal prohibition;

3.35.2 a prohibition in the Articles of Association, charter, bylaws, contract or similar documents of such **Company**; or

3.35.3 insolvency under the laws of the Republic of China or the law of any other jurisdiction.

3.36 Not-For-Profit Entity

means a registered charity, society, trade association or other non-profit organisation

3.37 Open Site

means any internet, **Intranet** or **Extranet** site on which content can be published by any party without registration.

3.38 Outside Entity

means:

3.38.1 any entity which is not a **Subsidiary** and has no **Securities** publicly listed for trading on any exchange in the United States of America unless such entity is listed by endorsement to this **Policy**. For the purpose of this definition, the listing of equity pursuant to rule 144A of the Securities Act 1933 shall not constitute a public listing of equity securities traded on any exchange in the United States of America; or

3.38.2 **Not-For-Profit Entity**.

3.39 Overseas Travelling Costs

means the reasonable costs and accommodation for the **Insured Person**, and his/her lawful spouse or **Domestic Partner** and any children under the age of eighteen for one round trip, directly in connection with an **Extradition Proceeding**.

3.40 Policy

means this policy and any endorsement(s) to this policy.

3.41 Policy Period

means the period of time shown in Item 2 of the Schedule. For the sole purpose of giving effect to the terms of this **Policy**

where the context requires, and subject always to the terms of Condition 7.9, **Policy Period** may also mean **Discovery Period**.

3.42 Pollutant

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

3.43 Policyholder

means the entity named in Item 1 of the Schedule.

3.44 Pollution

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

3.45 Pre-Investigation

means:

- 3.45.1 a raid or on-site visit to any **Company** or any **Insured Person** by an official body first occurring during the **Policy Period** that involves the production, review, copying or confiscation of records or interviews of any **Insured Person**;
- 3.45.2 any formal notification by the **Company** or an **Insured Person** to any regulator or official body, first given during the **Policy Period**, where the **Company** reasonably considers that a material breach of the **Company** or **Insured Person's** legal or regulatory duty has occurred or may occur; or
- 3.45.3 an internal inquiry conducted by the **Company** if and to the extent such an inquiry is requested by the regulator or official body following a formal notification given in sub-paragraph 3.44.2.

3.46 Proposal

means the proposal form submitted and all information and documentation accompanying it and/or referred to in it, submitted by or on behalf of an **Insured** in applying for or renewing this **Policy**.

3.47 Prosecution Costs

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

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

3.48 Public Relations Expenses

means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which an **Insured Person** may engage with the prior written consent of the **Insurer**, not to be unreasonably withheld or delayed,

in order to prevent or limit adverse effects or negative publicity which it is anticipated may arise from any **Claim** or **Investigation**.

3.49 Reputation Protection Expenses

means the reasonable fees and related expenses of a public relations firm or consultant which an **Insured Person** may engage in order to disseminate the findings of a **final adjudication** in favour of the **Insured Person**, arising from a **Claim**. Such fees and expenses shall only be incurred with the prior written consent of the **Insurer**, not to be unreasonably withheld or delayed.

3.50 Retired Director or Officer

means a **Director** or **Officer** (other than one who has been disqualified from holding office as a company **Director** or from managing the **Company**) who voluntarily ceased by retirement or resignation to act in the capacity of an **Insured Person** during the **Policy Period**.

3.51 Securities

means any equity or debt instrument issued by the **Company**.

3.52 Securities Claim

means any **Claim** for a **Wrongful Act**, involving the violation of the laws of any country applying to **Securities** which is:

3.52.1 brought by any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any **Securities** of the **Company**; or

3.52.2 brought by a holder of **Securities** of the **Company**, whether directly or on behalf of the **Company**.

Securities Claim shall not include:

3.52.3 an **Employment Related Wrongful Act** alleging or arising out of the loss of or failure to receive stock or stock options.

3.52.4 an administrative or regulatory proceeding against the **Company** unless such proceeding is also maintained against an **Insured Person**.

3.53 Shadow Director

means under the applicable laws, a natural person whose direction or instruction is routinely complied with by the **Director or Officer** or **Employee** of the **Company**, and also means a **Director or Officer** or **Employee** acting or allegedly acting as a **Shadow Director** of any entity other than the **Company**.

3.54 Single Claim

means two or more **Claims** or **Investigations** or other matters giving rise to a **Claim** or **Investigation** under this **Policy** that arise from or relate to the same originating or underlying source or cause, regardless of whether such **Claims, Investigations** or other matters giving rise to a **Claim** or **Investigation** under this **Policy** involve the same or different claimants, **Insureds**, events, or legal causes of action.

3.55 Subsidiary

means at the time of the occurrence of a **Wrongful Act**, any entity in relation to which the **Policyholder** directly or indirectly:

3.55.1 controls the casting of more than 50% of the maximum number of votes that might be cast at a general meeting;

3.55.2 controls the right to appoint or remove a majority of its board of Directors; or

3.55.3 holds more than half of the issued share capital (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Subsidiary also means a joint venture vehicle or similar entity over which the **Policyholder** directly or indirectly exercises

effective management control.

3.56 Transaction

means any one of the following events:

- 3.56.1 the **Policyholder** merges with or consolidates into any other entity;
- 3.56.2 the **Policyholder** sells all or more than 90% of its assets to any person or entity or persons or entities acting in concert;
- 3.56.3 any person or entity or persons or entities acting in concert acquire more than 50% of the issued share capital of the **Policyholder** (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- 3.56.4 any person or entity or persons or entities acting in concert acquire the ability to control the appointment of the majority of the board of directors of the **Policyholder**.

3.57 Wrongful Act

means, with respect to:

- 3.57.1 any **Insured Person**, any actual, alleged, attempted or allegedly attempted breach of trust, error, omission, misstatement, misleading statement, misrepresentation, defamatory statement, libel, slander, neglect or breach of duty or any other matter claimed against an **Insured Person** by reason of their acting in the capacity of an **Insured Person**, and an **Employment Related Wrongful Act**;
- 3.57.2 any **Company**, any actual, alleged, attempted or allegedly attempted breach of trust, error, omission, misstatement, misleading statement, neglect, breach of duty or breach of warranty of authority by the **Company** but only in relation to a **Securities Claim**.

4 EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in respect of any **Claim**:

4.1 Bodily Injury and/or Property Damage Exclusion

for:

- 4.1.1 bodily injury, mental illness, emotional distress, injury to feelings, sickness, disease or death of any person; or
- 4.1.2 damage to or destruction of any tangible property including loss of use of such property;

provided that the above shall not apply to:

- a) **Defence Costs** or **Legal Representation Expenses** in respect of a **Non-Indemnifiable Loss**;
- b) emotional distress and/or injury to feelings resulting from an **Employment Related Wrongful Act**, or
- c) Extension 2.16, Occupational Health and Safety.

4.2 Company versus Insured Person Exclusion

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

- 4.2.1 for contribution or indemnity if such **Claim** directly results from another **Claim** that would otherwise be covered under this **Policy**;

- 4.2.2 any **Derivative Proceeding** brought or maintained on behalf of the **Company** or **Outside Entity** without the solicitation or participation of an **Insured Person, Company** or **Outside Entity** unless legally compelled to do so;
- 4.2.3 brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction; or
- 4.2.4 for **Defence Costs**.

4.3 Conduct Exclusion

based on, arising from or attributable to:

- 4.3.1 any deliberately dishonest or deliberately fraudulent act or omission of the **Insured** or an intentional breach of the law by the **Insured**; or
- 4.3.2 any personal profit or advantage gained by the **Insured Person** to which such **Insured Person** was not legally entitled except that this exclusion shall not apply to that portion of any **Loss** based on, arising from or attributable to a **Claim** in which violations of Sections 11, 12 or 15(a) of the US Securities Act 1933, as amended, are alleged against such **Insured**;

provided that this exclusion shall only apply if it is established through a **Final Adjudication** in the **Claim** or **Investigation** for which **Loss** is claimed, that the relevant conduct occurred.

For the purpose of determining the applicability of this Exclusion, the conduct of any **Insured** shall not be imputed to any other **Insured Person**.

4.4 Cyber Publication Exclusion

based on, arising from or attributable to:

- 4.4.1 any omission of the **Insured** to remove publications from any internet, **Intranet** or **Extranet** following a complaint or notice in relation to the publication from any third party; or
- 4.4.2 any publication made to an **Open Site** by the **Insured** or any employee or third party.

4.5 Previously Known Claims or Circumstances Exclusion

based on, arising from or attributable to, any:

- 4.5.1 **Claim** made or **Investigation** commenced prior to the **Policy Period**;
- 4.5.2 fact or circumstance known to the **Insured** prior to the **Policy Period** and which the **Insured** knew, or could reasonably have been expected to know, might give rise to a **Claim** or an **Investigation**;
- 4.5.3 fact or circumstance disclosed or notified to the **Insurer** prior to the **Policy Period**, whether in the **Proposal** or otherwise;
- 4.5.4 fact or circumstance notified to any policy issued to the **Insured** before the start of the **Policy Period**;
- 4.5.5 pending or prior litigation or other proceedings (including but not limited to civil, criminal regulatory and administrative proceedings or investigations) involving the **Company**, an **Insured Person** or an **Outside Entity** issued or commenced before the Pending or Prior Date shown in Item 14 of the Schedule or alleging or derived from the same or substantially the same facts or circumstances alleged in such pending or prior litigation or proceedings.

4.6 Public Offering Exclusion

based on, arising from or attributable to any public offering of any **Securities** during the **Policy Period**, provided that this Exclusion shall not apply to Insuring Clauses 1.1, 1.2, 1.3, 1.4 and 1.5 where the total value of such placement or offering is equal to or lower than the amount shown at Item 10 of the Schedule.

4.7 USA Securities Claim

based upon, arising from, or attributable to any **Securities Claim** brought within or maintained within the jurisdiction of, or based upon any laws of, the United States of America, its territories or possessions.

This Exclusion shall not apply to **Securities**:

- a) purchased or sold pursuant to Rule 144A of the Securities Act of 1933(US); or
- b) registered under the American Depository Receipts (ADR) Level 1 facility.

4.8 Sanctions

The **Insurer** shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions laws or regulations of the European Union, United Kingdom or the United States of America.

5 LIMIT OF LIABILITY

5.1 Aggregate Limit of Liability

Except as provided under Extensions 2.1, and 2.8, the **Limit of Liability** is the **Insurer's** maximum aggregate liability for **Loss** covered under this **Policy**, irrespective of the number of claims under this **Policy**, the amount claimed, the number of **Insureds** who claim, or when such claims are made under this **Policy**. Payment of **Loss** shall reduce the **Limit of Liability** or reinstated **Limit of Liability** (in the case of reinstatement pursuant to Extension 2.18) to the extent of such payment, except that the **Limit of Liability** shall not be reduced by payments made subject to additional sub-limits as specified under Extensions 2.1, and 2.8.

5.2 Sub-limits

Unless expressly provided otherwise, any sub-limit specified in this **Policy** shall be the **Insurer's** maximum aggregate liability under such sub-limit irrespective of the number of claims under this **Policy**, the amount claimed or the number of **Insureds** who claim. Except as provided in Extensions 2.1, and 2.8 any sub-limit shall be part of and not in addition to the **Limit of Liability**.

5.3 Preservation of Side A Limit

5.3.1 In respect of Extension 2.19:

- a) the reinstated **Limit of Liability** shall only be available in respect of **Loss** under Insuring Clause 1.1 and 1.4 arising from **Claims** or **Investigations** or other matters giving rise to a claim under this **Policy** that are made within the **Policy Period** (and/or **Discovery Period**, if applicable) and notified in accordance with Condition 6.1, and are not part of a **Single Claim** already notified to the **Policy** or any preceding policy; and
- b) all such **Claims** or **Investigations** or other matters giving rise to a claim under this **Policy** shall continue to be subject to the reinstated **Limit of Liability**, the sub-limits of liability, and any express additional limits and nothing in this Section shall be interpreted to increase the reinstated **Limit of Liability**.

5.4 Deductible

5.4.1 The **Deductible** amounts shown in Item 3 of the Schedule shall apply to each and every **Single Claim** and shall be paid by the **Insured**. The **Insurer** shall have no obligation to pay any amount within such **Deductible**.

5.4.2 The deductible shall not apply to **Non-Indemnifiable Loss** or when the **Claim** is brought by the **Company** against **Insured Person**.

5.4.3 If the **Company** does not indemnify an **Insured Person** for a covered **Loss**, other than in the case of **Non-Indemnifiable Loss**, then subject to all other terms and conditions of this **Policy** the **Insurer** shall pay the deductible for Insuring Clause 1.2 specified in the Schedule and the **Company** shall pay the amount of such deductible to the **Insurer**.

6 CLAIMS AND NOTICE CONDITIONS

6.1 Notification of Claims, Investigations and Reporting Circumstances

- 6.1.1 The **Insured** shall give written notice of any **Claim** or **Investigation** to the **Insurer** as soon as practicable but this shall not be a condition precedent to the liability of the **Insurer**.
- 6.1.2 In the event of expiry of the **Policy Period**, notification must be given no later than 90 days after the expiration of the **Policy Period**, or, in relation to a **Claim** first made against the **Insured** or **Investigation** first commenced during the **Discovery Period** no later than 30 days after expiry of the applicable **Discovery Period**.
- 6.1.3 If an **Insured** is legally prohibited by a regulatory body under the terms of a confidentiality agreement from notifying a **Claim** or **Investigation** in accordance with the above provisions then the **Insured** must notify the **Insurer** within 30 days of the **Insured** being legally able to do so, and provided that the **Insured** gives written notice of such **Claim** or **Investigation** to the **Insurer** within 24 months after the end of the **Policy Period**.
- 6.1.4 If an **Insured** should have notified a **Claim** or **Investigation** under a policy existing or expired before or on the inception date of this **Policy** but was unable to do so due to being legally prohibited by a regulatory body under the terms of a confidentiality agreement then the **Insurer** irrevocably waives any right it may have to rescind or avoid this **Policy** on the grounds of non-disclosure or misrepresentation, solely with respect to such prior **Claim** or **Investigation**.
- 6.1.5 All notice and all relevant information required by the **Policy** shall be sent in writing to the **Insurer** at the address set forth in the Schedule, and shall be effective on the date of their receipt by the **Insurer** at the above address.
- 6.1.6 Within 30 working days of the receipt of the notices and all relevant information, the **Insurer** will provide a written statement of its position relating to cover.
- 6.1.7 If during the **Policy Period** the **Insured** shall become aware of any facts or circumstances that might give rise to a **Claim** or **Investigation** covered under this **Policy** and gives notice of the same to the **Insurer**, then any **Claim** or **Investigation** later made against any **Insured** which is derived from the same or substantially the same facts or circumstances shall for the purposes of this **Policy** be treated as a **Claim** first made or **Investigation** first commenced during the **Policy Period**.

6.2 Single Claim

A **Single Claim** shall attach to the **Policy** only if the notice of the first **Claim**, **Investigation** or other matter giving rise to a **Claim** or **Investigation** under this **Policy** forming part of such **Single Claim**, was given by the **Insured** during the **Policy Period**.

6.3 Conduct of Proceedings

- 6.3.1 Other than a **Claim** falling within sub-paragraph 6.3.3, it is the duty of the **Insured**, not the **Insurer**, to defend any **Claim** or **Investigation** notified under this **Policy**. The **Insurer**, however, will have the right to effectively associate with the **Insured** in respect of any **Claim** or **Investigation**. Further, with respect to any **Claim** notified under the **Policy**, the **Insurer** shall have the right and be given the opportunity to be consulted in advance by the **Insured** in relation to the investigation, defence and settlement, including the negotiation of any settlement, of the **Claim**.
- 6.3.2 The **Insurer** will accept as reasonable and necessary the retention of separate legal representation to the extent required by a material conflict of interest between **Insured Persons** or the **Company**.
- 6.3.3 The **Insurer** shall have the right to defend any **Claim** brought against an **Insured Person** by or on behalf of any **Company** or **Outside Entity**, unless such **Claim** is:
- a) for contribution or indemnity if such **Claim** directly results from another **Claim** that would otherwise be covered under this **Policy**;
 - b) a **Derivative Proceeding** brought or maintained on behalf of the **Company** or **Outside Entity** without the solicitation or participation of an **Insured Person**, **Company** or **Outside Entity** unless legally compelled to do so; or
 - c) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction.

- 6.3.4 With respect to **Claims** within the categories described in sub-paragraphs 6.3.3 a) to c), the **Insurer** shall have no duty or obligation to communicate with any other **Insured** in relation to such **Claim**.
- 6.3.5 The **Insured** shall not do anything which could prejudice the **Insurer** in respect of a **Claim** or **Investigation** notified under this **Policy**.
- 6.3.6 The **Insured** must not make any formal admission of liability in respect of, or agree to settle, any **Claim** or **Investigation** or incur any **Loss** (other than where Extension 2.9 applies), without the prior written consent of the **Insurer**
- 6.3.7 The **Insured** must give the **Insurer** and any representatives appointed by the **Insurer** all information they reasonably require, and fully co-operate and assist in the conduct of any investigation into any **Claim** under this **Policy**.

6.4 Allocation of Loss

6.4.1 In the event of a **Claim** against an **Insured**:

- a) which is not wholly covered by this **Policy**; and/or
- b) which is also made against a person or entity who is not an **Insured**,

the **Insurer** and the **Insured** shall then use their best endeavours to determine a reasonable allocation of **Loss** that is covered under this **Policy** and loss that is not covered on the basis of the relative legal and financial exposures of an **Insured** and, where applicable, the person or entity who is not an **Insured**.

6.4.2 If the **Insurer** and the **Insured** cannot agree on an allocation of amounts incurred by an **Insured**:

- a) the **Insurer**, if requested by the **Insured**, shall submit any disagreement between them regarding the allocation of **Loss** for determination by arbitration. Subject to agreement between the parties, the arbitration panel shall consist of one arbitrator selected by the **Insured**, one arbitrator selected by the **Insurer** and a third independent arbitrator selected by the first two arbitrators. The costs of arbitration undertaken in accordance with this paragraph shall be borne by the **Insurer** and the arbitration shall be administered by the Chinese Arbitration Association, Taipei (CAA) in accordance with the CAA Arbitration Rules in force for the time being, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Taipei. The language of the arbitration shall be Chinese. The arbitration award shall be final and binding; and
- b) any allocation or advancement of **Defence Costs** or **Legal Representation Expenses** shall not apply to or create any presumption with respect to the allocation of other **Loss**.

7 GENERAL CONDITIONS

7.1 Takeovers and Mergers

If during the **Policy Period** a **Transaction** takes place then:

- a) the **Policyholder** shall give written notice of such to the **Insurer** within 30 days of the effective date of such **Transaction**; and
- b) the cover provided under this **Policy** shall apply only to **Wrongful Acts** committed or **Investigations** in respect of conduct prior to the effective date of such **Transaction**.

7.2 Other Insurance

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

7.3 Subrogation

7.3.1 In the event the **Insurer** makes any payment under this **Policy**, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery, and the **Insured** shall co-operate with the **Insurer** in securing such rights, including the signing of any document necessary to enable the **Insurer** effectively to bring suit in the name of the **Insured**. The **Insured** shall not do anything to prejudice the **Insurer's** ability to assert such rights.

7.3.2 The **Insurer** shall not exercise any rights of subrogation against an **Insured** except to the extent Exclusion 4.3 is applicable to such **Insured**.

7.4 Authorisation

The **Policyholder** hereby agrees to be the sole agent of, and act on behalf of, all **Insureds** with respect to this **Policy**, except in relation to any **Claim** or **Investigation** in which it has a conflict of interest with an **Insured Person**, in which case the **Insured Person** shall act on their own behalf.

7.5 Alteration and Non-assignment

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

7.6 Policy Interpretation

7.6.1 This **Policy** shall be governed by the laws of Republic of China and any dispute concerning this **Policy**, except as provided under Condition 6.4, shall be submitted for arbitration administered by the Chinese Arbitration Association, Taipei (CAA) in accordance with the Arbitration Rules of the CAA for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Taipei. The language of the arbitration shall be Chinese. The arbitration award shall be final and binding.

7.6.2 Any reference in this **Policy** to:

- a) the singular shall include the plural and vice versa; and
- b) the masculine shall include the feminine and vice versa; and
- c) a position or title or legal status or legal concept or statute shall include the equivalent in any other jurisdiction; and
- d) a statute shall include any amended version or re-enactment.

7.6.3 Policy headings and titles are for reference only and have no interpretational value.

7.7 Contracts (Rights of Third Parties)

No person other than an **Insured** shall have any rights under this **Policy**.

7.8 Order of Payments

7.8.1 The **Insurer** shall:

- a) first pay covered **Loss** to or on behalf of an **Insured Person** (except for and to the extent that the **Company** has indemnified the **Insured Person**); and
- b) then pay covered **Loss** paid by the **Company** on behalf of an **Insured Person**; and
- c) then pay covered **Loss** incurred by the **Company**.

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

7.9 Discovery Period

- 7.9.1 Subject to sub-paragraph 7.9.7, if the **Policyholder** does not renew this **Policy**, it shall be entitled to a **Discovery Period** of 90 days automatically for no additional premium, or it may purchase the **Discovery Period** in Item 9 of the Schedule.
- 7.9.2 Subject to sub-paragraph 7.9.7, if the **Insurer** refuses to renew this **Policy**, the **Policyholder** may purchase the **Discovery Period** in Item 9 of the Schedule.
- 7.9.3 The **Discovery Period** shall only apply to:
- a) any **Claim** first made against the **Insured Person** during the **Discovery Period**, but only in respect of **Wrongful Acts** committed prior to expiry of the **Policy Period**; or
 - b) any **Investigation** first commenced during the **Discovery Period**, but only in respect of actual or alleged conduct prior to expiry of the **Policy Period**.
- 7.9.4 The right to purchase the **Discovery Period** as set out above must be exercised by notice to the **Insurer** in writing within 30 days of the expiry of the **Policy Period**, and is only effective upon payment of the additional premium.
- 7.9.5 The **Insurer's** offer of renewal terms, conditions, limits of liability or premium different from those of the expiring policy shall not constitute a refusal to renew.
- 7.9.6 The **Company** or an **Insured Person** shall not have the right to purchase the **Discovery Period** if a **Transaction** takes place.
- 7.9.7 There shall be no entitlement to a **Discovery Period** in the event, and from the date that, the **Policyholder** obtains any other directors and officers' insurance policy. In such an event any **Discovery Period** already purchased shall automatically be cancelled. The premium shall have been fully earned at inception of the **Discovery Period**.

7.10 Non-Avoidance of this Policy

The **Insurer** shall not be entitled to avoid or rescind this **Policy**, or any severable part of it, with respect to any **Insured** for any innocent or negligent misrepresentation or for any innocent or negligent non-disclosure.

7.11 Knowledge and Severability

- 7.11.1 The **Proposal** shall be construed as a separate proposal for cover by each **Insured**.
- 7.11.2 No statement, representation or information provided in the **Proposal** by an **Insured Person** or knowledge possessed by such **Insured Person** shall be imputed to any other **Insured Person**
- 7.11.3 Only statements, representations or information provided in the **Proposal** by, or knowledge possessed by any chairman, chief executive officer, chief financial officer, chief operating officer, general counsel, company secretary or the holder of any equivalent position in any jurisdiction of **Company** shall be imputed to such **Company**.