CHUNG KUO Directors & Officers Liability Insurance (MEGA1) Company Employment Related Wrongful Acts Liability

It is agreed that:

1. The **INSURING CLAUSES** is amended by adding the following:

1 INSURING CLAUSES

1.6 Company Employment Related Wrongful Acts Liability

The **Insurer** will pay on behalf of the **Company** any **Loss** resulting from an **Employment Related Claim** first made against the **Company** during the **Policy Period**.

2. The **DEFINITIONS** is amended by adding the following:

3 DEFINITIONS

3.3 Claim

3.3.12 any **Employment Related Claim**.

3.18A Employment Related Claim

means

3.18A.1 any written demand addressed to the **Company** in which an **Employment Related Wrongful Act** is alleged against such **Insured**;

3.18A.2 any civil, statutory or arbitral proceeding naming the **Company** as a party and in which an **Employment Related Wrongful Act** is alleged against such **Company**;

3.18A.3 any formal administrative or regulatory proceeding against the **Company** and in which an **Employment Related Wrongful Act** is alleged against such **Company**;

3.18A.4 any mediation proceeding (including any counter-claim or proceeding brought in any employment tribunal or employment appeal tribunal) naming the **Company** as a party and in which an **Employment Related Wrongful Act** is alleged against such **Company**;

3.18A.5 monetary, non-monetary injunctive or equitable relief or other legal remedy sought from the **Company** and in which an **Employment Related Wrongful Act** is alleged against such **Company**;

3.18A.6 a formal application to a court to prevent a proceeding or procedure described in sub-paragraph 3.18A.5 from being commenced.

3.33 Loss

3.33.2A In respect of Insuring Clause 1.6 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; or

b) **Defence Costs**.

3.33.5A In respect of Insuring Clause 1.6 only, **Loss** does not include:

a) the multiplied portion of any damages awarded; or

b) employee benefits of any description or the equivalent value of such benefits, including but not limited to the provision of bonus payments, company cars, education and training allowances, fringe benefits, housing allowances, long service payments, medical or dental expenses cover, mobile or other telephones, payments in connection with an employee benefit plan, perquisites, severance payments, stock or share options or travel allowances; or

c) front pay or future salary or wages including commissions.

3. The **EXCLUSIONS** is amended by adding the following:

4   EXCLUSIONS

4.9   based on, arising from or attributable to, any liability assumed by the **Company** under an express employment contract or agreement unless the **Company** would have had such liability even in the absence of such contract or agreement.

4.10   based on, arising from or attributable to, any actual or alleged violation of the responsibilities, obligations or duties owed by fiduciaries, trustees, administrators or any others charged with duties with respect to any superannuation, pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any other form of benefits to employees of the **Company**;

4.11   based on, arising from or attributable to, any actual or alleged obligation of any **Insured** pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law. However, this exclusion shall not apply to any **Employment Related Claim** for any retaliatory treatment of any claimant by any Insured based upon such claimant's exercise of rights pursuant to any such law.

4. The **LIMIT OF LIABILITY** is amended by adding the following:

5   LIMIT OF LIABILITY

5.2A   Endorsement Sub-Limit

The sub-limit of liability under this Endorsement shall not exceed _____.

If an **Employment Related Claim** is made against both an **Insured Person** and the **Company** and results in the payment of **Loss** covered under this Endorsement and which exceeds the sub-limit of liability under this **Endorsement,** the sub-limit of liability under this Endorsement shall be exhausted before any payment of **Loss** is made to an **Insured Person** (but not the **Company**) from the **Limit of Liability**.

If the **Insurer** makes payment of **Loss** from the sub-limit of liability under this Endorsement on account of any **Employment Related Claim**, the **Limit of Liability** available to an **Insured Person** with respect to such **Employment Related Claim** shall be reduced by the amount of such payment.

5.4A   Endorsement Deductible

A deductible of _____ shall apply to each and every **Employment Related Claim** that relates to the same originating source or cause or the same underlying source or cause, regardless of whether such **Employment Related Claims** involve the same or different claimants, **Insured**s, events, or legal causes of action.

The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

All other terms and conditions remain unchanged.