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South China Insurance Directors' and Officers' Liability and Company Reimbursement Insurance(Apply To○○○)

106.08.18(106)華產企字第247號函備查

In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the **Insured** agree as follows:

Insuring Contracts

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| <i>Directors' and Officers' Liability Coverage Insuring Contract 1</i> | 1. | The Company shall pay, on behalf of each Insured Person, Loss for which the Insured Person is not indemnified by an Organization on account of any D&O Claim first made during the Policy Period or during the Extended Reporting Period, for a Wrongful Act occurring before or during the Policy Period . |
| <i>Company Reimbursement Coverage Insuring Contract 2</i> | 2. | The Company shall pay, on behalf of an Organization, Loss for which an Organization grants indemnification to each Insured Person , as permitted, required or not prevented by law, on account of any D&O Claim first made during the Policy Period or during the Extended Reporting Period, for a Wrongful Act occurring before or during the Policy Period . |
| <i>Legal Representation Expenses Coverage Insuring Contract 3</i> | 3. | The Company shall pay, on behalf of an Insured Person, Legal Representation Expenses on account of any Formal Investigation commenced during the Policy Period . |
| <i>Securities Claim Coverage Insuring Contract 4</i> | 4. | The Company shall pay, on behalf of an Organization, Loss on account of any Securities Claim first made during the Policy Period or during the Extended Reporting Period, for a Wrongful Act occurring before or during the Policy Period . |
| <i>Employment Practices Liability Coverage Insuring Contract 5</i> | 5. | The Company shall pay, on behalf of an Organization, Loss on account of any EPL Claim first made during the Policy Period or during the Extended Reporting Period, for a Wrongful Act occurring before or during the Policy Period up to the amount of the limit in Item 2 of the Schedule. |

Extensions

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| <i>Advancement of Defense Costs & Legal Representation Expenses</i> | 6. | a. | The Company shall, prior to the final disposition of any Claim , advance Defense Costs or Legal Representation Expenses as provided under this policy, within thirty (30) days of receipt of an invoice for same from Defense counsel. |
| <i>Outside Directorship Liability</i> | b. | | Coverage shall extend to any D&O Claim with respect to any Outside Directorship . |
| <i>Occupational Health & Safety Defense Costs or Legal Representation Expenses</i> | c. | | Notwithstanding exclusion 8.(f), coverage shall extend to Defense Costs or Legal Representation Expenses on account of any D&O Claim in connection with a violation or breach of an occupational health and safety, including but not limited to the Labour Safety and Health Law of the |

Republic of China and any workplace death or industrial manslaughter law anywhere in the world.

Pollution Defense Costs d. Notwithstanding exclusion 8.(g), coverage shall extend to **Defense Costs** on account of any **D&O Claim** in respect of **Pollution** up to the amount of the sub-limit in Item 2 of the Schedule provided such **D&O Claim** is brought and maintained entirely outside the **U.S.A.**

Shareholder Pollution Actions e. Notwithstanding exclusion 8.(g), coverage shall extend to **Loss** on account of any **D&O Claim** in respect of **Pollution** brought by any shareholder of an **Organization** in his capacity as such, whether in his own right or on behalf of an **Organization**, provided that such **D&O Claim** is brought and maintained without the assistance, participation or solicitation by any **Insured**.

Bilateral Extended Reporting Period f. If this policy is terminated or not renewed by the Company or the **Principal Organization**, for any reason other than termination by the Company for non-payment of premium, and provided that no **Event** has occurred the **Principal Organization** and the **Insured Persons** shall have the right:

- (i) to an extended reporting period of 90 days within which to report any **Claims** that are first made during such 90 day period. There is no additional premium payable for such extended reporting period;
- (ii) upon payment of the additional premium set forth in Item 6.(b) of the Schedule, to an additional extended reporting period of 365 days from the expiry date of the extended reporting period referred to in (a) above within which to report any **Claims** first made during such additional 365 day period;

but only to the extent that such **Claims** are for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct prior to, the effective date of termination or non-renewal.

The right to the additional extended reporting period of 365 days shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty (30) days following the effective date of termination or non-renewal.

Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Period**.

If the additional Extended Reporting Period is purchased in accordance with this section then it cannot be cancelled by the **Insureds** or the Company; and the entire premium noted in Item 6.(b) of the Schedule shall be deemed fully earned at the inception of the additional Extended Reporting Period.

The offer of renewal terms or premiums different from those in effect prior to renewal shall not constitute a refusal to renew.

Retired Directors or Officers g. If this policy is terminated or not renewed by either the Company or the **Principal Organization** for any reason, other than non-payment of premium, and provided that no **Event** has occurred, **Retired Directors or Officers** shall have the right to an Extended Reporting Period of eighty-four (84) months within which to report any **D&O Claims** that are first made or **Formal Investigations** that are commenced during such eighty-four (84) month period but only to the extent such **Claims** are for **Wrongful Acts** occurring prior to and **Formal Investigations** into conduct prior to the effective date of termination or non-renewal.

Dedicated Additional Limit of Liability for Directors or Officers h. The Company shall pay, on behalf of any **Director** or officer of an **Organization**, **Loss** on account of any **D&O Claim** first made or **Formal Investigations** commenced during the **Policy Period**, or, if exercised,

during the Extended Reporting Period, for a **Wrongful Act** occurring and **Formal Investigations** into conduct before or during the **Policy Period** up to the amount of the limit in Item 2 of the Schedule.

*Emergency Defense
Costs or Legal
Representation Expenses*

- i. If, because of an emergency, the Company's prior written consent to any **Defense Costs** or **Legal Representation Expenses** as required in accordance with section 17. Defense & Settlement, cannot be requested, **Defense Costs** or **Legal Representation Expenses** can be incurred without that consent for Defense or investigation work performed during a period of thirty (30) days immediately following the date on which the **Claim** was first made.

*Spouses, Heirs &
Representatives*

- j. Coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Person** made against:
- a. the estates, heirs, legal representatives or assigns of such **Insured Person** who is deceased or against the legal representatives or assigns of such **Insured Person** who is under a legal disability by reason of mental incapacity or is insolvent or bankrupt; and
 - b. the lawful spouse of such **Insured Person** solely by reason of such person's status as a spouse or such spouse's ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.

All terms and conditions of this policy applicable to **Loss** incurred by an **Insured Person**, shall also apply to loss incurred by the estates, heirs, legal representatives, assigns or spouse of the **Insured Person** as referred to in a. and b. above. The coverage provided under this section shall not apply with respect to any loss arising from an act or omission by an **Insured Person's** estate, heirs, legal representatives, assigns or spouse.

Continuity of Cover

- k. Notwithstanding exclusion 8.(a), coverage is provided for **Claims** or circumstances which could or should have been notified under any policy of which this policy is a renewal or replacement or which it may succeed in time provided always that:
- a. the **Claim** or circumstance could and should have been notified after the **Pending or Prior Date**;
 - b. the Company has continued to be the insurer under such previous policy or coverage section without interruption; and
 - c. the cover provided by this Extension shall be in accordance with all the terms and conditions of the policy under which the **Claim** or circumstance could and should have been notified.

Cover as set forth in the above extensions is subject to all the provisions of this policy unless stated otherwise.

Definitions

7. When used in bold type in this policy:

Benefits means perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment whatsoever, other than salary, wages or commission, to or for the benefit of an employee arising out of the employment relationship. **Benefits** do not include **Stock Benefits**, employee stock ownership plans or employee stock purchase plans.

Claim means:

- (A) with respect to insuring contracts 1 and 2 only: a **D&O Claim**;
- (B) with respect to insuring contract 3 only: a **Formal Investigation**;
- (C) with respect to insuring contract 4 only: a **Securities Claim**;
- (D) with respect to insuring contract 5 only: an **EPL Claim**.

Consensual Claim means any **Claim** which is brought with the solicitation, intervention, participation or assistance (other than where an

Insured is compelled by law to assist or participate in such **Claim**) of an **Insured** against whom it is brought.

D&O Claim means:

- (i) a written demand for monetary damages or non-pecuniary relief;
- (ii) a civil proceeding;
- (iii) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (iv) a criminal proceeding;
- (v) an **Extradition** proceeding; or
- (vi) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

against any **Insured Person** for a **Wrongful Act**, including any appeal therefrom.

Defense Costs means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to legal counsels' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of an **Organization** or office overheads, travel costs unrelated to any **Claim** or other administration costs) incurred in defending, investigating, settling or appealing any **Claim** and the premium paid for appeal attachment, bail or similar bonds. For the avoidance of doubt, **Defense Costs** shall include reasonable costs, charges or fees resulting from an **Insured Person** lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**; or appealing any order or other grant of **Extradition** of such **Insured Person**.

Director means any natural person who was, now is or shall be a company director, including, for the avoidance of doubt, a supervisor, a de facto director, alternate director or shadow director and shall include any equivalent position in any jurisdiction.

Employment Claim means a **Claim** for any actual or alleged wrongful or unfair, employment-related discipline, dismissal, discharge or termination of employment, denial of natural justice, breach of any oral, written or implied employment contract, misrepresentation, discrimination, harassment, failure to employ or promote, deprivation of a career opportunity, failure to grant tenure, demotion, evaluation, invasion of privacy, defamation or infliction of emotional distress, mental anguish or humiliation or any **Retaliatory**.

Employee Entitlements means employee benefit arrangements of any kind (whether during or post employment) including:

- a. provision for unemployment, redundancy, severance, retirement, sickness, disability, maternity leave, paternal leave, adoption leave, annual leave, long service leave, compassionate leave or personal leave;
- b. entitlements under any statute or **Industrial Instrument** including the calculation, timing or manner of payment of minimum wages, prevailing wage rates, overtime pay, time in lieu, allowances and penalties alleged to be due and owing;
- c. accident, life, medical, disability or other welfare plans, including insurance of any kind;
- d. superannuation, retirement or pension contributions, benefits and entitlements; or
- e. **Stock Benefits**, profit sharing or deferred compensation plans.

EPL Claim means:

- (i) a written demand for monetary damages or non-pecuniary relief;
- (ii) a civil proceeding;

- (iii) an arbitration, mediation, conciliation or alternative dispute resolution proceeding; or
- (iv) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

which is brought and maintained by or on behalf of any **Insured Person** or past, present or prospective employee of an **Organization**, against an **Organization** for a **Wrongful Act**, including any appeal therefrom.

Event means (a) the **Principal Organization** merging into or consolidating with another organization such that the **Principal Organization** is not the surviving organization; or (b) another organization or person or group of organizations or persons acting in concert acquiring control of the composition of the **Principal Organization's** board, being in a position to cast, or control the casting of more than fifty percent (50%) of the maximum number of votes that might be cast at a general meeting of the **Principal Organization** or holding more than fifty percent (50%) of the issued share capital of the **Principal Organization** (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).

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.

Extradition means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

Financial Impairment means (i) the appointment by any tribunal, agency or court, in any jurisdiction, or by a creditor of an **External Administrator** to take control of, supervise, administer, manage or liquidate an **Organization** or its assets, business or affairs; or (ii) an **Organization** becoming a debtor in possession or taking any corporate action or commencing legal proceedings for its winding-up, dissolution, administration, receivership or insolvent corporate restructuring or an event occurring which has an analogous effect under the laws of any other jurisdiction.

Formal Investigation means any formal administrative or formal regulatory inquiry by a governmental, regulatory, self-regulatory, professional, statutory or official body or institution that is empowered by law to investigate the affairs of an **Insured Person** or an **Organization**.

Industrial Instrument means any award, collective or individual agreement, arrangement or other instrument which is made or authorised under statute or certified or registered by an industrial tribunal or court in the Republic of China or similar industrial tribunal or court anywhere in the world.

Insured means an **Organization** and/or **Insured Persons**.

Insured Capacity means the position or capacity designated in the definition of **Insured Person** held by any **Insured Person** but shall not include any position or capacity in any organization other than an **Organization**, even if such **Organization** directed or requested the **Insured Person** to serve in such other position or capacity, other than an **Outside Directorship**.

Insured Person means:

- (1) any natural person who was, now is or shall be:
 - (a) a **Director** of an **Organization**;
 - (b) an officer of an **Organization**;
 - (c) an employee of an **Organization** but only (i) with respect to an **Employment Claim**; (ii) to the extent such employee is acting in any managerial or supervisory capacity; (iii) where such employee holds an **Outside Directorship**; or (iv) for as long as such employee is the subject of a **Claim** along with any **Director** or officer of an **Organization**; or
 - (d) a trustee of any superannuation, pension, provident fund, profit sharing, health and welfare or employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any form of benefits to employees of an **Organization**;
- (2) any juridical person appointed to the board of directors and supervisors of an **Organization** in accordance with Article 27 of the Company Act of Taiwan R.O.C., as amended, and any natural person designated as such juridical person's authorized representative on the board of directors and supervisors of such **Organization**.

Insured Person shall not include an **External Administrator**.

Legal Representation Expenses means reasonable **Defense Costs** which an **Insured Person** incurs on account of the attendance and/or the provision of documents or information by such **Insured Person** in an **Insured Capacity** at or to any **Formal Investigation**.

Loss means the amount which an **Insured Person** becomes legally obligated to pay on account of any covered **Claim** including, but not limited to: (a) **Defense Costs**; (b) **Legal Representation Expenses**; (c) awards of damages or orders made by any court or tribunal to pay compensation; (d) judgments; (e) sums payable due to any settlements to which the Company has consented; (f) awards of claimant's costs; (g) pre-judgment and post-judgment interest; (h) punitive, exemplary or aggravated damages unless the Company is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined; and (i) the multiple portion of any multiplied damages award unless the Company is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined. **Loss** does not include:

- (i) any amount for which an **Insured Person** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organization**, or order or determination of a tribunal or court;
- (ii) fines or penalties imposed by law;
- (iii) any amount not covered by this policy because of section 19. Allocation;
- (iv) matters for which the Company is legally prohibited from indemnifying the **Insured** under the laws of the Republic of China other than to the extent covered pursuant to paragraphs (h) and (i) above;
- (v) the future salary, wages, commissions, benefits, damages or economic relief of a claimant who has been or shall be hired; or
- (vi) **Benefits** or **Stock Benefits**.

Organization means the **Principal Organization** and/or any **Subsidiary**.

Outside Directorship means the position of **Director**, officer, trustee, governor, councillor or the holder of an equivalent position in any jurisdiction held by an **Insured Person** in any **Outside Entity** provided that such position is assumed and maintained with the knowledge and consent or at the request of an **Organization**. **Outside Directorship** shall

include any juridical person appointed to the board of directors and supervisor of an **Outside Entity** by an **Organization** in accordance with Article 27 of the Company Act of Taiwan R.O.C., as amended, and any natural person designated as such juridical person's authorized representative on the board of directors and supervisors of such **Outside Entity**.

Outside Entity means any **Qualifying Outside Entity** and any **Scheduled Outside Entity**.

Pending or Prior Date means the date from which an **Organization** has maintained uninterrupted cover of the same nature as that provided herein with the Company or such date as agreed to in writing by the Company, either of which is set forth in Item 7 of the Schedule.

Policy Period means the period of time specified in Item [5](#) of the Schedule subject to prior termination in accordance with section 32. If this period is less than or greater than one (1) year, then the Limits of Liability specified in the Schedule of this policy shall be the Company's maximum limit of liability under this policy for the entire period. The Extended Reporting Period shall be part of the **Policy Period** and not an additional **Policy Period**.

Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, an environmental protection agency (including but not limited to the United States Environmental Protection Agency) or any counterpart thereof anywhere in the world. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any air emission, odour, waste water, oil, oil products, infectious or medical waste, asbestos or asbestos products or noise.

Pollution means (i) the actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, escape, seepage, migration, dispersal, treatment, removal or disposal of any **Pollutants**; or (ii) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or (a) any action taken in response to or contemplation or anticipation of any such regulation, order, direction or request; or (b) any action taken voluntarily to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, whether or not in relation to any such regulation, order, direction or request; including but not limited to any **Claim** for loss to an **Organization** or an **Outside Entity**, the holders of its securities or its creditors based upon, arising from, or in consequence of the matters described in (i) or (ii) of this definition other than to the extent covered pursuant to Extension 6.(e).

Principal Organization means the organization designated in Item 1 of the Schedule.

Proposal means all proposals, including attachments and materials incorporated therein, submitted or information disclosed by the **Insured** to the Company for this policy or any policy issued by the Company of which this policy is a direct or indirect renewal or replacement. All such proposals, attachments and materials are deemed attached to, incorporated into and made a part of this policy.

Qualifying Outside Entity means any organization that is not an **Organization** and:

(a) whose governing documents prevent it from distributing profits or

- assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world;
- (b) which is not registered or approved for direct or indirect trading on a national securities exchange or over the counter trading system anywhere in the **U.S.A.**;
 - (c) which is not located, incorporated or domiciled or does not operate in the **U.S.A.**;
 - (d) which is not a bank, finance company, leasing company, friendly society, life insurance company, general insurance company, reinsurance company, investment company, mutual fund, collective investment scheme, fund manager, investment adviser, trustee company, investment bank or any broker or dealer in securities or commodities, mortgage broker, real estate agent, stock exchange, commodities exchange, futures exchange, custodian, clearing house, registrar, medical benefits association or hospital benefits association or organizations of a similar nature; or
 - (e) which is a **Scheduled Outside Entity** where the **Outside Directorship** is specified in a Scheduled Outside Entity Endorsement to this policy at the inception of the **Policy Period**.

Related Claims means all **Claims** based upon, arising from, or in consequence of the same or related facts or circumstances or the same or related series of facts or circumstances.

Retaliation means retaliatory treatment against an **Insured Person** on account of such individual:

- a. exercising his rights under law, including but not limited to rights under any workers compensation laws;
- b. refusing to violate any law;
- c. having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law by an **Organization**;
- d. disclosing or threatening to disclose to a superior or to any governmental agency any alleged violations of law; or
- e. filing or pursuing any claim against an **Organization** under any "whistle blower" law anywhere in the world.

Retired Director or Officer means a **Director** or officer of an **Organization** who has ceased to act in their **Insured Capacity** prior to the expiry of the **Policy Period** for reasons other than disqualification from holding the office of director or from managing a company and other than due to an **Event**.

Scheduled Outside Entity means any organization listed in a Scheduled Outside Entity Endorsement to this policy.

Securities Claim means:

- (i) a written demand for monetary damages or non-pecuniary relief;
 - (ii) a civil proceeding;
 - (iii) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
 - (iv) a criminal proceeding; or
 - (v) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,
- against an **Organization** for a **Wrongful Act**, including any appeal therefrom.

Stock Benefits means any offering, plan or agreement between an **Organization** and any **Insured Person** or employee which grants stock, stock warrants, stock options or stock appreciation rights in an **Organization** to such **Insured Person** or employee, including but not

limited to restricted stock or any other stock grant or compensation or incentive granted in the form of securities of such **Organization**. **Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.

Subsidiary means, at the time of the occurrence of a **Wrongful Act**, any organization in which one or more **Organizations** (a) controls the composition of the organization's board; (b) is in a position to cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the organization; or holds more than 50% of the issued share capital of the organization (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** shall include any incorporated joint venture or company over which an **Organization** exercises effective management and control.

U.S.A means the United States of America and any territory under its jurisdiction.

U.S.A Claim means a **Claim** brought or maintained, in whole or in part, in the **U.S.A** or based, in whole or in part, on any law of the **U.S.A**.

Wrongful Act means:

- (a) with respect to Insuring Contracts 1 and 2 only: any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of duty, breach of trust or breach of warranty of authority, including for the avoidance of doubt any actual or alleged wrongful or unfair, employment-related discipline, dismissal, discharge or termination of employment, denial of natural justice, breach of any oral, written or implied employment contract, misrepresentation, discrimination, harassment, failure to employ or promote, deprivation of a career opportunity, failure to grant tenure, demotion, evaluation, invasion of privacy, defamation or infliction of emotional distress, mental anguish or humiliation or any **Retaliation** committed, attempted, or allegedly committed or attempted by an **Insured Person**, individually or otherwise, in his **Insured Capacity**, or any matter claimed against him solely by reason of his serving in such **Insured Capacity**;
- (b) with respect to Insuring Contract 4 only: any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of duty, breach of trust or breach of warranty of authority committed, attempted, or allegedly committed or attempted by any **Insured** with respect to the purchase or sale of, or offer to purchase or sell, any securities issued by an **Organization**; or the ownership of securities of an **Organization**; or
- (c) with respect to Insuring Contract 5 only: any actual or alleged wrongful or unfair, employment-related discipline, dismissal, discharge or termination of employment, denial of natural justice, breach of any oral, written or implied employment contract, misrepresentation, discrimination, harassment, failure to employ or promote, deprivation of a career opportunity, failure to grant tenure, demotion, evaluation, invasion of privacy, defamation or infliction of emotional distress, mental anguish or humiliation.

Exclusions

- Exclusions Applicable to All Insuring Contracts** 8. The Company shall not be liable for **Loss** on account of any **Claim**:

Prior Notice

- (a) based upon, arising from, or in consequence of any fact or circumstance if notice of such fact or circumstance has been given under any policy of which this policy is a renewal or replacement or which it may succeed in time;

Pending or Prior

- (b) based upon, arising from, or in consequence of any demand, suit or proceeding pending against, or order, decree or judgment entered for or against any **Insured** or **Outside Entity** on or prior to the **Pending or Prior Date** set forth in:
 - (i) Item 7 of the Schedule;
 - (ii) a Scheduled Outside Entity Endorsement; orthe same or substantially the same facts or circumstances underlying or alleged therein, provided however, that (ii) shall apply only to any **Claim** based upon, arising from or in consequence of any **Outside Directorship** in an **Outside Entity**;

Consensual Claim

- (c) based upon, arising from, or in consequence of any **Consensual Claim**;

U.S.A. I.v.I.

- (d) which is a **U.S.A Claim** brought or maintained by or on behalf of any **Insured**; or any **Outside Entity** or any **Director** or officer of such **Outside Entity** if such **Claim** arises out of such **Outside Directorship**, except:
 - (i) a **Claim** brought or maintained by or on behalf of an **Organization** by one or more persons who are not **Insured Persons**, and who bring and maintain the **Claim** without the active assistance, intervention or participation of, or solicitation by, any **Organization** or any **Insured Person** named as a defendant in such **Claim** (other than the solicitation by, or assistance, participation or intervention of any **Insured Person** for which Section 806 of the Sarbanes-Oxley Act 2002 or any similar 'whistleblower' protection provision of an applicable securities law, affords protection to such **Insured Person**);
 - (ii) a **Claim** brought or maintained by or on behalf of an **Outside Entity** by one or more persons who are neither **Insureds** nor **Directors** or officers of such **Outside Entity** and who bring and maintain the **Claim** without the solicitation by, or the active participation, intervention or assistance of any such person (other than the solicitation by, or assistance, participation or intervention of any **Director** or officer of an **Outside Entity** for which Section 806 of the Sarbanes-Oxley Act 2002, or any similar 'whistleblower' protection provision of an applicable securities law, affords protection to such **Director** or officer);
 - (iii) a **Claim** that is brought or maintained by or on behalf of an **Organization**, or an **Outside Entity**, by an **External Administrator**, who brings and maintains such **Claim** without the active assistance, intervention or participation of, or solicitation by, an **Insured Person**, or one or more of an **Outside Entity's Directors** or officers;
 - (iv) an **Employment Claim** or **EPL Claim**;
 - (v) a **Claim** brought or maintained by or on behalf of an **Insured Person** or by one or more of an **Outside Entity's Directors** or officers for contribution or indemnification, if the **Claim** directly results from another **Claim** covered under this policy;
 - (vi) a **Claim** that is brought or maintained by or on behalf of any **Insured Person** who no longer serves in an **Insured Capacity**, such **Claim** being brought or maintained without the active assistance, intervention or participation of, or solicitation by, the **Organization** or any **Insured Person** serving in such position at the time such **Claim** is brought or maintained;
 - (vii) **Defense Costs**;

- SEC* (e) based upon, arising from, or in consequence of any actual or alleged violation of the U.S. Securities Act of 1933, the U.S. Securities Exchange Act of 1934, any rules or regulations of the Securities and Exchange Commission promulgated thereunder, and any other federal, country, state, territory, local or provincial statute in the **U.S.A** or Canada relating to securities, or any rules or regulations promulgated thereunder, all as amended;
- Bodily Injury and Property Damage* (f) for bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof whether or not it is damaged or destroyed. For clarity, this exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in an **Employment Claim** or **EPL Claim**;
- Pollution* (g) based upon, arising from, or in consequence of **Pollution**. It is agreed that this exclusion shall not apply to any **Employment Claim** for **Retaliation**; or
- Professional Services* (h) for any actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted or allegedly committed or attempted in the rendering of, or actual or alleged failure to render any professional services performed or required to be performed by an **Insured** for or on behalf of a customer of an **Organization**. However, it is agreed that this exclusion shall not apply to any **Employment Claim** for **Retaliation**; or to any **Claim** against an **Insured Person** brought by or on behalf of any shareholder of an **Organization**, whether directly or in a representative capacity, or whether as a derivative or class action, against an **Insured Person** in connection with the loss and/or damage suffered by the said shareholder or the **Organization** in respect of such actual or alleged acts or omissions.

Exclusions Applicable to Insuring Contract 1 and 2 Only

9. The Company shall not be liable for **Loss** on account of any **Claim** made against any **Insured Person** under Insuring Contract 1 and/or Insuring Contract 2:

Dishonesty

- (a) based upon, arising from, or in consequence of any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an **Insured Person**; or an **Insured Person** having gained any personal profit, advantage or remuneration to which such **Insured Person** was not legally entitled, provided that this exclusion shall not apply (including, for the avoidance of doubt, to the Company's obligation to advance **Defense Costs** or **Legal Representation Expenses** in accordance with Extension 6.(a)) until a final adjudication in any proceeding establishes such a deliberately fraudulent act or omission, willful violation or breach or personal profit, remuneration or advantage. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company; or

ERISA

- (b) for any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act, 1974 (USA) and amendments thereto.

Exclusions Applicable to Insuring Contract 4 Only

10. The Company shall not be liable for **Loss** in respect of any **Securities Claim**:

- Contractual Liability* (a) for any actual or alleged liability of others assumed by an **Organization** under any contract that relates to the purchase, sale or offer to purchase or sell any securities; provided that this exclusion shall not apply to liability that would have attached to such **Organization** in the absence of such contract or to the Company's obligation to advance **Defense Costs** under Extension 6.(a);
- Dishonesty of Organization* (b) based upon, arising from, or in consequence of any deliberately fraudulent act or omission or any willful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an **Organization**; or an **Organization** having gained any profit, remuneration or advantage to which such **Organization** was not legally entitled, provided that this exclusion shall not apply (including, for the avoidance of doubt, to the Company's obligation to advance **Defense Costs** in accordance with Extension 6.(a) until a final adjudication in any proceeding establishes such a deliberately fraudulent act or omission, willful violation or breach, personal profit, remuneration or advantage. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company.

Exclusions Applicable to Insuring Contract 5 Only 11. The Company shall not be liable for **Loss** on account of any **EPL Claim**:

- Trustees Liability* (a) based upon, arising from, or in consequence of 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 superannuation benefits, pensions, annuities or any other form of benefits to employees of an **Organization**;
- Workers' Compensation, Unemployment Insurance, Social Security and Disability Benefits* (b) based upon, arising from, or in consequence of any actual or alleged obligation of any **Organization** pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law, regulation or by-law;
- Contractual Liability* (c) for any actual or alleged liability of others, other than an employee, assumed by any **Organization** under any contract except to the extent that such liability would have attached to the **Organization** even in the absence of such contract;
- Industrial Instruments* (d) for breach of duties, obligations or responsibilities under any law, regulation, by-law, or determination made under or pursuant to any statute, ordinance or **Industrial Instrument** howsoever promulgated regulating **Employee Entitlements**;
- Specified Termination Payments* (e) for any salary, wages or commissions or any specified amount of money required to be paid:
 (i) in respect or in lieu of a notice requirement or notice period; or
 (ii) pursuant to an express written obligation to make payments in the event of the termination of employment, including, without limitation in the event of redundancy, retrenchment or retirement;

- Future Salary* (f) for future salary, wages, commissions, benefits, damages or economic relief, if an **Organization** is ordered, pursuant to a judgment, determination or final adjudication of a court or tribunal, but fails to hire, promote or reinstate the claimant as an employee provided, however that this exclusion shall not apply to the Company's obligation to advance **Defense Costs** under section Extension 6.(a); or
- Non-Pecuniary Relief* (g) for any order for, grant of, or agreement to provide non-pecuniary relief provided, however, that this exclusion shall not apply to the Company's obligation to advance **Defense Costs** under section Extension 6.(a).

- Severability – Imputation of Knowledge* 12. With respect to the exclusion 9 of this policy, in order to determine if coverage is available no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**.
- With respect to exclusion 10.(b) of this policy, only facts pertaining to and knowledge possessed by any chairman, chief executive officer, in-house general counsel, company secretary, chief financial officer or holder of any equivalent position in any jurisdiction of an **Organization** shall be imputed to such **Organization** in order to determine if coverage is available.

- Severability of the Proposal* 13. In issuing this policy, the Company has relied upon the statements, representations and information in the **Proposal**.
- The **Proposal** shall be construed as a separate proposal for coverage by each **Insured Person**.
- For the purpose of determining if coverage is available under this policy:
- (a) 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**;
 - (b) only the statements, representations or information provided in the **Proposal** by, or the knowledge of, any chairman, chief executive officer, chief financial officer, in-house general counsel, company secretary or the holder of any equivalent position in any jurisdiction of an **Organization** shall be imputed to the **Organization**.

- Limit of Liability and Deductible* 14. The Company's maximum liability for **Loss** on account of each **Claim**, whether covered under one or more insuring contracts, shall be the Limit of Liability for each **Loss** set forth in Item 2(a) of the Schedule. Other than with respect to Extension 6.h, where granted, the Company's maximum aggregate liability for all **Loss** on account of all **Claims** first made during the **Policy Period**, whether covered under one or more insuring contracts, shall be the Limit of Liability for each **Policy Period** set forth in Item 2(b) of the Schedule.
- Notwithstanding the above, the Company's maximum liability for **Loss** in respect of which a sub-limit is specified for each **Loss** and/or each **Policy Period** in the Schedule or any endorsement shall be that specified sub-limit of liability. Sub-limits are part of, and not in addition to the Limits of Liability set forth in Items 2(a) and 2(b) of the Schedule.
- If granted, the Company shall pay the Dedicated Additional Limit of Liability for Directors or Officers in addition to the Limits of Liability set forth in Items 2(a) and 2(b) of the Schedule only after the Company has paid the full amount of the applicable Limit of Liability. The Dedicated Additional Limit of Liability for Directors or Officers is not eroded by payments within

the Limits of Liability set forth in Items 2(a) and 2(b) of the Schedule.

Defense Costs and **Legal Representation Expenses** are part of, and not in addition to, the Limits of Liability set forth in Item 2 of the Schedule, and the payment by the Company of **Defense Costs** or **Legal Representation Expenses** shall reduce and may exhaust such applicable Limits of Liability.

The Company's liability on account of each and every **Claim** shall apply only to **Loss** which is allocated to covered **Loss** and only to that part of **Loss** so allocated which is in excess of the applicable Deductible Amount set forth in Item 3 of the Schedule. Such Deductible Amount shall be depleted only by **Loss** and shall be borne by the **Insured** uninsured and at their own risk. No Deductible Amount shall apply to any **Loss** for which an **Organization** is prevented by law or due to **Financial Impairment** from indemnifying an **Insured Person**.

All **Related Claims** shall be treated as a single **Claim** first made on the date the earliest of such **Related Claims** was first made, or on the date the earliest of such **Related Claims** is treated as having been made in accordance with section 16. Reporting and Notice, regardless of whether such date is before or during the **Policy Period**.

The limit of liability available during the additional Extended Reporting Period, if exercised, shall be part of, and not in addition to, the Company's maximum aggregate limit of liability for all **Loss** on account of a **Claim** first made during the immediately preceding **Policy Period**.

*Presumptive
Indemnification*

15. If an **Organization** is permitted or required [by law](#) to indemnify, or is not prevented by law from indemnifying, an **Insured Person** for **Loss** but fails or refuses, other than for reason of **Financial Impairment**, to so indemnify an **Insured Person** then the Company shall pay such **Loss** on behalf of such **Insured Person** subject to all of the Exclusions of this policy. In such event the applicable Deductible Amount set forth in Item 3 of the Schedule shall be paid by the **Organization** to the Company. No Deductible Amount shall apply in the event of **Financial Impairment**. This section does not apply to **Loss** arising out of an **Outside Directorship**.

Reporting and Notice

16. The **Insureds** shall give to the Company written notice of any **Claim** as soon as practicable and, in any event, no later than the expiration date of the Extended Reporting Period by the Company.

If during the **Policy Period** or an Extended Reporting Period an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company then any **Claim** subsequently arising from the circumstances referred to above shall be deemed to have been first made during the **Policy Period** in which the written notice was first given by an **Insured** to the Company.

With respect to any such subsequent **Claim**, no coverage under this policy shall apply to loss incurred prior to the date such subsequent **Claim** is actually made.

The **Insureds** shall give to the Company such information and co-operation as it may reasonably require, including but not limited to a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential loss, the names of actual or potential claimants, and the manner in which the **Insured** first became aware of the **Claim** or circumstances.

Notice to the Company under this policy of claim or circumstance shall be given in writing at the Company's address set forth in the Schedule.

Such notices shall be effective on the date of receipt by the Company at such address.

Defense and Settlement 17. It shall be the duty of the **Insured** and not the duty of the Company to defend **Claims** other than with respect to a **D&O Claim** brought or maintained by or on behalf of an **Organization**. The Company shall have the right, but not the duty, to defend a **D&O Claim** brought or maintained by or on behalf of an **Organization** and to appoint lawyers for that purpose.

Each **Insured** agrees not to settle, or convey any offer of settlement to any claimant with regard to, any **Claim**, incur any **Defense Costs, Legal Representation Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not otherwise be liable for any **Defense Costs, Legal Representation Expenses**, any other element of **Loss** incurred, any obligation assumed or any admission made by any **Insured** without the Company's prior written consent. Provided the **Insureds** comply with this section, the Company shall not unreasonably withhold any such consent.

With respect to any **Claim** that appears reasonably likely to be covered in whole or in part under this policy, the Company shall have the right and shall be given the opportunity to effectively associate with each **Insured**, and shall be consulted in advance by the **Insured**, regarding the investigation, Defense and settlement, including the negotiation of any settlement, of any **Claim** that appears reasonably likely to be covered in whole or in part by this policy.

Each **Insured** agrees to provide the Company with all information, assistance and co-operation which the Company reasonably requires, including, without limitation, for the purposes of any investigation the Company makes, in its absolute discretion.

Each **Insured** agrees that, in the event of a **Claim**, such **Insured** will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

Repayment of Advancement of Defense Costs or Legal Representation Expenses 18. Any advancement of **Defense Costs** or **Legal Representation Expenses** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defense Costs** are not insured under this policy.

Allocation 19. Where a **Claim**:

- (a) includes both matters covered and matters that are not covered under this policy; or
- (b) is made against a person or organization other than an **Insured Person**, or, with respect to Insuring Contracts 4 or 5 only, other than an **Organization**,

the Company and the **Insured** shall allocate any amounts incurred by or on behalf of an **Insured**:

- (a) based upon the relative legal and financial exposures of an **Insured Person**, or with respect to Insuring Contracts 4 or 5 only, an

- Organization**, to matters covered and matters not covered by this policy; and
- (b) in the case of a settlement in such **Claim**, based also on the relative benefits to an **Insured Person**, or, with respect to Insuring Contracts 4 or 5 only, an **Organization**.

If the **Insured** and the Company cannot agree on an allocation of **Loss**:

- (a) no presumption as to allocation shall exist in respect of disagreement between the **Insured** and the Company regarding allocation;
- (b) the Company shall advance such portion of **Defense Costs** and/or **Legal Representation Expenses** which the Company believes, in its sole discretion, to be covered under this policy unless and until a different and final allocation is mutually agreed upon between the **Insured** and the Company or arbitrated in accordance with this section or judicially determined;
- (c) the Company may, in its sole discretion, pay such portion of **Loss**, other than **Defense Costs** and/or **Legal Representation Expenses**, which it believes to be covered under this policy unless and until a different and final allocation is mutually agreed upon between the **Insured** and the Company or arbitrated in accordance with this section or judicially determined;
- (d) the Company, if requested by the **Insured**, shall submit any disagreement between them regarding the allocation of **Loss** for determination by arbitration in accordance with the procedures set forth in Section 26. Choice of Law for Policy Disputes. The costs of arbitration undertaken in accordance with this section shall be borne by the Company;
- (e) any allocation of **Loss** that is mutually agreed upon between the **Insured** and the Company or arbitrated in accordance with this section or judicially determined shall be applied retroactively to all **Loss** notwithstanding any prior payment or advancement, as the case may be, to the contrary; and
- (f) any allocation or advancement of **Defense Costs** and/or **Legal Representation Expenses** shall not apply to or create any presumption with respect to the allocation of **Loss**, other than **Defense Costs** and/or **Legal Representation Expenses**, on account of a **Claim**.

Other Insurance

- 20. If any **Loss** under this policy is insured under any other insurance policy, prior or current, then this policy shall cover such **Loss**, subject to its terms and conditions, only to the extent that the amount of such **Loss** is in excess of the applicable retention (or deductible) and limit of liability of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this policy. Any payment by **Insureds** of a retention or deductible under such other insurance shall deplete, by the amount of such payment, the applicable Deductible Amount under this policy.

*Changes in Exposure
Acquisition or Creation of
Another Organization*

- 21.1 Subject to 21.2 below, if an **Organization** during the **Policy Period**:
- (i) acquires securities or voting rights in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**; or
 - (ii) acquires any organization by merger into or consolidation with itself such that the **Organization** is the holding entity,

then such other organization and the **Insured Persons** in relation thereto shall be **Insureds** under this policy but only with respect to **Wrongful Acts** occurring after such acquisition or creation unless the Company agrees, after presentation of a complete **Proposal** and all appropriate information, to provide coverage by endorsement for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct prior to, such acquisition or creation.

- 21.2 If such new **Subsidiary**:
- (a) has total consolidated assets that increase the total consolidated assets of the **Organization** by more than twenty-five per cent (25%) as reflected in the most recent audited, consolidated financial statements of the **Organization** and the new **Subsidiary**; or
 - (b) is located, incorporated, domiciled or operates in or has securities listed on any exchange in the **U.S.A**;

the **Principal Organization** shall give written notice of such acquisition or creation to the Company as soon as practicable together with such information as the Company may require and shall pay any additional premium reasonably required by the Company. Coverage for any such new **Subsidiary** and the **Insured Persons** in relation thereto, pursuant to this Section 21.2, shall be subject to such additional or different limitations, conditions, provisions or other terms as the Company, in its sole discretion, may require.

*Acquisition of Principal
Organization by Another
Organization*

- 22.1 If during the **Policy Period** an **Event** occurs [coverage](#) under this policy shall continue until termination of this policy, but only with respect to **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct prior to, such **Event**. Upon the occurrence of any **Event** the entire premium for this policy shall be deemed fully earned, unless otherwise agreed to by the Company in its sole discretion.

22.2 The **Principal Organization** shall give written notice of such merger, consolidation or acquisition to the Company as soon as practicable after the date of such **Event**, together with such information as the Company may require. Upon receipt of such notice and information and at the request of the **Principal Organization**, the Company will provide to the **Principal Organization** a quotation for an extension of coverage for a period of up to eighty-four (84) months for **Claims** other than **EPL Claims**, for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct prior to, such **Event**. Any coverage extension pursuant to such quotation shall be subject to such additional or different terms, conditions and limitations of coverage and the payment of such additional premium as the Company, in its sole discretion, may require. Payment of the additional premium due for any coverage extension purchased under this section must be received by the Company within thirty (30) days following the provision of a quotation by the Company.

Any extension of cover purchased by the **Principal Organization** pursuant to section 22.2 shall commence at the expiration of the cover provided for in section 22.1.

If an extension of cover is purchased pursuant to section 22.2 then the entire premium paid shall be deemed fully earned and the inception of the coverage extension and such extension cannot be cancelled by the **Insureds** or the Company.

Cessation of Subsidiaries 23. If an organization ceases to be a **Subsidiary**, before or after the inception date of this policy, coverage with respect to such **Subsidiary** and the **Insured Persons** in relation thereto shall continue until termination of this policy or any renewal thereof, but only with respect to **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct prior to, the date such organization ceased to be a **Subsidiary**.

Outside Directorships 24. If during the **Policy Period** coverage is sought for any **Outside Directorship** on the board of an organization that is not a **Qualifying Outside Entity** such coverage shall apply to such **Outside Directorship** for a period of ninety (90) days from the date of commencement of such **Outside Directorship**. Coverage for such **Outside Directorship** shall terminate ninety (90) days after the date of commencement of such **Outside Directorship** unless the Company accepts in writing such **Outside Directorship**.

Coverage for any additional **Outside Directorship** on the board of an organization that is not a **Qualifying Outside** is subject to all limitations, conditions, provisions and other terms of this policy.

Any coverage for any **Outside Directorship** shall:

- (1) not be available to the **Outside Entity** in which such **Outside Directorship** is held or to any of the other **Directors**, officers or employees of such **Outside Entity**;
- (2) be specifically excess of any insurance policies, whether or not specified in the **Proposal**, for the **Outside Entity** and any indemnity available from the **Outside Entity** to such **Insured Person** by reason of serving in such **Outside Directorship**.

If any **Claim** made against an **Insured Person** due to an **Outside Directorship** is insured under any other policy issued by the Company, its parent, a subsidiary or affiliate, then payment under such policy on account of a **Claim** also covered under this policy shall reduce, by the amount of the payment, the Company's Limit of Liability under this policy

with respect to such **Claim**.

<i>Territory and Jurisdiction</i>	25.	Coverage shall extend anywhere in the world.
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<i>Choice of Law for Policy Disputes</i>	26.	<p>The construction and enforcement of the provisions of this policy shall be determined in accordance with and governed by the laws of the Republic of China.</p> <p>Any dispute arising out of or in connection with this policy between the Insured and the Company shall be submitted to the Arbitration Association of the Republic of China for arbitration in Taipei which shall be conducted in accordance with the Arbitration Rules of the Association in effect at the time of applying for arbitration save and except for any modification made hereunder or otherwise agreed by the Insured and the Company. The arbitral award shall be final and binding on the Insured and the Company.</p> <p>The arbitration tribunal shall consist of three arbitrators. The Insured and the Company shall each appoint one arbitrator. The Insured and the Company shall jointly appoint the third arbitrator, provided that, if the Insured and the Company fail jointly to appoint the third arbitrator within twenty (20) days from the date from which the Respondent receives the Notice of Arbitration, then the Insured and the Company hereby designate the Chairman of the Arbitration Association of the Republic of China as the appointing authority hereunder.</p>
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<i>Currency</i>	27.	<p>All premiums, limits, deductibles, Loss and other amounts under this policy are expressed and payable in the currency of the Republic of China. <u>If</u> judgment is rendered, settlement is denominated, or any element of Loss under this policy is stated, in a currency other than the currency of the Republic of China, then payment under this policy shall be made in the currency of the Republic of China at the mid rate of exchange announced by the Bank of Taiwan of the Republic of China on the date the final judgment is reached, the amount of the settlement is agreed upon or any other element of Loss is due, respectively.</p>
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<i>Authorization Clause</i>	28.	<p>The Principal Organization shall be responsible for the payment of premiums , receiving of premium refund, giving and receiving of notice of termination, negotiation on, consent to, and acceptance of endorsements, and giving and receiving of any notice provided for in this policy (except the giving of notice to apply for the additional Extended Reporting Period) .</p> <p>The Principal Organization shall act on behalf of all Insureds with respect to giving and receiving of notice of Claim, and each Insured agrees that the Principal Organization be their agent.</p>
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<i>Subrogation</i>	29.	<p>In the event of any payment under this policy, the Company shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company to bring suit under the laws of the jurisdiction where the subrogation rights are claimed.</p>
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Bankruptcy 30. The bankruptcy, winding-up, receivership or insolvency of an **Insured** or of the estate of an **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights under this policy.

Alteration and Assignment 31. No change in, modification of, or assignment of interest under this policy shall be effective except when made by a written endorsement to this policy which is signed by an authorised employee of the Company.

Termination of Policy 32. Without prejudice to the rights and remedies at law of each party, this policy shall terminate at the earliest of the following times:

- (a) thirty (30) days after the receipt by the **Principal Organization** of a written notice of termination from the Company due to the failure to pay premium when it is due unless such premium is received by the Company prior to such thirtieth day;
- (b) upon expiration of the **Policy Period** as set forth in Item 5 of the Schedule of this policy; or
- (c) at such other time as may be agreed upon in writing by the Company and the **Principal Organization**.

The Company shall refund any unearned premium computed by the Company at customary short rates if the policy is terminated by the **Principal Organization**. Under any other circumstances the refund shall be computed pro rata.

The Company shall have no obligation to renew this policy upon its expiration or termination.

Conformity 33. The provisions of this policy shall be read subject to the laws governing construction of this policy and if any provision of this policy are inconsistent with such laws then:

- (a) where such provision can be read so as to give it a valid and enforceable operation of a partial nature it shall be read to the extent necessary to achieve that result;
- (b) in any other case such provision shall be severed from this policy in which event the remaining provisions shall operate as if the severed provision had not been included.

Policy Construction 34. In this policy:

- (a) the title and any headings or sub-headings are solely for convenience and form no part of its terms and conditions;
- (b) the Schedule hereto is part of and forms an integral part of this policy;
- (c) the singular includes the plural and the plural includes the singular, unless otherwise indicated; and
- (d) a reference to one gender includes the other gender.

Priority of Payments 35. In the event payment of **Loss** is due under this policy but the amount of such **Loss** in the aggregate exceeds the remaining available Limit of Liability for this policy, the Company shall:

- (a) first pay such **Loss** for which coverage is provided under Insuring Contract 1 of this policy; then
- (b) to the extent of any remaining amount of the Limit of Liability available after payment under a. above, pay such **Loss** for which coverage is provided under any other Insuring Contract of this policy.

Except as otherwise provided in this section, the Company may pay **Loss** as it becomes due under this policy without regard to the potential for other future payment obligations under this policy.

*Conditions – Dedicated
Additional Limit of Liability
for Directors or Officers* 36.

The Company's maximum liability under Extension 6.(h). Dedicated Additional Limit of Liability for Directors or Officers, is not to exceed the amount set forth in Item 2 of the Schedule inclusive of all **Loss** in respect of all **Claims** against all **Directors** or officers of an **Organization**.

The Dedicated Additional Limit of Liability for Directors or Officers shall be excess of any insurance available that is specifically excess of this policy and such excess insurance must be completely exhausted by payment of **Loss**, damages or **Defense Costs** thereunder before the Company shall have any obligation to make payment on account of the Dedicated Additional Limit of Liability for Directors or Officers. The **Insured** agrees to provide the Company all details of any excess policies effected once they become known to them and the Company will endorse the policy accordingly.

Confidentiality Agreement 37.

It is a condition of this policy that the **Insured Persons** and/or the **Organization** and/or any persons at their direction or on their behalf shall not disclose the existence of this policy, its Limits of Liability, the nature of the liability indemnified, or the premium payable under it to any third party except to the extent that:

- (a) they are required by law to do so; or
- (b) the Company consents, in writing, to such disclosure.

Deductible Waiver for No Liability

It is agreed that paragraph five of Section 14, Limit of Liability and Deductible, is amended by adding the following immediately thereafter:

However, the Deductible Amount applicable to each **Loss** shall:

- (a) apply only to that part of **Loss** which constitutes **Defense Costs**; and
- (b) not apply if:
 - (i) a final adjudication with prejudice pursuant to a trial, motion to dismiss or motion for summary judgment in any **Claim**, or
 - (ii) a complete and final settlement of any **Claim** with prejudice, establishes that no **Insured** in such **Claim** is liable for any **Loss**, other than **Defense Costs**. The Company shall reimburse any **Insured** which has funded a Deductible Amount if such amount subsequently becomes inapplicable based upon (i) or (ii) above.

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.

Disclosure Management Coverage (Additional Basis)

It is agreed that:

- (1) the section entitled Insuring Contracts is amended by adding the following:

Disclosure Management Coverage Insuring Contract 6

The Company shall reimburse an **Organization** for a **Disclosure Management Loss** for which such **Organization** becomes legally obligated to pay on account of a **Disclosure Event** commencing during the **Policy Period** only. For the avoidance of doubt, there is no cover for any **Disclosure Event** which is commenced during an Extended Reporting Period.

- (2) Section 7, Definitions, is amended by adding the following:

Disclosure Advisor means any public relations firm, crisis management firm or law firm as may be approved in writing by the Company.

Disclosure Event means a public announcement of any of the following situations that, for purposes of coverage under this endorsement, shall be deemed to occur on the date:

- (i) the actual public disclosure of the situation occurs; or
- (ii) the **Organization's** president, chief executive officer, chief financial officer or general counsel first believes it is probable that public disclosure of the situation will or must be made within the next ninety (90) days,

whichever is earlier:

- (A) Negative Financial Results or Estimates: Financial results or estimates of financial results for an **Organization** that are materially less favorable than:
 - (a) such **Organization's** previous financial results for a comparable period during the prior year;
 - (b) previous estimates of such **Organization's** financial performance, for the same period, made public by the **Organization**; or
 - (c) previous estimates of such **Organization's** financial performance, for the same period, published by a securities analyst.
- (B) Restatement of Financial Statements: Any restatement of an **Organization's** publicly disclosed financial statements.
- (C) Dividend Elimination or Suspension: The elimination or suspension of a regularly scheduled dividend on any equity securities issued by an **Organization**.
- (D) Debt Default: Default by an **Organization** on any material debt payment or loan covenant.
- (E) Bankruptcy: The voluntary or involuntary commencement of any bankruptcy, receivership, liquidation, conservatorship or rehabilitation proceeding against, by, for or on behalf of an **Organization**.
- (F) Mass Injury: The commencement of one or more purported class action lawsuits against an **Organization** alleging that such **Organization** caused class members to suffer or incur bodily injury, personal injury, sickness, disease, death or property damage.
- (G) Intellectual Property Litigation: The commencement of a lawsuit:

- (a) against an **Organization**, challenging the validity or enforceability of; or
- (b) by an **Organization**, seeking to enforce,

any patent, copyright, trade name, design right, trade mark or service mark which is owned by such **Organization** and which purportedly creates rights relating to any significant product or services of the **Organization**.
- (H) Government Proceeding: The commencement by any government or regulator of any material administrative, civil or criminal proceeding against an **Organization**.
- (I) Unsolicited Takeover Proposal: The receipt by an **Organization** of an unsolicited takeover proposal or the commencement of an unsolicited takeover bid for an **Organization**.
- (J) Loss of Major Customer or Supplier: Any major customer or supplier of an **Organization** terminating or failing to perform a material portion of its business with such **Organization**.
- (K) Product Recall: The recall of a significant product of an **Organization**.
- (L) Product Delay: The occurrence of:
 - (a) an unforeseen interruption in the production of an existing significant product of an **Organization**; or
 - (b) an unforeseen delay in the development or regulatory approval of any new, significant product of an **Organization**.
- (M) Loss of Key Executive Officer: The death, discharge or resignation (other than pursuant to planned retirement) of an **Organization's** chairman, chief executive officer, president, chief financial officer or any other person for whom such **Organization** maintains key person life insurance.
- (N) Employee Disputes: The occurrence of any of the following:
 - (a) commencement of one or more class action lawsuits, or lawsuits for which class certification is sought, by an **Organization's** past, present or prospective employees;
 - (b) a labor strike or lock out involving an **Organization**; or
 - (c) a reduction in force of more than 10% of an **Organization's** employees.
- (O) Asset Write-Off: The write-off of a material amount of an **Organization's** assets.
- (P) Other: Any other situation specifically described on a schedule which is attached to this endorsement and agreed to in writing by the Company.

Disclosure Management Loss means reasonable fees and expenses charged by a **Disclosure Advisor** in connection with:

- (a) advising an **Organization** and its **Insured Persons** with respect to minimizing potential loss or liability on account of a **Disclosure Event**; or
- (b) managing disclosures to customers, suppliers, investors or the public regarding a **Disclosure Event**.

Disclosure Management Loss shall not include any regular or overtime wages, salaries or fees of

the directors, officers, managers or employees of an **Organization** or office overheads, travel costs unrelated to a **Disclosure Event** or other administration costs of such **Organization**.

- (3) Solely with respect to the coverage provided by this endorsement, the following exclusion is added:
- The Company shall not be liable under the Disclosure Management Coverage Insuring Contract for any **Disclosure Management Loss** incurred prior to, or more than, 180 days after the date written notice of the **Disclosure Event** is first given to the Company.
- (4) The Company's maximum aggregate Limit of Liability for all **Disclosure Management Loss** on account of all **Disclosure Events** commencing during the **Policy Period** shall be US\$100,000.-. Provided, however, that this single **Disclosure Event** limit is in addition to the Limit of Liability stated in Item 2 (b) of the Schedule
- (5) No Deductible shall apply to **Disclosure Management Loss**.
- (6) The **Principal Organization** shall give to the Company written notice of any **Disclosure Event** as soon as practicable after it commences. Such notice shall include a description of the **Disclosure Event** and the reasons why it is likely to occur. The Company and its employees and representatives shall maintain as confidential and shall not disclose such information or otherwise use such information except as required in the Company's ordinary course of business.
- (7) Any notice to the Company of a **Disclosure Event** shall not constitute notice to the Company of a **Claim** or a circumstance which could give rise to a **Claim** as provided in the Reporting and Notice provision of this coverage, unless such notice expressly states that it is also a notice of **Claim** or circumstances pursuant to the Reporting and Notice provision.
- (8) The coverage provided by this endorsement shall not be conditioned upon the Company's consent to the **Organization** incurring **Disclosure Management Loss**, provided that the **Organization** gives written notice to the Company as required by paragraph six of this endorsement.

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.

Future Offering Exclusion (for USA and Canada only)

It is agreed that Section 8. Exclusions: Exclusions Applicable to All Insuring Contracts, shall be amended by adding the following:

based upon, arising from or in consequence of a public or private solicitation, distribution or issuance of securities, whether or not a prospectus has been issued, in respect of offerings in the United States of America or Canada or in respect of the listing of any of its securities on any exchange in the United States of America or Canada.

However, it is agreed that this shall not apply to the sale by **Principal Organization** of 69.84m GDRs settled on July 09, 2013.

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

All other terms and conditions remain unchanged.

Major Shareholders Exclusion

It is agreed that Section 8. Exclusions Applicable to All Insuring Contracts is amended by adding the following:

brought by or on behalf of any individual or entity owning 20% or more of the outstanding common shares of the **Organization**, either directly or beneficially.

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.

Prior Acts Exclusion

It is agreed that Section 8, Exclusions: Exclusions Applicable to All Insuring Contracts, shall be amended by adding the following:

based upon, arising from or in consequence of any **Wrongful Acts** where all or any part of such acts were committed, attempted, or allegedly committed or attempted, prior to December 19, 2001.

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.

Prior Acts Exclusion - For Taipei Bank

It is hereby understood and agreed that this policy only provides cover for **Loss** arising from **Claims** for **Wrongful Acts** occurring on or after December 05, 2002 and prior to the end of the **Policy Period** and otherwise covered by this policy.

All other terms and conditions remain unchanged.

Prior Acts Exclusion - For International Bank of Asia Ltd.

It is hereby understood and agreed that this policy only provides cover for **Loss** arising from **Claims** for **Wrongful Acts** occurring on or after February 16, 2004 and prior to the end of the **Policy Period** and otherwise covered by this policy.

All other terms and conditions remain unchanged.

Prior Acts Exclusion - For ING Life Insurance

It is hereby understood and agreed that this policy only provides cover for **Loss** arising from **Claims** for **Wrongful Acts** occurring on or after February 11, 2009 and prior to the end of the **Policy Period** and otherwise covered by this policy.

All other terms and conditions remain unchanged.

Product Liability Exclusion

It is agreed that:

1. Section 8, Exclusions: Exclusions Applicable to All Insuring Contracts, shall be amended by adding the following:

based upon, arising from or in consequence of any actual or alleged:

- (i) failure of any **Product** to conform with advertised quality or performance or otherwise to satisfy any standard of quality or performance, including but not limited to a lack of efficacy or any defect, latent or otherwise, in any **Product**;
- (ii) warranty or representation made at any time with respect to the fitness, quality, durability or performance of any **Product**; or
- (iii) the withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of any **Product**..

2. Section 7. Definitions, is amended by adding the following:

Product means goods, materials, parts or equipment or other tangible property manufactured, sold, offered for sale, handled or distributed by an **Organization** or by any person trading under such **Organization's** name, including any container thereof.

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.

SEC Extension

It is agreed that Exclusion 8(e) of Section 8, Exclusions: Exclusions Applicable to All Insuring Contracts, is deleted in its entirety.

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.

Trade Mark & Patent Infringement Exclusion

It is agreed that Section 8, Exclusions: Exclusions Applicable to All Insuring Contracts, shall be amended by adding the following:

based upon, arising from, or in consequence of any assertion or infringement of any copyright, patent, service mark, trade name, design right or trade mark, whether registrable or not, or misappropriation of ideas or trade secrets, know-how, proprietary process, or any assertion or infringement of any intellectual property right.

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.

Sanction Limitation and Exclusion Clause

No insurer shall be deemed to provide cover and no insurer shall 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 that 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 United States of America.

Schedule Outside Entity Endorsement

It is agreed that (subject otherwise to all other terms, conditions, limits of liability and exclusions of the policy):

The following company is **Outside Entity** of the **Organization**:

[Insert entity name]

All the other terms and conditions remain unchanged.

Prosecution Costs Extension

It is agreed that:

1. Section 6. Extensions, is amended by adding the following:

Prosecution Costs Extension

This Policy covers, as **Loss, Prosecution Costs** arising from a **D&O Claim** first made or **Formal Investigation** first commenced during the **Policy Period** up to the sub-limit of US\$45,000,000. This sub-limit is part of, and not in addition to the Limits of Liability specified in the Schedule of this policy. No Deductible Amount applies to this extension

2. Section 7. Definitions, is amended by adding the following:

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

- (i) an order disqualifying an **Insured Person** from holding office or from managing an **Organization**;
- (ii) 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;
- (iii) an order of a court imposing a restriction of the Insured Person's liberty; or
- (iv) 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.

All other terms and conditions remain unchanged.

Deprivation of Asset Cover

It is agreed that (subject otherwise to all other terms, conditions, limits of liability and exclusions of the policy):

The policy is extended to include **Deprivation of Asset Expenses** arising from a **Claim** first made or a **Formal Investigation** first commenced during the **Policy Period**.

The sub-limit of liability under this Extension shall not exceed US\$100,000 for each **Insured Person**. **Insurer's** total aggregate liability for cover under this Extension shall not exceed US\$500,000, irrespective of the number of the **Claims** or **Formal Investigations** under this policy, the cover under which it is made, the amount claimed or the number of **Insured Person** who claim under this Extension. Deductible applies to this extension is Nil.

For the purpose of this Extension, **Deprivation of Asset Expenses** means the payment of the following services 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 asset of an **Insured Person** or creating a charge over real property or personal asset of the **Insured Person** during the **Policy Period**:

- (a) schooling;
- (b) housing;
- (c) utilities;
- (d) personal insurances.

Such expenses will only be payable provided that a personal allowance has been directed by the court to meet such payments and such personal allowance has been exhausted. Such expenses will be payable after thirty (30) days following the court direction for a period up to twelve (12) months.

All the other terms and conditions remain unchanged.

Amendment of Retired Directors or Officers Clause

It is noted and agreed that Section 6, Extensions: Retired Directors or Officers, is hereby deleted in its entirety and replaced with following:

Retired Directors or Officers

g. If this policy is terminated or not renewed by either the Company or the **Principal Organization** for any reason, other than non-payment of premium, and provided that no **Event** has occurred, **Retired Directors or Officers** shall have the right to an Extended Reporting Period of life-time within which to report any **D&O Claims** that are first made or **Formal Investigations** that are commenced during such life-time period but only to the extent such **Claims** are for **Wrongful Acts** occurring prior to and **Formal Investigations** into conduct prior to the effective date of termination or non-renewal.

All other terms and conditions remain unchanged.
