

Directors & Officers Management Liability

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A. THE COVER

SECTION 1 - INSURING CLAUSES

Subject to payment of the **Premium** and the provisions of this **Policy**, in reliance upon the statements made and information contained in the **Proposal Form** and the **Schedule**, all of which are part of, and shall form the basis of, this insurance, **Raheja QBE** agrees to:

1.1. Directors' and Officers' Liability

pay **Loss** arising out of a **Wrongful Act** based on events occurring after the Continuous Cover Date in relation to services performed as an **Insured Person** and in relation to which a Claim is made during the Period of Insurance which is not payable under Insuring Clause 1.2;

1.2. Company Reimbursement

pay **Loss** arising out of a **Wrongful Act** based on events occurring after the Continuous Cover Date in relation to services performed as an **Insured Person**, in relation to which a Claim is made during the Period of Insurance and in respect of which the **Company** has indemnified an **Insured Person**;

1.3. Entity Cover

pay **Loss** for which **Raheja QBE** has granted cover under Optional Extensions 3.5, 3.6 or 3.7 and which is not payable under either Insuring Clauses 1.1 or 1.2.

SECTION 2 - AUTOMATIC EXTENSIONS

PROVIDED ALWAYS THAT the **Limit of Liability** shall not be increased by the following Automatic Extensions to the cover this **Policy** provides:

2.1. Libel and Slander

Wrongful Act shall include libel or slander by reason of words written or spoken by an **Insured Person**.

2.2. Intellectual Property

Wrongful Act shall include unintentional infringement of copyright, trademarks, registered designs or patents, or any plagiarism, or breach of confidentiality by an **Insured Person**.

2.3. Employment Practices Liability

Wrongful Act shall include any **Employment Related Matter**.

2.4. Blanket Subsidiary Cover

Insured Person shall include a director, officer, secretary or employee of a **Subsidiary Company** but only in respect of a **Wrongful Act** they commit during the period such company remains a **Subsidiary Company**.

2.5. Official Investigations and Enquiries

Where **Raheja QBE** has expressly agreed in writing to provide cover under this **Policy** in respect of specific circumstances which may give rise to a **Claim, Defence Costs and Expenses** shall include all reasonable and necessary costs, charges, fees and expenses, including legal representation costs (other than salaries, commissions, expenses or other benefits of **Insured Persons**) incurred by an **Insured Person** in connection with their legally compellable attendance at any official investigation, examination or enquiry in relation to the affairs of the **Company** where such investigation, examination or enquiry may result in a **Claim**.

For the purposes of this Extension, an official investigation, examination or enquiry includes an investigation, examination or enquiry by way of an Official Commission or conducted by a regulatory authority such as a Monetary Authority or Securities Commission or equivalent, but does not include any investigation, examination or enquiry conducted by any other government body or any committee of a government or parliament.

2.6. Severability and Non-Imputation

Where an **Insured Person**:

- (a) fails to comply with their duty of disclosure; or
- (b) makes a misrepresentation to **Raheja QBE** before this contract of insurance was entered into; or
- (c) fails to comply with any terms or conditions of this **Policy**;

the cover this **Policy** provides for any other innocent **Insured Person** shall not be prejudiced PROVIDED ALWAYS THAT such other **Insured Person** shall:

- (d) satisfy Raheja QBE that he is entirely innocent of, and has had no prior knowledge of, any such conduct; and
- (e) upon becoming aware of any such conduct, have advised **Raheja QBE** in writing of all known facts in relation to such conduct immediately, and in any event, within [x] days.

2.7. Additional Notification Period

Any **Claim** first made during the **Period of Insurance** may be given by an **Insured Person** or the **Company** in accordance with the Claims Conditions and Notice Provisions in Section C of this **Policy** within forty-five (45) days of the expiry of the **Period of Insurance**.

2.8. Previous Securities Offerings

Wrongful Act shall include any misstatement, misleading statement, neglect, breach of duty or breach of trust in relation to any document, including any prospectus or information memorandum, issued by the **Company** in connection with a **Securities Offering** whose listing or placement date:

- (a) occurred more than twelve (12) months prior to inception of the **Policy**, or
- (b) occurred less than twelve (12) months prior to inception of the **Policy**, and which cumulatively represented less than twenty (20%) percent of the issued share capital of the **Company** immediately prior to the listing or placement.

2.9. Advance Payment of Defence Costs and Expenses

Subject to advance payments of **Defence Costs and Expenses** being repayable to **Raheja QBE** in the event and to the extent that it is determined that no entitlement to such advance payments exists under this **Policy**:

- (a) where **Raheja QBE** elects not to conduct, in the name of an **Insured Person**, the defence or settlement of any **Claim** in respect of which **Raheja QBE** has expressly granted cover under this **Policy, Defence Costs and Expenses** shall be advanced by **Raheja QBE** prior to the settlement or final determination of such **Claim**;
- (b) where **Raheja QBE** elects not to conduct, in the name of an **Insured Person**, the defence or settlement of any **Claim** in respect of which **Raheja QBE** has not granted cover under this **Policy, Raheja QBE** may, in its discretion (such discretion not to be unreasonably withheld) advance **Defence Costs and Expenses** prior to the settlement or final determination of such **Claim**.

SECTION 3 - OPTIONAL EXTENSIONS

PROVIDED ALWAYS THAT:

- (a) the **Limit of Liability** shall not be increased by any of the following Optional Extensions to the cover this **Policy** provides; and
- (b) no cover shall be available under any of the following Optional Extensions unless it is specified in the **Schedule**.

3.1. External Positions

Where this Extension has been granted **Insured Person** shall include a **Director or Officer** who, at the request and with the knowledge and consent of the **Company**, holds an **External Position** on an **External Entity or Association** listed in the **Schedule** PROVIDED ALWAYS THAT cover under this Extension shall:

- a) be limited to Insuring Clause 1.1 only; and
- b) not be available to a director, officer, or employee of an **External Entity or Association** who is not also and at the same time a **Director or Officer**; and
- c) be specifically excess of any other insurance excess of any other more specific insurance or indemnity (collectible or otherwise) to which an **Insured Person** may be entitled by reason of his holding an **External Position** on an **External Entity or Association**; and
- d) only apply in respect of a **Wrongful Act** committed during the Period of Insurance and when an **External Position** is held.

3.2. Pollution

Where this Extension has been granted and **Raheja QBE** has expressly agreed to provide cover under this **Policy**:

- a) **Defence Costs and Expenses** (but not **Loss**) shall include all reasonable and necessary costs, charges, fees and expenses, including legal representation costs (other than salaries, commissions, expenses or other benefits) incurred by an **Insured Person** in the defence of any **Claim** (including a derivative action brought by the shareholders of the **Company**) where **Pollution** is alleged or proven;
- b) it is agreed and understood that **Raheja QBE** shall have no other liability under this **Policy** for any **Claim** where **Pollution** is alleged or proven.

3.3. Prospectus Liability for Current or Future Offerings

Where this Extension has been granted:

- a) **Wrongful Act** shall include any misstatement, misleading statement, neglect, breach of duty or breach of trust in relation to any document, including any prospectus or information memorandum, issued by the **Company** in connection with a **Securities Offering** listed in the **Schedule**;
- b) Exclusion B.9 (Securities Offering) is deleted in respect of a **Securities Offering** listed in the **Schedule**.

3.4. Joint Venture Liability

Where this Extension has been granted **Loss** shall include the total amount an **Insured Person** becomes legally obligated to pay in respect of a **Claim** first made against them during the **Period of Insurance** and arising from a **Joint Venture** PROVIDED ALWAYS THAT cover under this Extension shall not apply to:

- a) any **Claim** brought by or on behalf of any individual or entity which participates with the **Company** in a **Joint Venture** and/or any entity established to conduct, control or manage a **Joint Venture**;
- b) The proportion of the **Loss** arising from a **Joint Venture** in respect of which an **Insured Person** becomes severally liable and which, by reference to the total amount of any damages, judgment, expenses or settlement awarded against an **Insured Person** and any other individual or entity arising from such **Joint Venture**, constitutes a greater proportion of such award than the ratio governing the **Company's** entitlement to a share of profits arising from such **Joint Venture**.

3.5. Entity Protection for Critical Occurrences

Where this Extension has been granted **Loss** shall include the cost of a public relations consultant nominated by Raheja QBE in response to a 15% or more reduction in the **Company's** publicly listed share price within a 24 hour period arising from a change in the **Company's**:

- (a) debt structure; and/or
- (b) previously published financial statements, future profit or earnings expectations.

PROVIDED ALWAYS THAT cover under this Extension shall not exceed INRxxxxxxx in any **Period of Insurance** and such costs are to be expended within 60 days of the occurrence of the change referred to in (a) or (b) of this Extension.

3.6. Entity Protection for Employment Related Matters

Where this Extension has been granted **Loss** shall include the total amount a **Company** becomes legally obligated to pay in respect of a Claim first made against it during the **Period of Insurance** and arising from an **Employment Related Matter** PROVIDED ALWAYS THAT cover under this Extension shall not apply to any **Claim** directly or indirectly based upon, attributable to, or in consequence of:

- (a) the modification of the **Company's** premises to comply with any legal obligation to accommodate or facilitate the access, use or enjoyment of such premises by disabled or physically impaired persons;
- (b) the breach of any express or implied obligations under applicable employment legislation or specific contract of employment in respect of owed or outstanding wages, bonus payments, retirement benefits, share schemes or other in-kind non-cash benefits as a result of redundancy, lay-off or termination of employment.

3.7. Entity Protection for Securities Claims

Where this Extension has been granted:

- a) **Loss** shall include the total amount a **Company** becomes legally obligated to pay in respect of a **Claim** first made against it during the **Period of Insurance** and arising in respect of publicly traded debt or securities issued by the **Company** PROVIDED ALWAYS THAT cover under this Extension shall not apply to any **Claim** directly or indirectly based upon, attributable to, or in consequence of any default on debt obligations, including breaches of covenant, unless occurring simultaneously with or after the appointment of liquidators, administrators or receivers to the **Company**.
- b) Automatic Extension 2.6 (Severability and Non-Imputation) shall not apply in respect of the cover provided by this Extension.
- c) Exclusion B.6 (b) (former **Directors or Officers**) shall not apply in respect of the cover this Extension provides.

SECTION 4 - EXTENDED REPORTING PERIOD

4.1. Extended Reporting Period for Insured Persons

If **Raheja QBE** refuses in writing to renew this **Policy** the **Insured Persons** shall have the right, subject to Clause 4.3, to effect an extension of the cover this **Policy** provides.

4.2. Extended Reporting Period for Retired Director or Officer

Where a **Director or Officer** has ceased to act as a **Director or Officer** solely by reason of having attained the **Company's** stipulated retirement age within the **Period of Insurance**, the **Director or**

Officer shall have the right, subject to Clause 4.3, to effect an extension of the cover this **Policy** provides.

4.3. Extended Reporting Period Conditions

PROVIDED ALWAYS THAT where Clause 4.1 or 4.2 applies:

- (a) Such coverage shall be limited to Insuring Clauses 1.1 and 1.2 only;
- (b) A **Claim** first made and given during the **Extended Period of Insurance** shall be deemed for the purposes of Insuring Clauses 1.1 and 1.2 to have been made during the **Period of Insurance**;
- (c) **Raheja QBE** shall have no liability for any **Claim** arising directly or indirectly out of a **Wrongful Act** committed or allegedly committed after the expiry of the **Period of Insurance**;
- (d) In respect of Clause 4.1, an offer by **Raheja QBE** of renewal terms which are different from those of the expiring policy shall not constitute a refusal to renew;
- (e) The right to effect an extension or, alternatively, any extension under this Section, of the cover this **Policy** provides, shall lapse automatically:
 - (i) If a written request for and respective additional premium, based on the expired policy, is not received by **Raheja QBE** within ten (10) days after the **Period of Insurance**:

Additional Premium

| | Extension Period: | |
|------------|-------------------|----------|
| | 180 days | 360 days |
| Clause 4.1 | 35% | 50% |
| Clause 4.2 | 17.5% | |

- (ii) upon a **Take-Over or Merger** of the **Company**;
- (iii) in the event that any other policy affording directors' and officers' liability or company reimbursement cover to the **Insured Persons** or the **Company** comes into existence.

B. EXCLUSIONS

Raheja QBE shall have no liability under this **Policy** in respect of any **Claim**:

1. Prior or Pending Litigation

- (a) made, threatened or intimated against an **Insured Person** or the **Company** prior to the commencement of the **Period of Insurance**;
- (b) directly or indirectly based upon, attributable to, or in consequence of any fact or circumstance:
 - (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
 - (ii) of which an **Insured Person** first became aware prior to the commencement of the **Period of Insurance** and which such **Insured Person** knew, or ought reasonably to have known, might give rise to a **Claim** under this **Policy**.

(c) directly or indirectly arising out of, or in any way involving any litigation, legal, administrative or regulatory proceedings against an **Insured Person** or the **Company** prior to or at the **Continuous Cover Date**.

2. Asbestos

directly or indirectly based upon, attributable to, or in consequence of the existence, mining, handling, processing, manufacture, sale, distribution, storage, advice or use of asbestos, asbestos products and/or products containing asbestos.

3. Bodily Injury

for actual or alleged bodily or psychological injury, sickness, disease or death of any person, PROVIDED ALWAYS THAT this Exclusion shall not apply to an **Employment Related Matter**.

4. Employee Benefit Trustees

directly or indirectly based upon, attributable to, or in consequence of any position held by an **Insured Person** as trustee or administrator of any superannuation, pension, 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**.

5. External Positions

where Optional Extension 3.1 (**External Positions**) has been granted:

- (a) brought or maintained by or on behalf of an **External Entity or Association**;
- (b) brought or maintained by or on behalf of any shareholders owning 15% or more of an **External Entity or Association's** issued shares;
- (c) directly or indirectly based upon, attributable to, or in consequence of any:
 - (i) **Securities Offering** by an **External Entity or Association**;
 - (ii) **Wrongful Act** committed or allegedly committed in the United States of America or the Dominion of Canada or their territories or protectorates.

6. Insured vs. Insured

made by or on behalf of the **Company** or by or on behalf of any **Insured Person** PROVIDED ALWAYS THAT this Exclusion shall not apply to:

- (a) any **Claim** brought by or at the direction of any liquidator, provisional liquidator, administrator or receiver of the **Company**;
- (b) any **Claim** made by a former **Director or Officer**;
- (c) any claim for indemnity in respect of a **Claim** made by an independent third party without the procurement or instigation of any **Insured Person** or agent of the **Company**;
- (d) an **Insured Person** in respect of an **Employment Related Matter**;
- (e) a derivative action by the **Company's** shareholders.

7. Professional Services

for any actual or alleged breach of any professional services by any **Insured Person** arising directly or indirectly from or in consequence of the provision, rendering or failure to render any professional service and/or professional advice, including any breach or alleged breach of any contract for the provision of such service or advice .

8. Property Damage

for any actual or alleged damage to or destruction of any tangible property, including loss of use thereof whether or not physically damaged or destroyed.

9. Securities Offering

directly or indirectly based upon, attributable to, or in consequence of any **Securities Offering** during the **Period of Insurance**.

10. Actions by Substantial Shareholders

made by or on behalf of any shareholder whose direct or indirect entitlement to voting shares in the **Company**, at the time of the **Wrongful Act**, equals or exceeds the percentage specified in the Major Shareholder Exclusion stated in the **Schedule**.

For the purpose of this Exclusion, shareholder shall mean any natural person, body corporate or other entity who has any direct or indirect, legal or beneficial interest in shares of the **Company**, whether held individually or jointly. Beneficial interest shall include any interest as a potential beneficiary under any discretionary or family trust arrangement.

11. Terrorism

directly or indirectly based upon, attributable to, or in consequence of any loss, damage, death, injury, illness, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any:

- (a) act of **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (b) action taken in controlling, preventing, suppressing or in any way relating to any act of **Terrorism**.

12. Unscrupulous Behaviour

Where established through a legally binding decision or any admission by an **Insured Person** or the **Company** that such conduct did occur, **Raheja QBE** shall not be liable for any **Claim**, directly or indirectly based upon, attributable to, or in consequence of:

- (a) any dishonest, fraudulent, criminal or malicious act or omission;
- (b) any act or omission committed with a reckless disregard for the consequences thereof;
- (c) any wilful violation or wilful breach of any statute or regulation, or any wilful breach of any contract, by an **Insured Person** or the **Company**;

- (d) any profit, remuneration or advantage to which an **Insured Person** or the **Company** is not entitled;
- (e) payments, commissions, gratuities, benefits or any other favours to or for the benefit of any full or part-time domestic or foreign governmental or armed forces officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated;
- (f) payments, commissions, gratuities, benefits or any other favours to or for the benefit of any full or part time officials, directors, agents, partners, representatives, principal shareholders or owners or employees or affiliates of any customers of the Company or any members of their family or any entity which they are affiliated;

13. War

Directly or indirectly based upon, attributable to, or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition of or damage to property by or under the order of any government or public local authority.

C. CLAIMS CONDITIONS AND NOTICE PROVISIONS

1. When to Notify

(a) It shall be a condition precedent to **Raheja QBE's** obligations under this **Policy** that written notice of any **Claim** or any circumstance which might reasonably be expected to give rise to a **Claim** shall be given immediately and in any event within [x] days

If an **Insured Person** or the **Company** becomes aware of any circumstances which might reasonably be expected to give rise to a **Claim** and notifies **Raheja QBE** of those circumstances in writing during the **Period of Insurance** or (if applicable) during the **Extended Period of Insurance**, any **Claim** subsequently made which arises from those circumstances shall be deemed to have been given during the **Period of Insurance**.

2. Who to Notify

Notice of any **Claim** or circumstances which might reasonably be expected to give rise to a **Claim** shall be delivered to:

Claims Manager
Raheja QBE General Insurance Company Ltd.
Windsor House, 5th floor,
CST Road, Kalina,
Santacruz (East) Mumbai – 400 098

3. What to Notify

Notice of any **Claim** or circumstances which might reasonably be expected to give rise to a **Claim** shall include the reasons for the anticipation of a **Claim**, with full particulars as to the circumstances, dates and persons involved.

4. Admissions and Settlement

(a) It shall be a condition precedent to **Raheja QBE's** obligations under this **Policy** that neither an **Insured Person** nor the **Company** shall admit liability, or attempt to settle or make any admission with respect to any **Claim** without **Raheja QBE's** prior written consent, such consent not to be unreasonably withheld.

(b) It is hereby agreed and understood that if the Insured Person or the Company does not consent to a settlement or compromise recommended by Raheja QBE which is acceptable to the claimant and chooses to contest the Claim, Raheja QBE's liability should exceed the amount for which the Claim could have been settled and the Defence Costs and Expenses up to the date of the proposed settlement subject to the Limit of Liability.

5. Incurring Defence Costs

Raheja QBE shall only be liable to pay **Defence Costs and Expenses** to which it has given its prior written consent, such consent not to be unreasonably withheld.

6. Appointment of Lawyers

Raheja QBE may appoint lawyers to represent the **Insured Person** in defending any **Claim** or may, in **Raheja QBE's** sole and absolute discretion, agree to the appointment of lawyers chosen by the **Company** or the **Insured Person**. Where the same or a similar **Claim** is made against more than one **Insured Person**, or against the **Company** and any **Insured Person**, the same lawyers may, in **Raheja QBE's** sole and absolute discretion, be appointed to defend all of them unless **Raheja QBE** is satisfied there is a conflict of interest between the **Company** and/or any **Insured Person**.

7. Conduct of Defence

Raheja QBE shall be entitled at any time to conduct, in the name of the **Insured Person** or the **Company**, the defence or settlement of any **Claim** and to represent such **Insured Person** or the **Company** in respect of that **Claim**. Any amount incurred by **Raheja QBE** on behalf of an **Insured Person** shall be part of the **Loss** and shall erode the **Limit of Liability**.

8. Priority to Insured Persons

Loss covered under Insuring Clause 1.1 (Directors' and Officers' Liability) shall be paid before any **Loss** which may be covered under Insuring Clause 1.2 (Company Reimbursement) and/or Insuring Clause 1.3 (Entity Cover).

9. Claims Mitigation

Each **Insured Person** and/or the **Company** shall at their own cost exercise due diligence to ensure that all reasonable and practicable steps are taken to avoid or diminish any liability which may give rise to or has given rise to a **Claim**. In any event no action shall be taken by **Insured Person** or the **Company** which might prejudice **Raheja QBE**.

10. Information and Assistance

Each **Insured Person** and/or the **Company** shall disclose to QBE all relevant information and, in addition, shall provide assistance to **Raheja QBE** to enable **Raheja QBE** or its agents to investigate and/or defend any **Claim** under this **Policy** (including without limitation by way of compliance with any protocol or other procedural requirements which may be relevant to the jurisdiction in which the **Claim** is brought) and/or to enable **Raheja QBE** to determine any liability it may have under this **Policy**.

11. Legal Opinion

(a) **Raheja QBE** shall not require the **Insured Persons** or the **Company** to contest any **Claim** unless a Legal Counsel (to be nominated by **Raheja QBE**) shall advise that such **Claim** should be contested.

(b) In formulating such advice, the Legal Counsel shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff and the likely Defence Costs and Expenses and the prospects of the Insured Person successfully defending the Claim..

(c) The costs of such Legal Counsel's opinion shall be regarded as part of **Defence Costs and Expenses**.

(d) It is hereby agreed and understood that (i) this is not an arbitration clause; (ii) that the Legal Counsel will act as an expert, not an arbitrator, and (iii) the Legal Counsel's advice shall not be or be deemed to be an arbitration award.

12. Subrogation

In the event of any payment under this **Policy**, **Raheja QBE** shall be subrogated to the extent of such payment to all the rights of an **Insured Person** and/or the **Company**. Each **Insured Person** and/or the **Company** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of documents necessary to enable **Raheja QBE** effectively to bring proceedings in the name of an **Insured Person** and/or the **Company**.

13. Allocation

If an **Insured Person** and/or the **Company** incurs **Loss** covered by this **Policy** together with other loss which is not covered by this **Policy** or a **Claim** is made against both an **Insured Person** and/or the **Company** and others then **Defence Costs and Expenses** shall be allocated in accordance with the following 'Fair and Reasonable Allocation' method as specified below.

Method 1: C.13(a) 'Fair and Reasonable Allocation'

Raheja QBE shall pay such amount as it believes to be just and equitable having regard to the relative legal and financial exposures of the **Loss** covered by this **Policy** compared to other loss which is not covered by this **Policy**. Each **Insured Person** (or where Insuring Clauses 1.2 or 1.3 apply, the **Company**) and **Raheja QBE** shall use their best efforts to agree this amount. In default

of agreement, the amount shall be determined by a -Legal Counsel (to be nominated by Raheja QBE) who shall determine the allocation according to his view of what is just and equitable and his determination shall be binding until any negotiated, arbitrated or judicially determined allocation of **Defence Costs and Expenses** to a **Claim** is available and the same shall then be applied retrospectively to all **Defence Costs and Expenses** incurred in relation to such **Claim**.

It is hereby agreed and understood that (i) this is not an arbitration clause; (ii) that the Legal Counsel will act as an expert, not an arbitrator, and (iii) the Legal Counsel's advice shall not be or be deemed to be an arbitration award.

D. GENERAL CONDITIONS

1. Limit of Liability

Raheja QBE's total liability under this **Policy** for **Loss** in respect of any one **Claim** and in the aggregate in respect of all **Claims** against all **Insured Persons** and/or the **Company** shall not exceed the **Limit of Liability** as specified in the **Schedule**.

2. Multiple Claims

All causally connected or interrelated **Wrongful Acts** shall jointly constitute a single **Wrongful Act** under this **Policy**.

Where a single **Wrongful Act** gives rise to more than one **Claim**, all such **Claims** shall jointly constitute one **Claim** under this **Policy**, and only one **Retention** shall be applicable in respect of such **Claim**.

3. Retention

Raheja QBE shall only pay in excess of the amount stated as the **Retention** in the **Schedule**, which amount applies to each and every **Claim**.

4. Other Insurance

This **Policy** (including any extension under 4.1 or 4.2) shall apply in excess of any other valid and collectible insurance.

5. Worldwide Territorial Cover

The cover this **Policy** provides shall extend to a **Wrongful Act** committed anywhere in the world.

6. Jurisdictional Cover

The cover this **Policy** provides shall extend to any **Claim** made anywhere in the world but shall not include:

- (a) any **Claim** made in, or determined pursuant to the law of the United States of America or the Dominion of Canada or their territories or protectorates; or
- (b) any **Claim** arising out of the enforcement of judgments, orders or awards obtained within, or determined pursuant to the law of, the United States of America or the Dominion of Canada or their territories or protectorates.

7. Take-Over or Merger

In the event of a **Take-over or Merger**, this **Policy** shall apply only to **Wrongful Acts** committed prior to the date of such **Take-over or Merger** unless otherwise agreed by **Raheja QBE**.

8. Liquidation or Receivership

In the event of the winding up of the **Company** or the appointment of a receiver, administrative receiver, liquidator or administrator to the **Company**, this **Policy** shall apply only to **Wrongful Acts** committed prior to the date of commencement of the winding up or the date of such appointment.

9. New Subsidiaries

Where the **Company** acquires or creates a new **Subsidiary Company** whose assets or revenue exceed 10% of the assets or revenue declared in the financial statements accompanying the **Proposal Form**, it shall be a condition precedent to **Raheja QBE's** obligations under Extension 2.4 (Blanket Subsidiary Cover) that notification of such acquisition or creation shall be given in writing to **Raheja QBE** within 14 days of the acquisition or creation and **Raheja QBE**, at its absolute discretion, may charge an additional premium or modify terms of coverage.

10. Authorisation

Notice given by or to one **Insured Person** shall constitute notice by or to all **Insured Persons**. Notice given by or to the **Company** shall constitute notice by or to all **Insured Persons**.

11. Raheja QBE's Rights

In the event of **Raheja QBE** being entitled to avoid this **Policy** ab initio, **Raheja QBE** may at its sole and absolute discretion elect to give notice in writing to the **Insured Persons** and the **Company** that it regards this **Policy** as of full force and effect save that there shall be excluded from the cover this **Policy** provides any **Loss** which has arisen or which may arise and which is related to the circumstances which entitle **Raheja QBE** to avoid this **Policy**. This **Policy** shall then continue in full force and effect but shall be deemed to exclude the particular **Loss** referred to in the said notice (as if the same had been specifically endorsed ab initio).

12. Fraudulent Claims

If an **Insured Person** or the **Company** shall make or permit to be made any request for payment in respect of any **Loss** knowing the same to be false or fraudulent, as regards amount or otherwise, this **Policy** shall become void and all entitlements to payment in respect of any **Loss** shall be forfeited.

13. Policy Construction

The construction, interpretation and meaning of the provisions of this **Policy** shall be determined in accordance with the laws of India and any dispute relating thereto shall be submitted to the exclusive jurisdiction of the courts of Mumbai, India.

The titles of paragraphs in this **Policy** are included for descriptive purposes only and do not form part of this **Policy** for the purpose of its construction or interpretation.

Under this **Policy**, the masculine includes the feminine and the singular includes the plural and vice versa.

14. Cancellation

This insurance is cancellable by the **Company** upon, and subsequent to, receipt by **Raheja QBE** of written instructions for such cancellation. A pro-rata refund of unexpired **Premium** shall apply unless a **Claim** has been given and/or the **Policy** is cancelled within the first three (3) months of the **Period of Insurance**, in which case, the **Raheja QBE** short-period rate as mentioned below shall apply.

| Period | Rate |
|----------------------------------|------------------------|
| Upto 1 month | 25% of annual premium |
| Above 1 month and upto 3 months | 50% of annual premium |
| Above 3 months and upto 6 months | 75% of annual premium |
| Above 6 months | 100% of annual premium |

15. Arbitration

If any dispute or difference shall arise as to the quantum to be paid under this **Policy** (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties thereto or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no dispute or difference shall be referable to arbitration as herein before provided, if **Raheja QBE** has disputed or not accepted liability under or in respect of this **Policy**.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this **Policy** that the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.

16. Waiver or Amendment

The terms of this **Policy** shall not be waived or changed except by endorsement issued by **Raheja QBE** and intended to form part of this **Policy**.

E. DEFINITIONS

The following words shall have the same meaning throughout this **Policy**, whether expressed in the singular or in the plural.

1. Associated Company

“**Associated Company**” shall mean an entity of which the **Company** owns between 20% to 50% of the issued and outstanding voting shares either directly or indirectly through a **Subsidiary Company**.

2. Claim

“**Claim**” shall mean:

- a) any legal or administrative or regulatory proceeding received by any **Insured Person** or the **Company** alleging the commission by an **Insured Person** of a specified **Wrongful Act**; or
- b) any written or verbal communication received by an **Insured Person** or the **Company** alleging the commission by an **Insured Person** of a specified **Wrongful Act**; or
- c) any criminal proceeding commenced by summons or charge received by an **Insured Person** or the **Company** alleging the commission by an **Insured Person** of a specified **Wrongful Act**.

3. Company

“**Company**” shall mean the Company stated in the **Schedule** and shall include any **Subsidiary Company**.

4. Continuous Cover Date

“**Continuous Cover Date**” shall mean the date stated in the **Schedule**.

5. Defence Costs and Expenses

“**Defence Costs and Expenses**” shall mean all reasonable and necessary costs, charges, fees and expenses, including legal representation costs (other than salaries, commissions, expenses or other benefits of **Insured Persons**) which are incurred by an **Insured Person**:

- (a) in the defence of any **Claim**;
- (b) in the negotiation of any settlement of any **Claim**;
- (c) in the attendance, as part of any **Claim**, at a regulatory or other official investigation, examination or enquiry.

Defence Costs and Expenses also includes the costs of obtaining the opinion of a Legal Counsel appointed in accordance with the terms of this Policy.

6. Director or Officer

“**Director or Officer**” shall mean any natural person who is a director or officer of the **Company**.

7. Employment Related Matter

“**Employment Related Matter**” shall mean the commission by an **Insured Person** of any of the following: actual or alleged wrongful or unfair dismissal; defamation in relation to wrongful or unfair dismissal; sexual harassment; discrimination; erosion of status protected under applicable law; denial of natural justice; misleading representations or misleading advertising involving employment with the **Company**.

8. Extended Period of Insurance

“**Extended Period of Insurance**” shall mean an extension of the **Period of Insurance** by the number of days specified in the **Schedule**.

9. External Entity

“**External Entity**” shall mean any entity which is not either the **Company** or a **Subsidiary Company** and in which a **Director or Officer** holds an **External Position**.

10. External Entity or Association

“**External Entity or Association**” shall mean any **External Entity, Associated Company** or **Non-Profit Association** which is not a **Subsidiary**, and in which an **External Position** is held, at the request of and to represent the interests of, the **Company**.

11. External Position

“**External Position**” shall mean the position of director or officer of an **External Entity or Association** to which a **Director or Officer** is appointed to represent the interests of the **Company** at the specific request of the **Company**.

12. Insured Person

“**Insured Person**” shall mean:

- (a) any past, present or future **Director or Officer**, secretary or employee of the **Company** or any natural person who by virtue of any applicable legislation or law is deemed to be a **Director or Officer**;
- (b) in the event of the death, incompetence or bankruptcy of a **Director or Officer**, his estate, heirs, legal representatives or assigns, but only for **Loss** incurred by such **Director or Officer** in his capacity as a **Director or Officer**;
- (c) the lawful spouse of any **Director or Officer** provided that the **Claim** is to enforce a judgment against that **Director or Officer** for **Loss** incurred in their capacity as such.

13. Joint Venture

“**Joint Venture**” shall mean any enterprise undertaken jointly by the **Company** with one or more third parties.

14. Limit of Liability

“**Limit of Liability**” shall mean **Raheja QBE’s** aggregate liability for all **Loss** covered by this **Policy**, irrespective of the number of **Insured Persons** entitled to indemnity and shall not exceed the amount stated in the **Schedule**.

15. Loss

“**Loss**” shall mean the total amount an **Insured Person** becomes legally obligated to pay for a **Wrongful Act** in respect of a **Claim** first made against them during the **Period of Insurance**. **Loss** shall include:

- (a) damages, judgments and expenses;
- (b) **settlements** compromising actual or anticipated legal proceedings made with **Raheja QBE’s** prior written consent (such consent not to be unreasonably withheld) or in accordance with the allocation provisions;
- (c) **Defence Costs and Expenses** incurred with **Raheja QBE’s** prior written consent or in accordance with the allocation provisions of this **Policy**;
- (d) the costs of **appointing** legal expertise

Loss shall not include punitive, aggravated, multiple or exemplary damages, or fines or penalties imposed by law, including but not limited to, civil penalties, or any matter uninsurable by law.

16. Non-Profit Association

“**Non-profit Association**” shall mean a non-profit association formed to further the interests of its members and where the association retains any surplus funds and no dividend is paid to members.

17. Period of Insurance

“**Period of Insurance**” shall mean the period stated in the **Schedule**.

18. Policy

“**Policy**” shall mean:

- a) the **Schedule**, Insuring Clauses, Extensions, Exclusions, Conditions, Definitions and other terms contained herein; and
- b) any endorsement attaching to and forming part of this **Policy** either at inception or during the **Period of Insurance**; and
- c) the **Proposal Form**.

19. Pollution

“**Pollution**” shall mean the discharge, dispersal, release or escape of any pollutants including any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals, radioactive and/or nuclear material or waste materials (including but not limited to any materials to be recycled, reconditioned or reclaimed).

20. Premium

“**Premium**” shall mean the premium specified in the **Schedule** or in any endorsement to the **Schedule**.

21. Proposal Form

“**Proposal Form**” shall mean the information provided by **Insured Person** and/or the **Company** prior to the inception of this **Policy** and shall include the written proposal and any attachments to it.

22. Raheja QBE

“**Raheja QBE**” shall mean Raheja QBE General Insurance Company Limited.

23. Retention

“**Retention**” shall mean the retention amount stated in the **Schedule**.

24. Schedule

“**Schedule**” shall mean the schedule attached to this **Policy** and any amendment to it authorised by **Raheja QBE**.

25. Securities Offering

“**Securities Offering**” shall mean the offer for subscription or purchase of any of the **Company’s** own securities (including but not limited to any bond, stock, note, debenture, share or other equity or debt security).

26. Subsidiary Company

“**Subsidiary Company**” shall mean:

- a) any company in respect of which the **Company** (either directly or indirectly through a **Subsidiary Company**) (i) controls the composition of the board of directors; or (ii) controls more than half the voting power; or (iii) holds more than half of the issued share capital;
- b) any other company that **Raheja QBE** have given prior written consent to its inclusion as a **Subsidiary Company** under this **Policy**.

27. Take-Over or Merger

“**Take-over or Merger**” shall mean any sale of the **Company** or its merger with or acquisition by another entity such that the **Company** is not the surviving entity and no longer:

- a) controls the composition of the board of directors; or
- b) controls more than half the voting power; or
- c) holds more than half of the issued share capital;

PROVIDED ALWAYS THAT this Definition shall not apply to any sale of shares in the **Company** which solely alters the status of the **Company** from that of a private company to that of a public company or vice versa.

28. Terrorism

“**Terrorism**” shall mean any act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

29. Wrongful Act

“**Wrongful Act**” shall mean any actual or alleged wrongful act or omission including any misstatement, misrepresentation, breach of trust, breach of duty or breach of warranty or authority committed by an **Insured Person** solely in his capacity as an **Insured Person**.