

ILA Director's Guard

THE INSURER

AIG Europe Limited. Registered in England. Company number: 01486260. Registered Office: The AIG Building, 58 Fenchurch Street, London EC3M 4AB, United Kingdom. AIG Europe Limited is an insurer authorised by the UK Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA, United Kingdom. Belgian branch office located at Pleinlaan 11, 1050 Brussels, Belgium. RPM/RPR Brussels - VAT BE 0847.622.919. The Belgian branch of AIG Europe Limited is registered with the Belgian National Bank (NBB) n° 1136. The NBB is located at de Berlaimontlaan 14, 1000 Brussels.

For any information concerning the solvability and the financial situation of the insurer, please visit our website: <http://www.aig.be/about-us>

THE BROKER

Willis Towers Watson Luxembourg SA. Registered in Luxembourg, Company number: B24558.

Registered Office 145 rue du Kiem, L-8030 STRASSEN (G-D de LUXEMBOURG). Willis Towers Watson Luxembourg is an insurance broker authorised by the Commissariat aux assurances, 7 boulevard Joseph II, L-1840 Luxembourg, under the number 2001CM008.

INSURANCE COVERAGE

The policy will cover **damages** and **defence** costs incurred by the **Director**, his/her spouse or heirs, following a **claim** made for a **Management Error** during the **policy Period**

WHICH DIRECTORSHIP COULD BE COVERED?

The directorships declared to the broker (not necessarily all the mandates) and held in companies located in the European Economic Area (EEA) exclusively. It can include mandates in any Funds, Commercial companies, stock listed companies, Financial Institutions. Any directorship you want to cover has to be declared.

Of course, tailored made solutions are possible, either for directorship out of EEA or for specific insured limits, feel free to contact us.

This document only contains an overview of the most important coverages and exclusions. Only the general and specific conditions ("Insurance Policy") provide an accurate, binding, description of the covers and exclusions. It is necessary to fully analyse the Insurance Policy, as well as all other relevant documents with contractual and pre-contractual information before any decision to buy, underwrite, adhere to, accept, sign or conclude an insurance agreement.
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HOW DOES IT WORK?

You declare in the proposal form the directorships you want to cover which will be the basis of the risk's assessment. At renewal date, you send an update of the existing mandates to be covered. During the policy period, any new position will be automatically covered during 30 days, but, in order to get them covered after that 30 days grace period, you must, as a mandatory requirement, declare them by email to the broker at the following address: wtw-lu.gslux@willistowerswatson.com.

It offers certainty of inclusion of mandates under the policy and flexibility in the choice of mandates to be covered.

GEOGRAPHICAL SCOPE

Worldwide, including claims brought into USA or Canada Jurisdictions.

DEDUCTIBLE

No deductible; claims paid as of the first Euro.

WHO CAN TAKE THIS INSURANCE?

Any ILA Member.

ILA certified Directors will take advantage of a 10 % rebate on that already competitive premium.

WHY IS IT SUITABLE FOR DIRECTORS IN LUXEMBOURG?

- You decide if you want to use that policy or any other existing policy (ex: Company policy); there is no requirement to come in excess of any other policy. If you decide, the policy can be triggered from the first Euro
- It offers certainty of inclusion of mandates under the policy and flexibility in the choice of mandates to be covered
- No professional liability exclusion. This is important for the financial institutions and the funds' industry; otherwise any prospectus related claims against directors could be denied
- Subject to insurance contract law, court and jurisdiction of Luxembourg
- All mandates in EEA can be covered, no restriction
- Claims in USA/Canada jurisdiction covered
- No deductible, even in USA/Canada
- Defence costs are advanced.
- Standardized program, but tailored made solutions possible

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WHY AIG?

AIG is a leading worldwide insurer, specialized in Directors' and Officer's liability coverage. AIG has a long term relationship with ILA and provides for years a free coverage to any ILA member (<http://ila.lu/cgi?lg=en&pag=2601&rec=0&frm=0&par=aybabbtu>).

The proposed policy comes in addition to that already provided solution.

AIG is also the partner of ecoDa, the European Association of Director's association. In order to promote corporate governance. AIG conducts survey on D&O's liabilities and provide information, together with ecoDa, to the Directors' community in Europe (<http://ecoda.org/news-details/article/report-on-european-directors-duties-and-liabilities-published-by-ecoda-and-aig/>).

WHY WILLIS TOWERS WATSON Luxembourg?

Pioneering insurance brokerage in the Grand-Duchy of Luxembourg since 1986, leader of the market, Willis Towers Watson Luxembourg, a WTW company, focused its expertise in the financial lines sector and works with the clients to design and implement lasting solutions that turn risk into a path to growth.

Benefiting both from our London market's expertise and our local establishment we worked closely with AIG to deliver a bespoke directors and officers' coverage for independent director.

Willis Towers Watson Luxembourg will be able to offer additional tailor-made solutions for higher limits and/or non EEA mandates.

MAIN DEFINITIONS:

- **Management Error:** Any actual or alleged breach of duty, breach of trust, negligence, error, misstatement, misleading statement, defamatory statement, omission, **employment practice error** or other act by a **director**, in his/her capacity as **director of the company** or any matter claimed against an Insured solely because of such enumerated capacity.

- **Damage** The damages and legal expenses **you** are legally required to pay to a third party due to a covered **claim** and pursuant to a judgement or a settlement negotiated and concluded with **our** prior written consent. **Damages** do not include fines or penalties.

- **Defence Costs:** Reasonable and necessary fees and expenses which **you** incur with **our** prior written consent in the investigation, defence and/or settlement of a **claim** against **you**. **Defence Costs** do not include any remuneration or other overhead costs of **you**, the **company**, as well as **inquiry costs**.

- **Director:** the natural person, domicile in the EU, acting as a director or member of the management committee, or Conducting Officer in the **company** and who is legally appointed or elected in accordance with Luxembourg or foreign law or the bylaws of said **company**.

- **Claim:** Any written demand by anyone other than the **Company**, or any **subsidiary** or another **insured** which seeks from **you** monetary relief or any other legal remedy; Any civil, criminal, administrative, regulatory or arbitral proceeding seeking to hold **you** legally responsible; With respect to Cover 1.4 only, any written notice legally requiring you to attend an **inquiry**; and With respect to Cover 1.6. only: an official notice in writing from the responsible governmental authority advising of a request for extradition being made against you; or the execution of a warrant for arrest being made against you, whichever is the earlier.

MAIN EXCLUSIONS:

- **INTENTIONAL ACT:** ARISING OUT OF, BASED UPON OR ATTRIBUTABLE TO ANY PROFIT OR ADVANTAGE TO WHICH AN **INSURED** WAS NOT LEGALLY ENTITLED; OR ANY INTENTIONALLY CRIMINAL, FRAUDULENT, WILFUL OR MALICIOUS ACT, ERROR OR OMISSION, OR ANY INTENTIONAL OR KNOWING VIOLATION OF LAW, BY AN **INSURED**;

BUT ONLY IF (A) OR (B) IS ESTABLISHED BY A JUDGEMENT, BY OTHER FINAL ADJUDICATION OR ARBITRATION ADVERSE TO THE **INSURED**, OR BY ORAL OR WRITTEN ADMISSION OF THE **INSURED**;

- **PRIOR KNOWLEDGE AND PRIOR PENDING LITIGATION:** ALLEGING, ARISING OUT OF, BASED UPON OR ATTRIBUTABLE TO ANY ACTUAL OR ALLEGED FACT OR CIRCUMSTANCE THAT, PRIOR TO THE INCEPTION DATE OF THE POLICY OR THE DECLARATION OF A POSITION OF **DIRECTOR**, MAY REASONABLY HAVE BEEN EXPECTED BY AN **INSURED** TO GIVE RISE TO A **CLAIM**; OR ANY LITIGATION OR **CLAIM** COMMENCED OR MADE PRIOR TO, OR PENDING AT, THE INCEPTION OF THIS POLICY, OR PRIOR TO THE DECLARATION OF A POSITION OF **DIRECTOR** OR DERIVED FROM THE SAME OR ESSENTIALLY THE SAME FACTS AS ALLEGED IN SUCH PRIOR OR PENDING LITIGATION OR **CLAIM**;

- **BODILY INJURY & PROPERTY DAMAGES:** FOR BODILY INJURY, SICKNESS, DISEASE, DEATH, OR EMOTIONAL DISTRESS (OTHER THAN FOR **EMPLOYMENT PRACTICE ERRORS**); OR DAMAGE TO, DESTRUCTION OF, OR LOSS OF USE OF ANY TANGIBLE PROPERTY. THIS EXCLUSION SHALL NOT APPLY TO (SUBJECT TO A SUBLIMIT OF 5.000.000 EUR IF THE LIMIT OF LIABILITY EXCEEDS 5.000.000 EUR):

(I) **DEFENCE COSTS** OF ANY **INSURED** INCLUDING WITH RESPECT TO ANY **CLAIM** BROUGHT AGAINST AN **INSURED**: (A) FOR ANY ALLEGED BREACH OF OCCUPATIONAL HEALTH AND SAFETY LAW; OR (B) FOR A GROSS BREACH OF DUTY OF CARE CAUSING THE DEATH OF ANOTHER PERSON;

(II) **LOSS** WHERE AND TO THE EXTENT PERSONAL LIABILITY IS ESTABLISHED BY FINAL, NON-APPEALABLE ADJUDICATION AGAINST AN **INSURED** BUT ONLY IN CIRCUMSTANCES WHERE THE **COMPANY** HAS NEITHER INDEMNIFIED NOR IS PERMITTED OR REQUIRED TO INDEMNIFY THE **INSURED** PURSUANT TO LAW OR CONTRACT OR THE CHARTER,

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BYLAWS, OPERATING AGREEMENT OR SIMILAR DOCUMENTS OF THE COMPANY;

- **FOR US CLAIMS, CLAIMS** BROUGHT BY OR ON BEHALF OF ANY DIRECTORS OR OFFICERS OR THE **COMPANY**. THIS EXCLUSION SHALL NOT APPLY TO: **CLAIMS** OTHER THAN **U.S. CLAIMS**; **DEFENCE COSTS** OF ANY **INSURED** UNLESS THE **CLAIM** IS PROVEN TO BE A **CONSENSUAL CLAIM** BY ADJUDICATION OF A JUDICIAL OR ARBITRAL TRIBUNAL, BY A REGULATOR, OR ORAL OR WRITTEN ADMISSION OF THE **INSURED**; **CLAIMS** RELATED TO AN **EMPLOYMENT PRACTICE ERROR**; ANY SHAREHOLDER DERIVATIVE ACTION BROUGHT OR MAINTAINED ON BEHALF OF THE **COMPANY** WITHOUT THE ASSISTANCE, INTERVENTION, SOLICITATION OR ACTIVE PARTICIPATION OF ANY **INSURED** OR THE **COMPANY**; **CLAIMS** BROUGHT OR MAINTAINED BY AN **INSURED** FOR CONTRIBUTION OR INDEMNITY, IF THE **CLAIM** DIRECTLY RESULTS FROM ANOTHER **CLAIM** OTHERWISE COVERED UNDER THIS POLICY; **CLAIM** BROUGHT OR MAINTAINED BY ANY **INSURED** WHO HAS ENDED ITS OPERATIONS WITH THE **COMPANY**; OR **CLAIMS** BROUGHT OR MAINTAINED BY AN INSOLVENCY ADMINISTRATOR, RECEIVER, TRUSTEE OR LIQUIDATOR OF ANY **COMPANY** EITHER DIRECTLY OR DERIVATIVELY ON BEHALF OF A **COMPANY**.

- **INTERNATIONAL SANCTIONS** (EU, USA, UN, LUXEMBOURG, ...)

COVERAGE ENHANCEMENTS

- **Defence costs are advanced**, except if an intentional act of our insured is established
- **Free choice of the lawyer**
- **Spouse, civil partners, heirs coverage**
- **Vicarious Liability**
- **Reputational Recovery costs**
- **Inquiry Costs**
- **Extradition costs,**
- **Mitigation costs,**
- **Cost of constitution of bail and civil bonds,**
- **Prosecution costs,**
- **Regulatory crisis response costs,**
- **Automatic 60 months Extended Reporting Period**, unless the policy is replaced by a new one
- **Severability of Exclusions**
- **No Professional Liability exclusion!**
- **No Pollution exclusion**
- **Last resort Property Damage and Bodily Injury coverage**
- **USA & Canada jurisdiction coverage**
- **10% discount for ILA certified directors**
- **possibility of bespoke solution for higher limits, non EEA mandates, or for corporation as policyholder**
- **First line solution**
- **Luxembourg law and Luxembourg Jurisdiction are applicable**

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COMPLAINTS

The Insurer strives to treat you in a courteous, fair and prompt manner. If despite the efforts of the insurer, you are not satisfied, you can address a complaint:

- By e-mail: belgium.complaints@aig.com
- By phone: 02 739 9690
- By fax: 02 739 9393
- By ordinary mail: AIG Europe Limited, Complaints, Pleinlaan 11, 1050 Brussels

The Insurer requests you to mention the policy number and/or claims file number and, if available, the name of the contact person with the Insurer.

GOVERNING LAW AND JURISDICTION

This policy shall be governed and construed by the Luxembourg law. The Luxembourg courts shall have exclusive jurisdiction for any dispute in relation to the execution or the interpretation of this policy.

DURATION AND CANCELLATION

This policy is valid for the policy period stated in the Schedule or the latest issued endorsement and shall, at the end of such policy period and each subsequent policy period, be renewed for a new policy period of 12 months.

The Policyholder however has the right to cancel the Policy each year when the annual premium is due or at the annual anniversary of the Policy (hereafter renewal date) by registered letter, bailiff service or delivery of a cancellation letter against receipt at least 30 days before the renewal date by the policyholder, or 60 days before the renewal date by the insurer.

Notwithstanding the aforementioned, the insurer however irrevocably waives any right that he may have to cancel or rescind this policy after claims, in whole or in part, except for non-payment of the premium by you.

LANGUAGES

You can communicate with the insurer and obtain information in the language of the policy. For this product, you have the choice between French and English.

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