



Professional Indemnity Insurance
for
Members of the Financial Intermediaries Association
of Southern Africa

This is to certify that in accordance with the authorisation granted to **MANWOOD UNDERWRITERS (PTY) LTD** (the “Underwriters”) by **CENTRIQ INSURANCE COMPANY LTD** (the “Insurers”) and in consideration of, and conditional upon, the prior payment of the Premium by or on behalf of the Insured and receipt thereof by or on behalf of the Insurers, the Insurers are hereby bound to insure in accordance with the terms, Exclusions, Conditions and limitations contained herein or endorsed hereon.

This Insurance Contract is conditional upon and will only come into effect following payment of the premium by the Insured and the receipt thereof by or on behalf of the Insurers.

ADMINISTERED BY



PIFRS is a juristic representative and division of firstEquity Risk Management Services (Pty) Ltd, an Authorised Financial Services Provider.
Company Registration Number 2008/026574/07

UNDERWRITTEN BY

Manwood Underwriting Managers (Pty) Limited
FSP Number: 1029
Reg. no. 1998/018534/07



THE PREAMBLE

The Insured having made a written proposal to Insurers, dated as stated in the Certificate, and/or otherwise submitted particulars and statements constituting the risk profile, which proposal and/or risk profile shall form the basis of this insurance, the Insurers will indemnify the Insured in accordance with the Terms, Exclusions, Conditions and Limitations contained herein or endorsed hereon.

INSURED EVENTS

The Insurers shall indemnify the Insured against losses arising out of:

1. Professional Indemnity

Any legal liability arising from claims first made against the Insured and reported to the Insurers during the Period of Insurance as stated in the Certificate:

for breach of duty in connection with the business by reason of any negligent act, error or omission, committed in the conduct of the business by the Insured any employee or director or former employee or former director of the Insured, and where the business is or was carried on in partnership any partner or former partner of the Insured.

2. Liability following Employee Dishonesty

The indemnity granted by this Policy extends to include claims arising out of any dishonest, fraudulent or malicious act or omission of any Employee of the Insured, provided always that:

- i. the Insurers shall not be liable to indemnify the Insured in respect of claims arising out of the dishonest, fraudulent or malicious act or omission of any Employee after the discovery or reasonable suspicion of any such act or omission on the part of the same Employee which has given or may give rise to a claim;
- ii. any claim arising out of the collusion of two or more Employees shall be deemed to be one claim;

3. Loss of Documents

- (a) Any legal liability incurred by reason of loss of or damage to documents and
- (b) costs and expenses incurred in replacing or restoring such documents.

4. Compliance Officer

The Insurers shall indemnify the Compliance Officer against his liability to pay compensation (including claimants' costs, fees and expenses) to the Insured and any other third party as a result of any actual or alleged (other than by the Compliance Officer) negligent act, error or omission (including consequential loss) in the performance of the Professional Duties of the Compliance Officer undertaken in the course of the Insured's Business. For the purposes of this Insured Event, the Compliance Officer is an Employee of the Insured.

"Professional Duties" shall mean the duties of the Compliance Officer as contemplated and further defined in the Financial Advisory and Intermediary Services Act 2002 (as amended) and shall also extend to include any responsibility assumed by the Compliance Officer to ensure the Insured's compliance with the Financial Intelligence Centre Act 2001 (as amended) and any other legislation relative to Compliance matters.

If the Insured's liability under this Insured Event is as a result of a Fine or Penalty imposed during the Period of Insurance then Exclusion 11 (Fines and Penalties) shall not apply up to 50% of the Professional Indemnity Limit of Liability stated on the Certificate or R1,000,000 whichever is the lesser.

5. Third Party Computer Crime

This Policy extends to indemnify the Insured in respect of loss resulting from a fraudulent:-

- (i) entry of data into or
- (ii) change of data elements or programs within the Insured's proprietary computer system or a computer system, provided the fraudulent entry or change causes:-
 - a) property to be transferred, paid or delivered
 - b) an account of the Insured, or its customer, to be added, deleted, debited or credited, or
 - c) an unauthorised account or a fictitious account to be debited or credited.

This cover excludes loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorised representative of any Insured, while working or otherwise and whether acting alone or in collusion with others.

6. Claims Preparation Costs

This Policy extends to include costs reasonably incurred, with Insurers written consent, by the Insured in producing and certifying any particulars or details required to substantiate the amount of any loss, subject to the Limit of Liability and Excess specified in the Certificate.

7. Defamation and Injuria

The terms negligent act, error or omission are deemed to include defamation, including injurious falsehood.

PROVISOS TO INSURED EVENTS

- (i) the Insurers shall not indemnify any Employee committing, making or condoning any dishonest or fraudulent act or omission;
- (ii) the Insured shall give notice within a reasonable time to the Insurers where there is any reasonable suspicion of fraud or dishonesty being committed by any employee whether giving rise to a claim or not under this Policy;
- (iii) the Insurers shall be entitled to pursue recovery of all monies paid or payable under this Policy against the employees concerned or their estates or personal representatives or trustees or assignee in bankruptcy;
- (iv) the Insured shall provide all reasonable information and assistance requested by the Insurers in pursuance of such recovery and shall in particular withhold monies due to or held by the Insured but belonging to the dishonest or fraudulent employee or employees, their estates or personal representatives or trustee or assignee in bankruptcy for the benefits of the Insured but only to the extent of the loss which they have suffered or will suffer as a result of the said employees dishonesty allowable by law;
- (v) the Insured shall take all necessary steps for prosecuting employees for dishonest acts;
- (vi) for the purposes of Insured Event 3, the amount of any claim for costs and expenses incurred in replacing or restoring any documents shall be supported by bills and accounts which shall be subject to approval by a competent person nominated by the Insurers;

DEFENCE COSTS (and ancillary claims costs)

Insurers will pay all costs and expenses incurred with their written consent in the defence and/or settlement of any claim.

The above costs and expenses will be part of, and not in addition to the limit stated in the Certificate.

All costs and expenses incurred in the successful defence of a claim will also be subject to the excess as stated in the schedule.

LIMIT OF LIABILITY

The total liability of the Insurers, in terms of the Insured Events:

- (a) Per Claim or series of claims arising from one originating cause or source, including interest thereon, all claimants' costs, fees and expenses and Defence Costs;
- (b) in respect of all claims Per Policy Period; shall not exceed the Limit of Liability stated in the Certificate. No single claim or series of claims arising from one originating cause or source (whether in respect of an Insured Event and / or Extension of Cover) shall exceed the highest Per Claim Limit of Liability stated in the Certificate.

DEFINITIONS

1. THE INSURED

- 1) as stated in the Certificate,
- 2) their predecessors in business,
- 3) their Subsidiaries as may currently exist or hereinafter be created and/or companies under the management control of the Insured,
- 4) any person at any time employed by the Insured including any persons seconded from other companies or consultants or representatives of the Insured whether remunerated by salary or commission or otherwise,
- 5) any other agreed Company or agreed person with whom the Insured is or has been acting or any person at any time employed by such agreed company or agreed person,
- 6) any future, current or former director, partner or principal of the Insured,
- 7) any future, current or former employee,
- 8) the estate, heirs or legal representatives or trustees or assignees of any party entitled to indemnity following their death, incapacity, insolvency or bankruptcy.

2. EMPLOYEE

It is agreed and understood that the word "Employee" wherever used in the Policy or in any additional Endorsement means:-

- i. any person engaged under a contract of employment with the Insured including Directors, Partners and Principals;
- ii. any guest student pursuing studies or duties with the Insured when so acting;
- iii. any person provided by an employment contractor or agency to perform employee duties for the Insured under the Insured's supervision;
- iv. any person remunerated by the Insured on a commission only basis; however cover shall only extend to indemnify the Insured in respect of acts undertaken by such persons for and on behalf of the Insured.

NOTE: The phrase "former employee" shall be construed in the contents of (i) to (iv) above.

3. SUB AGENTS

This Insurance extends to indemnify the Insured in respect of the professional activities and duties necessary to carry out the Business/Profession, and which are sub contracted by the Insured, provided always that:

- a) such activities and duties shall only be sub-contracted to suitably qualified firms, persons or parties;
- b) the Insured shall at all times retain all rights of recourse against such firms, persons or parties and will give all reasonable assistance to the Insurers in effecting such rights.

4. THE DOCUMENTS

Any documents (whether on paper, microfilm, magnetic tape or disc), including films, tapes, deeds, wills, agreements, maps, plans, drawings, abstracts, mortgage agreements, manuscripts, records (including books, letters, certificates), either the property of or entrusted to the Insured or in the custody of any person to or with whom such documents have been entrusted, lodged or deposited by the Insured. The documents do not include bearer bonds, coupons, bank notes, currency notes and negotiable instruments.

5. BUSINESS

"Business" means all professional activities of the Insured whether authorised by the Financial Intermediaries Association (FIA) or not, including but not limited to

- a) Insurance and Life Assurance/Broking
- b) Pensions Broking and Administration
- c) Mortgage Broking and Building Society Agency Activities
- d) Investments in insurance Bonds
- e) Investments in Unit Trusts
- f) Dealing in listed Securities
- g) Dealing in unlisted Securities
- h) Dealing in Foreign Securities/investments
- i) Dealing in Bonds
- j) Dealing in Commodities (futures or physicals)
- k) Investment in "Tangibles"
- l) Private client portfolio management
- m) Institutional fund management
- n) Corporate Finance, including leasing investment schemes
- o) Business Expansion Scheme Placings
- p) Health Care Products
- q) Property Syndications.

6. EXCESS

The first amount of each and every claim to be borne by the Insured, it being understood and agreed that if any expenditure is incurred by the Insurers which, by virtue of the Excess, is the responsibility of the Insured, then such expenditure shall be forthwith reimbursed by the Insured. The Excess shall apply Per Claim or series of claims arising from one originating cause or source.

EXCLUSIONS

The Insurers shall not indemnify the Insured in respect of any loss arising out of any claim made against them

1. resulting from
 - a) the failure to account for monies or securities in lieu of such monies
 - b) the financial failure of any Insurer
 - c) death, bodily injury or damage to property unless arising from a negligent act, error or omission to perform a professional duty;
2. resulting from the Insured's activities (where the Insured is risk carrier) as Underwriters, Underwriting Agents or Managers of any Insurance Company, Underwriter or syndicate of Insurers;
3. resulting from any circumstance or occurrence which is either
 - a) known to the Insured at the inception of this Policy and likely to give rise to a claim against which the Insured would otherwise be entitled to be indemnified or
 - b) which has been notified under any other insurance attaching prior to the inception of this Policy

4. in respect of any third party claim arising from or contributed to by depreciation (or failure to appreciate) in value of any investments, including securities, commodities, currencies, options and futures transactions, or as a result of any actual or alleged representation, guarantee or warranty provided by or on behalf of the Insured as to the performance of any such investments. It is agreed however that this Exclusion shall not apply to any loss due solely to negligence on the part of the Insured or Employee of the Insured in failing to effect a specific investment transaction in accordance with the specific prior instructions of a client of the Insured.
5. by any Parent or Subsidiary Company of the Insured or by any person or entity having a financial or executive interest in the Insured or by any Company or entity in which the Insured or directors or officers of the Insured have a controlling interest, unless such claim emanates from an independent third party;
6. for which they are entitled to indemnity under any other Policy;
7. arising from breach of contract unless such breach is a breach or alleged breach of professional duty by the Insured or any other person upon whom the Insured has placed reliance;
8. from the conduct of the business in the United States of America and/or Canada, and/or following from any judgement, award, payment, or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world enforcing such judgement, award payment or settlement, either in whole or in part) as a result of any actual or alleged negligent act error or omission in the performance of the professional duties of the Insured in accordance with the Business;
9. for any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
 - b) nuclear material, nuclear fission or fusion, nuclear radiation;
 - c) nuclear explosives or any nuclear weapon;
 - d) nuclear waste in whatever form;regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this Exclusion only, combustion shall include any self-sustaining process of nuclear fission;
10. up to the amount of the Excess;
11. resulting from Project Management and/or Financial Auditing and/or Tax Advice & Consulting unless agreed to in writing by Insurers and stated to apply in the Certificate;
12. for fines, penalties, punitive, vindictive or exemplary damages.
13. resulting from the intentional and/or wilful provision of services or activities not authorised in terms of their Financial Services Board licence.

SPECIAL EXCLUSIONS

1) RETROACTIVE DATE

The company shall not be liable to provide indemnity hereunder for any events which occurred prior to the Retroactive Date stated in the Certificate, provided that nothing contained within this Endorsement shall be interpreted as releasing the Insured from their obligation to reveal as material fact all details of Claims made or outstanding or events likely to give rise to a claim. In the event that the Limit of Liability is increased, the Retroactive Date applicable to this increased Limit of Liability will be the effective date of said increase.

2) COMPUTER VIRUS EXCLUSION

Notwithstanding any provision of this Policy including any special Exclusion or extension or other provision not included herein which would otherwise override a general Exclusion, this Policy does not cover any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer, correctly or at all, to capture, save, retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorised code or instruction including any trojan horse, time or logic bomb or worm or any other destructive code, media or programme or interference. Unless due to the negligence of the Insured.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether the property of the Insured or not.

3) WAR / TERRORISM EXCLUSION

The Insurers shall not be liable to indemnify the Insured in respect of claims directly or indirectly caused by, resulting from happening through or in connection with:

- a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power;
- b) any action taken in controlling, preventing, suppressing or in any way relating to the excluded situations in a) above, including, but not limited to, confiscation, nationalization, damage to or destruction of property by or under the control of any Government or Public or Local Authority;
- c) any act of terrorism regardless of any other cause contributing concurrently or in any other sequence to the loss.

For the purpose of this Exclusion, terrorism means an act of violence or any act dangerous to human life, tangible or intangible property or infrastructure with the intention or effect to influence any government or to put the public or any section of the public in fear.

In any action suit or other proceedings where the Insurer alleges that by reason of this Exclusion a loss is not covered by this insurance the burden of proving that such loss is covered shall be upon the Insured.

4) ASBESTOS EXCLUSION

Notwithstanding any provision of this Policy including any Exclusion, exception or extension or other provision which would otherwise override an Exclusion, this Policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequential of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

CONDITIONS

Conditions 1 to 5 are Conditions precedent to the liability of the Insurers to provide indemnity under this Policy.

1. The Insured shall give to the Insurers notice as soon as reasonably possible in writing of any claim made upon them or of any occurrence of which they become aware which may subsequently give rise to a claim and if during the subsistence of this Policy the Insured shall give such notice then any such claim or claims which may subsequently be made by or against them arising out of the said claim or occurrence shall for the purpose of this Policy be deemed to have been made during the subsistence hereof.
2. All claims made against the Insured during the Period of Insurance and for all circumstances, of which the Insured becomes aware during the Period of Insurance, which could give rise to a claim must be notified to Insurers within 30 days of expiry of the Period of Insurance. If the policy is cancelled or not renewed by the Insurers then the Insured shall have 30 days after expiry of the policy to discover or uncover any circumstance or claim that might have arisen during the Period of Insurance.

3. Upon request the Insured shall give to the Insurers for the settlement or defence of a claim all such information and assistance as the Insurers may reasonably require and as may be in the Insured's power and will in all such matters do and concur in doing all such things as the Insurers may reasonably require.
4. The interpretation and enforcement of the terms, Conditions and Exclusions of this Policy (and any phrase or word contained herein) shall be in accordance with the law of the Republic of South Africa whose courts shall have jurisdiction to the exclusion of the courts of any other country.
5. The Insured shall not make any admission, offer, promise, payment or indemnity for any claim or incur any expenses in connection therewith without the written consent of the Insurers.
6. The Insured shall not be required to contest any legal proceedings unless Senior Counsel (to be mutually agreed upon by the Insured and the Insurers) shall advise that on the actual facts of the case concerned such proceedings can be contested by the Insured with a reasonable prospect of success.
7. If the Insured shall make any claim knowing the same to be false or fraudulent, as regards the amount or otherwise, this Policy shall become void and the Insured shall forfeit all benefits hereunder.
8. In the event of the Insurers being at any time entitled to avoid this Policy by reason of any inaccurate or misleading information given by the Insured in the proposal form, Insurers at their discretion, instead of avoiding this Policy, may give notice in writing to the Insured that they regard this Policy as of full force and effect save that there shall be excluded from the indemnity afforded hereunder any claim which has arisen or which may arise and which is related to circumstances which ought to have been disclosed in the Proposal Form to Insurers.
9. Whenever this Policy provides notice to be given to the Insurers such notice shall be given to:

PI FINANCIAL RISK SERVICES (PTY) LTD :
23 HOBART ROAD, FIRST FLOOR, BLOCK A,
HOBART SQUARE OFFICE PARK
BRYANSTON

TELEPHONE NUMBER :
08611 74377
08611PIFRS
011 510 1300

ENDORSEMENTS

1) BASIS OF VALUATION

It is agreed that the value of any securities or foreign funds or currencies for the loss of which a claim shall be made shall be determined by their closing market value on the last business day prior to the date of discovery of the loss or, in the event of the discovery of the loss after the close of the market, by their closing market value on the day of discovery of the loss.

If there is no market price or value for the same on the day as stated in the preceding paragraph then the value shall be as agreed between the Insured and the Insurers or in default thereof by arbitration. If, however, such securities or foreign funds or currencies shall be replaced by the Insured with the approval of the Insurers, the value shall be the actual cost of replacement.

2) WAIVER OF SUBROGATION

It is agreed that the Insurers, upon payment of any loss under this Policy or any other applicable Endorsement, shall become subrogated to all rights and remedies of the Insured in respect of such loss. However, notwithstanding anything in the Policy or any other Endorsement to the contrary:-

Insurers agree to waive any rights of subrogation against any Employee of the Insured except in respect of any liability arising from or contributed to by any dishonest, fraudulent, criminal or malicious act or omission on the part of any such employee.

3) INDIVIDUAL APPOINTMENTS

This Policy and all other applicable Endorsements are extended to indemnify the Insured and any past or present principal, director or officer of the Insured against losses arising from claims first made against any of them during the Period of Insurance whilst acting as a director, secretary, trustee, manager, employee or registrar of any company or entity other than the Insured and Subsidiary companies of the Insured, where such position is held by reason of the Insured's Business and provided that any fees received from such appointment form part of the income of the Insured.

4) JOINT VENTURE APPOINTMENTS

Insurers agree that the indemnity provided under this Policy shall extend to include all liability of the Insured arising out of any Joint Venture Agreement the Insured may enter into with any other party or parties provided always that:

- i. No separate indemnity, other than that provided for under this Certificate, has been arranged for the benefit of the Insured under the Joint Venture Agreement.
- ii. Insurers shall be entitled to exercise any rights of recourse in respect of loss indemnified hereunder which rights vest in the Insured by virtue of the Joint Venture Agreement.

5) NEW AND/OR ACQUIRED COMPANIES

This Policy extends to indemnify any new and/or acquired Subsidiary company, subject to full satisfactory details being lodged with Insurers as soon as practicable and subject to the exclusion from this Policy of any claim or circumstance known to the Insured and/or such Subsidiary company at the date cover attaches hereto and further subject to an additional premium to be agreed by Insurers if required.

6) MONTHLY POLICIES - INSTALMENT PREMIUMS

- (a) The Monthly Premiums payable to Insurers are in respect of the Annual Period of Insurance as stated in the Certificate of Insurance. Should any Monthly Premiums be debited to the Insured and/or paid to the Insurers in respect of any period subsequent to the Annual Period of Insurance and Insurers have not confirmed renewal, then no liability shall attach to the Insurers and such Premiums debited or paid shall be refunded to the Insured.

- (b) In consideration of the Insurers having agreed, at the request of the Insured, to allow the Insured to pay the Annual Premium by monthly instalment, the Insured accepts and agrees to the following:-
- i. the monthly instalment shall be payable 30 days in arrears to Insurers,
 - ii. in the event of the Insurers not receiving the instalment for any reason whatsoever, this Insurance shall, notwithstanding anything to the contrary contained in the policy, be deemed to have been cancelled on the last day of the last month for which an instalment was received by Insurers.
 - iii. Reinstatement of this Insurance shall be at the sole discretion of the Insurers, but Insurers shall not unreasonably withhold such reinstatement provided the Insured can give explanations acceptable to the Insurers for the failed payment,
 - iv. in the event of prior notification of any claim or circumstances that might lead to a claim during the Annual Period of Insurance for which an unpaid monthly instalment applies, Insurers reserve the right to cease all activity on such
 1. claim or circumstance and any outstanding matters will be the responsibility of
 2. the Insured. Should payments have been made by Insurers on any claims
 3. then such payments may be reclaimed from the Insured.

The above Endorsements are subject to the terms, Exclusions, Conditions and limitations of the Policy.

SPECIAL EXTENSIONS

1) BREACH OF CONFIDENTIALITY

This Policy shall indemnify the Insured for any claim or claims made against them howsoever arising out of unintentional Breach of Confidentiality.

2) REGULATORY DEFENCE COSTS

The Insurers will indemnify the Insured for costs and expenses incurred with the Insurers prior written consent in defending any allegations or actions brought by the Financial Services Board in connection with a breach of Regulations provided;

- a. the actual or alleged breach was unintentional and unwittingly perpetrated by the Insured,
- b. the maximum indemnity provided by Insurers will not exceed R 250 000 in the aggregate for all claims during the Policy Period,
- c. the Insured shall be liable for the first R 5 000 of all such costs and expenses.

3) DIRECTORS and OFFICERS LIABILITY

The Insurers will Indemnify the Directors and Officers of the Insured for legal liability arising from claims first made against them, including costs and expenses incurred with the Insurers prior written consent, during the Period of the Policy for breach of duty as a Director or Officer of the Insured in terms of the Companies Act of 2008 and amendments thereto.

This EXTENSION is subject to the following Conditions and Exclusions which are precedent to any liability of the Insurers to provide Indemnity:

- a) The actual or alleged breach of duty must have been unintentional.
- b) The maximum indemnity provided by this EXTENSION for all claims will not exceed, in any Policy Period, an amount equal to 10% of the Professional Indemnity Limit specified in the Certificate or R 500 000, whichever is the lesser.
- c) The Insured shall be liable for the first R 5 000 of any claim including costs and expenses.
- d) The Insurers will not be liable for any claims arising out of Bodily Injury to any Person or Damage to any Property.
- e) The Insurers will not be liable for claims arising out of the provision of Professional Services.
- f) The Insurers will not be liable for any claims arising out of the activities of the Insured as a Director or Officer of a Public Listed Company.
- g) The Insurers will not be liable for the activities of the Insured as a Director or Officer of any company other than the Insured named in the Certificate.
- h) The Insurers will not be liable for any claims arising between Directors and Officers of the Insured Company named in the Certificate and/or between the Insured Company and the Directors and Officers.

EXTENSION: FIDELITY GUARANTEE INSURANCE FOR THEFT OF OWN FUNDS OR PROPERTY

THE INSURERS AGREE TO EXTEND **INSURED EVENT 2** OF THE POLICY TO INCLUDE THEFT OR FRAUD COMMITTED BY EMPLOYEES OF THE INSURED'S OWN FUNDS OR PROPERTY.

THE LIMIT OF INDEMNITY IN RESPECT OF THIS EXTENSION IS LIMITED TO THE AMOUNT SPECIFIED IN THE SCHEDULE FOR ALL CLAIMS DURING THE POLICY PERIOD.

THE INSURED SHALL BE RESPONSIBLE FOR THE PAYMENT OF AN EXCESS OF 1% OF THE CLAIM SUBJECT TO A MINIMUM OF R 10 000 FOR ANY ONE EVENT INCLUDING COSTS AND EXPENSES.

THIS EXTENSION DOES NOT APPLY TO THEFT OR FRAUD COMMITTED BY DIRECTORS, PARTNERS OR PRINCIPAL MEMBERS OF THE INSURED.

SUBJECT TO ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THE POLICY.