

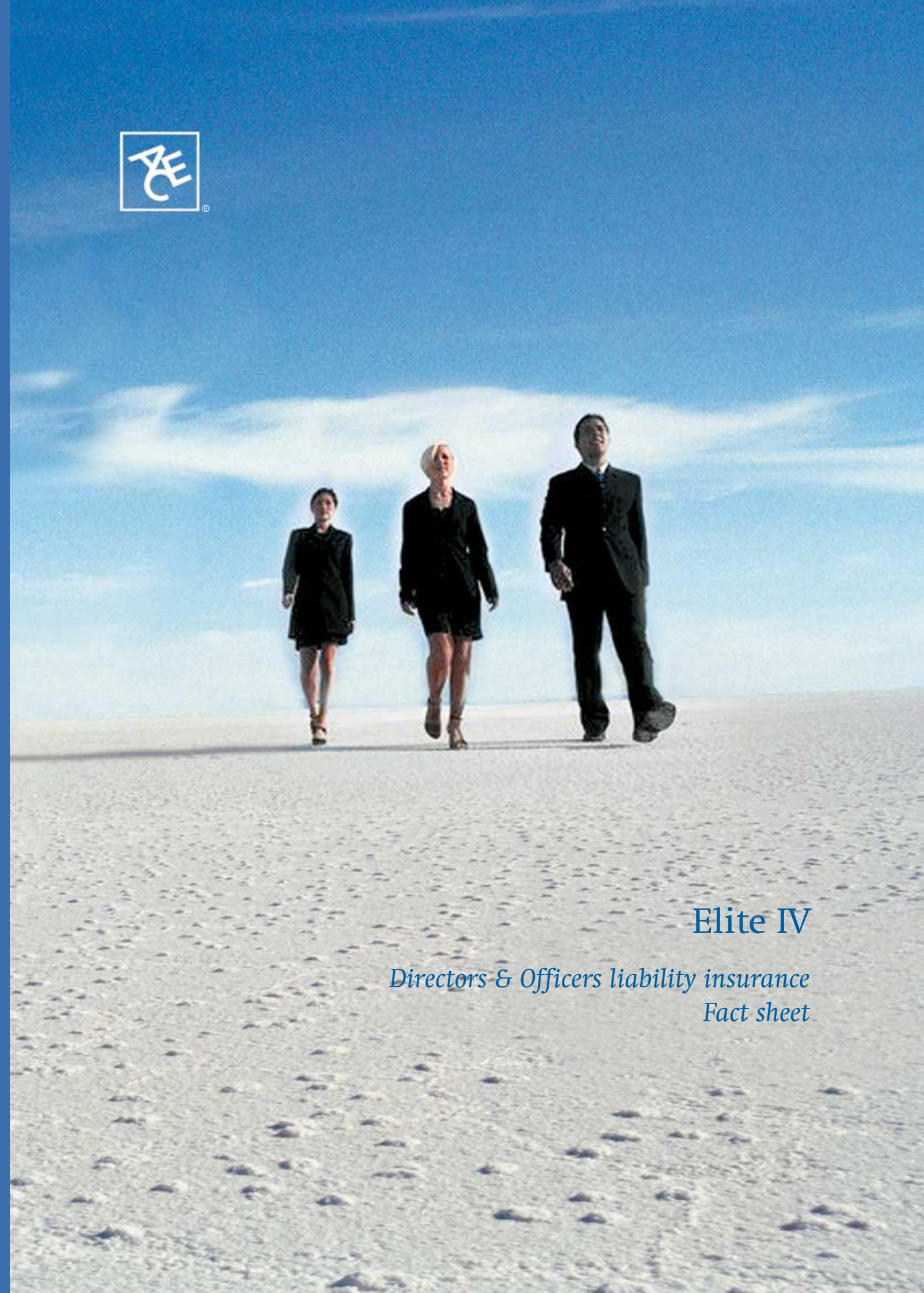


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the Financial Services Authority



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Elite IV

*Directors & Officers liability insurance
Fact sheet*



The Elite D&O product has been amended,
reducing exclusions from previous versions.

Who is insured?

Directors and officers, including:

- Unrestricted definition of directors or officers covering all types of past, present and future directors (executive and non-executive) and officers.
- Managerial and supervisory employees.
- All employees for employment related wrongful acts.
- Employees as co-defendants.
- Retired directors, other than those retired because of disqualification from holding office.
- Outside directors who, at the request of the company, serve on an outside entity board.
- Spouse, estate, or legal representative of deceased directors.
- All approved persons who perform controlled functions numbered 1 to 20 specified by the Financial Services Authority.
- Prospective directors in any listing particulars or prospectus issued by the company.
- Any lawyer employed by the company who in their capacity as such must comply with Sarbanes-Oxley Act of 2002.

What is covered?

Elite IV covers loss resulting from a wrongful act and will pay for:

- Damages, judgments, settlements bail bond costs, crisis costs, deprivation of asset costs, prosecution costs, public relations expenses and defence costs.
- Legal representation expenses.
- Losses incurred within 30 days of buy-outs by management of a subsidiary company.
- Costs arising from extradition proceedings.
- Tax contributions where the company has become insolvent and there is personal liability of an insured.
- Losses incurred for civil fines and penalties imposed pursuant to Section 78ff (c) or Section 1 78dd - 2(g) (2) of the Foreign Corrupt Practices Act or any similar legislation in any other jurisdiction.
- North American exposures.
- Actions between directors of the company.
- Where there has been fraudulent conduct, non-disclosure, misrepresentation or intent to deceive, the policy will nevertheless be maintained for each innocent director.

What constitutes a claim?

There is a broad definition of types of acts which constitutes the basis of a claim, including:

- Written demands, civil and criminal actions and administrative and regulatory proceedings.
- Employment related wrongful acts.
- Whistleblower issues.
- Action raised against insured persons in respect of pollution.
- Extradition proceedings.

What wrongful acts are covered?

- **Elite IV** includes a wide definition of wrongful act including breach of trust, error, omission, misstatement, breach of duty, any violation of the Companies Act 2006, Sarbanes-Oxley Act of 2002 or any equivalent law, rule or regulation in any other jurisdiction.



- Additional catch all of any matter claimed as a result of status as a director or officer of the company.
- Employment related wrongful acts includes cover for any breach of employment law (common law or statute).

What is included in the definition of loss?

- Damages, judgments, settlements and defence costs, including aggravated, punitive and exemplary damages where insurable.
- Advancement of defence costs.
- Legal representation expenses incurred in relation to investigations into the affairs of the company.
- The multiplied portion of any loss.

Elite IV includes all reasonable third party fees, costs and expenses that are incurred to defend or appeal a claim, e.g. lawyers' fees, arbitrators' fees, experts' fees and other alternative dispute resolution procedure costs.

Changing circumstances

Elite IV responds to a number of changing circumstances:

- Retired director: 10 years run-off cover for any retired director in the event of the policy being non-renewed by the company or insurer.
- New subsidiaries: **Elite IV** automatically includes cover for certain created or acquired companies, regardless of where they are domiciled.

Optional extensions available

- Takeovers/mergers: option for up to 6 years run-off cover if the company is acquired: provides cover for claims notified after expiry of policy period.

Why ACE?

Stability

ACE Europe is a leading provider of insurance and reinsurance in Europe. Headquartered in London with a network of offices across 19 European countries, ACE Europe is part of the ACE Group of Companies, one of the world's largest providers of property and liability insurance and reinsurance. Established in 1985, the ACE Group has grown rapidly by building long-term partnerships with brokers and clients in each of the world's major insurance markets.

Innovation

ACE is one of the most innovative providers of insurance products and services in today's global marketplace. We pride ourselves on the quality and experience of our staff who are specialists in their fields. Using this experience we focus on products and services in market segments where this specialist knowledge creates a natural alliance with customers. In addition we tailor our products and services to support the key business goals of those select segments.

Experience and expertise

ACE Europe has a highly respected underwriting team holding a significant degree of knowledge on the issues and liabilities faced by directors. Working with brokers and clients, we provide quality cover and a claims service that meets the needs of companies and directors in today's rapidly changing legal environment.

This information is descriptive only. Please refer to the policy document for full terms, conditions and exceptions.