

# NON-PROFIT ASSET PROTECTION POLICY

## Management and Entity Liability Coverage Section

In consideration of the payment of the premium, and in reliance upon the statements made to the Insurer in the Application forming a part hereof and its attachments and the material incorporated therein, RLI Insurance Company, herein called the "Insurer," and the Insureds agree as follows:

### I. INSURING CLAUSES

#### A. Insured Person Liability Coverage

The Insurer will pay on behalf of the **Insured Persons**, **Loss** incurred by the **Insured Persons** as a result of **Claims** first made against the **Insured Persons** during the **Policy Period**, or during the Discovery Period (if purchased), for **Wrongful Acts**, except for **Loss** which the **Entity** pays to or on behalf of the **Insured Persons** as indemnification.

#### B. Entity Reimbursement Coverage

The Insurer will pay on behalf of the **Entity**, **Loss** incurred by the **Insured Persons** as a result of **Claims** first made against the **Insured Persons** during the **Policy Period**, or during the Discovery Period (if purchased), for **Wrongful Acts**, if the **Entity** grants indemnification to or on behalf of the **Insured Persons** for such **Loss**.

#### C. Entity Liability Coverage

The Insurer will pay on behalf of the **Entity**, **Loss** incurred by the **Entity** as a result of **Claims** first made against the **Entity** during the **Policy Period**, or during the Discovery Period (if purchased), for **Wrongful Acts**.

### II. ADDITIONAL COVERAGES

#### A. Pre-Claim Inquiry Coverage

The Insurer will pay under Insuring Clauses A. and B. **Defense Expenses** incurred by the **Insured Persons** for a **Pre-Claim Inquiry** if (i) such **Pre-Claim Inquiry** is first made during the **Policy Period**, (ii) the **Insureds** in their sole discretion give written notice of the **Pre-Claim Inquiry** to the Insurer, and (iii) such **Defense Expenses** are incurred after the date such written notice is given to the Insurer.

#### B. Additional Side A Limit of Liability for Insured Persons

If the Additional Side A Limit for **Insured Persons** is purchased pursuant to Item 6. A. of the Declarations and if the applicable Limit of Liability under this Coverage Section is exhausted, an Additional Limit of Liability in the amount stated in Item 6. A. of the Declarations shall apply solely for **Loss** covered under Insuring Clause A., **Insured Person** Liability Coverage; provided such Additional Side A Limit of Liability shall not apply with respect to any **Claim** for a **Wrongful Employment Act**. Such Additional Limit of Liability is in addition to and not part of any other applicable Limit of Liability under this Policy, and shall be excess of any amounts payable under all other insurance policies that are specifically excess of this Coverage Section. Liability under such Additional Side A Limit of Liability shall attach to the Insurer only after such excess insurers, the **Insureds**, and/or any other source shall have paid in legal currency as **Loss** the full amount of the excess policies' limits of liability.

### C. Executive Protection Coverage

1. The Insurer shall pay on behalf of a **Protected Executive** all reasonable fees and expenses incurred by the **Protected Executive** in connection with using a public relations firm to mitigate the adverse effects to the reputation of the **Protected Executive** from a **Claim** against the **Protected Executive** which is covered under this Coverage Section, including without limitation from any negative public statement regarding the **Protected Executive** by a **Regulatory Body** relating to such **Claim** or the **Wrongful Acts** alleged therein; provided (i) the Insurer's maximum liability for all such fees and expenses incurred by all **Protected Executives** combined shall be the Reputational Protection Costs Sublimit of Liability set forth in Item 7. A. of the Declarations, and (ii) this Paragraph only applies to the extent such fees and expenses are not otherwise covered under this Coverage Section.
2. The Insurer shall pay on behalf of a **Protected Executive** all reasonable fees and expenses incurred by the **Protected Executive** to oppose any efforts by a claimant in a **Claim** to seize or otherwise enjoin the personal assets or real property of the **Protected Executive** in connection with a **Claim** covered under this Coverage Section, or to revoke, overturn or set aside a court order in connection with a **Claim** covered under this Coverage Section which impairs the use of such assets or property; provided (i) the Insurer's maximum liability for all such fees and expenses incurred by all **Protected Executives** combined shall be the Asset Protection Costs Sublimit of Liability set forth in Item 7. A of the Declarations, and (ii) this Paragraph only applies to the extent such fees and expenses are not otherwise covered under this Coverage Section.

## III. DEFINITIONS

When used in this Coverage Section, the following terms, whether in the singular or plural, are defined below:

- A. "**Anti-Trust Violation**" means an actual or alleged violation of the Sherman Anti-Trust Act, the Clayton Act, the Federal Trade Commission Act, or any other federal, state, local, common or foreign laws involving anti-trust, monopoly, price fixing, price discrimination, predatory pricing, restraint of trade or unfair trade practices, as amended.
- B. "**Claim**" means:
  1. a written demand for monetary, non-monetary or injunctive relief against any **Insured**; or
  2. a civil or criminal proceeding against any **Insured** commenced by the service of a complaint or similar pleading or the return of an indictment, information or similar charging document; or
  3. a formal administrative or regulatory proceeding against any **Insured Person**, or against the **Entity** but only while such proceeding is also pending against an **Insured Person**, commenced by the filing of a notice of charges, formal investigative order or similar document; or
  4. a formal or informal civil, criminal, administrative or regulatory investigation against any **Insured Person** commenced by the service upon or other receipt by the **Insured Person** of a written notice or subpoena from the investigating authority identifying such **Insured Person** as an individual against whom a formal proceeding may be commenced, including without limitation a Wells notice or target letter (subject to Title 9, §11.151 of the U.S. Attorney's Manual); or
  5. a written request received by an **Insured** to toll or waive a statute of limitations relating to a **Wrongful Act** by an **Insured**; or
  6. an official request for **Extradition** of any **Insured Person** or the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**; or
  7. any demand for arbitration or mediation received by any **Insured** relating to a **Wrongful Act** by an **Insured**; or

8. solely with respect to coverage under Section II. A., a **Pre-Claim Inquiry**,

including any appeal related to any of the above.

- C. "**Excess Benefit Tax**" means any excise tax imposed by the Internal Revenue Service on an **Insured Person** who is an "organizational manager," as defined in Section 4958 of the Internal Revenue Code of 1986, as amended, as a result of such **Insured Person's** participation in an "excess benefit transaction," as defined in such Section 4958; provided **Excess Benefit Tax** does not include the twenty-five percent (25%) excise tax assessed against a "disqualified person" as defined in such Section 4958 or the two hundred percent (200%) tax assessed for failure to correct such an excess benefit transaction, pursuant to such Section 4958.
- D. "**Insured**" means the **Entity** and **Insured Person** collectively or individually.
- E. "**Insured Person**" means any natural person who has been, now is or shall become (i) a duly elected or appointed director (including a de facto director and shadow director), trustee (other than a bankruptcy or litigation trustee), governor, regent, officer, **Manager**, advisory director or member of the advisory board of the **Entity**, in-house counsel, risk manager, controller, or their functional equivalent, and (ii) an **Employee** who is not described in subpart (i) above, provided such **Employee** shall not be considered an **Insured Person** for purposes of the definition of **Outside Position** or Exclusion 4. in Section IV. B. below.
- F. "**Loss**" means monetary amounts the **Insureds** are legally obligated to pay as a result of a covered **Claim**, including but not limited to monetary damages, judgments, settlements, pre- and post-judgment interest with respect to covered damages, punitive, exemplary or the multiple portion of multiplied damages where insurable under applicable law, **Defense Expenses**, claimant's attorney's fees and costs for which an **Insured** against whom the **Claim** is made is legally obligated to pay by reason of a court order or settlement agreement to which the Insurer consents, taxes imposed on an **Entity** for which an **Insured Person** is legally obligated to pay solely by reason of the **Entity's Financial Impairment**, civil fines or penalties assessed against an **Insured Person** for an unintentional or non-willful violation of any federal, state, local or foreign law, including without limitation any such violation of the Foreign Corrupt Practices Act (FCPA), and any **Excess Benefit Tax** that an **Insured Person** is obligated to pay as a result of a **Claim**, provided the maximum aggregate liability of the Insurer under this Coverage Section for all **Excess Benefit Taxes** shall be the respective Sublimit of Liability as stated in Item 7. of the Declarations which further limits and does not increase any other applicable Limit of Liability under this Policy.

Solely with respect to coverage pursuant to Section II. C. of this Coverage Section, **Loss** means Reputational Protection Costs and Asset Protection Costs, as described therein.

The law of the applicable jurisdiction most favorable to the insurability of punitive, exemplary or multiple damages or such taxes, fines or penalties shall control whether such amounts are insurable, provided such jurisdiction has a substantial relationship to the **Insured**, the **Entity**, or the **Claim** giving rise to such damages.

**Loss** shall not include taxes, civil or criminal fines or penalties imposed by law other than the taxes, civil fines or penalties described above, any amount for which the **Insureds** are absolved from payment, any amount allocated to uncovered loss pursuant to Section V. of the General Terms and Conditions, the cost to comply with any injunctive or other non-monetary relief or any agreement to provide such relief, any amount which represents or is substantially equivalent to an increase in the consideration paid or proposed to be paid by the **Entity** in connection with the purchase of any securities or assets except to the extent the **Insured Persons** are legally liable for such amount and the **Entity** is not legally permitted or is not financially able to indemnify the **Insured Persons** for such amount, or matters which are uninsurable under the law pursuant to which this Policy shall be construed, except as otherwise provided above.

G. "**Outside Entity**" means:

1. any not-for-profit entity that is exempt from federal taxation under the Internal Revenue Code of 1986, as amended; or
2. any other entity that is specifically scheduled as an **Outside Entity** by endorsement to this Coverage Section.

- H. "**Outside Position**" means service by an **Insured Person** as a director, officer, trustee, regent or governor of an **Outside Entity**, but only while such service is rendered with the knowledge and consent of or as part of the duties regularly assigned to the **Insured Person** by the **Entity**.
- I. "**Personal Injury**" means any actual or alleged false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel and slander, invasion of privacy or wrongful entry or eviction.
- J. "**Pre-Claim Inquiry**" means (1) any request, demand or subpoena by a **Regulatory Body** to interview or depose an **Insured Person** or for production of documents by an **Insured Person**, in his or her capacity as such; or (2) any request, demand or subpoena by the **Entity** (including its board of directors or any committee of the board of directors) to interview or depose an **Insured Person** or for production of documents by an **Insured Person**, but only if such request, demand or subpoena by the **Entity** arises out of an inquiry or investigation by a **Regulatory Body**; provided that such **Pre-Claim Inquiry** shall be deemed to have been made when the **Insured Person** first receives such request, demand or subpoena. The Insurer shall not be liable for any **Defense Expenses** as a result of any such **Pre-Claim Inquiry** which are incurred (a) prior to the date the **Insured** gives notice of such **Pre-Claim Inquiry** to the Insurer pursuant to Section IV. NOTICE AND CLAIM REPORTING PROVISIONS, of the General Terms and Conditions, or (b) in connection with any routine or regularly scheduled oversight, compliance, audit or inspection activities by a **Regulatory Body** or the **Entity**.
- K. "**Professional Services**" means services which are performed by or on behalf of an **Insured** for others in connection with the **Entity's** business, regardless of whether or not such services are compensated or uncompensated.
- L. "**Protected Executive**" means any natural person who has been, now is or shall become a duly elected or appointed director (including a de facto director and shadow director), trustee (other than a bankruptcy or litigation trustee), governor, regent officer, **Manager**, advisory director or member of the advisory board of the **Entity**, in-house counsel, risk manager, controller, or their functional equivalent.
- M. "**Publishers Wrongdoing**" means any actual or alleged infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.
- N. "**Regulatory Body**" means any federal, state or local law enforcement or government authority (including but not limited to the U.S. Department of Justice, U.S. Securities and Exchange Commission, and any federal or state attorney general) or the enforcement unit of any securities exchange or similar self-regulatory organization.
- O. "**Wrongful Act**" means:
1. any actual or alleged error, omission, act, misstatement, misleading statement, or breach of duty by the **Entity** or an **Insured Person** individually or otherwise, in his or her capacity as such or in an **Outside Position**; or
  2. any matter claimed against an **Insured Person** solely by reason of his or her status as an **Insured Person**;
- including without limitation an **Anti-Trust Violation**, **Publishers Wrongdoing** and **Personal Injury** by any **Insureds** in their capacity as such.

## IV. EXCLUSIONS

- A. The Insurer shall not be liable for **Loss** (except for **Defense Expenses**) on account of that portion of any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from or in consequence of:
1. such **Insured** gaining any profit, remuneration, or financial advantage to which such **Insured** is not legally entitled if a non-appealable judgment or final adjudication in the underlying proceeding adverse to such **Insured** establishes that such **Insured** gained such profit, remuneration or advantage; or
  2. such **Insured** committing any deliberately fraudulent **Wrongful Act** or any willful violation of law if a non-appealable judgment or final adjudication in the underlying proceeding adverse to such **Insured** establishes that such **Insured** committed such **Wrongful Act** or willful violation.

- B. The Insurer shall not be liable for **Loss** on account of that portion of any **Claim** made against any **Insured**:
1. for any actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, or for damage to or destruction of any tangible property including loss of use of damaged or destroyed tangible property; however, this Exclusion will not apply to mental anguish or emotional distress in a **Claim** against **Insured Persons** for **Personal Injury**;
  2. for any actual or alleged violation of **ERISA**;
  3. for any actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so; including but not limited to any **Claim** for financial loss to the **Entity** based upon, arising out of, directly or indirectly resulting from or in consequence of the matters described in this Exclusion; however, this Exclusion will not apply to any **Claim** against any **Insured Person** for **Loss** covered under Insuring Clause A. Insured Person Liability Coverage;
  4. by or on behalf of, or in the name or right of, any **Entity** or, with respect to **Outside Position** coverage, the **Outside Entity**, or any director, trustee, governor, regent, officer or **Manager** of the **Entity** or the **Outside Entity** in any capacity; however, this Exclusion will not apply to any **Claim**:
    - a. that is a derivative action brought and maintained on behalf of, or in the name or right of, the **Entity** or **Outside Entity** without any active assistance or participation of, or solicitation by, any **Insured Person** (other than assistance, participation or solicitation for which Section 806 of the Sarbanes-Oxley Act of 2002, or any similar "whistleblower" protection provision of an applicable federal, state, local or foreign law, affords protection to such **Insured Person**);
    - b. in the form of a cross-claim, third party claim or other claim for contribution or indemnity by an **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Section;
    - c. brought or maintained on behalf of the **Entity** or **Outside Entity** by any receiver, conservator, liquidator, trustee, examiner, rehabilitator, creditors committee or similar official appointed to take control of, supervise, manage, or liquidate the **Entity** or **Outside Entity**, or any assignee of any such receiver, conservator, liquidator, trustee, examiner, rehabilitator, creditors committee or similar official;
    - d. brought or maintained by a director, trustee, governor, regent, officer or **Manager** of the **Entity** or **Outside Entity** who has not served in such capacity for a period of at least one (1) year prior to the date such **Claim** was first made and who brings and maintains such **Claim** independently of, and without the active assistance, participation, or solicitation of the **Entity** or **Outside Entity** or any other director, trustee, governor, officer or **Manager** who is serving or has served as a director, trustee, governor, officer or **Manager** of the **Entity** or **Outside Entity** within such one (1) year period; or
    - e. brought and maintained outside of the United States, Canada or any other common law country (including any territories thereof); or
  5. for any **Wrongful Employment Act**, or any actual or alleged violation of any social security, worker's compensation, disability benefits, or unemployment compensation law, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, rules or regulations promulgated under and amendments to any such law, or similar provisions of any federal, state or local statutory law or common law.
- C. The Insurer shall not be liable for **Loss** on account of that portion of any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, or in consequence of:

1. the service by any **Insured Person** as a director, officer or employee of any organization other than the **Entity** or an **Outside Entity**, even if directed or requested by the **Entity** to serve as a director, officer or employee of such other organization;
  2. any litigation, investigation, or administrative or regulatory proceeding against any **Insured** pending on or before the respective Pending or Prior Date for this Coverage Section set forth in Item 5. of the Declarations, or the same or substantially the same actual or alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;
  3. any fact, circumstance, situation, transaction, event or **Wrongful Act** which was the subject of any notice given and accepted under any prior policy or coverage section for directors and officers liability or other similar professional liability insurance;
  4. any actual, attempted or proposed offering, solicitation, sale, purchase, distribution, or issuance of debt or equity securities by or on behalf of the **Entity** (including tax exempt bonds) or any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, any rules or regulations of the Securities and Exchange Commission promulgated thereunder, any other federal, state, local or provincial statute or common law relating to securities, or any rules or regulations promulgated thereunder, all as amended; however this Exclusion C. 4. shall not apply with respect to an offering, solicitation, sale, distribution, or issuance of securities in a transaction that is exempt from registration under the Securities Act of 1933, as amended (other than an exemption pursuant to Title IV of the Jumpstart Our Business Startups Act ("JOBS Act"), or any applicable similar foreign law that regulates the purchase, sale or offering of securities; or
  5. the rendering of, or actual or alleged failure to render, any **Professional Services**, provided that this Exclusion C. 5. shall not apply to **Claims** brought by a securityholder of the **Entity** in their capacity as such without any active assistance or participation of, or solicitation by, any **Insured**.
- D. The Insurer shall not be liable under Insuring Clause C. Entity Liability Coverage, for **Loss** on account of that portion of any **Claim** made against any **Entity** based upon, arising out of, directly or indirectly resulting from or in consequence of:
1. any actual or alleged infringement, piracy, misappropriation, disclosure or slander of title of any actual, alleged or prospective copyright, patent, service mark, trade name, trademark, licensing right, ideas or trade secrets;
  2. any actual or alleged obligation of such **Entity** pursuant to any workers' compensation, unemployment insurance, social security, disability benefits, or similar law; or
  3. any actual or alleged obligation under or breach of any written, oral, express, or implied contract or agreement except to the extent that such **Entity** would have been liable in the absence of such contract or agreement.

To determine the applicability of any Exclusions in Sections IV. A., B., C. or D. above: (i) no **Wrongful Act** of any **Insured Person** will be imputed to any other **Insured Person**, and (ii) only **Wrongful Acts** of an **Executive Officer** will be imputed to the **Entity**.

## V. OUTSIDE POSITION COVERAGE

All coverage under this Coverage Section for **Loss** from **Claims** against **Insured Persons** for **Wrongful Acts** in their **Outside Positions** will be specifically excess of any indemnification or other valid and collectible insurance provided to such **Insured Person** by the **Outside Entity** for which the **Insured Person** serves in his or her **Outside Position**.