Directors and Officers Liability Insurance

Prospectus

Introduction

Directors and Officers (D&O) Liability Insurance indemnifies the directors and officers of a Company against Losses suffered by them as a result of a Claim brought against them for Wrongful Acts.

Coverage

Generally, the Policy provides protection for various potential risks that directors and officers are exposed to in the form of any actual or alleged breach of trust, breach of fiduciary duty, misrepresentation, neglect, investigations by regulatory or other bodies, allegation by any employee for unfair treatment, or harassment at workplace, etc. The cover also applies to directors and officers when they sit on the board of other companies at the request of the insured companies.

The Policy covers the directors and officers of the company and all its subsidiaries, including global subsidiaries and responds to laws and regulations around the world.

Specifically, the following covers are available under the Policy:

Insured Person

The Policy will pay the Loss of an Insured Person for a Wrongful Act except to the extent that the Insured Person has been indemnified by the Company for the Loss.

Company Reimbursement

The Policy will reimburse the Loss of the Company for a Wrongful Act to the extent that the Company has indemnified an Insured Person.

Company Securities Cover

The Policy will pay for the Loss of the Company arising from a Wrongful Act.

Extensions

Additional Limit For Non-Executive Director

The Policy will continue to pay the Loss of a Non-Executive Director in respect of a Claim made against the Non-Executive Director during the Policy Period for a Wrongful Act in excess of the Limit of Liability of the Policy and the Non-Executive Director has exhausted any other available insurance cover or source of indemnity.

Cover for New Subsidiaries

The cover under the Policy will be extended to automatically include new Subsidiaries created or acquired during the Policy Period, if such new Subsidiary satisfied the conditions in the Policy, falls within the threshold of asset size specified in the Policy and is not listed in the US/Canada.

Discovery Period for Retired Insured Persons

If an Insured Person retires from the Company during the Policy Period then that Insured Person will be entitled to the Discovery Period at no additional premium from the expiry date of such Policy Period.

Supplementary Costs

The Insurer will pay the:

(a) Abduction Response Costs;
(b) Counselling Costs;
(c) Crisis Mitigation Costs;
(d) Deprivation of Assets Costs;
(e) Emergency Costs;
(f) Extradition Costs; (g) Investigation Costs.

incurred in respect of each Insured Person.

Important Definitions

Abduction Response Costs means reasonable fees, costs and expenses incurred, with the prior written consent of the Insurer, in respect of the abduction consultant appointed including the fees of an interpreter and payments made to informants in the event that an Insured Person is Abducted, Wrongfully Detained or Hijacked during the course of employment in India or the country in which the Insured Person is usually resident.

Claim means

(a) a written demand for monetary or non-monetary relief; or
(b) a civil, criminal, administrative or regulatory proceeding; or
(c) an arbitration, mediation or other similar dispute resolution proceeding; or
(d) an extradition proceeding (in case relevant extension is applicable); or
(e) a Securities Claim; or
(f) an Investigation

Company means the Policyholder and/or any Subsidiary

Costs means any

(a) Abduction Response Costs; and/or

(b) Counseling Costs; and/or

(c) Crisis Mitigation Costs; and/or

(d) Defence Costs; and/or

(e) Deprivation of Assets Costs; and/or (f) Extradition Costs; and/or (g) Investigation Costs. as specified in the Policy Schedule.

Counseling Costs means reasonable fees, costs and expenses incurred with the prior written consent of the Insurer, of an accredited psychiatrist, psychologist or counselor, to treat stress, anxiety or such similar medical conditions of an Insured Person resulting from a Claim against, or Investigation compelling attendance from an Insured Person.

Crisis Mitigation Costs means reasonable fees, costs and expenses incurred, with the prior written consent of the Insurer, in respect of the crisis mitigation consultancy appointed in the event that the Insured reasonably considers that the services of a crisis mitigation consultancy are required urgently in order to prevent or minimise the risk of a Claim which would be covered under this Policy

Defence Costs means reasonable fees, costs and expenses incurred with the prior written consent of the Insurer (including court fees, premiums for any surety, appeal bond, attachment bond, personal bond or similar bond for any civil proceeding) resulting from the investigation, adjustment, defence or appeal of a Claim

Deprivation of Assets Costs means reasonable fees, costs and expenses incurred by the Insured with the prior written consent of the Insurer, to obtain the discharge or revocation of a judicial order entered during the Policy Period for:

(a) restricting the Insured Person's ownership rights of real property or personal assets;

(b) imposing a charge over the Insured Person's real property or personal assets;

(c) restricting the Insured Person's liberty to a specified residence;

(d) deporting the Insured Person following revocation of a current and valid immigration status for any reason other than the Insured Person's conviction in a crime; or (e) Disqualifying the Insured Person from managing the Company arising from a Claim covered under this Policy.

Discovery Period means the period commencing immediately after the expiry of the Policy Period during which Insurer may be given written notice of a Claim first made during such period or the Policy Period for

(i) a Wrongful Act occurring after the prior acts exclusion date and before expiry date of the Policy.

(ii) Abduction Response Costs, Crisis Mitigation Costs, Deprivation of Assets Costs, Extradition Costs which are incurred during the Policy Period with the prior consent of the Insurer.

Emergency Costs means Defence Costs incurred during the Policy Period but for which Insurer's written consent cannot be reasonably obtained with respect to any Claim, provided that the Insurer subsequently consents in writing to such costs.

Employment Practices Wrongful Act means any of the following actual or alleged act, error or omission

(a) failure to adopt the Company's employment or workplace policies and procedures;

(b) Wrongful discipline

(c) negligent or wrongful employee evaluation, wrongful deprivation of career opportunity or wrongful demotion;

(d) Wrongful dismissal, discharge or termination of employment;

(e) Employment related misrepresentations or failure to furnish accurate job references; (f) discrimination;

(g) Sexual or other harassment;

(h) Invasion of privacy;

(i) defamation including but not limited to libel, or slander;

(j) failure to grant tenure;

(k) Retaliation with respect to past or present or prospective employee of the Company. However, Employment Practices Wrongful Act does not include Corporate Manslaughter.

Extradition Costs means reasonable fees, costs and expenses incurred with the Insurer's prior written consent in any extradition proceedings or related appeal for an Insured Person**.**

Insured means the Company and/or Insured Person

Insured does not include any external administrator, trustee, receiver or liquidator.

Insured Person means

(a) Any natural person who was, is, or becomes during the Policy Period:

(i) Director, Officer, or employee of a Company;

(ii) De facto director of a Company;

(iii) An Outside Entity Director;

(iv) A consultant acting as a member of a committee duly elected or appointed by resolution of the board of the Company to perform specific acts on behalf of the Company;

(v) Trainee;

(vi) a trustee of any fund or trust established or maintained for the purpose of providing pensions, annuities, employee benefit plan or trust, provident fund, pension, profit sharing, health and welfare or employee benefit plan of a Company.

(b) Insured Person shall also include:

(i) the spouse of an Insured Person for Loss arising from a Claim for a Wrongful Act of such Insured Person ; and

(ii) the administrator, heirs, legal representatives, or executor of a deceased, incompetent, insolvent or bankrupt Insured Person's estate for Loss arising from a Claim for a Wrongful Act of such Insured Person

Investigation means formal hearing, enquiry, raid or an onsite visit or examination (or a public announcement about the same) by a government body, liquidator, receiver, professional, statutory or regulatory body into the affairs of an Insured and directed against an Insured Person.

Investigation Costs means reasonable fees, costs and expenses incurred by any Insured with the prior written consent of the Insurer, for the purpose of retaining a legal advisor for representing an Insured Person at an Investigation or in relation to any legally required attendance by Insured Person at an Investigation. Investigation Costs also include costs incurred by such advisors in reviewing documents and preparing reports in connection with such Investigation.

Loss means the amount the Insured becomes legally liable to pay on account of any covered Claim and includes:

(a) Judgments;
(b) Settlements negotiated by Insured and consented to by the Insurer;
(c) Compensatory Damages;
(d) Punitive and Exemplary Damages;
(e) Multiple portion of multiplied damages;
(f) Pre-judgment and post-judgment interest;
(g) Claimant's legal costs and expenses awarded pursuant to a court order or judgment

Loss also includes Costs in accordance with applicable extension and as specified in the Policy Schedule.

Loss does not include:

(i) Fines and penalties, except for Civil fines or penalties levied on an Insured Person as specified in the Policy Schedule;
(ii) Taxes except for the personal liability of an Insured Person for corporate taxes unpaid due to company's insolvency;
(iii) Payments which the Insurer is legally prohibited from making or payments which are uninsurable in the jurisdiction where a Claim is made.

With respect to a Claim where there is an allegation that the price or underlying consideration paid or proposed to be paid for acquiring all or substantially all of the ownership interests in or assets of any

entity is inadequate, Loss shall not include any amount or amounts of any judgment, award or settlement representing the amount or amounts by which such price or underlying consideration results in an actual or effective increase.

Non-Executive Director means any natural person who serves as a non-executive director of Company during the Policy Period and includes an independent director.

Securities Claim means any

(a) written demand for monetary or non-monetary relief; or
(b) civil, criminal, administrative or regulatory proceeding; or
(c) arbitration, mediation or other similar dispute resolution proceeding; or

arising from the Insured's breach of any laws, rules or regulations:

(i) regulating Securities; or
(ii) relating to the purchase or sale of any Securities; or
(iii) relating to the offer/solicitation to purchase or sell any Securities; or
(iv) relating to the registration or ownership of any Securities; or
(v) relating to the ownership of Securities brought by a holder of such Securities, whether brought directly or derivatively.

A Securities Claim shall not include Claims by an Insured Person based upon or arising out of, or attributable to the actual or alleged loss of, or the failure to receive or obtain the benefit of any Securities (including any warrants or options).

A Securities Claim shall also not include Claims made by one Company against another Company.

Wrongful Act Means

(a) For cover pertaining to 'Insured Person' and 'Company Reimbursement':

(i) any actual or alleged act, error or omission, breach of duty, breach of trust, misstatement or misleading statement, defamation, libel or slander, breach of warranty of authority by the Insured Person;
(ii) an Employment Practices Wrongful Act;
(iii) any matter claimed against an Insured Person solely by reason of their status as Insured Person;

(iv) any actual or proposed act with respect of a shareholder derivative action.

(b) For cover pertaining to 'Company Securities Cover':

(i) any actual or alleged act, error or omission, breach of duty, breach of trust, with respect of a Securities Claim only .

Main Exclusions

The Insurer shall not be liable to make any payment under the Policy for any Loss:

1) Bodily injury and property damage;
2) Pollution;
3) Crime, fraud and personal conduct.

Other Important Terms and Conditions

Claim Series
All Claims and/or circumstance or series of Claims and/ or circumstances based upon, arising out of, or in any manner involving the same Wrongful Act, whether or not committed by more than one Insured, shall be deemed to be one Claim for the purposes of this Policy,
and such Claim shall be deemed to be first made on the date the earliest of such Claims/circumstance is first made against an Insured.

Claim Conditions

The Insured shall give written notice to the Insurer of any circumstances that may reasonably be expected to give rise to a Claim or any Claim made against the Insured, as soon as practicable and in any case during the Policy Period.

Such notice shall include (but is not limited to):

(i) the reasons for anticipating a Claim (or circumstances);
(ii) the Insurer's Claim form duly completed;
(iii) All other information or documentation relevant to the Claim/circumstance.

Insured's duties in case of a Claim

Inform the Insurer as soon as practicable and in any case during the policy period

No admission or settlement should be made or offer of settlement extended or consent to any judgment without prior written consent of the Insurer.

Policyholder should do nothing to prejudice the Insurer's rights of recovery, by way of subrogation or otherwise.

If there is any other insurance which does or may provide an indemnity then the Insurer must be informed of the same without delay.

The Insured must take the insurers prior consent, before appointment of any external expert or legal counsel

The Insured shall do everything necessary for the purpose of enforcing any rights, remedies, obtaining relief or indemnity from other parties to which the Insurer is become entitled upon the Insurer paying for any Loss under this Policy, whether before or after indemnification.

As a condition precedent to liability under the Policy, the Insured at its own costs hall provide the Insurer with all documents, information, assistance and cooperation that the Insurer may request and require towards investigation, defence, settlement or appeal of a
Claim or circumstance. Each Insured shall also take reasonable steps to mitigate the Loss.

Insurer's Rights in case of a Claim

The Insurer is entitled to all information, assistance and cooperation which the Insurer requests and for this to be provided to it in a timely manner.

The Insurer will not be responsible for any Defence Costs unless their express prior consent has been obtained.

The Insurer shall be entitled to fully participate in the defence and at the negotiation stage of any settlement that is reasonably likely to involve or appears to involve the Insurer.

Premium

The premium shall depend on various factors such as the business activities of the Insured, total asset size, geographical breakup of employee count, financial health of the Company, etc

Note: The above is a summary of some of the important terms, conditions and exclusions. For complete details on coverage, terms, conditions and exclusions, please contact the Insurer's office and refer to the Policy document carefully and understand the same before concluding the sale.

Cancellation

The Insured can cancel the policy at any time during the term, by informing the company.

The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the policyholder.

The Company shall –

i) refund proportion premium for unexpired policy period, if the term of the policy is upto one year and there is no claim(s) made during the policy period.

ii) refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

Grievance Redressal

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre (IGCC) at their toll free no. 1800 4254 732 / 155255.

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdai.gov.in or on the Company's website at www.icicilombard.com.

STATUTORY WARNING

PROHIBITION OF REBATES

(Under Section 41 of Insurance Act 1938)

1) (1)No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to [take out or renew or continue] an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing [or continuing] a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

[Provided that acceptance by an insurance agent of commission in connection with a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.]

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees..