

XL INSURANCE (CHINA) COMPANY LIMITED DIRECTORS, SUPERVISORS, AND OFFICERS LIABILITY & COMPANY REIMBURSEMENT INSURANCE

NOTE

THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES OR SETTLEMENTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY THE PAYMENT OF DEFENCE EXPENSES OR LEGAL REPRESENTATION EXPENSES. THE TERMS IN BOLD PRINT HAVE THEIR SPECIAL MEANINGS, PLEASE SEE "DEFINITIONS" IN THIS POLICY. THIS POLICY DOES NOT PROVIDE FOR ANY DUTY BY THE INSURER TO DEFEND ANY INSURED. PLEASE READ AND REVIEW THE POLICY CAREFULLY, IN PARTICULAR, THE EXCLUSION PROVISIONS OR PROVISIONS THAT LIGHTEN THE INSURER'S LIABILITY. SHOULD YOU HAVE ANY QUERIES, PLEASE CALL US IN TIME; OTHERWISE YOU ARE DEEMED TO FULLY UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS OF THIS POLICY.

THIS POLICY IS ISSUED IN BOTH CHINESE AND ENGLISH. IN THE EVENT OF ANY CONFLICTS OR DISCREPANCIES BETWEEN THE CHINESE VERSION AND THE ENGLISH VERSION, THE CHINESE VERSION SHALL PREVAIL.

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DIRECTORS, SUPERVISORS AND OFFICERS LIABILITY AND COMPANY REIMBURSEMENT INSURANCE

COVERAGE FORM

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to XL Insurance (China) Company Limited (hereinafter the “**Insurer**”) including the **Proposal** and subject to all of the terms, conditions and limitations of all of the provisions of this **Policy**, the **Insurer** and the **Applicant** agree as follows:

I INSURANCE AGREEMENTS

(A) The **Insurer** will pay on behalf of the **Insured Persons**:

- (1) **Loss**, including **Defence Expenses**, from **Claims** first made against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period, for a **Wrongful Act** or **Employment Practices Wrongful Act**, and
- (2) **Legal Representation Expenses** on account of **Investigations** first commenced against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period;

except for **Loss**, or in the case of an **Investigation**, **Legal Representation Expenses** which the **Company** is permitted or required to pay on behalf of the **Insured Persons** as indemnification.

(B) The **Insurer** will pay on behalf of the **Company**:

- (1) **Loss**, including **Defence Expenses**, from **Claims** first made against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period, for a **Wrongful Act** or **Employment Practices Wrongful Act**, and
- (2) **Legal Representation Expenses** on account of **Investigations** first commenced against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period;

which the **Company** is permitted or required to pay to or on behalf of the **Insured Persons** as indemnification.

(C) The **Insurer** will pay on behalf of the **Company Loss**, including **Defence Expenses**, from **Securities Claims** first made against the **Company** during the **Policy Period** or, if applicable, the Optional Extension Period, for a **Company Wrongful Act**.

II EXTENSIONS

(A) **Additional Insuring Clause A Limit for Directors**

The **Insurer** shall pay on behalf of the directors listed in Item 5 of the Schedule **Loss** resulting from a **Claim** first made against them during the **Policy Period**, or if applicable, the Optional Extension Period, for a **Wrongful Act** or **Employment Practices Wrongful Act** or **Investigation**, except for **Loss** which the **Company** is permitted or required to pay on behalf of such directors as indemnification. This coverage EXTENSION shall be subject to:

- (1) the Additional Limit Per Director as listed in Item 5 of the Schedule and subject to the Aggregate Additional Limit For All Directors as listed in Item 5 of the Schedule; and
- (2) this additional coverage shall not be part of the Limit of Liability as set forth in Item 4 of the Schedule; and
- (3) the Limit of Limit of Liability as set forth in Item 4 of the Schedule and any other Directors, Supervisors and Officers Liability policy which covers any part of that **Loss** have been exhausted.

(B) **Emergency Costs**

If the **Insurer's** prior written consent cannot be obtained prior to incurring any **Defence Expenses** or **Legal Representation Expenses**, the **Insurer** will give retrospective consent which is conditional on the **Insurer's** consent being sought within 30 days of the first of such **Defence Expenses** or **Legal Representation Expenses** being incurred. The sub-limit of liability for all payments under this EXTENSION is 10% of the Limit of Liability as set forth in Item 4 of the Schedule. This sub-limit shall form part of and not be in addition to the Limit of Liability set forth in Item 4 of the Schedule.

(C) **Retired Directors, Supervisors or Officers Run-Off**

In the event this **Policy** has not been cancelled due to non-payment of premium and is not renewed or replaced with any other policy providing Directors, Supervisors and Officers Liability cover and the Optional Extension Period is not purchased, this **Policy** shall extend to include as **Insured Persons** any **Retired Director, Supervisor or Officer** in respect of a **Claim** for a **Wrongful Act** or **Employment Practices Wrongful Act**, first made or an **Investigation** first commenced against such persons during the period of 10 years immediately following the expiry date of the **Policy Period**. This EXTENSION commences from the expiry date of the **Policy Period**, as set forth in Item 3 of the Schedule, and runs concurrently with any Optional Extension Period.

(D) **Occupational Health and Safety**

Notwithstanding EXCLUSIONS IV (A) and (F), the **Insurer** shall pay **Defence Expenses** and **Legal Representation Expenses** resulting from a **Claim** or **Investigation** against the **Insured Persons** alleging involuntary manslaughter, constructive manslaughter or gross negligence manslaughter or a breach of the Occupational Health and Safety legislation or any similar legislation in any other jurisdiction. The sub-limit of liability for all payments under this EXTENSION is set forth in Item 6 of the Schedule. This sub-limit shall form part of and not be in addition to the Limit of Liability set forth in Item 4 of the Schedule.

(E) **Pollution Defence Expenses**

Notwithstanding EXCLUSIONS IV (B), the **Insurer** shall pay **Defence Expenses** and **Legal Representation Expenses** resulting from a **Claim** or **Investigation** against the **Insured Persons** for **Pollution** up to the sub-limit as set forth in Item 7 of the Schedule. This sub-limit shall form part of and not be in addition to the Limit of Liability set forth in Item 4 of the Schedule.

(F) **Fines and Penalties**

The **Insurer** shall pay civil fines and penalties imposed by law unless deemed uninsurable under the law applicable to this **Policy** resulting from a **Claim** first made against the **Insured Persons** during the **Policy Period** or, if applicable, the Optional Extension Period, for a **Wrongful Act** or **Employment Practices Wrongful Act** or **Investigation**. The sub-limit of liability for all payments under this EXTENSION is USD1,000,000. This sub-limit shall form part of and not be in addition to the Limit of Liability set forth in Item 4 of the Schedule.

(G) **Unpaid Taxes**

The **Insurer** shall pay **Loss** arising from the personal liability of the **Insured Persons** (in their capacity as an **Insured Person**) for unpaid taxes of the **Company** where the **Company** has become insolvent, except to the extent that such liability arises from the willful intent of the **Insured Persons** to breach any statutory duty governing the payment of taxes. Such cover shall apply up to the sub-limit as set forth in Item 8 of the Schedule. This sub-limit shall form part of and not be in addition to the Limit of Liability set forth in Item 4 of the Schedule.

(H) **Crisis Consultant Expenses**

The **Insurer** shall pay **Crisis Consultant Expenses** resulting from a **Claim** first made against the **Insured Persons** during the **Policy Period**, or if applicable, the Optional Extension Period, for a **Wrongful Act** or **Employment Practices Wrongful Act** or **Investigation**. Such cover shall apply up to the sub-limit as set forth in Item 9 of the Schedule. This sub-limit shall form part of and not be in addition to the Limit of Liability set forth in Item 4 of the Schedule.

(I) **Heirs, Representatives, and Spouses**

In the event of death, incapacity or bankruptcy of an **Insured Person** any **Claim** against the estate, heirs, legal representatives or assigns of such individual for a **Wrongful Act** or **Employment Practices Wrongful Act** or **Investigation** of such individual will be deemed to be a **Claim** or **Investigation** against such individual.

Coverage shall extend to the lawful spouse of any **Insured Person** but only to the extent the spouse is a party to any **Claim** or **Investigation** solely in their capacity as a spouse of such persons and only for the purposes of any **Claim** or **Investigation** seeking damages recoverable from marital community property, property jointly held by any such person and spouse, or property transferred from any such person to the spouse.

III **DEFINITIONS**

(A) "**Applicant**" means the institution set forth in Item 2 of the Schedule. Unless otherwise provided in this **Policy**, the **Applicant** shall be the **Parent Company**.

(B) "**Change In Control**" means:

- (1) the merger of the **Parent Company** with another entity such that the **Parent Company** is not the surviving entity, or the acquisition of all or substantially all of the **Parent Company's** assets by another entity;
- (2) the acquisition by any person, entity or affiliated group of persons or entities of the right to vote, select or appoint more than fifty percent (50%) of the directors of the **Parent Company**; or
- (3) the appointment of a receiver, liquidator, receiver and manager, administrator, administrative receiver, judicial manager or any comparable authority, with respect to the **Parent Company**.

Notwithstanding anything to the contrary in this **Policy**, or in any other agreement between the **Insurer** and the **Applicant** or in any documents related to the events that cause the **Change in Control**, the time of the consummation of a **Change in Control** shall mean the earliest of the following dates:

- (1) when consideration for the **Change in Control** was paid, either partially or fully; or
- (2) when the new shareholder(s) was recorded into the shareholder list of the surviving **Parent Company**, as a result of the **Change In Control**; or
- (3) when any judicial or regulatory authority or any other entitled party issues any order to appoint any person or entity, with authority comparable to that of any of the **Insured Persons**, to liquidate or reorganize the **Parent Company**; or
- (4) when registration is made with the company registration authority or any other comparable governmental agencies in or outside China, to reflect the **Change In Control**, including without limitation, the registration of the new shareholder(s) and/or director(s) of the **Parent Company**.

- (C) **"Claim" means:**
- (1) a written demand for monetary or non-monetary relief;
 - (2) any civil proceeding, or arbitration;
 - (3) any criminal proceeding;
 - (4) a formal administrative regulatory proceeding or formal investigation of an **Insured Person** or the **Company** (but with respect to the **Company** only for a **Company Wrongful Act**) which is commenced by the filing or issuance of a notice of charges, formal investigative order or similar document identifying in writing such **Insured Person** or the **Company** as a person or entity against whom a proceeding as described in DEFINITIONS 3 (2) or (3) above may be commenced;
 - (5) any 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**.
- (D) **"Company"** means the **Parent Company** and any **Subsidiary** created or acquired on or before the Inception Date set forth in Item 3 of the Schedule or during the **Policy Period**, subject to GENERAL CONDITIONS VII (D).
- (E) **"Company Wrongful Act"** means any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by the **Company** in connection with a **Securities Claim**.
- (F) **"Crisis Consultant Expenses"** means any reasonable professional fees, costs or expenses of any professionally qualified:
- (1) public relations firm or consultant;
 - (2) crisis management firm;
 - (3) counselor; or
 - (4) tax advisor;
- retained by the **Insured Persons**, with the prior written consent of the **Insurer** in order to prevent or limit adverse effects including negative publicity which it is anticipated may arise from any **Claim**.
- (G) **"Defence Expenses"** means reasonable legal fees and expenses incurred in the defence of any **Claim** for a **Wrongful Act**, **Company Wrongful Act** or **Employment Practices Wrongful Act**, including the premium for an appeal bond, attachment bond or similar bond but will not include applying for or furnishing such bond. **Defence Expenses** shall also include reasonable and necessary fees, costs and expenses incurred through legal counsel and consented to by the **Insurer** resulting from an **Insured Person**, (in their capacity as an **Insured Person**) lawfully:
- (1) opposing, challenging, resisting or defending any request for or any effort to obtain the **Extradition** of such **Insured Person**; or
 - (2) appealing any order or other grant of **Extradition** of such **Insured Person**.
- Defence Expenses** will not include the **Company's** overhead expenses or any salaries, wages, fees, or benefits of its directors, supervisors, officers or employees.
- (H) **"Employment Practices Claim"** means a **Claim** alleging an **Employment Practices Wrongful Act**.
- (I) **"Employment Practices Wrongful Act"** means any actual or alleged:
- (1) wrongful termination of employment whether actual or constructive;

- (2) employment discrimination of any kind including violation of any applicable law involving employment or discrimination in employment which would deprive or potentially deprive any person of employment opportunities or otherwise adversely affect his or her status as an employee, because of such person's race, color, religion, age, sex, national origin, disability, pregnancy, or other protected status;
 - (3) sexual or other harassment in the workplace; or
 - (4) wrongful deprivation of career opportunity, employment related misrepresentations, retaliatory treatment against an employee of the **Company**, failure to promote, demotion, wrongful discipline or evaluation, refusal to hire, invasion of privacy, defamation or infliction of emotional distress or breach of any oral, written or implied employment contract.
- (J) **"Extradition"** means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.
- (K) **"Insured"** means the **Insured Persons** and the **Company**.
- (L) **"Insured Person"** means any natural person (but not an external auditor or insolvency officeholder) who is:
- (1) any past, present or future director (including de-facto director, alternate director or shadow director), supervisor or officer, or member of the Board of Managers, of the **Company** and those persons serving in a functionally equivalent role for the **Parent Company** or any **Subsidiary** in any jurisdiction;
 - (2) any past, present or future employee of the **Company** to the extent:
 - (a) any **Claim** is a **Securities Claim**; or
 - (b) such employee of the **Company** and any other individual identified in L (1) above who is named as a co-defendant in a **Claim** or is required to attend an **Investigation** with any individual identified in L (1) above; or
 - (c) such employee is acting in any managerial or supervisory capacity; or
 - (d) any **Claim** is an **Employment Practices Claim**;
 - (3) a trustee of any superannuation, pension, provident fund, profit sharing, health and welfare or employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any form of benefits to employees of the **Company**.
- (M) **"Insurer"** means XL Insurance (China) Company Limited, a limited liability company incorporated in the People's Republic of China.
- (N) **"Interrelated Wrongful Acts"** means all **Wrongful Acts**, **Company Wrongful Acts**, or **Employment Practices Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events or a series of related facts, circumstances, situations, transactions or events.
- (O) **"Investigation"** means a formal or official investigation, examination or inquiry other than a **Claim**, into the **Company** or the **Insured Persons** in their capacity as such **Insured Persons** at which the attendance of the **Insured Persons** is first required or requested in writing during the **Policy Period** or, if applicable, the Optional Extension Period.
- (P) **"Legal Representation Expenses"** means reasonable legal costs and related professional fees incurred by or on behalf of the **Insured Persons** (but does not include any remuneration of the **Insured Persons**) with the prior written consent of the **Insurer**, not to be unreasonably withheld, directly in connection with the **Insured Persons** cooperating (including the provision of information or documents) with an **Investigation**.

- (Q) "**Loss**" means damages, judgments, settlements awards of claimants' costs, pre-judgment and post judgment interest or other amounts (including punitive, exemplary or aggravated damages and the multiple portion of any multiplied damages award, where insurable by law) and **Crisis Consultant Expenses, Defence Expenses** and **Legal Representation Expenses** in excess of the Retention that the **Insured** is legally obligated to pay. **Loss** will not include:
- (1) except as provided in EXTENSIONS II (F) and (G), fines, penalties or taxes imposed by law; or
 - (2) matters which are uninsurable under the laws pursuant to which this **Policy** is construed, provided that the **Insurer** will not assert that the portion of any **Defence Expenses**, settlement or judgment in a **Securities Claim** arising from an initial or subsequent public offering of the **Company's** securities constitutes uninsurable loss due to the alleged violations of Section 11 and/or 12 of the Securities Act of 1933 as amended.
- (R) "**Non-Profit Entity**" means any corporation or organisation other than the **Parent Company** or any **Subsidiary**, that has charitable status or a non profit making purpose and as to which an **Insured Person** serves, at the specific written request of the **Company**, as director, supervisor, officer, trustee, regent or governor.
- (S) "**Outside Entity**" means any:
- (1) corporation, partnership, joint venture, association or other entity, other than the **Parent Company** or any **Subsidiary**, that has no securities listed or traded on any exchange in the United States of America and as to which an **Insured Person** serves, at the specific written request of the **Company**, in an elected or appointed position having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an **Insured Person** with the **Company**, regardless of the name or title by which such position is designated; and
 - (2) any other corporation, partnership, joint venture, association or other entity specifically designated as such by endorsement to this **Policy**.
- (T) "**Parent Company**" means the entity named in Item 2 of the Schedule.
- (U) "**Policy Period**" means the period from the Inception Date to the Expiration Date set forth in Item 3 of the Schedule or to any earlier cancellation date.
- (V) "**Pollution**" means any actual, alleged or threatened discharge, dispersal, release, escape, seepage, transportation, emission, treatment, removal or disposal of pollutants, contaminants, or waste of any kind including but not limited to nuclear material or nuclear waste or any actual or alleged direction, request or voluntary decision to test for, abate, monitor, clean up, recycle, remove, recondition, reclaim, contain, treat, detoxify or neutralize pollutants, contaminants or waste of any kind including but not limited to nuclear material or nuclear waste.
- (W) "**Proposal**" means:
- (1) the proposal submitted to the **Insurer** which shall be deemed attached to and forming part of this **Policy**; and
 - (2) any materials submitted therewith, which shall be retained on file by the **Insurer** and shall be deemed to be physically attached to this **Policy**.
- (X) "**Retired Director, Supervisor or Officer**" means any **Insured Person** as defined in DEFINITIONS III (L) (1) who has voluntarily ceased to act in such **Insured Person** capacity (for reasons other than disqualification from holding the office as a company director) since the inception of the first Directors, Supervisors and Officers Liability insurance policy purchased by the **Company**, of which this is a continuous renewal.

(Y) **"Securities Claim"** means a **Claim** other than an administrative or regulatory proceeding against or investigation of a **Company**, made against an **Insured**:

- (1) for a violation of any applicable statute or rule regulating securities, including but not limited to the purchase or sale of, or offer to purchase or sell, securities, which is:
 - (a) brought by any person or entity based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the purchase or sale of, or offer to purchase or sell, securities of the **Company**; or
 - (b) brought by a security holder of a **Company** with respect to such security holder's interest in securities of such **Company**; or
- (2) brought derivatively on behalf of the **Company** by a security holder of such **Company**.

Notwithstanding the foregoing, the term **"Securities Claim"** shall include a **Claim** against the **Company** as defined in DEFINITIONS (D) (4), but only if and only during such time that such **Claim** is also commenced and continuously maintained against an **Insured Person**.

(Z) **"Subsidiary"** means any entity during any time in which the **Parent Company** directly or through one or more **Subsidiary(s)**:

- (1) owns more than fifty percent (50%) of the issued and outstanding securities; or
- (2) controls more than fifty percent (50%) of the voting rights, or
- (3) controls the right to vote for the election or removal of such entity's directors;

Subsidiary shall also mean any incorporated joint venture or company over which the **Company** exercises management control.

(Z1) **"Wrongful Act"** means any actual or alleged act, error, omission, misstatement, misleading statement, neglect, breach of duty, breach of trust or breach of warranty of authority by any **Insured Person** while acting in his or her capacity as an:

- (1) **Insured Person** of the **Company** or a person serving in a functionally equivalent role for the **Parent Company** or any **Subsidiary**;
- (2) **Insured Person** of the **Company** who at the specific written request of the **Company** is serving as a director, supervisor, officer, trustee, regent or governor of a **Non-Profit Entity**; or
- (3) **Insured Person** of the **Company**, who at the specific written request of the **Company** is serving in an elected or appointed position having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an **Insured Person** of the **Company**, regardless of the name or title by which such position is designated, of an **Outside Entity**.

IV EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made or **Investigation** against an **Insured Person**, or with respect to INSURANCE AGREEMENTS (C), the **Company**:

- (A) for any actual or alleged bodily injury, sickness, disease or death of any person, or damage or destruction of any tangible property including loss of use thereof; however, this EXCLUSION (A) will not apply to any allegations of mental anguish or emotional distress if and only to the extent that such allegations are made as part of an **Employment Practices Claim** for an **Employment Practices Wrongful Act**;
- (B) for **Pollution**; however, with respect to a **Claim** or **Investigation** made under INSURANCE AGREEMENTS (A) only, this EXCLUSION (B) will not apply to a **Claim** or **Investigation** if a court of competent jurisdiction specifically determines the **Company** is not permitted to indemnify the **Insured Persons**;

NOTE: EXCLUSIONS (A) and (B) above will not apply with respect to a **Securities Claim** brought by a security holder of the **Company**, brought by or on behalf of, or in the name or right of, the **Company**, and brought and maintained independently of, and without the solicitation, assistance, participation or intervention of, an **Insured**.

- (C) for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended, or any rules or regulations promulgated thereunder, brought or commenced under the jurisdiction of the United States of America (this EXCLUSION (C) only applies to the **Company** hiring employees within the jurisdiction of the United State of America);
- (D) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** underlying or alleged in any prior and/or pending litigation or administrative or regulatory proceeding or arbitration which was brought prior to the Pending and Prior Litigation Date set forth in Item 13 of the Schedule;
- (E) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** which, before the Inception Date of this **Policy**, was the subject of any notice given under any other Management Liability policy, Directors, Supervisors and Officers Liability policy or similar policy;
- (F) brought about or contributed to in fact by any:
 - (1) dishonest, fraudulent or criminal act or omission or any willful violation of any statute, rule or law; or
 - (2) profit or **remuneration** gained by any **Insured** to which such **Insured** is not legally entitled;

as determined by a final adjudication in the underlying action or in a separate action or proceeding (for the purposes of this EXCLUSION (F), the term "proceeding" shall not include declaratory proceeding brought by or against the **Company** to determine coverage under the **Policy**);

EXCLUSIONS (F) (2) above will not apply to allegations in a **Securities Claim** asserted against any **Insured Person** under Section 11 and/or 12 of the Securities Act of 1933 of United States as amended arising out of an initial or subsequent public offering of the **Company's** securities where the **Insured Person** or the **Company** is subject to the governance of United States law.

- (G) by, on behalf of, or in the name or right of the **Company**, or any **Insured Person**, except and to the extent such **Claim**:
 - (1) is brought derivatively by a security holder of the **Company** who, when such **Claim** is made and maintained, is acting independently of, and without the solicitation, assistance, participation or intervention of an **Insured Person** or the **Company**;
 - (2) is brought by the Bankruptcy Trustee or Examiner of the **Company** or any assignee of such Trustee or Examiner, or any Receiver, Conservator, Rehabilitator, or Liquidator or comparable authority of the **Company**;
 - (3) is 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 **Policy**;
 - (4) is an **Employment Practices Claim**;
 - (5) is brought or maintained solely in jurisdictions other than the United States of America, its territories and possessions and which are entirely subject to and apply the substantive and procedural laws of such other jurisdictions;

- (6) is for **Defence Expenses**;
- (7) is brought and maintained by an **Insured Person**:
 - (a) who no longer serves as a director, supervisor, officer, member of the Board of Managers, or employee of the **Company**; and
 - (b) who is acting independently of, and without the solicitation, assistance, participation or intervention of an **Insured Person** or the **Company**; or
- (8) is brought by an employee of the **Company** pursuant to any federal or state whistleblower protection statute or any rule or regulation promulgated thereunder (this EXCLUSION (G)(8) only applies to the **Company** hiring employees within the jurisdiction of the United State of America);
- (H) by, on behalf of, at the direction of or in the name or right of any **Non-Profit Entity** or **Outside Entity** against an **Insured Person** for a **Wrongful Act** or **Employment Practices Wrongful Act** while acting in his or her capacity as a director, supervisor, officer, trustee, regent or governor of such, or persons occupying elected or appointed positions having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an **Insured Person** of the **Company**, regardless of the name or title by which such position is designated;
- (I) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving an **Insured Person** acting in their capacity as an **Insured Person** of any entity other than the **Company**, **Non-Profit Entity** or **Outside Entity**.

No conduct of any **Insured Person** will be imputed to any other **Insured** to determine the application of any of the above EXCLUSIONS.

V LIMIT OF LIABILITY, INDEMNIFICATION AND RETENTIONS

- (A) The **Insurer** shall pay the amount of **Loss** in excess of the applicable Retention(s) set forth in Item 10 of the Schedule up to the Limit of Liability set forth in Item 4 of the Schedule.
- (B) The amount set forth in Item 4 of the Schedule shall be the maximum aggregate Limit of Liability of the **Insurer** under this **Policy**, except cover under EXTENSIONS II (A) which is in addition to the Limit of Liability set forth in Item 4 of the Schedule. Payment of **Loss**, including **Defence Expenses** and **Legal Representation Expenses**, by the **Insurer** shall reduce the Limit of Liability.
- (C) The Additional Limit Per Director, as set forth in Item 5 of Schedule shall be part of and not in addition to the Aggregate Additional Limit for All Directors as set forth in Item 5.
- (D) With respect to the **Company's** indemnification of its **Insured Persons**, the certificate of incorporation, charter, by-laws, articles of association, or other organisational documents of the **Parent Company**, each **Subsidiary** and each **Non-Profit Entity** or **Outside Entity**, will be deemed to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.
- (E) The Retention applicable to INSURANCE AGREEMENTS (B) will apply to **Loss** as to which indemnification by the **Company**, or any **Non-Profit Entity** or **Outside Entity** is legally permissible, whether or not actual indemnification is made unless such indemnification is not made by **the Company**, or such **Non-Profit Entity** or **Outside Entity** solely by reason of its financial insolvency in which event the Retention(s) applicable to INSURANCE AGREEMENTS (A) will apply.
- (F) If different retentions are applicable to different parts of any **Loss**, the applicable Retention(s) will be applied separately to each part of such **Loss**, and the sum of such Retention(s) will not exceed the largest applicable Retention set forth in Item 10 of the Schedule.

VI DEFENCE, SETTLEMENT AND ALLOCATION OF LOSS

- (A) It shall be the duty of the **Insured** and not the duty of the **Insurer** to defend any **Claim** or **Investigation** under this **Policy**.
- (B) No **Insured** may incur any **Defence Expenses** or **Legal Representation Expenses** or admit liability for, make any settlement offer with respect to, or settle any **Claim** without the **Insurer's** consent (except as provided in EXTENSIONS II(B) such consent not to be unreasonably withheld).
- (C) Upon the written request of an **Insured**, the **Insurer** will advance **Defence Expenses** or **Legal Representation Expenses** on a current basis in excess of the applicable Retention, if any, before the disposition of the **Claim** for which this **Policy** provides coverage. As a condition of the advancement of **Defence Expenses** and **Legal Representation Expenses**, the **Insurer** may require a written undertaking, in a form satisfactory to the **Insurer**, which will guarantee the repayment of any **Loss** including **Defence Expenses** and **Legal Representation Expenses** paid to or on behalf of the **Insured** if it is finally determined that the **Loss** incurred is not covered under this **Policy**.
- (D) If both **Loss** covered by this **Policy** and **Loss** not covered by this **Policy** are incurred, either because a **Claim** or **Investigation** made against the **Insured** contains both covered and uncovered matters, or because a **Claim** or **Investigation** is made against both the **Insured** and others (including the **Company** for **Claims** other than **Securities Claims**) not insured under this **Policy**, the **Insured** and the **Insurer** will use their best efforts to determine a fair and appropriate allocation of **Loss** between that portion of **Loss** that is covered under this **Policy** and that portion of **Loss** that is not covered under this **Policy**. Additionally, the **Insured** and the **Insurer** agree that in determining a fair and appropriate allocation of **Loss**, the parties will take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defence and/or settlement of the **Claim** or **Investigation** by, the **Insured** and others.
- (E) In the event that an agreement cannot be reached between the **Insurer** and the **Insured** as to an **allocation** of **Loss**, as described in 4 above, then the **Insurer** shall advance that portion of **Loss** which the **Insured** and the **Insurer** agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Policy** and applicable law.

VII GENERAL CONDITIONS

(A) NOTICE

- (1) As a condition precedent to any right to payment under this **Policy** with respect to any **Claim** or **Investigation**, the **Insured** shall give written notice to the **Insurer** of any **Claim** or **Investigation** as soon as practicable after it is first made and, in any event, no later than the expiration date of the **Policy Period** or the **Optional Extension Period** if applicable.

If the **Insured** deliberately or through its gross negligence fails to give written notice of a **Claim** or **Investigation** to the **Insurer**, which makes it difficult for the **Insurer** to determine the nature, cause or degree of the **Loss**, the **Insurer** shall not be liable for the proportion of the **Loss** that cannot be determined, unless the **Insurer** is aware of or should have been aware of the occurrence of the **Claim** or **Investigation** from other sources.

- (2) If, during the **Policy Period**, the **Insured** first becomes aware of a specific **Wrongful Act**, **Company Wrongful Act** or **Employment Practices Wrongful Act** and if, during the **Policy Period**, the **Insured**:
 - (a) provides the **Insurer** with written notice of the specific **Wrongful Act**, **Company Wrongful Act** or **Employment Practices Wrongful Act**, the consequences which have resulted or may result therefrom (including but not limited to actual or potential damages), the identities of the potential claimants, the circumstances by which the **Insured** first became aware of such **Wrongful Act**, **Company Wrongful Act** or **Employment Practices Wrongful Act**; and

(b) requests coverage under this **Policy** for any subsequently resulting **Claim** for such **Wrongful Act, Company Wrongful Act or Employment Practices Wrongful Act**;

then any **Claim** or **Investigation** subsequently made arising out of such **Wrongful Act, Company Wrongful Act or Employment Practices Wrongful Act** will be treated as if it had been first made during the **Policy Period**.

(3) All notices under GENERAL CONDITIONS (A) (1) and (2) must be sent by certified mail or the equivalent to the address set forth in Item 14 of the Schedule; Attention: Claim Department.

(B) INTERRELATED CLAIMS

All **Claims** and **Investigations** arising from the same **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest of the time at which the earliest such **Claim** is made or deemed to have been made pursuant to GENERAL CONDITIONS (A) (1) above or GENERAL CONDITIONS (A) (2), if applicable. .

(C) OTHER INSURANCE AND SERVICE IN CONNECTION WITH NON-PROFIT ENTITIES AND OUTSIDE ENTITIES

(1) Unless otherwise provided by any laws and regulations, all **Loss** payable under this **Policy** will be specifically excess of and will not contribute with any other insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically excess of this **Policy**. This **Policy** will not be subject to the terms of any other insurance policy.

(2) Unless otherwise provided by any laws and regulations, all coverage under this **Policy** for **Loss** from **Claims** or **Investigations** made against the **Insured Persons** while acting in their capacity as a director, supervisor, officer, trustee, regent or governor of a **Non-Profit Entity** or persons occupying elected or appointed positions having fiduciary, supervisory or managerial duties and responsibilities comparable to those of the **Insured Persons** of the **Company**, regardless of the name or title by which such position is designated, of an **Outside Entity** will be specifically excess of and will not contribute with, any other insurance or indemnification available to such **Insured Person** from such **Non-Profit Entity** or **Outside Entity** by reason of their service as such.

(3) Unless otherwise provided by any laws and regulations, if the **Non-Profit Entity's** or **Outside Entity's** Directors, Supervisors and Officers Liability insurance is provided by the **Insurer** or any member of the XL group of companies, then the total aggregate Limit of Liability for all **Loss** covered by virtue of this EXTENSION shall be reduced by the amount paid to any **Insured** under such policy.

(D) CHANGES IN EXPOSURE OR CONTROL (INCLUDING MERGERS AND ACQUISITIONS)

(1) Where the **Insurer's** exposure under this **Policy** materially increases during the **Policy Period**, the **Insured** shall notify the **Insurer** in timely manner; and then the **Insurer** shall have the right to increase the insurance premium accordingly. Furthermore, if the **Insured** fails to provide immediate written notice to the **Insurer**, the **Insurer** is not liable for any **Loss** caused by the material increase in exposure.

(2) **If during the Policy Period, the Company** acquires any assets, acquires a **Subsidiary**, or acquires any entity by merger, consolidation or otherwise, or assumes any liability of another entity, coverage shall be provided for any **Loss** involving a **Claim** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** occurring after legal consummation of the merger, acquisition or consolidation with another corporate entity.

- (3) If, however, by reason of the transaction described in (D) (2) above, the entity, assets, **Subsidiary** or liabilities so acquired or so assumed, exceed thirty five percent (35%) of the total assets or liabilities of the **Company**, as represented in the **Company's** most recent audited consolidated financial statements, coverage under this **Policy** shall be provided for a period of ninety (90) days for any **Loss** involving a **Claim** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** that occurred after the transaction has been consummated. Coverage beyond the ninety (90) day period will be provided only if:
- (a) the **Insurer** receives written notice containing full details of the transaction(s); and
 - (b) the **Insurer** at its sole discretion, agrees to provide such additional coverage upon such terms, conditions, limitations, and additional premium that it deems appropriate.
- (4) With respect to the acquisition, assumption, merger, consolidation or otherwise of any entity, asset, **Subsidiary** or liability as described in (D)(2) and (3) above, there will be no coverage available under this **Policy** for **Claims** made against the acquired, assumed, merged, or consolidated entity, asset, **Subsidiary**, liability, or **Insured Person** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** committed any time during which such entity, asset, liability or **Subsidiary** is not an **Insured**.
- (5) If during the **Policy Period** any entity ceases to be a **Subsidiary**, the coverage provided under this **Policy** shall continue to apply to the **Insured Persons** who, because of their service with such **Subsidiary**, were covered under this **Policy** but only with respect to a **Claim** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** that occurred or allegedly occurred prior to the time such **Subsidiary** ceased to be a **Subsidiary** of the **Company**.
- (6) If, during the **Policy Period**, there is a **Change In Control**, the coverage provided under this **Policy** shall continue to apply but only with respect to a **Claim** against an **Insured** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** committed or allegedly committed up to the time of the consummation of the **Change In Control**; and
- (a) coverage will cease with respect to any **Claim** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** committed subsequent to the time of the consummation of the **Change In Control**; and
 - (b) the **Insurer** will not refund premium unless otherwise provided in this **Policy**.
- (7) If, during the **Policy Period**, there is a **Change in Control**, the **Insurer** may extend this **Policy** to include a **Claim** for a **Wrongful Act, Company Wrongful Act, Employment Practices Wrongful Act** or **Investigation** first made against the **Insured Persons** within a period of 84 months from the expiry date of the **Policy Period**. Such extension is subject to the **Insurer** at its sole discretion, agreeing to provide such additional coverage upon such terms, conditions, limitations, and additional premium that it deems appropriate.

In the event of an extension under this clause the **Insurer**, at its sole discretion, may agree to amend Clause D (6) (b) above to allow for pro-rata refund of premium.

(E) CANCELLATION AND RENEWAL OF COVERAGE

- (1) The **Applicant** shall have the right to cancel this **Policy** after this **Policy** takes effect. Cancellation may be effected by mailing to the **Insurer** written notice when such cancellation shall be effective, provided the date of cancellation is not later than the Expiration Date set forth in Item 3 of the Schedule. In such event, the **Insurer** shall retain the customary short rate portion of the earned premium. Return or tender of the unearned premium is not a condition of cancellation.

- (2) Unless otherwise provided by this **Policy** or applicable laws, this **Policy** or any Extension under this **Policy** cannot be cancelled by the **Insurer** except for nonpayment of premium. The **Insurer** will provide not less than twenty (20) days written notice stating the reason for cancellation and when the **Policy** will be canceled. Notice of cancellation will be sent to the **Applicant** and the agent of record for the **Insured**, if applicable.
- (3) The **Insurer** is under no obligation to renew this **Policy** upon its expiration. Once the **Insurer** chooses to non-renew this **Policy**, the **Insurer** will deliver or mail to the **Applicant** written notice stating such at least sixty (60) days before the Expiration Date set forth in Item 3 of the Schedule.

(F) **OPTIONAL EXTENSION PERIOD**

- (1) If either the **Applicant** or the **Insurer** does not renew this **Policy**, the **Applicant** shall have the right, to an extension of the coverage provided by this **Policy** but only with respect to a **Wrongful Act, Company Wrongful Act, or Employment Practices Wrongful Act**, or conduct relating to an **Investigation**, occurring prior to the **Policy** Expiration Date. Such Optional Extension Period shall apply with respect only to a **Claim or Investigation** first made during:
 - (a) the 60 days following the **Policy** Expiration Date for no additional premium;
 - (b) the period of time set forth in Item 11 of the Schedule after the **Policy** Expiration Date and upon payment of an additional premium set forth in Item 11 of the Schedule.
- (2) As a condition precedent to the right to purchase the Optional Extension Period the total premium for this **Policy** must have been paid in full. The right of the **Applicant** to purchase the Optional Extension Period will be immediately terminated if the **Insurer** does not receive written notice by the **Applicant** advising it wishes to purchase the Optional Extension Period together with full payment of the premium for the Optional Extension Period within thirty (30) days after the **Policy** Expiration Date.
- (3) If the **Applicant** elects to purchase the Optional Extension Period as set forth in (F) (1) and (2) above, the entire premium for the Optional Extension Period will be deemed to be fully earned at the Inception Date for the Optional Extension Period.
- (4) The purchase of the Optional Extension Period will not in any way increase the Limit of Liability set forth in Item 4 of the Schedule, and the Limit of Liability with respect to **Claims or Investigations** made during the Optional Extension Period shall be part of and not in addition to the Limit of Liability for all **Claims** made during the **Policy Period**.

(G) **ASSISTANCE, COOPERATION AND SUBROGATION**

- (1) The **Insured** agrees that it will do nothing which in any way prejudices the **Insurer's** potential or actual rights of recovery.
- (2) In the event of any payment under this **Policy**, the **Insurer** shall be subrogated to the rights of recovery of the **Insured** to the extent of the payment which the **Insurer** made under this **Policy** and from the date of the payment.
- (3) The **Insured** shall execute all papers required and will do everything necessary to secure such rights including but not limited to the execution of such documents as are necessary to enable the **Insurer** to effectively bring suit in their name, and will provide all other assistance and cooperation which the **Insurer** may reasonably require.
- (4) Where the **Insureds** have already been indemnified by any liable third party after the occurrence of a **Claim or Investigation**, the **Insurer** may, when making the claim payment, appropriately deduct the corresponding amount which the **Insureds** have been indemnified by the liable third party.

(5) Where after the **Claim** or **Investigation** occurs and before the **Insurer** makes claim payment, the **Insureds** waive their right of recovery against any liable third party, the **Insurer** shall not be liable for any **Loss**. Where, after the **Insurer** has made claim payment to the **Insureds**, the **Insureds** waive their right of recovery against any liable third party without the written consent of the **Insurer**, such waiver shall be deemed invalid. Where the **Insureds** deliberately or through their gross negligence cause the **Insurer** to be unable to exercise its right of recovery, the **Insurer** may deduct, or require the **Insureds** to refund what the **Insurer** has paid out.

(H) **EXHAUSTION**

If the **Insurer's** Limit of Liability as set forth in Item 4 of the Schedule is exhausted by the payment of **Loss**, the premium as set forth in Item 12 of the Schedule will be fully earned, all obligations of the **Insurer** under this **Policy** will be completely fulfilled and exhausted, with the exception of the coverage granted under EXTENSIONS II (A).

(I) **REPRESENTATION CLAUSE**

Where the **Insurer** makes any inquiry about the **Insured** when concluding this **Policy**, the **Applicant** and the **Insured** shall truthfully disclose and provide relevant information.

The **Applicant** and the **Insured** represents that the statements and particulars contained in the **Proposal** as well as any prior **Proposal** submitted to the **Insurer** are true, accurate and complete, and agree that this **Policy** is issued in reliance on the truth of that representation, and that such particulars and statements, which are deemed to be incorporated into and constitute a part of this **Policy**, are material to the risk assumed and form the basis of this **Policy**. No knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person**.

With respect to **Claims** made under INSURANCE AGREEMENTS I(C) only, no knowledge or information possessed by any **Insured** other than Chairman, CEO, CFO, COO or General Counsel of the **Company** will be imputed to the **Company**. In the event that any particulars or statements in the **Proposal** are untrue, this **Policy** will be void with respect to any **Insured** who knew of such untruth or to which knowledge of such untruth is imputed.

(J) **CLAIM SETTLEMENT**

When submitting a written notice for a **Claim**, the **Insured** shall provide the **Insurer** with all relevant proofs and materials. If the **Insurer** considers the proofs and materials provided incomplete, the **Insurer** shall give a timely and one-off notice to the **Insured**, requiring to provide supplementary supporting proofs and materials.

If the **Insured** fails to fulfill its obligation of providing proofs and materials for **Claim** handling, and as a result that the **Insurer** may not be able to assess the **Loss**, the **Insurer** shall not be liable for the proportion of **Loss** not assessable.

Within thirty (30) days upon receipt of a claim notice and the complete proofs and materials for the **Claim**, the **Insurer** shall conduct claim assessment and determine whether the **Claim** falls within the coverage provided under this **Policy**.

The **Insurer** shall notify the **Insured** of the claim assessment result in due course. For a **Claim** which falls within the coverage provided under this **Policy**, the **Insurer** shall make the payment with ten (10) working days after reaching an agreement on claim payment with the **Insured**. For a **Claim** which does not fall within the coverage provided under this **Policy**, the **Insurer** shall, within three (3) working days after completing the assessment, send a notice denying the **Claim** to the **Insured**, and give reasons.

If the amount of claim payment cannot be determined within sixty (60) days after the **Insurer** receives a claim notice and relevant proofs and materials, the **Insurer** shall first pay the amount that can be determined based on the proofs and materials received, and then pay the difference after it finally determines the claim payment.

(K) **PAYMENT AND PRIORITY OF PAYMENTS**

If **Loss**, including **Defence Expenses** and **Legal Representation Expenses**, shall be payable under more than one of the INSURANCE AGREEMENTS, then the **Insurer** shall, to the maximum extent practicable and subject at all times to the **Insurer's** maximum aggregate Limit of Liability as set forth in Item 4 of the Schedule, pay such **Loss** as follows:

- (1) first, the **Insurer** shall pay that **Loss**, if any, which the **Insurer** may be liable to pay on behalf of the **Insured Persons** under INSURANCE AGREEMENTS I(A);
- (2) second, the **Insurer** shall pay that **Loss**, if any, which the **Insurer** may be liable to pay on behalf of the **Company** under INSURANCE AGREEMENTS I(B); and
- (3) third, the **Insurer** shall make such other payments which the **Insurer** may be liable to make under INSURANCE AGREEMENTS I(C).

Notwithstanding the **Insurer** shall not make any claim payment to the **Insured** if the **Insured** causes any **Loss** to a third party but has not indemnified the third party.

(L) **AUTHORISATION AND NOTICES**

It is understood and agreed that the **Applicant** will act on behalf of the **Company** and the **Insured Persons** with respect to:

- (1) the giving of all notices to the **Insurer** as provided herein;
- (2) the receiving of all notices from the **Insurer** ;and
- (3) the representing and providing of any information upon **Insurer's** inquiry, including completing the **Proposal**.

(M) **GOVERNING LAW**

This **Policy** shall be governed and construed in accordance with the laws of the People's Republic of China.

(N) **DISPUTE RESOLUTION**

Any dispute arising from or relating to the performance of this **Policy** shall first be settled through friendly negotiation between the **Insured** and the **Insurer**. In the event of failure to reach a settlement through negotiation, the dispute shall be submitted to and solved by arbitral authority set forth in the Schedule for arbitration. In case there is no arbitral authority being set forth in the Schedule, then such dispute shall be submitted to the People's court for litigation.

(O) **ENTIRE AGREEMENT**

The **Insured** agrees that the Schedule, **Policy**, including the endorsements, attachments and the **Proposal** shall constitute the entire agreement between the **Insurer** or any of its agents and the **Insured** relating to this insurance.

