



Directors & Officers Liability (D&O)

An overview

March 2015

D&O POLICY – Directors, Officers, General Managers Liability

Personal Liability

Directors and Senior Executives are personally responsible if they fail to perform their duties

Civil and Criminal Liability

Directors and Senior Executives are personally exposed to civil liability (Artt. 2392 – 2396 Codice civile) and Criminal liability (Artt. 2621 – 2642 Codice penale)

“Directors and Senior Executives are personally responsible if they fail to perform their duties”

- Legal duties = carry out duties in accordance with the Laws, regulations and decrees;
- Fiduciary duties = act in good faith, pursuing the companies interests;
- Responsible for personal and/or imposed actions = duty to act informed;
- Rules of care, expertise and commitment = act according to the nature of their appointment and specific competences.

Coverage provided and how it operates

The policy serves to:

- Protect Directors and Senior Executives personal assets
- Protect the Companies assets in case of compensation

In other words the policy operates in the first instance for claims made against individuals.

Who is insured

The policy offers coverage for directors and officers of companies – present, former and future:

DIRECTORS

- Administrators

OFFICERS

- Officials
- Managers
- Executives

TITLES

- Legal representatives of the Company

POWERS:

- Individuals who act on behalf of the Company
- The company legally operates through these individuals

Additional insured:

- Employees responsible for Health and Safety protection at work (D-Lgs. 81/2008) and further amendments;
- Employees responsible for Privacy Protection (D.Lgs 196/03);
- Members of the Compliance Programme (Italian legislative decree n. 231/2001 – see attached summary for better understanding);
- The manager responsible for preparing the company's financial documents and further amendments.

Coverage Triggers: Claims made

All claims notified to the Insured for the first time during the period of validity of the contract and related to acts, events or circumstances actually or allegedly occurred from the retroactivity date onwards are covered.

Limits of reimbursement

To be agreed

Excess

None

Retroactivity date (optional)

To be agreed

Territorial Limits

Worldwide

For Legal Defense Costs: Worldwide except for USA

Wrongful Act

Any wrongful act or omission, even if arising from negligence, committed, attempted or allegedly committed or attempted prior to or during the Insurance Period, made by any Insured person when acting within the scope of their regular duties within the Company and its subsidiaries.

Loss

The amount that each Insured is legally liable to pay individually or jointly following any claim, including:

- 1) Defense Costs ;
- 2) Legal expenses;
- 3) Advertising expenses;
- 4) damages imposed by ruling, arbitration, judicial or extra-judicial settlement, including "punitive or exemplary damages."

Main Exclusions

- Fraud, Compensation of the Insured, Pollution, Insurance policies previously in force and related outstanding claims, Securities issuance, Claims advanced by relatives of the insured, Professional Liability.