



In consideration of payment of the premium referred to in Item 5 of the Schedule, and subject to the Schedule, limitations, conditions, provisions and other terms of this policy, the Company agrees as follows:

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### ***Insuring Clauses***

#### ***Directors' and Officers' Liability Coverage Insuring Clause 1***

1. The Company shall pay on behalf of each of the **Insured Persons** all **Loss** for which the **Insured Person** is not indemnified by the **Insured Organization** and which the **Insured Person** becomes legally obligated to pay on account of any **Claim** first made against him, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by such **Insured Person** before or during the **Policy Period**.
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#### ***Company Reimbursement Coverage Insuring Clause 2***

2. The Company shall pay on behalf of the **Insured Organization** all **Loss** for which the **Insured Organization** grants indemnification to each **Insured Person**, as permitted or required by law, which the **Insured Person** has become legally obligated to pay on account of any **Claim** first made against him, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by such **Insured Person** before or during the **Policy Period**.
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#### ***Spousal Liability Coverage***

3. If a **Claim** against an **Insured Person** includes a claim against the lawful spouse of such **Insured Person** solely by reason of such spouse's status as a spouse or such spouse's ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**, all loss which such spouse becomes legally obligated to pay on account of such **Claim** shall be treated for purposes of this policy as **Loss** which such **Insured Person** becomes legally obligated to pay on account of the **Claim** made against such **Insured Person**. All limitations, conditions, provisions and other terms of coverage applicable to such **Insured Person's Loss** shall also be applicable to such spousal loss. However, coverage shall not apply to the extent any **Claim** alleges any act or omission by an **Insured Person's** spouse.
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#### ***Estates and Legal Representatives***

4. Subject otherwise to the Schedule to this policy, limitations, conditions, provisions and other terms of this policy, coverage shall extend to **Claims** for the **Wrongful Acts** of **Insured Persons** made against the estates, heirs, legal representatives or assigns of **Insured Persons** who are deceased or against the legal representatives or assigns of **Insured Persons** who are incompetent, insolvent or bankrupt.
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#### ***Extended Reporting Period***

5. If this policy is terminated or not renewed for any reason other than nonpayment of premium, the **Principal Organization** and the **Insured Persons** shall have the right, upon payment of the additional premium set forth in Item 8(a) of the Schedule for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 8(b) of the Schedule following the effective date of termination or nonrenewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or nonrenewal. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty days following the effective date of termination or nonrenewal. Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the

immediately preceding **Policy Period**.

In the event that the **Principal Organization** is acquired by another organization pursuant to section 16, Acquisition of Principal Organization by Another Organization, the **Principal Organization** and the **Insured Persons** shall have the right to an extension of the coverage granted by this policy for a period of up to seventy two months, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the acquisition as described in section 16. This right of extension shall lapse unless written notice of such election, together with payment of any reasonable additional premium required by the Company, is received by the Company within 30 days following such election. This extension of coverage is subject to any different limitations, conditions, provisions, premium, or other terms as the Company deems appropriate.

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## **Exclusions**

### **Exclusions Applicable to Insuring Clauses 1 and 2**

6. The Company shall not be liable for **Loss** on account of any **Claim** made against any **Insured Person**:
- (a) based upon, arising from, or in consequence of any circumstance if written notice of such circumstance has been given under any policy of which this policy is a renewal or replacement and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**, in whole or in part, as a result of such notice;
  - (b) based upon, arising from, or in consequence of any demand, suit or other proceeding pending, or order, decree or judgment entered against any **Insured** or **Outside Entity** on or prior to the Pending or Prior Date set forth in:
    - (i) Item 9 of the Schedule, or
    - (ii) the Scheduled Outside Entity Endorsement,or the same or substantially the same facts underlying or alleged therein, provided however, that (ii) shall apply only to any **Claim** based upon, arising from or in consequence of any **Outside Directorship** in an **Outside Entity**;
  - (c) based upon, arising from, or in consequence of any payment of commissions, gratuities, benefits or any other favor provided to or for the benefit of any;
    - (i) political group, government official, director, officer, employee or any person having an ownership interest in any customer of the company or their agent(s), representative(s) or member(s) of their family or any other entity(ies) with which they are affiliated.
    - (ii) any other person(s) or organization if such payments to those person(s) or organization shall be held to have been illegal under the law pursuant to where the payment was made or which this policy shall be construed.
  - (d) brought or maintained by or on behalf of any **Insured** except:
    - (i) a **Claim** brought or maintained by an **Insured Person** for the actual or alleged wrongful termination, denial of natural justice relating to wrongful termination, defamation relating to wrongful termination, discrimination or sexual harassment of the **Insured Person**;
    - (ii) a **Claim** brought or maintained by an **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this policy; or
    - (iii) a **Claim** that is brought or maintained by or on behalf of any past **Insured Persons**;
    - (iv) a **Claim** that is a derivative action brought or maintained on behalf of an **Insured Organization** by one or more persons who are not **Insured Persons** and who bring and maintain the **Claim** without the solicitation, assistance or participation of any **Insured**;

- (e) based upon, arising from, or in consequence of any actual or alleged violation of the responsibilities, obligations or duties owed by fiduciaries, trustees, administrators or any others charged with duties with respect to any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any other form of benefits to employees of an **Insured Organization** or **Outside Entity**. This includes but is not limited to an actual or alleged violation of the responsibilities, obligations or duties imposed by the U.S. Employee Retirement Income Security Act of 1974 and amendments thereto or similar provisions of any federal, country, state, territory or local statutory law or common law anywhere in the world;
- (f) for bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, whether or not it is damaged or destroyed, including loss of use thereof;
- (g) based upon, arising from, or in consequence of (i) the actual, alleged or threatened discharge, release, escape, dispersal or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or (ii) any direction or request that the **Insured** or **Outside Entity** 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 **Insured Organization** or **Outside Entity**, its security holders or its creditors based upon, arising from, or in consequence of the matters described in (i) or (ii) of this exclusion;
- (h) based upon, arising from, or in consequence of any actual or alleged violation of the U.S. Securities Act of 1933, the U.S. Securities Exchange Act of 1934, any rules or regulations of the Securities and Exchange Commission promulgated thereunder, and any other federal, country, state, territory, local or provincial statute in the United States of America or Canada relating to securities, or any rules or regulations promulgated thereunder, all as amended.

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**Exclusions Applicable  
Insuring Clause 1  
Only**

- 7. The Company shall not be liable under Insuring Contract 1 for **Loss** on account of any **Claim** made against any **Insured Person**:
  - (a) for an accounting of profits made from the purchase or sale by such **Insured Person** of securities of the **Insured Organization** where such **Insured Person** has improperly benefited as a result of information that is not available to other sellers or purchasers of such securities;
  - (b) based upon, arising from, or in consequence of any deliberately fraudulent act or omission or any willful violation or breach of any statute or regulation by such **Insured Person**, if a judgment or other final adjudication adverse to the **Insured Person** establishes such a deliberately fraudulent act or omission or willful violation; or
  - (c) based upon, arising from, or in consequence of such **Insured Person** having gained in fact any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled.

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**Severability of  
Exclusions**

- 8. With respect to the Exclusions in sections 6 and 7 of this policy, no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available.

**Limit of Liability  
and Deductible**

9. For the purposes of this policy, all **Loss** arising out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** of any **Insured Person** shall be deemed one **Loss**, and such **Loss** shall be deemed to have originated in the earliest **Policy Period** in which a **Claim** is first made against any **Insured Person** alleging any such **Wrongful Act** or **Interrelated Wrongful Acts**.

The Company's maximum liability for each **Loss**, whether covered under Insuring Clause 1 or Insuring Clause 2 or both, shall be the Limit of Liability for each **Loss** set forth in Item 3(a) of the Schedule for this policy. The Company's maximum aggregate liability for all **Loss** on account of all **Claims** first made during the same **Policy Period**, whether covered under Insuring Clause 1 or Insuring Clause 2 or both, shall be the Limit of Liability for each **Policy Period** set forth in Item 3(b) of the Schedule for this policy.

The Company's liability under Insuring Clause 2 shall apply only to that part of each **Loss** which is excess of the Deductible Amount set forth in Item 4 of the Schedule for this policy and such Deductible Amount shall be borne by the **Insured Organization** uninsured and at their own risk.

If a single **Loss** is covered in part under Insuring Clause 1 and in part under Insuring Clause 2, the maximum Deductible Amount applicable to the **Loss** shall be the Insuring Contract 2 Deductible Amount set forth in Item 4 of the Schedule.

For purposes of this section 9 only, the Extended Reporting Period, if exercised, shall be part of and not in addition to the immediately preceding **Policy Period**.

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**Presumptive  
Indemnification**

10. If the **Insured Organization**:
- (a) fails or refuses, other than for reason of **Financial Impairment**, to indemnify the **Insured Person** for **Loss**; and
  - (b) is permitted or required by statutory or common law to indemnify the **Insured Person** for such **Loss**, whether or not subject to an amendment to the **Insured Organization's** articles of association, by-laws, constitution, certificate of incorporation or memorandum of association,

then, notwithstanding any other conditions, provisions or terms of this policy to the contrary, any payment by the Company of such **Loss** shall be subject to (i) the Insuring Clause 2 Deductible Amount set forth in Item 4 of the Schedule and (ii) all of the Exclusions set forth in sections 6 and 7.

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**Reporting  
and Notice**

11. The **Insureds** shall, as a condition precedent to exercising their rights under this policy, give to the Company written notice as soon as practicable of any **Claim** made against any of them for a **Wrongful Act**.

If during the **Policy Period** or Extended Reporting Period (if exercised) an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company, then any **Claims** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period** or the Extended Reporting Period in which the circumstances were first reported to the Company.

The **Insureds** shall, as a condition precedent to exercising their rights under this policy, give to the Company such information and cooperation as it may reasonably require, including but not limited to a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of actual or potential claimants, and the manner in which the **Insured** first became aware of the **Claim** or circumstances.

Notice to the Company under this policy shall be given in writing addressed to:

Notice of **Claim**:

Claims Department Manager  
Federal Insurance Company  
8th Fl., Kolon Building,  
45 Mookyo-Dong, Jung-Ku,  
SEOUL, KOREA

All Other Notices:

Underwriting Department Manager  
Federal Insurance Company  
8th Fl., Kolon Building,  
45 Mookyo-Dong, Jung-Ku,  
SEOUL, KOREA

Such notice shall be effective on the date of receipt by the Company at such address.

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***Defense and Settlement***

12. Subject to this section, it shall be the duty of the **Insured Persons** and not the duty of the Company to defend **Claims** made against the **Insured Persons**.

The **Insureds** agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.

The Company shall have the right and shall be given the opportunity to effectively associate with the **Insureds** in the investigation, defense and settlement, including but not limited to the negotiation of a settlement, of any **Claim** that appears reasonably likely to be covered in whole or in part by this policy.

The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree that, in the event of a **Claim** the **Insureds** will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

**Defense Costs** are part of and not in addition to the Limits of Liability set forth in Item 3 of the Schedule, and the payment by the Company of **Defense Costs** reduces such Limits of Liability.

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***Allocation and Advancement of Defense Costs***

13. If both **Loss** covered by this policy and loss not covered by this policy are incurred, either because a **Claim** against **Insured Persons** includes both covered and uncovered matters or because a **Claim** is made against both an **Insured Person** and others, including the **Insured Organization**, the **Insureds** and the Company shall allocate such amount between covered **Loss** and uncovered loss based upon the relative legal exposures of such parties to such matters.

If the **Insureds** and the Company agree on an allocation of **Defense Costs** the Company shall advance on a current basis **Defense Costs** allocated to covered **Loss**. If the **Insureds** and the Company cannot agree on an allocation:

- (a) no presumption as to allocation shall exist in any arbitration, suit or other proceeding;
- (b) the Company shall advance on a current basis **Defense Costs** which the Company believes to be covered under this policy until a different allocation is negotiated, arbitrated or judicially determined; and
- (c) the Company, if requested by the **Insureds**, shall submit the dispute to arbitration. Subject to agreement between the parties, the arbitration panel shall consist of one arbitrator selected by the **Insureds**, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators.

Any negotiated, arbitrated or judicially determined allocation of **Defense Costs** on account of a **Claim** shall be applied retroactively to all **Defense Costs** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defense Costs** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

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**Other Insurance**

- 14. If any **Loss** arising from any **Claim** made against any **Insured Persons** is insured under any other valid policy(ies), prior or current, then this policy shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the amount of payment from such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability of this policy.

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**Changes in Exposure  
Acquisition or Creation  
of Another Organization**

- 15. If the **Insured Organization** (i) acquires securities or voting rights in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**, or (ii) acquires any organization by merger into or consolidation with an **Insured Organization**, such organization and its **Insured Persons** shall be **Insureds** under this policy but only with respect to **Wrongful Acts** committed, attempted, or allegedly committed or attempted, after such acquisition or creation unless the Company agrees, after presentation of a complete proposal and all appropriate information, to provide coverage by endorsement for **Wrongful Acts** committed, attempted, or allegedly committed or attempted, by such **Insured Persons** prior to such acquisition or creation.

If the fair value of all cash, securities, assumed indebtedness and other consideration paid by the **Insured Organization** for any such acquisition or creation exceeds 15% of the total assets of the **Principal Organization** as reflected in the **Principal Organization's** most recent audited consolidated financial statements, the **Principal Organization** shall give written notice of such acquisition or creation to the Company as soon as practicable together with such information as the Company may require and shall pay any reasonable additional premium required by the Company and be subject to any different limitations, conditions, provisions or other terms as the Company deems appropriate.

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**Acquisition of  
Principal Organization by  
Another Organization**

- 16. If (i) the **Principal Organization** merges into or consolidates with another organization, or (ii) another organization or person or group of organizations and/or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the **Principal Organization**, coverage under this policy shall continue until termination of this policy, but only with respect to **Claims** for **Wrongful Acts** committed,

attempted, or allegedly committed or attempted, by **Insured Persons** prior to such merger, consolidation or acquisition. The **Principal Organization** shall give written notice of such merger, consolidation or acquisition to the Company as soon as practicable together with such information as the Company may require.

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**Cessation of Subsidiaries**

17. In the event an organization ceases to be a **Subsidiary**, before or after the inception date of this policy, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this policy or any renewal thereof, but only with respect to **Claims for Wrongful Acts** committed, attempted or allegedly committed or attempted prior to the date such organization ceased to be a **Subsidiary**.
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**Outside Directorships**

18. (a) Coverage shall automatically apply to any **Outside Directorship** for any (i) **Scheduled Outside Entity** where such **Outside Directorship** is specified in a Scheduled Outside Entity Endorsement to this policy or any policy of which this policy is a renewal, or any policy of which this policy is one of a continuous series of renewals, and (ii) **Non-Profit Outside Entity**, subject to all limitations, conditions, provisions and other terms of this policy.
- (b) Coverage for any other **Outside Directorships** notified in the proposal form is subject to:
- (i) receipt of the most recent audited financial statements and annual reports for each proposed outside entity;
  - (ii) receipt of any other information the Company may require; and
  - (iii) acceptance in writing by the Company of each **Outside Directorship**.

Such coverage shall be subject to the limitations, conditions, provisions and other terms of this policy, and shall not become effective until the effective date of the Scheduled Outside Entity Endorsement and the payment of any additional premium required by the Company.

- (c) If during the **Policy Period** coverage is sought for any other **Outside Directorship** coverage shall automatically apply to such **Outside Directorship** for a period of sixty days from commencement of such **Outside Directorship**. Any coverage beyond such sixty days shall be subject to:
- (i) receipt of an Outside Directorship Proposal Form;
  - (ii) receipt of the most recent audited financial statements and annual reports for each proposed outside entity;
  - (iii) receipt of any other information the Company may require; and
  - (iv) acceptance in writing by the Company of each **Outside Directorship**.

Such coverage shall be subject to the Schedule and all limitations, conditions, provisions and other terms of this policy, and shall not become effective until the effective date of the Scheduled Outside Entity Endorsement and the payment of any additional premium required by the Company.

- (d) Any coverage under this policy for any **Outside Directorship** held by an **Insured Person** shall be subject to the following:
- (i) such coverage shall not be available under Insuring Clause 2 to the **Outside Entity** in which such **Outside Directorship** is held or under Insuring Clause 1 to any of the other directors, officers, trustees, governors, secretaries, individuals in equivalent positions or employees of such **Outside Entity**;

- (ii) such coverage shall be specifically excess of any other insurance for the proposed **Outside Entity** or any other indemnity available from the **Outside Entity** to such **Insured Person** by reason of serving in such **Outside Directorship**;
- (iii) such coverage shall not be available for **Loss** on account of any **Claim** made against such **Insured Person**:
  - (a) brought or maintained by or on behalf of any **Insured**, the **Outside Entity**, or one or more of the **Outside Entity's** directors, officers, trustees, governors, secretaries or individuals in equivalent positions, except:
    - (1) a **Claim** that is a derivative action brought or maintained on behalf of an **Outside Entity** by one or more persons who are neither **Insured Persons** serving in an **Outside Directorship** with the **Outside Entity** nor directors, officers, trustees, governors, secretaries or individuals in equivalent positions, with the **Outside Entity**, and who bring and maintain the **Claim** without the solicitation, assistance or participation of any **Insured**;
    - (2) a **Claim** brought or maintained by an **Insured Person** serving in an **Outside Directorship** with the **Outside Entity** or one or more of the **Outside Entity's** directors, officers, trustees, governors, secretaries or individuals in equivalent positions, for the actual or alleged wrongful termination, denial of natural justice relating to wrongful termination, defamation relating to wrongful termination, discrimination or sexual harassment of such **Insured Person**, directors, officers, trustees, governors, secretaries or individuals in equivalent positions; or
    - (3) a **Claim** for contribution or indemnity brought or maintained by an **Insured Person** serving in an **Outside Directorship** with the **Outside Entity** by one or more of the **Outside Entity's** directors, officers, trustees, governors, secretaries or individuals in equivalent positions, if the **Claim** directly results from another **Claim** covered under this policy, or
  - (b) based upon, arising from or in consequence of a **Claim** brought or maintained by or on behalf of any individual or entity directly or beneficially owning 10% or more of the issued share capital, outstanding common shares or voting rights representing the present right to vote for election of directors of such **Outside Entity**; or
  - (c) for **Wrongful Acts** committed, attempted or allegedly committed or attempted after the date such **Insured Person** ceases to serve in the **Outside Directorship**.

If the Company or any of its subsidiaries or affiliated companies makes payment under another policy on account of any **Claim** also covered under this policy, the Limit of Liability with respect to such **Claim** shall be reduced by the amount of such payment.

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**Territory, Choice of Law and Jurisdiction**

19. Coverage shall extend anywhere in the world.

The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with the law of Korea, and any disputes relating thereto shall be submitted to the exclusive jurisdiction of the courts of Korea.

**Valuation and Foreign Currency**

20. All premiums, limits, retentions, loss and other amounts under this policy are expressed and payable in Korean currency. Except as otherwise provided if judgement is rendered, settlement is denominated or another element of loss under this policy is stated in a currency other than Korean Won, payment under this policy shall be made in Korean Won at the cash rate of exchange announced by the *Korean Exchange Bank* on one business day before the date the final judgement is reached, the amount of the settlement is agreed upon or the other element of loss is due, respectively. In the event that there have been multiple announcements of such exchange rate, the latest one announced on the day will be applied.

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**Representations and Severability**

21. In granting coverage to any one of the **Insureds**, the Company has relied upon the declarations and statements in the written proposal for this policy. All such declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

Such written proposal for coverage shall be construed as a separate proposal for coverage by each of the **Insured Persons**. With respect to the declarations and statements contained in such written proposal for coverage, no statement in the proposal or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available.

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**Subrogation**

22. In the event of any payment under this policy, the Company shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery, and the **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring suit in the name of the **Insured**.

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**Bankruptcy**

23. Bankruptcy or insolvency of an **Insured** or the estate of an **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights under this policy.

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**Authorization Clause**

24. By acceptance of this policy the **Principal Organization** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of claim or termination, the payment of premiums and the receiving of any return premiums that may become due under this policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the **Insureds** agree that such **Principal Organization**, shall act on their behalf.

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**Alteration and Assignment**

25. No change in, modification of, or assignment of interest under this policy shall be effective except when made by a written endorsement to this policy which is signed by an Authorized Employee of the Company.

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**Termination of Policy**

26. This policy shall terminate at the earliest of the following times:
- (a) sixty days after the receipt by the **Principal Organization** of a written notice of termination from the Company;
  - (b) upon the receipt of the Company of written notice of termination from the **Principal Organization**;
  - (c) upon expiration of the **Policy Period** as set forth in Item 7 of the Schedule of this policy; or

- (d) at such other time as may be agreed upon by the Company and the **Principal Organization**.

The Company shall refund the unearned premium computed at customary short rates if the policy is terminated by the **Principal Organization**. Under any other circumstances the refund shall be computed pro rata.

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**Termination of  
Prior Policy**

27. Any policy issued by the Company or its affiliates and specified in Item 11 of the Schedule of this policy shall terminate, if not already terminated, as at the inception date of this policy.

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**Action Against the  
Company**

28. No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy. No person or organization shall have any right under this Policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability nor shall the Company be impleaded by the **Insured** or their legal representatives.

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**Definitions**

29. When used in this policy:

**Claim** means:

- (i) a written demand for monetary damages;
- (ii) a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading;
- (iii) a criminal proceeding commenced by a summons or charge; or
- (iv) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against any **Insured Person** for a **Wrongful Act**, including any appeal therefrom.

**Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to legal counsels' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization**) incurred in defending or investigating **Claims** and the premium for appeal, attachment or similar bonds.

**Executive Officer** means a person, by whatever name called and whether or not a director of the **Insured Organization**, who is concerned or takes part in the **Insured Organization's** management.

**Financial Impairment** means the status of the **Insured Organization** resulting from

- (i) the appointment by any country, state or federal official, agency or court of any receiver, administrator, conservator, liquidator, trustee, manager, rehabilitator or similar official to take control of, supervise, administer, manage or liquidate the **Insured Organization**, or
- (ii) the **Insured Organization** becoming a debtor in possession.

**Insured**, either in the singular or plural, means the **Insured Organization** and **Insured Persons**.

**Insured Capacity** means the position or capacity designated in the definition of **Insured Person** held by any **Insured Person** but shall not include any position or capacity in any organization other than the **Insured Organization**, even if the **Insured Organization** directed or requested the **Insured Person** to serve in such other position or capacity, unless such position is approved by an Authorized Employee of the Company and included by endorsement attached to this policy.

**Insured Organization** means, collectively, those organizations designated in Item 6 of the Schedule and any **Subsidiary**.

**Insured Person**, either in the singular or plural, means any natural person who is or was a past, present or future:

- (a) director, secretary or **Executive Officer** of the **Insured Organization**;
- (b) receiver and manager of property of the **Insured Organization**;
- (c) administrator, official manager or deputy official manager of the **Insured Organization**;
- (d) liquidator of the **Insured Organization**; and
- (e) trustee or other person administering a compromise or arrangement made between the **Insured Organization** and another person or other persons;

but does not include:

- (i) a receiver who is not also a manager;
- (ii) a receiver and manager appointed by a court; or
- (iii) a liquidator appointed by a court.

**Interrelated Wrongful Acts** means all causally connected **Wrongful Acts**.

**Legal Representation Expenses** means that part of **Loss** consisting of costs, charges, fees and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization**) incurred with the prior written consent of the Company (which shall not be unreasonably withheld) and arising out of the attendance by an **Insured Person** at any formal administrative or investigative inquiry by a government body or other institution or professional body that is empowered by statute to investigate the affairs of an **Insured Person** or the **Insured Organization**.

**Loss** means the total amount which any **Insured Person** becomes legally obligated to pay on account of each **Claim** and for all **Claims** in each **Policy Period** and the Extended Reporting Period, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs, **Defense Costs** and **Legal Representation Expenses**. **Loss** does not include (i) any amount not indemnified by the **Insured Organization** for which the **Insured Person** is absolved from payment by reason of any covenant, agreement or court order, (ii) any amount incurred by the **Insured Organization** (including its board of directors or any committee of the board of directors) in connection with the investigation or evaluation of any **Claim** or potential **Claim** by or on behalf of the **Insured Organization**, (iii) fines or penalties or aggravated or exemplary damages imposed by law or the multiple portion of any multiplied damage award outside Korea, or (iv) matters uninsurable under the law pursuant to which this policy is construed.

**Non-Profit Outside Entity** means any corporation, trust, fund, foundation, community or industry association that is not included in the definition of **Insured Organization** and that is exempt from the payment of income tax under federal, state, local and territory laws.

**Outside Directorship** means the position of director, officer, trustee, governor, councilor, secretary or equivalent position held by an **Insured Person** in an **Outside Entity** if service in such position was with the knowledge and consent or at the request of the **Insured Organization**.

**Outside Entity** means a **Non-Profit Outside Entity** or a **Scheduled Outside Entity**.

**Principal Organization** means the organization designated in Item 1 of the Schedule of this policy.

**Policy Period** means the period of time specified in Item 7 of the Schedule of this policy, subject to prior termination in accordance with section 26. If this period is less than or greater than one year, then the Limits of Liability specified in the Schedule for each policy shall be the Company's maximum limit of liability under such policy for the entire period.

**Pollutants** means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by an environmental protection agency (including but not limited to the United States Environmental Protection Agency) or a country, state, territory, county, municipality or locality or counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odor, waste water, oil, oil products, infectious or medical waste, asbestos or asbestos products and any noise.

**Scheduled Outside Entity** means any organization listed in a Scheduled Outside Entity Endorsement to this policy.

**Subsidiary**, either in the singular or plural, means any organization in which more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors is or was owned or controlled, directly or indirectly, in any combination, by one or more **Insured Organizations**.

**Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted, by an **Insured Person**, individually or otherwise, in his **Insured Capacity**, or any matter claimed against him solely by reason of his serving in such **Insured Capacity**.

