
LIABILITY INSURANCE POLICY
PROFESSIONAL INDEMNITY

Dear Valued Insured,

Thank you for choosing Cocogen Insurance, Inc. as your Insurer.

This insurance contract between you and Cocogen consists of the Proposal Form, the Policy, the Schedule, and the Endorsements, if any. Please note that in accepting this insurance, we relied on the information you have provided us.

In consideration of the payment of the premium shown in the Schedule, we agree to pay you, subject to the terms and conditions contained in or endorsed on this insurance contract, against loss or damage in the manner and to the extent provided in this Policy.

Should you have clarifications and concerns on this insurance contract, feel free to call us at (632) 8-830-6000 or send us an email at client_services@cocogen.com. To learn more about our products and services, please visit our website at www.cocogen.com.

Your Insurance Provider,

COCOGEN INSURANCE, INC.

IMPORTANT NOTICE

The Insurance Commissioner, with offices in Manila, Cebu, and Davao, is the Government official in charge of the enforcement of all laws relating to Insurance and has supervision over insurance companies. He is ready at all times to render assistance in settling any controversy between an insurance company and a policyholder relating to insurance matters.

Cocogen has caused this insurance contract to be signed by its duly authorized officer in the place and on the date appearing in the Schedule.

COCOGEN INSURANCE, INC.

T.I.N. 000 432 798



Atty. Darren M. de Jesus
President

WHEREAS THE INSURED, named in the Policy Schedule, which shall include its administrators or representatives, has submitted a written Proposal containing particulars and statements, and has paid the premium stated in the Policy Schedule. It is agreed that the said Proposal, together with any other information which may have been supplied, shall be the basis of this contract and considered as incorporated herein.

1. COVER

NOW THEREFORE, the Insurer hereby agrees to indemnify the Insured up to and not exceeding the sum stated in the Policy Schedule for any sum/s which the Insured may become legally liable to pay arising from any claim/s first made against them and notified to the Insurer during the Policy Period. The said claim/s would be as a direct result of any negligent act, negligent error or negligent omission in the provision of professional services relating to the practice or exercise of a profession or occupation, as stated in the Policy Schedule, by the Insured or any partner or previous partner or any person or party employed or engaged by the Insured acting on the Insured's behalf and for whom the Insured is responsible.

FURTHER, it is understood and agreed that the liability of the Insurer for all damages and defense costs and expenses incurred with the Insurer's written consent in the investigation, defense and/or settlement of any claim shall not exceed the aggregate limit of indemnity specified in the Policy Schedule.

Provided always that the Insurer shall be liable only in respect of any claim hereunder, for that part of the claim (which for the purpose of this provision shall be all costs and expenses incurred by the Insurer in investigating and defending the claim) that exceeds the amount stated as "Deductible" in the Policy Schedule.

2. EXTENSIONS

Subject to the terms, conditions, limits, deductibles and exclusions of this Policy, it is understood and agreed, notwithstanding anything herein contained to the contrary, that this Policy covers liability for the following:

2.1. Indemnity to Employees

In the event of a claim made against any employee or former employee of the Insured while acting within the scope of his employment with the Insured which, if it had been made against the Insured, would have been the subject of indemnity under this Policy, the Insurer agrees to indemnify such employee in a like manner as the Insured.

2.2. Loss of Documents

Subject to a Deductible stated in the Policy Schedule, this Policy will cover the Insured for any reasonable costs and expenses incurred with Insurer's consent in replacing or restoring any Document which is lost, damaged or destroyed during the Policy Period. Insurer will not pay for any loss brought about or contributed by the dishonesty of the Insured's Partners, Directors or other Employees.

2.3. Libel and Slander

This Policy is extended to indemnify the Insured for all sums which the Insured may become legally liable to pay in respect of claims made upon them in direct consequence of any libel or slander committed by the Insured in their professional capacity as stated in the Policy Schedule.

2.4 Breach of Confidentiality

Insurer agrees to indemnify the Insured for claims made during the Policy Period arising from the unintentional breach of confidentiality.

2.5. Infringement of Copyright

This Policy is extended to indemnify the Insured in respect of actions or claims brought against them arising out of inadvertent breach of confidential information, copyrights or the unauthorized use of or infringement of the systems or designs of others whether negligence is proved or not.

Further, this Policy is extended to afford cover in respect of costs incurred (subject to a Deductible as stated in the Policy Schedule and for the purpose of this extension, Insurer's costs shall be deemed to be part of such claim falling under this extension) in prosecuting any claim for an injunction and/or for damages arising out of those circumstances referred to in the above paragraph notified to the Insurer during the Policy Period as stated in the Policy Schedule, provided always that the Insurer shall not be required to incur any or further obligation to meet such costs under this extension where the Insured's course of action is not one which it would be in all circumstances reasonable to pursue. In the event of any dispute arising between Insurer and the Insured as to the reasonableness of pursuing any such course of action, the opinion of a Senior Counsel to be mutually agreed between the Insured and Insurer shall be obtained and his decision shall be binding.

2.6. Predecessors in Business

Cover is extended to include any predecessors in business of the Insured disclosed in writing to Insurer prior to the inception of this Policy. This shall be deemed to include Partners, Directors and

Principals of those firms. However, such cover will not apply in respect of any work undertaken prior to the Retroactive Date shown in the Policy Schedule (refer to Provision 5.2 of this Policy).

3. DEFINITIONS

3.1. Professionals

A person engaged in or qualified to exercise or practice a profession or occupation regulated by a competent regulatory body.

3.2. Deductible

The amount stated in the Policy Schedule, which shall be the responsibility of the Insured, as applicable, in respect of each claim or request for indemnity under the policy and to all Extensions of Cover (unless otherwise stated therein).

3.3. Professional Services

This means only the Professional services provided by the insured in the profession, business or occupation specified in the Policy Schedule.

3.4. Claim

A claim or a series of claims (whether by one or more than one claimant) arising from or in connection with or attributable to any one act, error, omission or originating cause or source and any such series of claims shall be deemed to be one claim for all purposes under this insurance.

3.5. Claim Expenses

- (a) Reasonable and necessary fees charged by a licensed lawyer designated/agreed by the Insurer.
- (b) All other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a Claim arising in connection therewith, or circumstance which might lead to a Claim, if incurred by the Insurer, or by the Insured with the prior written consent of the Insurer.
- (c) Claims Expenses do not include any salary, overhead or other charges of or by the Insured for any time spent in cooperating in the defense and investigation of any Claim or circumstance that might lead to a Claim notified under this Policy.

3.6. Circumstance

Any one or more of the following which may be the subject of indemnity under this Policy:

- (a) An intimation of an intention to claim against the Insured
- (b) Any known direct or indirect criticism or dispute whether expressed or implied relating to performance of the Insured (whether justified or not) which might give rise to third party loss or damage
- (c) Any known direct or indirect criticism or dispute whether expressed or implied relating to performance (whether justified or not) of a party for whom and for which the Insured is responsible which might give rise to third party loss or damage
- (d) Any awareness of the Insured of a failure or real doubt of the efficacy of their own performance or of the performance of a party for whom and for which the Insured is responsible which might give rise to third party loss or damage
- (e) Any awareness of the Insured, that materials, goods, services or actions specified, designed or recommended by the Insured or by a party for whom and for which the Insured is responsible have failed to meet the standard required and which might result in some third party loss or damage.

3.7. Documents

Deeds, wills, agreements, maps, plans, records, books, letters, Policies, Computer System Records, forms and documents of whatsoever nature whether written, printed or reproduced by any other method (other than bearer bonds, coupons, bank notes, currency notes and negotiable instruments).

3.8. Premium

The amount stated in the Policy Schedule as the price of the insurance that the Insured must pay the Insurer in consideration for the coverage of the risks provided for the Insured by the Insurer, the receipt for which will include, moreover, the charges and/or taxes legally applicable.

3.9. Proposal

The written information referred to in this Policy and containing particulars and statements together with any other information and documents supplied to the Insurer by the Insured.

3.10. Policy Schedule

The document entitled "Policy Schedule" that attaches to and forms part of this Policy. It contains the summary of all the details of the Insured, the premiums and the coverages under this Policy.

4. EXCLUSIONS

This insurance does not cover any liability whatsoever arising out of the following:

4.1. Goods or Products

Any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured or from any other business or occupation even though the same may be carried on by the Insured in conjunction with their business as stated in the Policy Schedule.

4.2. Bodily Injury

Bodily injury, sickness (including mental stress), disease or death sustained by any person arising out of and in the course of their employment by the Insured under a contract of service or apprenticeship with the Insured.

4.3. Dishonesty

Any claim made against the Insured as a result of any dishonest, malicious or illegal acts of any present or previous director, principal, partner or employee of the Insured.

4.4. Mobile/Immobile Property

The ownership, use, occupation or leasing of property, mobile and/or immobile, by, to or on behalf of the Insured.

4.5. Territorial and Jurisdictional Limits

Work in connection with contracts or liability in respect of any action for damages brought against the Insured in the U.S.A. or Canada or a court of law within those territories to enforce a foreign judgment whether by way of Reciprocal Agreement or otherwise.

4.6. Nuclear Risks/War

Any claim or loss whether directly or indirectly caused by or arising from:

- (a) Ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or
- (b) War invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

4.7. Pollution

- (a) Personal Injury, bodily injury (including mental stress), or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always this provision shall not apply to liability for personal injury, bodily injury, sickness (including mental stress), loss of, physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the Policy Period.
- (b) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the Policy Period.

4.8. Prior Claims or Circumstances

Any claim or circumstance known to the Insured prior to the inception of this Policy and which the Insured at such time knew or should have reasonably assumed might result in a claim against the Insured.

4.9. Fines

- (a) Fines, prosecution costs or penalties of any kind.
- (b) Punitive or exemplary damages.

4.10. Controlling Interest

An entity acquired or bought by a firm, company or organization in which any Partner or Director of the Insured have controlling interest unless such claim or claims are brought against the Insured by an independent third party source.

4.11. Other Insurance

If at the time any claim arises under this Policy, the Insured is or would but for the existence of this Insurance be entitled to indemnity under any other Policy or Policies, the Insurer shall not be liable except in respect of any excess beyond the amount which would have been payable under such other

Policy or Policies had this Policy not been effected.

4.12. Financial Matters

Any negligence on the part of the Insured in connection with the effecting or maintenance of insurance and/or in connection with the provision of financial advice on financial matters.

4.13. Trading Losses

Claims made in connection with any trading losses or trading liabilities incurred by any business managed by or carried on by the Insured.

4.14. Insolvency

The insolvency of the Insured or any Insurer, Financial or Lending Institutions, Bank or other providers of finance.

4.15. Terrorism

Any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed to political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

This Policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Insurance, the burden of proving the contrary shall be upon the Insured.

In the event that any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4.16. Asbestos & Toxic Mould

Any loss arising directly or indirectly out of or resulting from or in consequence of, or in any way involving:

- (a) Asbestos, or any materials containing asbestos in whatever form or quantity; or
- (b) The actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; or
- (c) Any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; or
- (d) Any governmental or regulatory order, requirement, directive, mandate or decree that any party takes action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins.

4.17. Patent

Actual or alleged infringement of patent or misappropriation of trade secret.

5. CLAIMS

5.1. Notification

The Insured shall give to the Insurer, unless another person is so nominated in the Policy Schedule for such purpose, notice of claim in writing as soon as practicable but not later than thirty (30) days whichever is the earlier, to the notification address set out below:

Notification Address:

The Claims Department
Subject: Professional Indemnity Claim Notification
Cocogen Insurance, Inc.
22nd Floor One Corporate Center, Doña Julia Vargas Ave., cor. Meralco Avenue
Ortigas Center, Pasig City

5.2. Retroactive Date

Where a retroactive date is specified in the Policy Schedule, this Policy will not respond in respect of any claim or loss arising from contracts commenced or work carried out prior to the said retroactive date.

5.3. Insured's Duties in the Event of Claim or Circumstance

It is a condition precedent to Insurer' liability under this Policy that:

- (a) The Insured shall give to the Insurer notice in writing of the following:
 - i. Receipt of any claim made against the Insured or any of the covered employees and representatives thereof,
 - ii. Receipt of notice whether written or oral of the intention of any person or body to make a claim against them,
 - iii. Receipt of any allegation which may give rise to a claim against them,
 - iv. Discovery of any loss suffered by them or any of them,
 - v. Discovery of reasonable cause for suspicion of dishonesty or fraud on the part of any former or present Partner, Director or Employee of the Insured,
 - vi. Discovery of any matter which may be the subject of indemnity under the terms, conditions or extensions of this Policy,

always provided that such notification is made during the Policy Period. Furthermore, the Insured shall provide all information in respect of the matter so notified as is in their possession at the time of notification.

If during the Policy Period, the Insured shall become aware of any circumstance which may subsequently give rise to a claim against them or loss sustained by them, the Insured shall give notice of the circumstance in writing to Insurer, or such person nominated in the Policy Schedule for such purpose, as soon as practicable and in any event within thirty (30) days of their becoming aware of the circumstance. Such notice having been given, any subsequent claim made against the Insured or loss sustained by them arising out of that circumstance shall be deemed to have been first made or sustained during the Policy Period.

- (b) The Insured shall not admit liability for or settle or make or promise any payment in respect of any claim which may be the subject of indemnity under this Policy or incur any costs or expenses in connection therewith without the written consent of the Insurer who, if they so wish, shall be entitled to take over and conduct in the name of the Insured the defense and/or settlement of any such claim. In doing so, the Insurer may conduct the defense and/or settlement as they, in their absolute discretion, see fit. This right will include, but is not limited to, the right to commit the Insured's Deductible to any settlement and to make admissions in respect of the whole claim, or any part of the claim, or in respect of any issue on which the claim or part of it depends.

The Insured shall at all time give to the Insurer and/or their duly appointed representatives all such information, cooperation and assistance as the Insurer may reasonably require. Insofar as the claim is subject to the Rules of Court, such assistance will extend, but is not limited to, the provision of signed statements or depositions as may be required to facilitate compliance with all and any rules. By way of example, and without limitation, the Insured's obligations will include inter-alia:

- i. The provision of full and prompt information, instructions, and or assistance to Insurer or their duly appointed representatives;
- ii. The undertaking, by an appropriate representative of the Insured, of a reasonable search for documents required to be disclosed in any litigation, together with the provision of a signed disclosure statement in terms advised by legal representatives appointed by Insurer;
- iii. The provision, by an appropriate representative of the Insured, of a signed statement verifying that he or she believes the facts stated in the defense, statement of case, responses to other parties requests for information or witness statements to be true.

5.4. Agreement to Pay Claims

Insurer agrees to pay claims which may arise under this Policy without requiring the Insured to dispute any claim unless a Senior Counsel (to be mutually agreed upon by Insurer and Insured) advises that the same could be contested with a reasonable prospect of success by the Insured, and the Insured consents to such claim being contested, but such consent is not to be unreasonably withheld. In the event of any dispute arising between the Insured and the Insurer as to what constitutes an unreasonable refusal to contest a claim at Law, such dispute shall be subject of arbitration under the applicable rule of the Philippine Dispute Resolution Center, Inc. (PDRCI). In the alternative, the dispute may be resolved by an arbitrator to be mutually chosen by the Insured and the Insurer.

5.5. Subrogation

If any payment is made under this Policy in respect of a claim, Insurer is thereupon subrogated to all

the Insured's rights of recovery thereto. However, Insurer shall not exercise any such rights against any employee or former employee of the Insured unless the claim has been brought about or contributed by any dishonest, fraudulent, criminal or malicious act of the employee, it being understood that Insurer shall at all times retain all the Insured's rights of recovery against any person or party who is not an employee of the Insured or former employee of the Insured.

5.6. Fraudulent Claims

If the Insured shall make or refer any claim knowing the claim to be fraudulent, in any respect thereof, the Policy shall become void and all claims made and paid shall be forfeited.

6. GENENRAL PROVISIONS

6.1. Third Party

A person who is not a party to this Policy has no rights to enforce any terms of this Policy.

6.2. Premium Payment

- (a) The Insured undertakes that Premium will be paid in full to the Insurer within thirty (30) days from inception of this Policy.
- (b) If the Premium has not been so paid to the Insurer by the thirtieth day from the inception of this Policy, the Insurer shall have the right to cancel this Policy by notifying the Insured or through the broker in writing. In the event of cancellation, Premium is due to the Insurer on a pro-rata basis for the period that the Insurer is on risk, but the full Policy Premium shall be payable to the Insurer in the event of a notification prior to the date of termination, which gives rise to a Notifiable Claim under this Policy. The Premium shall be added to and form part of the deductible amount in the event of its non-payment.

It is agreed that the Insurer shall give no less than fifteen (15) days prior notice of cancellation to the Insured or through the latter's broker. If Premium due is paid in full to the Insurer before the notice period expires, notice of cancellation shall automatically be revoked. Otherwise, this Policy shall automatically terminate at the end of the notice period.

6.3. Cancellation of Policy

This Policy shall not be cancelled by the Insurer except upon prior notice thereof to the Insured, and no notice of cancellation shall be effective unless it is based on the occurrence, after effective date of this Policy, of one or more of the following:

- (a) Non-payment of premium;
- (b) Conviction of a crime arising out of acts increasing the risk insured against;
- (c) Discovery of fraud or material misrepresentation;
- (d) Discovery of willful or reckless acts or omissions increasing the risk insured against;
- (e) A determination by the Insurance Commissioner that the continuation of this Policy would violate or would place the Insurer in violation of the Insurance Code.

All notices of cancellation shall be in writing, and mailed or delivered to the Insured at the address shown in the Policy Schedule, and shall state:

- (a) Which of the grounds set forth in this provision is relied upon, and
- (b) That upon written request of the Insured, the Insurer will furnish the facts on which the cancellation is based.

If the Insured cancels this Policy, which must be in writing, earned premiums shall be computed with the applicable percentage indicated under the following Short Rate Cancellation Table:

5 days or less	6% of the premium
Up to 10 days	10% of the premium
Up to 15 days	13% of the premium
Up to 20 days	17% of the premium
1 month or less	20% of the premium
2 months	30% of the premium
3 months	40% of the premium
4 months	50% of the premium
5 months	60% of the premium
6 months	70% of the premium

7 months	75% of the premium
8 months	80% of the premium
9 months	90% of the premium
10 months	the full annual premium

6.4. Several Liability Notice

The Insurer's obligation under this Policy is limited solely to the extent of its individual subscription. The Insurer is not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of the latter's obligations.

6.5. Omnibus Clause

All applicable provisions of the Insurance Code of the Philippines, as amended, as of the date of effectivity, latest renewal or latest reinstatement of this Policy as the case may be, and all existing laws obligatory upon insurance companies as may be pertinent are deemed incorporated in this Policy and will supersede any agreement/contract inconsistent therewith.

6.6. Civil Code Article 1250 Waiver Clause

It is hereby declared and agreed that the provision of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads:

"In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of the obligation shall be the basis of payment."

shall not apply in determining the extent of liability under the provisions of this Policy.

6.7. Documentary Stamp Clause

Acceptance of the terms of proposal means that:

- (a) It is understood that upon the issuance of this Policy, no payment for documentary stamp tax will be refunded as a result of the cancellation or endorsement of this Policy or a reduction in the premium due for whatever reason; and
- (b) If a cancellation or endorsement occurs prior to the settlement of the amount due under this Policy, the Insured guarantees payment of the corresponding documentary stamp tax due, which amount may be legally enforced against and collected from said Insured.

6.8. Interpretation

In this Policy:

- (a) Reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy or the equivalent in any other jurisdiction;
- (b) None of the provisions, conditions and terms of this Policy shall be waived or altered except by an endorsement signed or initialed by an authorized official of the Insurer and in accordance with the provisions of Section 50 of the Insurance Code as amended.
- (c) If any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable, the remainder shall be in full force and effect;
- (d) The headings in this Policy are for general reference only and shall not be considered when determining the meaning of this Policy;
- (e) This Policy and the Policy Schedule shall be read together as one contract, and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Policy Schedule shall bear such specific meaning wherever it may appear.

7. GOVERNING LAWS AND DISPUTES

This Policy shall be governed by and construed in accordance with the laws of the Philippines, the courts of which shall have sole jurisdiction to deal with any matters in dispute not determinable by arbitration.