

Forefront Portfolio for Not for  
Profit Organisations Policy  
Wording

General Terms and Conditions

CHUBB®

## General Product Information

This General Product Information ('GPI') provides general information only, and should be read in conjunction with the attached Policy document ('the Policy'). The GPI and the Policy contain important information which you should read carefully before deciding to take out any insurance cover.

### Policy Terms and Conditions

The information contained in this GPI is general information only and does not form part of your contract of insurance with us. The Policy is our legal contract with you and contains details covering the terms, conditions and any exclusions relating to the insurance cover to be provided by us. The GPI and the Policy are important documents so please keep them in a safe place for future reference. Should you require any further information about this or any other product, please contact your authorised financial services provider.

### Duty of Disclosure

It is important that you understand you are answering our questions for yourself and anyone else that you want to be covered by the Policy.

#### *Your duty of disclosure when entering into an insurance contract*

Before you enter into an insurance contract with us, you have a duty of disclosure under the Insurance Contracts Act 1984 (Cth) to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and, if so, on what terms. This duty of disclosure applies until the contract is entered into.

#### *Your duty of disclosure for renewing an insurance contract or entering into a subsequent insurance contract*

The same duty applies until we agree to any variations, extensions, reinstatements or renewal of an insurance contract.

#### *What you are not required to disclose*

You are not required to disclose any matter:

1. That diminishes the risk to be undertaken by us;
2. That is of common knowledge;
3. That we know or should know in the ordinary course of the insurance business;
4. Where we waive your duty of disclosure.

#### *Non disclosure and its consequences*

If you fail to comply with your duty of disclosure we may be entitled to reduce the amount we would pay you if you make a claim, cancel your insurance contract, or both.

#### *Fraudulent non disclosure and its consequences*

If your non disclosure is fraudulent, we may refuse to pay your claim and treat the contract as if it never existed.

### Privacy

#### *Our Privacy Policy*

Our privacy policy statement is readily available on our website at [www.chubb.com/au](http://www.chubb.com/au).

#### *Your access to your personal information*

You can request access to personal information which we hold about you. Your rights to access and our rights to refuse access are set out in the Privacy Act 1988 (Cth) or any successor legislation.

### The General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (Code). The Terms of the Code require us to be open, fair and honest in our dealings with you. The Code outlines the standards by which we have agreed to deal with you in relation to the standards for our employees, authorised representatives, financial hardship, information and education and access to information. The Code aims to:

- Commit us to high standards of service.
- Promote more informed relations between you and us.
- Promote trust and confidence in the insurance industry.

For more information and a copy of the Code please visit the Insurance Council of Australia's website at [www.codeofpractice.com.au](http://www.codeofpractice.com.au) or [www.insurancecouncil.com.au](http://www.insurancecouncil.com.au)

If your policy, or a part of your package policy, provides cover on a claims made or claims made and notified basis, the following two sections will apply, but not otherwise.

### **Claims-Made and Claims-Made and Notified Coverages**

These coverages apply only to claims that are either first made against you during the period of insurance or both first made against you and notified to us in writing before the expiration of the period of the insurance cover provided by the Policy. If your Policy does not have a continuity of cover provision or provide retrospective cover then your Policy may not provide insurance cover in relation to events that occurred before the contract was entered into.

### **Notification of Facts That Might Give Rise to a Claim**

Section 40(3) of the Insurance Contracts Act 1984 only applies to the claims-made and the claims-made and notified coverages available under the Policy.

Pursuant to Section 40(3) of the Insurance Contracts Act 1984, and only pursuant to that section, if you give notice in writing to us of facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of such facts but before the insurance cover provided by the Policy expires, then we are not relieved of liability under the Policy in respect of the claim, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the Policy.

### **Complaint Resolution**

Chubb has a Complaints handling and Dispute Resolution processes in place. We aim to respond to a complaint or to a dispute within 15 business days once we have all necessary information and have completed any investigation that may be needed.

If we cannot respond within 15 business days, we will let you know as soon as practicable within the 15 business day time frame, and nominate a reasonable alternative time. When doing this we will attempt where possible to meet any reasonable time requirements you express.

We will keep you informed about the progress of your complaint or dispute every 10 business days until we have responded to you on it.

Should you wish to make a complaint, you can contact us in the following ways:

By phone: 02 9335 3200

By mail: Complaints Chairman,  
Grosvenor Place, Level 38, 225 George Street  
Sydney, NSW, 2000

By email: [aus.complaints@chubb.com](mailto:aus.complaints@chubb.com)

If you feel our response does not resolve your complaint you may tell us and ask us to treat it as a dispute. It will then be independently reviewed by our Internal Dispute Resolution Panel comprising employees with appropriate experience, knowledge and authority who have not been involved in the matter before.

### **Insurance Council of Australia**

Where we cannot provide you with insurance cover, we will refer you to the Insurance Council of Australia (the ICA) for information about alternative insurance options (unless you already have someone acting on your behalf). The ICA has established a referral service called 'Find an Insurer'. Information on finding alternative insurers can be found at [www.findaninsurer.com.au](http://www.findaninsurer.com.au).

### **Financial Claims Scheme**

This Policy may be a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and third parties in the event of insurers becoming insolvent. In the unlikely event of Chubb becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria. APRA is responsible for the administration of the FCS. Contact APRA at [www.apra.gov.au](http://www.apra.gov.au) or 1300 558 849.

**The Policy is issued by Chubb Insurance Australia Limited ABN 23 001 642 020 AFSL 239687.**

Our website can be visited at [www.chubb.com/au](http://www.chubb.com/au).

1 November 2016

**Declarations**

**Chubb Insurance Australia Limited**  
 ABN 23 001 642 020 AFSL 239687

Herein called the Company

Item 1. **Principal Organisation:**  
 Address:

THE LIABILITY COVERAGE SECTION PROVIDES CLAIMS MADE COVERAGE WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD, OR ANY EXTENDED REPORTING PERIOD. THE CRIME AND KIDNAP, RANSOM AND EXTORTION COVERAGE SECTIONS PROVIDE LOSS DISCOVERED COVERAGE WHICH APPLIES ONLY TO LOSS FIRST DISCOVERED DURING THE POLICY PERIOD.

Item 2. **Policy Period:**  
 From: 4:00 pm on  
 To: 4:00 pm on  
 Local time at the address shown in Item 1.

Item 3. Coverage is only available for the following if indicated by X: Policy Number  
 **Liability Coverage Section**  
 **Crime Coverage Section**  
 **Kidnap, Ransom and Extortion Coverage Section**

Item 4. Endorsement(s) Effective at Inception:

In witness whereof, the Company has caused this policy to be signed by its Authorised Employee.

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Authorised Employee

In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the **Insured** agree as follows:

## 1. Territory, Choice of Law and Jurisdiction

Coverage shall extend anywhere in the world.

This policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit the Company, its parent company or its ultimate controlling entity from providing the insurance.

The construction and enforcement of the provisions of this policy shall be determined in accordance with and governed by the laws of Australia. Except as otherwise provided in any **Coverage Section**, any disputes relating thereto shall be submitted to the exclusive jurisdiction of the courts of Australia.

## 2. Terms and Conditions

Except for these General Terms and Conditions or unless stated to the contrary in any **Coverage Section**, the terms and conditions of each **Coverage Section** shall apply only to that **Coverage Section**. The General Definitions apply to all **Coverage Sections** in addition to any specific definitions that may apply in each **Coverage Section**. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Section**, the terms and conditions of such **Coverage Section** shall control for purposes of that **Coverage Section**. Any defined term referenced in these General Terms and Conditions but defined in a **Coverage Section** shall, for the purposes of coverage under that **Coverage Section** shall, have the meaning set forth in that **Coverage Section**.

## 3. General Definitions

When used in bold print in this policy:

**Anniversary Date** means that date and time exactly twelve (12) months after the date and time set forth in Item 2. of the Declarations and each succeeding date and time exactly twelve (12) months after the previous **Anniversary Date**.

**Claim** shall have the meaning ascribed to that term in the **Liability Coverage Section**.

**Coverage Event** means the event or loss which must occur or be sustained or discovered in order to invoke coverage under the applicable **Non Liability Coverage Section**.

**Coverage Section** means the **Liability Coverage Section** and the **Non Liability Coverage Sections** or any of them as appropriate.

**Event** means:

- (a) a **Principal Organisation** merging into or consolidating with another organisation such that the **Principal Organisation** becomes a subsidiary of the other organisation;

- (b) another organisation acquiring the business or assets of the **Principal Organisation**; or
- (c) another organisation or person or group of organisations or persons acting in concert acquiring control of the composition of the **Principal Organisation's** board of directors, being in a position to cast, or control the casting of more than fifty percent (50%) of the maximum number of votes that might be cast at a general meeting of the **Principal Organisation** or holding more than fifty percent (50%) of the issued share capital of the **Principal Organisation** (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

**External Administrator** means any liquidator, receiver, receiver and manager, administrator, controller or holder of similar office or position in any jurisdiction whether appointed under the provisions of Part 5 of the Corporations Act 2001 (Cth) or any other law anywhere in the world or pursuant to the provisions of any contract or other instrument.

**Financial Impairment** means the insolvency, liquidation, bankruptcy, winding-up, receivership or administration of the **Organisation** or its actual or alleged inability to meet any or all of its debts as and when they fall due.

**Insured** shall have the meaning ascribed to that term in each **Coverage Section**.

**Insured Person** shall have the meaning ascribed to that term in each **Coverage Section**.

**Loss:**

- (a) with respect to the **Liability Coverage Section**, shall have the meaning ascribed to that term in such **Coverage Section**; or
- (b) with respect to any **Non Liability Coverage Section**, means the total amount covered under such **Coverage Section** as a result of any **Coverage Event**.

**Non Liability Coverage Section** means the **Crime and the Kidnap, Ransom and Extortion Coverage Sections**, if purchased as set forth in Item 3. of the Declarations.

**Organisation** means, collectively, the **Principal Organisation**, the entity designated in the Schedule to each **Coverage Section** and any **Subsidiary**, or any one of them.

**Policy Period** means the period of time set forth in Item 2. of the Declarations, subject to any prior termination in accordance with Section 9. Termination of Policy or Coverage Section.

**Policy Year** means the period, within the **Policy Period**, from the date and time set forth in Item 2. of the Declarations to the first **Anniversary Date**, or the period, within the **Policy Period**, from an **Anniversary Date** to its next succeeding **Anniversary Date**, subject to any prior termination in accordance with Section 11. Termination of Policy or Coverage Section.

**Principal Organisation** means the entity designated in Item 1. of the Declarations.

**Proposal** means all proposals, including attachments and materials incorporated therein, submitted by, or information disclosed by, the **Insureds** to the Company for this **Policy** or any policy issued by the Company of which this **Policy** is a direct or indirect renewal or replacement. All such proposals, attachments and materials are deemed attached to, incorporated into and made a part of this **Policy**.

**Related Claims** means all **Claims** based upon, arising from, or in consequence of the same or related **Wrongful Acts**, facts or circumstances or the same or related series of **Wrongful Acts**, facts or circumstances.

**Subsidiary** shall have the meaning ascribed to that term in each **Coverage Section**.

**Wrongful Act** shall have the meaning ascribed to that term in the **Liability Coverage Section**.

## 4. Notice

Any notice to the Company with respect to any **Coverage Section** shall designate the **Coverage Section** under which notice is being given and shall be treated as notice only under the **Coverage Section(s)** so designated.

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

Chubb Insurance Australia Limited  
ABN: 23 001 642 020 AFSL: 239687

Grosvenor Place  
Level 38, 225 George Street  
Sydney NSW 2000  
O +61 2 9335 3200  
F +61 2 9335 3411  
[www.chubb.com/au](http://www.chubb.com/au)

Email: [aus.financiallinesclaims@chubb.com](mailto:aus.financiallinesclaims@chubb.com)

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

## 5. Valuation and Foreign Currency

All premiums, limits, deductibles, **Loss** and other amounts under this policy are expressed and payable in Australian dollars. If a judgment is rendered, a settlement is denominated or any element of **Loss** is stated in a currency other than Australian dollars, payment under this policy shall be made in Australian dollars at the mid-rate of exchange published in the currency conversion web site, Oanda.com, or, if it is no longer current, a currency conversion web site selected by the Company, on the date the judgment is reached, the amount of the settlement is agreed upon or any element of **Loss** is due, respectively.

## 6. Subrogation

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 such **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 or otherwise pursue subrogation rights in the name of each **Insured**.

With respect to the **Liability Coverage Section** only, the Company agrees to waive any rights of subrogation against any **Insured Person** except in respect of any liability arising from or contributed to by any dishonest, deliberately criminal, deliberately fraudulent act or omission, gaining any profit or advantage to which one is not legally entitled on the part of any such person where such act, omission or gain is established in a final adjudication in any proceeding.

## 7. Authorisation

By acceptance of this policy the **Principal Organisation** agrees to be the sole agent of, and shall act on behalf of, each **Insured** with respect to: 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; the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for an Extended Reporting Period); the adjustment of loss amounts; and the receipt or enforcement of payment of **Loss**. The **Principal Organisation** agrees that it shall be responsible for application of any such payment as provided in this policy. Each **Insured** agrees that the **Principal Organisation** shall act on its behalf with respect to all such matters.

## 8. Alteration and Assignment

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

## 9. Termination of Policy or Coverage Section

This policy or any **Coverage Section** shall terminate at the earliest of the following times:

- (a) thirty (30) days after the receipt by the **Principal Organisation** of a written notice of termination from the Company in accordance with the Insurance Contracts Act 1984 (Cth), as amended, except in the case of termination for non-payment of premium, in which case it will be fourteen (14) days after receipt of a written prior notice or, if a later time is specified in such notice, at such later time;

- (b) upon the receipt by the Company of written notice of termination from the **Principal Organisation**;
- (c) upon expiration of the **Policy Period** as set forth in Item 2. of the Declarations of these General Terms and Conditions; or
- (d) at such other time as may be agreed upon in writing by the Company and the **Principal Organisation**.

The Company shall refund the unearned premium computed at customary short rates if this policy is terminated by the **Principal Organisation**. Under any other circumstances the refund shall be computed pro rata. Payment or tender of any unearned premium by the Company shall not be a condition to the effectiveness of a notice of termination but such payment shall be made as soon as practicable thereafter.

## 10. Bankruptcy

The bankruptcy, liquidation, winding-up, administration, receivership or insolvency of an **Insured** or of the estate of an **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights under this policy.

## 11. Policy Construction

In this policy:

- (a) the title and any headings or sub-headings are solely for convenience and form no part of their terms and conditions;
- (b) the Declarations of these General Terms and Conditions and the Schedule of each **Coverage Section** are part of and form an integral part of this policy;
- (c) the singular includes the plural and the plural includes the singular, unless otherwise indicated;
- (d) the word 'person', wherever it appears, means a legal or a natural person, unless otherwise specified; and
- (e) a reference to one gender includes the other gender.

## 12. Conformance with Local Laws

The provisions of this policy shall be read subject to the laws governing the construction of this policy and if any provisions of this policy are inconsistent with such laws then:

- (a) where such provision can be read so as to give it a valid and enforceable operation of a partial nature, it shall be read to the extent necessary to achieve that result;
- (b) in any other case, such provision shall be severed from this policy, in which event the remaining provisions shall operate as if the severed provision had not been included.

## 13. Other Insurance

In the event that any **Loss** arising from any **Claim** made against an **Insured** is insured under:

- (a) those policies listed in the **Proposal** for, or endorsement to, any **Coverage Section**;
- (b) any other policy entered into by an **Insured**; or
- (c) any other policy effected on behalf of the **Insured** or under which any **Insured** is a beneficiary (but not a policy to which paragraph (b) applies),

then, to the extent to which it is permitted by the Insurance Contracts Act 1984 (Cth), as amended, coverage is only provided under the applicable **Coverage Section**, subject to its terms and conditions, for such **Loss** excess of the coverage provided by any of the policies and coverage sections referred to in (a), (b) or (c) above.

The **Insured** agrees to provide the Company all details of any excess policies effected once they become known to them.

If the Company or any of its subsidiaries or affiliated companies makes payment under a policy or coverage section referred to in (a) or (b) above on account of any **Claim** also covered under the policy, the Limit of Liability for this policy with respect to such **Claim** shall be reduced by the amount of such payment.

The Company's liability under the Kidnap, Ransom and Extortion **Coverage Section** for any loss of personal assets covered under Section 14. Personal Assets, of that section, other than a loss sustained by an **Employee**, shall be reduced by any amount paid or payable on account of such loss under such other insurance issued by the Company or any of its subsidiaries or affiliated companies.

## 14. Confidentiality

It is a condition of this policy that each **Insured** and/or any persons at their direction or on their behalf shall not disclose the existence of any **Coverage Section**, its Limits of Liability, the nature of the liability indemnified, or the premium payable under it to any third party except to the extent that:

- (a) they are required by law to do so; or
- (b) the Company consents, in writing, to such disclosure.

## 15. GST - Basis of Settlement

If any **Insured** is entitled to an input tax credit for the premium paid in consideration of the Company's issuance of this policy, then such **Insured** shall inform the company as to the nature and extent of its entitlement on or before a **Claim** is made under this policy. The Company shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or in consequence of any **Insureds** misstatement of, or failure to inform the Company of, the nature or extent of its entitlement to an input tax credit for the policy premium.

The Deductible Amounts borne by the **Insured** under this policy shall be net of any input tax credit that is or may be available in connection with the **Insureds** payment of **Loss** falling within such Deductible Amounts.

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Liability Coverage Section

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## Schedule

**Chubb Insurance Australia Limited**

ABN 23 001 642 020 AFSL 239687

Herein called the Company

THIS COVERAGE SECTION PROVIDES CLAIMS MADE COVERAGE WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD, OR ANY EXTENDED REPORTING PERIOD.

Insuring Clause	Item 1. Limit of Liability for Each <b>Policy Year</b> :	Item 2. Deductible Amount:
A. Management Liability Coverage	\$	\$
B. Organisation Indemnification Coverage	\$	\$
C. Legal Representation Expenses Coverage	\$	\$
D. Outside Directorship Coverage	\$	\$
E. Organisation Liability Coverage	\$	\$
F. Employment Practices Liability Coverages	\$	\$
G. Professional Services Liability Coverage	\$	\$
Item 3. Sub Limits of Liability for Each <b>Policy Year</b> :		
<b>Civil Fines and Pecuniary Penalties for Organisation Claims</b>		
Sub limit: (a) Each <b>Loss</b>		\$
(b) Each <b>Policy Year</b>		\$
<b>Attendance Compensation</b>		
Sub limit: (c) Each <b>Loss</b> (per day)		\$
(d) Each <b>Policy Year</b>		\$
<b>Tax Audit Expenses</b>		
Sub limit: (e) Each <b>Loss</b>		\$
(f) Each <b>Policy Year</b>		\$
<b>Prosecution and Reputation Protection Costs</b>		
Sub limit: (g) Each <b>Loss</b>		\$
(h) Each <b>Policy Year</b>		\$
<b>Crisis Expenses</b>		
Sub limit: (i) Each <b>Loss</b>		\$
(j) Each <b>Policy Year</b>		\$
Item 4. Limit of Liability in addition to the Maximum Aggregate Limit of Liability:		
Dedicated Additional Limit of Liability for <b>Directors</b> and <b>Officers</b> (in the aggregate)		\$

Item 5. Pending or Prior Date:

Item 6. **Organisation:**

Item 7. Extended Reporting Period: (a) 100% of the annual premium for an additional 365 days; or  
(b) Nil additional premium for 90 days

Item 8. Endorsement(s) Effective at Inception:

In consideration of payment of the premium and subject to the terms and conditions of this **Coverage Section**, the Company and the **Insured** agree as follows:

## 1. Insuring Clauses

### A. Management Liability Coverage

The Company shall pay, on behalf of each **Insured Person**, **Loss** for which the **Insured Person** is not indemnified by an **Organisation** on account of any **Management Claim** first made during the **Policy Year** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Year**.

### B. Organisation Indemnification Coverage

The Company shall pay, on behalf of an **Organisation**, **Loss** for which an **Organisation** grants indemnification to each **Insured Person**, as permitted or required by law, on account of any **Management Claim** first made during the **Policy Year** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Year**.

### C. Legal Representation Expenses

The Company shall pay, on behalf of each **Insured Person**, **Legal Representation Expenses** on account of any **Formal Investigation** identifying such **Insured Person** in writing and first notified to such **Insured Person** or the **Organisation** during the **Policy Year**, or if exercised, during the Extended Reporting Period. No Deductible amount applies to this Insuring Clause.

### D. Outside Directorship Coverage

The Company shall pay **Loss** on behalf of each **Insured Person** who serves in an **Outside Directorship** and for which the **Insured Person** is not indemnified by the **Outside Entity**, on account of any **Management Claim** first made during the **Policy Year** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Year**. No deductible amount applies to this Insuring Clause.

### E. Organisation Liability Coverage

The Company shall pay, on behalf of an **Organisation**, **Loss** on account of any **Organisation Claim** first made during the **Policy Year** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Year**.

### F. Employment Practices and Third Party Liability Coverage

The Company shall pay, on behalf of an **Insured**, **Loss** on account of any **Employment Claim** first made during the **Policy Year** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Year**.

The Company shall pay, on behalf of an **Insured**, **Loss** on account of any **Third Party Claim** first made during the **Policy Year**, or if exercised, during the Extended Reporting Period, for a **Third Party Wrongful Act** occurring before or during the **Policy Year**.

### G. Professional Services Liability Coverage

The Company shall pay, on behalf of an **Insured**, **Loss** on account of any **Professional Services Claim** first made during the **Policy Year** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring before or during the **Policy Year**.

## 2. Extensions

### A. Advancement of Costs and Expenses

The Company shall, prior to the final disposition of any **Claim**, advance **Defence Costs, Legal Representation Expenses, Prosecution and Reputation Protection Costs** or **Crisis Expenses** within thirty (30) days of receipt of an invoice for same.

Any advancement of **Defence Costs, Legal Representation Expenses, Prosecution and Reputation Protection Costs** or **Crisis Expenses** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs, Legal Representation Expenses, Prosecution and Reputation Protection Costs** or **Crisis Expenses** are not insured under this **Coverage Section**.

### B. Civil Fines and Pecuniary Penalties

Coverage shall extend to civil fines and pecuniary penalties on account of any **Management Claim**.

Coverage shall extend to civil fines and pecuniary penalties on account of any **Organisation Claim** up to the amount of the sub-limit in Item 1. of the Schedule.

### C. Occupational Health and Safety, Corporate Manslaughter Costs or Expenses

Notwithstanding Exclusion 4.(A)(iii), Bodily Injury and Property Damage coverage shall extend to:

- (i) **Defence Costs**, civil fines and pecuniary penalties, or **Crisis Expenses** on account of any **Management Claim** or **Organisation Claim**;
- (ii) **Prosecution and Reputation Protection Costs** on account of any **Management Claim**; or
- (iii) **Legal Representation Expenses**,

in connection with an alleged violation or breach of an occupational health and safety law, including but not limited to, any workplace death, corporate manslaughter or industrial manslaughter law anywhere in the world.

#### D. Retired Directors, Officers, Public Officers or Management Committee Members

If this **Coverage Section** is terminated or not renewed by either the Company or the **Principal Organisation** for any reason, other than non-payment of premium, and provided that no **Event** or **Financial Impairment** has occurred, **Retired Directors** or **Officers** shall have the right to an Extended Reporting Period of eighty-four (84) months within which to report any **Management Claims** that are first made or **Formal Investigations** first notified during such eighty-four (84) month period but only to the extent such **Management Claims** are for **Wrongful Acts** occurring prior to and **Formal Investigations** into conduct occurring prior to the effective date of termination or non-renewal. There is no additional premium payable for such Extended Reporting Period in respect of any **Retired Directors** or **Officers**.

#### E. Emergency Costs and Expenses

If, because of an emergency, the Company's prior written consent to any **Defence Costs**, **Legal Representation Expenses**, **Prosecution and Reputation Protection Costs** or **Crisis Expenses** cannot be requested, such costs and expenses can be incurred without that consent for a period of thirty (30) days immediately following the date on which the **Claim** was first made, a **Formal Investigation** was first notified or the event for which **Crisis Expenses** may be incurred.

#### F. Continuity of Cover

Notwithstanding Exclusion 4.(A)(ii), Pending or Prior, coverage is provided for **Claims** or circumstances which could or should have been notified under any policy or coverage section of which this **Coverage Section** is a renewal or replacement or which it may succeed in time provided always that:

- (i) the **Claim** or circumstance could and should have been notified after the Pending or Prior Date set forth in the Schedule;
- (ii) the Company has continued to be the insurer under such previous policy or coverage section without interruption; and
- (iii) the cover provided by this Extension shall be in accordance with all the terms and conditions (including, for the avoidance of doubt, the limit of liability and deductible amounts) of the policy or coverage section under which the **Claim** or circumstance could and should have been notified.

#### G. Crisis Expenses

Coverage shall extend to **Crisis Expenses** up to the amount of the sub-limit in Item 1. of the Schedule. No Deductible Amount applies to this Extension.

The Company shall not be liable for any **Crisis Expenses** incurred prior to, or more than, 180 days after the date written notice of any event for which such **Crisis Expenses** may be incurred is first given to the Company.

#### H. Compensation for Court Attendance and Staff Disruption

Coverage shall extend to **Attendance Compensation** on account of any **Attendance** of an **Insured Person** during the **Policy Year**, up to the amount of the sub-limit set forth in Item 3. of the Schedule.

#### I. Tax Audit Expenses

Coverage shall extend to **Tax Audit Expenses** on account of any **Organisation Claim** first made during the **Policy Year**, up to the amount of the sub-limit set forth in Item 3. of the Schedule. No Deductible Amount applies to this Extension.

#### J. Bilateral Extended Reporting Period

If this **Coverage Section** is terminated or not renewed by either the Company or the **Principal Organisation** for any reason, other than non-payment of premium, and provided no **Event** has occurred, the **Principal Organisation** and the **Insured Persons** shall have the right:

- (i) upon payment of the additional premium set forth in Item 7.(a) of the Schedule, to an Extended Reporting Period of 365 days from the expiry date of the **Policy Year** within which to report any **Claims** first made during such 365 day period; or
- (ii) if the 365 day Extended Reporting Period is not purchased, to an Extended Reporting Period of 90 days within which to report any **Claims** that are first made during such 90 day period. There is no additional premium payable for such 90 day Extended Reporting Period,

but only to the extent such **Claims** are for **Wrongful Acts** occurring prior to, and any **Formal Investigations** into conduct occurring prior to the effective date of termination or non-renewal.

The right to an Extended Reporting Period of 365 days shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty (30) days following the effective date of termination or non-renewal.

Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Year**.

If an Extended Reporting Period is elected then it cannot be cancelled by the **Insureds** or the Company.

If the 365 day Extended Reporting Period is purchased then the entire premium noted in Item 7.(a) of the Schedule shall be deemed fully earned at the inception of such Extended Reporting Period.

## K. Spousal Liability, Estates and Legal Representatives

Coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Person** made against:

- (i) the estate, heirs, legal representatives or assigns of such **Insured Person** if such **Insured Person** is deceased or the legal representatives or assigns of such **Insured Person** if such **Insured Person** is incompetent, insolvent or bankrupt; or
- (ii) the lawful spouse or **Domestic Partner** of such **Insured Person** solely by reason of such spouse's or **Domestic Partner's** status as a spouse or **Domestic Partner**, or such spouse's or **Domestic Partner's** ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.

All provisions of this Liability **Coverage Section**, including without limitation the Deductible Amounts, that are applicable to **Loss** incurred by the **Insured Person** shall also apply to loss incurred by the estate, heirs, legal representatives, assigns, spouse and/or **Domestic Partner** of such **Insured Person**. The coverage provided by this Extension shall not apply with respect to any loss arising from an act or omission by an **Insured Person's** estate, heirs, legal representatives, assigns, spouse or **Domestic Partner**.

## L. Prosecution and Reputation Protection Costs

Coverage shall extend to **Prosecution and Reputation Protection Costs** up to the amount of the sub-limit set forth in Item 3. of the Schedule. No Deductible Amount applies to this Extension.

## M. Insured Person's Tax Liability

Coverage shall include an **Insured Person's Tax Liability**.

## N. Dedicated Additional Limit of Liability for Directors and Officers

The Company shall pay, on behalf of any **Director** or **Officer**, **Loss** for which such **Director** or **Officer** is not indemnified by an **Organisation** on account of any **Management Claim** first made during the **Policy Year**, for a **Wrongful Act** occurring and **Formal Investigation** notified before or during the **Policy Year**.

The Company's maximum liability under this Extension shall not exceed the aggregate Limit of Liability as set forth in Item 1. of the Schedule inclusive of all **Loss** in respect of all **Claims** against **Directors** or **Officers**. The limit set forth in Item 4. of the Schedule is in addition to and does not reduce the Limits of Liability set forth in Item 1. of the Schedule. No Deductible Amount applies to this Extension.

The Dedicated Additional Limit of Liability for **Directors** or **Officers** shall be excess of any insurance available that is specifically excess of this **Coverage Section**. Such excess insurance must be completely exhausted by payment of loss, damages or defence costs thereunder before the Company shall have any obligation to make payment on account of the Dedicated Additional Limit of Liability for **Directors** and **Officers**. The **Insured** agrees to provide the Company all details of any excess policies effected once they become known to them.

Cover as set forth in the above Extensions is subject to all the provisions of this **Coverage Section** unless stated otherwise.

## 3. Definitions

When used in bold type in this **Coverage Section**:

**Attendance** means the attendance of an **Insured Person**:

- (a) at a court hearing, arbitration, mediation, conciliation or alternative dispute resolution proceeding or **Formal Investigation** as a witness;
- (b) at an interview in the presence of a lawyer conducting the defence of any **Claim** for the purpose of composing a witness statement;
- (c) at a conference or consultation with a barrister for the purpose of preparation in relation to any **Claim**; and
- (d) at a court hearing, arbitration, mediation, conciliation or alternative dispute resolution proceeding or **Formal Investigation** as an observer, provided that the Company shall only be liable for the attendance of one observer for all **Organisations** per day,

where the attendance is in connection with a **Claim**.

**Attendance Compensation** means the amount which the Company pays on behalf of an **Organisation** as set forth in Item 3. of the Schedule.

**Bail Bond and Civil Bond Expenses** means the reasonable premium (not including collateral) for a bond or other financial instrument to guarantee an **Insured Person's** contingent obligation for bail required by a court in respect of any **Claim** including the premium paid for appeal, attachment or similar bonds.

**Benefits** means perquisites, fringe benefits, deferred compensation, payments in connection with an employee benefit plan and any other payment, other than salary or wages, to or for the benefit of an employee arising out of the employment relationship.

**Claim** means:

- (a) with respect to Insuring Clauses 1.A, 1.B and 1D. only, a **Management Claim**.
- (b) with respect to Insuring Clause 1.C only, a **Formal Investigation**.

- (c) with respect to Insuring Clause 1.E only, an **Organisation Claim**.
- (d) with respect to Insuring Clause 1.F (i) only, an **Employment Claim**.
- (e) with respect to Insuring Clause 1.F(ii) only, a **Third Party Claim**.
- (f) with respect to Insuring Clause 1.G only, a **Professional Services Claim**.

**Crisis Expenses** means reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries or fees of the **Directors, Officers** or employees of an **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred by an **Organisation**, with the Company's prior written consent (which shall not be unreasonably withheld), in retaining the services of any public relations firm, crisis management firm or executive search firm to advise the **Organisation** with respect to managing the public communication of and limiting the disruption to the **Organisation's** business due to:

- (a) the announcement or commencement of any **Claim**; and/or
- (b) the permanent disability, death, discharge or resignation (other than in accordance with a planned retirement) of a chairman, chief executive officer, public officer, treasurer, in house general counsel, or the holder of any equivalent position in any jurisdiction, and any natural person for whom the **Organisation** maintains key person life insurance.

**Defence 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, fees or **Benefits** of the **Directors, Officers**, trustees or any duly constituted committee member or employee of an **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred, with the Company's prior written consent (which shall not be unreasonably withheld), in defending, investigating, settling or appealing any **Claim**. **Defence Costs** shall include:

- (a) **Bail Bond and Civil Bond Expenses**;
- (b) reasonable costs, charges or fees resulting from an **Insured Person** lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**; or appealing any order or other grant of **Extradition** of such **Insured Person**.

**Director** means any person who:

- (a) is appointed to the position of a director; or is appointed to the position of an alternate director and is acting in that capacity; regardless of the name that is given to their position; or
- (b) is not validly appointed as a director if they act in the position of a director; or the directors of the company are accustomed to act in accordance with such person's

instructions or wishes (excluding advice given by the person in the performance of functions attaching to his professional capacity or his business relationship with the directors of a corporation).

- (c) is a member of a management committee.

**Director** shall include any equivalent position in any jurisdiction.

**Domestic Partner** means any natural person qualifying as a domestic partner of, or being in a similar relationship to, an **Insured Person** under the provisions of any applicable law or under the provisions of any formal program established by an **Organisation**.

**Employee Entitlements** means employee benefit arrangements of any kind (whether during or post-employment) including:

- (a) provision for unemployment, redundancy, retirement, sickness, disability, maternity leave, parental leave, adoption leave, annual leave, long service leave, compassionate leave or personal leave;
- (b) entitlements under any statute or **Industrial Instrument** including the calculation, timing or manner of payment of minimum wages, prevailing wage rates, overtime pay, time in lieu, loadings, allowances and penalties alleged to be due and owing;
- (c) accident, life, medical, disability or welfare plans, including insurance of any kind;
- (d) superannuation, retirement or pension contributions, benefits and entitlements; or
- (e) deferred compensation plans.

**Employment Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief including but not limited to a written demand for reinstatement, re-employment or re-engagement;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a criminal proceeding; or
- (e) an administrative, regulatory or tribunal proceeding commenced by the issuance of a formal investigative order or similar document including any such proceeding commenced by the Fair Work Ombudsman or any similar regulatory agency located anywhere in the world with jurisdiction over the **Organisation's** employment practices,

which is brought or maintained by or on behalf of any past, present or prospective **Insured Person** of an **Organisation** against an **Insured** for a **Wrongful Act**, including any appeal therefrom. Notwithstanding the foregoing, **Employment Claim** shall not include any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

**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.

**Formal Investigation** means a formal investigation, examination or inquiry by any official person or body having legal authority to conduct such investigation, examination or inquiry, of the business or activities of an **Organisation** or an **Outside Entity** or the conduct of an **Insured Person**, individually or otherwise in his **Insured Capacity**.

**Formal Investigation** does not include any routine supervision, inspection, compliance or similar reviews of an **Insured** conducted by any person or body or any investigation of industry-wide violations rather than a specific investigation of an **Insured**.

**Independent Contractor** means any natural person working for an **Organisation** in the capacity of an independent contractor pursuant to an express contract between such contractor and an **Organisation** which governs the nature of the **Organisation's** engagement of such **Independent Contractor**.

**Industrial Instrument** means any award, agreement, arrangement or other instrument which is certified or registered by an industrial tribunal in Australia, including the Australian Industrial Relations Commission, Fair Work Australia and the Industrial Relations Commissions of the States or Territories of Australia, or similar provisions of any law anywhere in the world.

**Insured** means:

- (a) with respect to any **Organisation Claim** or **Tax Audit Notice**, an **Organisation**;
- (b) with respect to any other **Claim**, an **Organisation** and/or any **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 organisation other than an **Organisation**, even if such **Organisation** directed or requested the **Insured Person** to serve in such other position or capacity, other than, with respect to any **Management Claim** or **Formal Investigation**, an **Outside Directorship**.

**Insured Person** means any natural person who was, now is or shall be:

- (a) a member of the management committee of an **Organisation**;
- (b) a **Director** or **Officer** of an **Organisation**;
- (c) a full time, part-time, temporary, casual or seasonal employee or any volunteer of an **Organisation**;
- (d) an **Independent Contractor** but only if an **Organisation** agrees in writing, prior to or no later than thirty (30) days after a **Claim** is made, to indemnify such contractor for liability arising out of such **Claim**, but only with respect to an **Employment Claim**;

- (e) a trustee of an **Organisation**;
- (f) a **Director** of a corporate trustee or policy committee member of any superannuation fund established for the benefit of employees of an **Organisation**; or
- (g) a member of a committee established by an **Organisation** or approved by the board of directors of an **Organisation** provided that such **Organisation** grants indemnification to such person.

**Insured Person** shall not include an **External Administrator**.

**Legal Representation Expenses** means reasonable **Defence Costs** which an **Insured Person** incurs on account of the attendance and/or the provision of documents or information by such **Insured Person** in an **Insured Capacity** at or to any **Formal Investigation** or on account of preparation for such attendance or provision, which attendance and/or provision is required by the person or body instituting the **Formal Investigation**.

**Loss** means the amount which an **Insured** becomes legally obligated to pay on account of any covered **Claim**, including but not limited to:

- (a) **Defence Costs**;
- (b) **Legal Representation Expenses**;
- (c) awards of damages or orders made by any court or tribunal to pay compensation including any statutory compensation orders;
- (d) judgments;
- (e) sums payable due to any settlements to which the Company has consented;
- (f) awards of claimant's costs;
- (g) pre-judgment and post-judgment interest;
- (h) punitive, exemplary or multiplied damages, aggravated damages, civil fines or pecuniary penalties unless the Company is legally prohibited from paying such damages or fines or penalties in the jurisdiction in which the **Claim** is determined;
- (i) **Tax Audit Expenses**;
- (j) **Prosecution and Reputation Protection Costs**;
- (k) **Crisis Expenses**, notwithstanding that there is no allegation of a **Wrongful Act**; and
- (l) **Attendance Compensation**.

**Loss** does not include:

- (i) any amount for which an **Insured Person** is absolved from payment by reason of any covenant or agreement,
- (ii) other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- (iii) fines or penalties other than to the extent covered pursuant to paragraphs (h) above;

- (iv) taxes, other than Goods and Services Tax due under the New Tax System (Goods and Services Tax) Act (Cth) 1999, as amended and other than to the extent covered pursuant to Extension 2.M. Insured Person's Tax Liability, and paragraph (i) above;
- (v) any amount which constitutes reduction, set off or return of fees or expenses, in whole or in part, paid to or charged by an **Insured** for **Professional Services**;
- (vi) the cost of correcting, completing or re-performing any **Professional Services**;
- (vii) liquidated damages;
- (viii) any costs incurred by an **Organisation** to comply with any order for injunctive or other non-pecuniary relief, or to comply with an agreement to provide such relief;
- (ix) the salary, wages, commissions or **Benefits** of a claimant who has been or shall be hired, promoted or reinstated to employment pursuant to a settlement of, order in or other resolution of any **Employment Claim**;
- (x) any amount not covered by this **Coverage Section** because of Section 12. Allocation;
- (xi) any amount not insurable under the law pursuant to which this **Coverage Section** is construed; or
- (xii) regular or overtime wages, salaries or fees of **Insured Persons**.

**Management Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a criminal proceeding; or
- (e) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against an **Insured Person**, individually or otherwise, for a **Wrongful Act**, including any appeal therefrom; or

- (f) an **Extradition** proceeding.

**Officer** means any:

- (a) company secretary;
- (b) person:
  - (i) who makes, or participates in making decisions that affect the whole, or a substantial part of the business of a corporation;
  - (ii) who has the capacity to affect significantly a corporation's financial standing;
  - (iii) in accordance with whose instructions or wishes the directors of a corporation are accustomed to act (excluding advice given by the person in the

performance of functions attaching to his professional capacity or his business relationship with the directors of a corporation;

- (c) a public officer.

**Officer** shall include any equivalent position in any jurisdiction.

**Organisation Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a criminal proceeding; or
- (e) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against an **Organisation** for a **Wrongful Act**, including any appeal therefrom; or

- (f) a **Tax Audit Notice**.

**Outside Directorship** means the position of a **Director, Officer**, trustee, councillor, governor or the holder of an equivalent position in any jurisdiction held by an **Insured Person** in an **Outside Entity** provided that such position is assumed and maintained with the knowledge and consent or at the request of an **Organisation**.

**Outside Entity** means any organisation that is not an **Organisation** and:

- (a) whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world; or
- (b) is established for a religious, benevolent or charitable purposes; or
- (c) which is not registered or approved for direct or indirect trading on a national securities exchange or over the counter trading system anywhere in the world; or
- (d) which is not located, incorporated or domiciled or does not operate in the **U.S.A.**; or
- (e) which does not carry on a financial services business anywhere in the world, including, for the avoidance of doubt, the provision of general, life and health insurance and reinsurance;
- (f) which is a **Scheduled Outside Entity** provided such **Outside Directorship** is specified in a Scheduled Outside Entity Endorsement to this **Coverage Section** at the inception of the **Policy Year**.

**Personal Injury Wrongful Act** means any:

- (a) false arrest, wrongful detention or imprisonment, malicious prosecution;



- (b) libel, slander, defamation of character, or publication of material in violation of a person's right of privacy; or
- (c) wrongful entry or eviction or other invasion of the right of privacy.

**Pollutants** means any solids, liquids, gaseous or thermal irritants or contaminants including smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Pollution** means any actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, escape, treatment, removal or disposal of any **Pollutants**; or any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request, including but not limited to any claim for loss to an **Organisation** or an **Outside Entity**, the holders of its securities or its creditors based upon, arising from, or in consequence of the matters described above.

**Potential Employment Claim** means a complaint or allegation of a **Wrongful Act** by or on behalf of a potential claimant if such complaint or allegation:

- (a) does not yet constitute an **Employment Claim** but may subsequently give rise to an **Employment Claim**; and
- (b) is lodged with an **Organisation's** human resources department or other comparable department.

**Potential Third Party Claim** means a complaint or allegation of a **Third Party Wrongful Act** if such complaint or allegation:

- (a) does not yet constitute a **Third Party Claim** but may subsequently give rise to a **Third Party Claim**;
- (b) is brought by or on behalf of a **Third Party**; and
- (c) is lodged with an **Organisation's** legal department or with an individual responsible for receiving such complaints or allegations.

**Professional Services** means the following services provided by an **Insured**:

- (a) the advocacy and promotion of the **Organisation's** objectives, area of focus or interest;
- (b) fund raising activities;
- (c) the registration, accreditation and training of members;
- (d) the publication of professional or technical standards, including journals and publications written by the **Insured** for or on behalf of members; or
- (e) organising and hosting events that promote the **Organisation's** objectives, area of focus or interest.

**Professional Services** shall not include:

- (i) the provision of financial or investment advice;

- (ii) medical treatment, medical care or medical advice, counselling or health care services; or
- (iii) professional services for a fee, commission or remuneration (other than as set forth in paragraphs (a) through (e) above).

**Professional Services Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a criminal proceeding;
- (e) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

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

**Prosecution and Reputation Protection Costs** means that part of **Loss** consisting of reasonable legal fees and related professional charges, arising from a **Management Claim** first made during the **Policy Year** and incurred personally by an **Insured Person** with the prior consent of the Company, which shall not be unreasonably withheld, to bring legal proceedings to overturn:

- (a) an interim or interlocutory judicial order for the confiscation of, assumption of ownership and control of, or freezing of, any asset of such **Insured Person**;
- (b) an interim or interlocutory judicial charging order over any asset of such **Insured Person**;
- (c) an interim or interlocutory judicial order disqualifying such **Insured Person** from holding office or from managing a company; or
- (d) a judicial order requiring such **Insured Person** to be confined to a specified domestic residence or held in custody pending trial of that **Management Claim**.

**Prosecution and Reputation Protection Costs** shall include reasonable costs and charges incurred by an **Insured Person** in hiring a public relations firm to mitigate the effects of any published negative statements about such **Insured Person** made during the **Policy Year** by any governmental, regulatory, self-regulatory, professional, trade, statutory or official body or institution, including, for the avoidance of doubt, a royal commission, commission of inquiry, judicial body or stock exchange that is empowered by law to investigate the affairs of an **Insured**.

**Publisher's Wrongful Act** means any:

- (a) assertion or infringement of copyright, trade mark, service mark, design right or unauthorised use of title; or
- (b) plagiarism or misappropriation of ideas.

**Retaliation** means retaliatory treatment against an employee or **Independent Contractor** of an **Organisation** on account of such individual:

- (a) exercising his or her rights under law, refusing to violate any law, or opposing any unlawful practice;
- (b) having assisted or testified in or co-operated with a proceeding or investigation (including any internal investigation conducted by the **Organisation's** human resources department or legal department) regarding alleged violations of law by the **Insured**;
- (c) disclosing or threatening to disclose to a superior or to any governmental agency any alleged violations of law; or
- (d) filing any claim against the **Organisation** under any whistleblower law anywhere in the world.

**Retired Directors or Officers** means a **Director** or **Officer** who has ceased to act in their **Insured Capacity** prior to the expiry of the **Policy Period** for reasons other than disqualification from holding the office of director or from managing a company and other than due to an **Event** or **Financial Impairment**.

**Scheduled Outside Entity** means any organisation that is not an **Organisation** and which listed in a Scheduled Outside Entity Endorsement to this **Coverage Section**.

**Subsidiary** means, at the time of the occurrence of a **Wrongful Act**, or the commencement of a **Formal Investigation** any organisation whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world and in which one or more **Organisations**:

- (a) controls the composition of the organisation's board, committee of management or trustees;
- (b) is in a position to cast, or control the casting of, more than fifty percent (50%) of the maximum number of votes that might be cast at a general meeting of the organisation; or
- (c) holds more than fifty percent (50%) of the issued share capital of the organisation (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

**Superannuation Fund** means 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 an **Organisation** or an **Outside Entity**.

**Tax Agent** means any person who is not an **Insured Person** who is registered by the Australian Taxation Office as a tax agent and who is engaged by an **Organisation** to prepare, or supervise the preparation of, or review all returns and statements required by the Australian Taxation Office or any state or territory government tax collection

authority in respect of such **Organisation's** liability to pay tax.

**Tax Audit Expenses** means that part of **Loss** consisting of reasonable costs, charges or fees of a **Tax Agent**, or any consultant who is engaged by a **Tax Agent** and who is not an **Insured Person**, incurred in investigating any **Tax Audit Notice**.

**Tax Audit Notice** means any notification from the Australian Taxation Office or any state or territory government tax collection authority of an audit of or investigation relating to an **Organisation's** liability to pay tax.

**Tax Liability** means liability which an **Insured Person** incurs personally for the unpaid taxes of an **Organisation** due to such **Organisation's Financial Impairment**.

**Third Party** means any natural person who is a customer, vendor, service provider or business invitee of an **Organisation**. **Third Party** does not include any past, present or prospective employee.

**Third Party Claim** means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) an administrative, regulatory or tribunal proceeding commenced by the issuance of a formal investigative order or similar document,

which is brought and maintained by or on behalf of a **Third Party** against an **Insured** for any **Third Party Wrongful Act**, including any appeal therefrom.

**Third Party Wrongful Act** means unlawful discrimination or unlawful harassment against a **Third Party** pursuant to any law anywhere in the world committed, attempted, or allegedly committed or attempted by an **Organisation** or any **Insured** in an **Insured Capacity**.

**U.S.A** means the United States of America and any territory under its jurisdiction.

**U.S.A Claim** means a **Claim** brought or maintained, in whole or in part, in the **U.S.A** or based, in whole or in part, on any law of the **U.S.A**.

**Wrongful Act** means:

- (a) with respect to Insuring Clauses 1.A and 1.B only: any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of warranty of authority, breach of duty, **Personal Injury Wrongful Act** or **Publisher's Wrongful Act** committed, attempted, or allegedly committed or attempted by an **Insured Person**, individually or otherwise, in his **Insured Capacity** or, any matter claimed against such **Insured Person** solely by reason of his serving in such **Insured Capacity**.

- (b) with respect to Insuring Clause 1.D only: any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of warranty of authority, breach of duty, **Personal Injury Wrongful Act** or **Publisher's Wrongful Act** committed, attempted, or allegedly committed or attempted by an **Insured Person**, individually or otherwise, in his **Insured Capacity** in an **Outside Directorship**, or any matter claimed against such **Insured Person** solely by reason of his serving in an **Outside Directorship**.
- (c) with respect to Insuring Clause 1.E only: any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of warranty of authority, breach of duty, **Personal Injury Wrongful Act** or **Publisher's Wrongful Act** committed, attempted, or allegedly committed or attempted by an **Organisation**.
- (d) with respect to:
  - (i) Insuring Clause 1.F (i) only: any wrongful or unfair, employment-related: discipline, dismissal, discharge or termination of employment; denial of natural justice; breach of any oral, written or implied employment contract; misrepresentation; unlawful discrimination; unlawful harassment; failure to employ or promote; deprivation of a career opportunity; failure to grant tenure; demotion; evaluation; invasion of privacy; defamation; misleading or deceptive conduct, bullying or infliction of emotional distress committed, attempted, or allegedly committed or attempted by an **Insured**.
  - (ii) Insuring Clause 1.F (ii) only: any **Third Party Wrongful Act** committed, attempted, or allegedly committed or attempted by an **Insured**.
- (e) with respect to Insuring Clause 1.G only: any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of duty, **Personal Injury Wrongful Act** or **Publisher's Wrongful Act** committed, attempted, or allegedly committed or attempted by an **Insured** in the performance or failure to perform **Professional Services**.

## 4. Exclusions

### A. Exclusions Applicable to All Insuring Clauses

The Company shall not be liable for **Loss** in respect of any **Claim**:

#### (i) *Prior Notice*

based upon, arising from, or in consequence of any fact or circumstance if notice of such fact or circumstance has been accepted under any policy or coverage section of which this **Coverage Section** is a renewal or replacement or which it may succeed in time;

#### (ii) *Pending or Prior*

based upon, arising from, or in consequence of any written demand, suit or proceeding pending against, or order, decree or judgment entered for or against any **Insured** or **Outside Entity** on or prior to the Pending or Prior Date set forth in:

- (a) Item 5. of the Schedule;
- (b) a Scheduled Outside Entity Endorsement,

or the same or substantially the same facts or circumstances underlying or alleged therein, provided, however, that (b) shall apply only to any **Claim** based upon, arising from or in consequence of any **Outside Directorship**;

#### (iii) *Bodily Injury and Property Damage*

for bodily injury, sickness, disease or death of any person, or damage to or destruction of any tangible property, including loss of use thereof, whether or not it is damaged or destroyed. However this Exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in any **Employment Claim**; **Third Party Claim**; a **Claim** alleging a **Personal Injury Wrongful Act**; or bodily injury or property damage arising out of any advice, design or specification in connection with the performance, or failure to perform, **Professional Service**;

#### (iv) *Conduct*

based upon, arising from or in consequence of:

- (a) any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an **Insured**; or
- (b) any conduct or contravention in respect of which liability is the subject of a prohibition in section 199B(1) of the Corporations Act 2001 (Cth) or any equivalent law anywhere in the world,

provided that this Exclusion shall not apply, including, for the avoidance of doubt, to the Company's obligation to advance costs and expenses under Extension 2.A Advancement of Costs and Expenses, until a final non-appealable adjudication in any proceeding establishes such a deliberately fraudulent act, omission, wilful violation or breach. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company. This Exclusion shall not apply with respect to any **Employment Claim**;

#### (v) *Failure to Collect*

based upon, arising from, or in consequence of any actual or alleged failure to collect or make contributions payable to a **Superannuation Fund** unless the failure results from the negligence of an **Insured**;

#### (vi) *Contribution*

based upon, arising from, or in consequence of the return, refund, reversion or repatriation to an **Organisation** of any contribution to or assets of a **Superannuation Fund**; or

*(vii) Financial Impairment*

based upon arising from or in consequence of **Financial Impairment**.

**B. Exclusions Applicable to any Organisation Claim**

The Company shall not be liable for **Loss** in respect of any **Organisation Claim**:

*(i) Contractual Liability*

based upon, arising from or in consequence of any written, oral, express or implied contract or agreement; provided however that this exclusion shall not apply to **Defence Costs**.

*(ii) Assumed Liability*

for liability of others assumed by any **Insured** under any written, oral, express or implied contract or agreement except:

- (a) liability that would have attached to such **Insured** in the absence of such contract;
- (b) to the Company's obligation to advance **Defence Costs** in accordance with Extension 2.A;

*(iii) Employment Claims and Third Party Claims*

based upon, arising from or in consequence of any **Employment Claim** and/or **Third Party Claims**;

*(iv) Trading Debt*

based upon, arising from or in consequence of any trading or business debt incurred by an **Organisation**;

*(v) Intellectual Property*

based upon, arising from, or in consequence of any actual or alleged assertion or infringement of patent or misappropriation of ideas or trade secrets or know how or any assertion or infringement of any intellectual property, provided that this Exclusion shall not apply to a **Claim** for any **Publisher's Wrongful Act**;

*(vi) Pollution*

based upon, arising from or in consequence of **Pollution**;  
or

*(vii) Insured v Insured*

brought or maintained by or on behalf of any **Organisation**, or any **Outside Entity** if such **Claim** arises out of such **Outside Directorship**, except for the Company's obligation to advance costs and expenses under Section 2.A.

**C. Exclusions Applicable to any Professional Services Claim**

The Company shall not be liable for **Loss** in respect of any **Professional Services Claim**:

*(i) Assumed Liability*

for the liability of others assumed by any **Insured** under contract except:

- (a) liability that would have attached to such **Insured** in the absence of such contract;
- (b) any **Professional Services Claim** if and to the extent that such **Claim** alleges a breach of contractual obligations in the rendering or failure to render **Professional Services**; or
- (c) to the Company's obligation to advance **Defence Costs** in accordance with Extension 2.A;

*(ii) Pollution*

based upon, arising from or in consequence of **Pollution**;  
or

*(iii) Insured v Insured*

which is brought or maintained by or on behalf of any **Insured** except:

- (a) where the claimant is an **Insured Person** and was allegedly provided with or entitled to be provided with **Professional Services** and is bringing such **Professional Services Claim** solely in his capacity as a customer of the **Organisation**, and where such **Professional Services Claim** is brought without the solicitation, assistance or participation of any other **Insured**;
- (b) a **Professional Services Claim** brought or maintained by an **Insured Person** for contribution, if such **Professional Services Claim** directly results from a **Professional Services Claim** covered under this **Coverage Section**; or
- (c) the Company's obligation to advance costs and expenses under Extension 2.A.

**D. Exclusions Applicable to any Organisation Claim for Civil Fines or Pecuniary Penalties**

Solely with respect to any **Organisation Claim**, the Company shall not be liable for any civil fine or pecuniary penalty or any **Defence Costs** or **Legal Representation Expenses** with respect to such civil fine or penalty:

*(i) Restrictive Trade Practices*

based upon, arising from or in consequence of actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing or restraint of trade, or which protects competition;

*(ii) Damages*

based upon, arising from, or in consequence of:

- (a) any amount payable as compensation;
- (b) any compliance, remedial, reparation or restitution costs;
- (c) any punitive, exemplary, multiplied or aggravated damages; or
- (d) any consequential economic loss;

*(iii) Professional Services*

for actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted or allegedly committed or attempted in connection with the rendering of, or actual or alleged failure to render, any professional services for others by an **Insured** to a third party;

*(iv) Tax*

based upon, arising from or in consequence of any actual or alleged act or omission in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost; or

*(v) Corporations Act*

based upon, arising from or in consequence of any actual or alleged violation of the responsibilities, obligations or duties imposed by Sections 182,183, 601FD, 601JD of the Corporations Act 2001 (Cth) or any similar law any wherein the world, and any amendments thereto.

**E. Exclusions Applicable to any Employment Claim or Third Party Claims**

The Company shall not be liable for **Loss** on account of any **Employment Claim** or **Third Party Claim**:

*(i) Workers Compensation*

based upon, arising from, or in consequence of any actual or alleged obligation of any **Insured** pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law, regulation or by-law provided that this exclusion shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

*(ii) Assumed Liability*

for any actual or alleged liability of others, other than an employee, assumed by an **Insured** under any contract except to the extent that such liability would have attached to the **Insured** even in the absence of such contract provided that this Exclusion shall not apply to the Company's obligation to advance **Defence Costs** in accordance with Extension 2.A;

*(iii) Statutory Entitlements*

for breach of duties, obligations or responsibilities under any **Industrial Instrument**, or under any law or regulation made under or pursuant to any statute, ordinance or **Industrial Instrument** howsoever promulgated regulating **Employee Entitlements** provided that this exclusion shall not apply to **Loss** on account of any **Employment Claim** for **Retaliation**;

*(iv) Sums under Contract*

for any salary, wages, commissions, **Benefits** or sums:

- (a) which are severance payments;
- (b) which are in respect of a notice period;
- (c) which are determined to be owing under any contract of employment;
- (d) which are determined to be owing under an express written or oral obligation to make payments in the event of the termination of employment, including without limitation in the event of redundancy, retrenchment or retirement; or
- (e) which represent any amount the **Insured** would have been liable for in the absence of a **Wrongful Act**;

*(v) Non Pecuniary Relief*

any order for, grant of or agreement to provide non-pecuniary relief, provided that this Exclusion shall not apply to the Company's obligation to advance **Defence Costs** under Extension 2.A; or

*(vi) Trustees Liability*

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 **Superannuation Fund**.

**F. Exclusions Applicable to Extension 2.L Tax Audit, Only**

The Company shall not be liable for **Loss** on account of any **Tax Audit Notice**:

*(i) ATO Requests*

based upon, arising from, or in consequence of any improper, unwarranted or unjustified delay, refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office or any state or territory government tax collection authority requiring the production of documents or the furnishing of information by an **Insured**;

*(ii) General Enquiries*

based upon, arising from, or in consequence of inquiries from the Australian Taxation Office or any state or territory government tax collection authority, unrelated to an identified intention to conduct an audit or likely future audit;

*(iii) Ex Australia Taxes*

based upon, arising from, or in consequence of any audit or investigation concerning income earned or sourced outside Australia and any territories under its jurisdiction, or where the services giving rise to the audit are performed by persons or any organisation ordinarily resident outside Australia;

*(iv) Customs*

based upon, arising from or in consequence of any matters arising under customs legislation;

*(v) Prior Notice*

based upon, arising from or in consequence of any audit or investigation, notice of which or information as to their likely conduct, was received by an **Insured** or any person acting on their behalf, prior to the **Policy Year**;

*(vi) Fraud*

based upon, arising from, or in consequence of any fraudulent act or omission or fraudulent misrepresentation committed by or on behalf of an **Organisation**;

*(vii) Criminal Prosecutions*

based upon, arising from, or in consequence of the imposition of or seeking to impose any tax, penalty tax, costs, interest, fine or any fees or expenses in connection with any criminal prosecution;

*(viii) Tax Agent*

based upon, arising from or in consequence of an audit or investigation of an income return that has not been prepared or reviewed by a **Tax Agent**, except where the return is a prescribed sales tax return or a prescribed payroll tax return; or

*(ix) Tax Audit Costs*

**Tax Audit Costs** incurred after the audit or investigation has been completed.

## 5. Severability of Exclusions

No fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** in order to determine if coverage is available to such **Insured Person** for the purpose of applying any of the Exclusions in this **Coverage Section**.

Only facts pertaining to and knowledge possessed by any treasurer, chief executive officer or public officer, or the holder of an equivalent position in any jurisdiction, of an **Organisation** shall be imputed to such **Organisation** for the purpose of applying any of the exclusions set forth in 4. B, 4.C and 4.D of this **Coverage Section**.

## 6. Non Avoidance

The **Proposal** shall be construed as a separate proposal for coverage for each **Insured**. No statement, representation or information provided in the **Proposal** by an **Insured** or knowledge possessed by such **Insured** shall be imputed to

any other **Insured** for the purpose of determining if coverage is available under this **Coverage Section**.

The Company shall not avoid this **Coverage Section** with respect to any **Insured**.

In the event of fraudulent misrepresentation or fraudulent non-disclosure at the time this **Coverage Section** was entered into:

- (a) by an **Insured Person** or,
- (b) with respect to any **Claim** under Insuring Clauses 1.E, 1.F, or 1.G by any chairman, managing director, chief executive officer, chief financial officer, in-house general counsel, company secretary, management committee member, public officer or the holder of any equivalent position in any jurisdiction of an **Organisation**,

then the Company shall have the rights available to it in accordance with Section 28(3) of the Insurance Contracts Act 1984 (Cth), as amended, with respect to any **Loss** on account of a **Claim** made against such **Insured** based upon, arising from or in consequence of the fraudulent misrepresentation or fraudulent non-disclosure.

In the event of misrepresentation or non-disclosure, other than fraudulent misrepresentation or non-disclosure, the Company waives all rights available to it pursuant to Section 28(3) of the Insurance Contracts Act 1984 (Cth), as amended.

## 7. Limit of Liability and Deductible

The Company's maximum Limit of Liability for **Loss** on account of each **Claim** under each Insuring Clause shall be the Limit of Liability set forth in Item 1. of the Schedule. Other than with respect to Extension N. Dedicated Additional Limit of Liability for Directors and Officers, the Company's maximum aggregate Limit of Liability for **Loss** on account of all **Claims** under each Insuring Clause shall not exceed the Limit of Liability for each **Policy Year** set forth in Item 1. of the Schedule.

**Defence Costs, Legal Representation Expenses, Prosecution and Reputation Protection Costs and Crisis Expenses** are part of and not in addition to the Limits of Liability set forth in Item 1. of the Schedule. The payment by the Company of **Defence Costs, Legal Representation Expenses, Prosecution and Reputation Protection Costs and Crisis Expenses** erodes such Limits of Liability.

The Company's maximum liability for **Loss** in respect of which a sub-limit is specified for each **Loss** and/or each **Policy Year** in the Schedule or any endorsement shall be that specified sub-limit of liability. Sub-limits are part of, and not in addition to their respective Limits of Liability set forth in Item 1. of the Schedule.

The Company's liability on account of each and every **Claim** shall apply only to **Loss** which is allocated to covered **Loss** and only to that part of **Loss** so allocated which is in excess of the applicable Deductible Amount set forth in Item 2. of the Schedule. Such Deductible Amount shall be depleted

only by **Loss** and shall be borne by the **Insured** uninsured and at their own risk. No Deductible Amount shall apply to any **Loss** for which an **Organisation** is prevented by law or due to **Financial Impairment** from indemnifying an **Insured Person**.

All **Related Claims** shall be treated as a single **Claim** first made on the date the earliest of such **Related Claims** was first made, or on the date the earliest of such **Related Claims** is treated as having been made in accordance with Section 10. Reporting and Notice, regardless of whether such date is before or during the **Policy Year**.

The limit of liability available during the Extended Reporting Period, if exercised, shall be part of, and not in addition to, the Company's maximum aggregate limit of liability for all **Loss** on account of all **Claims** first made during the immediately preceding **Policy Year**.

## 8. Deductible Waiver

Solely with respect to Insuring Clauses 1.A and 1.B, any **Defence Costs** within the Deductible Amount stated in Item 2. of the Schedule which would otherwise be covered and which are funded by an **Insured** on account of a **Claim** shall be reimbursed by the Company, if a final adjudication or a complete and final settlement exonerates all **Insureds** in such **Claim** from liability and imposes no remedy.

## 9. Presumptive Indemnification

If an **Organisation** is permitted or required by law to indemnify, or is not prevented by law from indemnifying, an **Insured Person** for **Loss** but fails or refuses, other than due to **Financial Impairment**, to so indemnify an **Insured Person** then the Company shall pay such **Loss** on behalf of such **Insured Person** subject to all the terms and Exclusions of this **Coverage Section**. In such event the applicable Deductible Amount set forth in Item 2. of the Schedule shall be paid by the **Organisation** to the Company. No Deductible shall apply in the event of **Financial Impairment**.

## 10. Reporting and Notice

The **Insureds** shall give to the Company written notice of any **Claim** as soon as practicable and, in any event, no later than the expiration of the Extended Reporting Period.

If, during the **Policy Year** or Extended Reporting Period, 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 Year** or the Extended Period in which the circumstances were first reported to the Company.

Solely with respect to Insuring Clause 1.F, Employment Practices and Third Party Liability Coverage, if during the **Policy Year** any **Insured**:

- (a) becomes aware of a **Potential Employment Claim** or **Potential Third Party Claim** and gives written notice of such **Potential Employment Claim** or

**Potential Third Party Claim** to the Company as soon as practicable during the **Policy Year**; and

- (b) requests coverage for any **Employment Claim** or **Third Party Claim** subsequently resulting from such **Potential Employment Claim** or **Potential Third Party Claim**,

then any **Employment Claim** or **Third Party Claim** subsequently arising from such **Potential Employment Claim** or **Potential Third Party Claim** shall be deemed to have been first made against the **Insured** during the **Policy Year** in which the written notice was first given by an **Insured** to the Company.

The **Insureds** shall give to the Company such information and co-operation as it may reasonably require, including but not limited to a description of the **Claim**, **Potential Employment Claim**, **Potential Third Party Claim** or circumstances, the nature of any alleged **Wrongful Acts**, the nature of the alleged or potential loss, the names of actual or potential claimants, the names of all actual or potential defendants and the manner in which the **Insured** first became aware of the **Claim** or circumstances.

Solely with respect to **Crisis Expenses**, the **Insureds** shall give to the Company written notice of any event for which **Crisis Expenses** may be incurred as soon as practicable. Such notice shall include a description of the event. The Company and its employees and representatives shall maintain as confidential and shall not disclose such information or otherwise use such information except as required in the Company's ordinary course of business.

## 11. Defence and Settlement

The Company shall have the right and duty to defend any **Claim** covered under this policy. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend shall cease upon the exhaustion of the Company's applicable Limit of Liability and Deductible as outlined in Section 7.

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

No **Insured** shall settle any **Claim**, incur any **Defence Costs**, **Legal Representation Costs**, **Prosecution and Reputation Protection Costs** or **Crisis Expenses** otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent. The Company shall not be liable for any settlement, **Defence Costs**, **Legal Representation Costs**, **Prosecution and Reputation Protection Costs** or **Crisis Expenses** or any other element of **Loss** incurred, any obligation assumed or any admission made by any **Insured** without the Company's prior written consent. Provided the **Insureds** comply with this section, the Company shall not unreasonably withhold or delay any such consent.

The Company may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim** it deems expedient. If such **Insured** withholds consent to any settlement acceptable to the claimant in accordance with the Company's recommendation (Proposed Settlement), then the Company's liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the Company could have settled such **Claim** plus costs, charges and expenses accrued as at the date such settlement was proposed in writing by the Company to such **Insured**.

Each **Insured** agrees that in the event of a **Claim**, such **Insured** will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

## 12. Allocation

Where a **Claim**:

- (a) includes both matters covered and matters that are not covered by this **Coverage Section**; or
- (b) is made against a person or organisation other than an **Insured Person** or, with respect to Insuring Clause 1.E. 1.F or 1.G only, other than an **Organisation**,

the Company and the **Insured** shall allocate any amounts incurred by or on behalf of an **Insured** and, where applicable, any amounts incurred by or on behalf of a person or organisation other than an **Insured Person** or an **Organisation** as follows:

- (i) **Defence Costs**: One hundred percent (100%) of reasonable **Defence Costs** incurred by the **Insured** on account of such **Claim** will be considered **Loss**; and
- (ii) Loss other than **Defence Costs**: All remaining loss incurred by the **Insured** on account of such **Claim** shall be allocated by the Company between covered **Loss** and loss not covered under this **Coverage Section** based upon the relative legal and financial exposures of an **Insured Person** and, where applicable, a person or organisation other than an **Insured Person** or, with respect to Insuring Clauses 1.E, 1.F, or 1.G, only, an **Organisation**, to matters covered and matters not covered by this **Coverage Section**; and, in the case of a settlement in such **Claim**, based also on the relative benefits to an **Insured Person** or, with respect to Insuring Clauses 1.E, 1.F, or 1.G only, an **Organisation**.

## 13. Changes in Exposure

### A. Acquisition or Creation of Another Organisation

If an **Organisation** during the **Policy Period**:

- (i) acquires securities or voting rights in another organisation or creates another organisation, which as a result of such acquisition or creation becomes a **Subsidiary**; or

- (ii) acquires any organisation by merger into or consolidation with itself such that the **Organisation** is the holding company,

then such other organisation and the **Insured Persons** in relation thereto shall be **Insureds** under this **Coverage Section** but only with respect to **Wrongful Acts** occurring after, or **Formal Investigations** into conduct occurring after, such acquisition or creation. The Company may agree to provide cover, after presentation of a complete **Proposal**, for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to, such acquisition or creation and shall have the right to amend the terms of this **Coverage Section** including charging an additional premium.

However, if such acquired or created organisation has total consolidated assets that increase the total consolidated assets of the **Organisation** by more than twenty-five percent (25%) as reflected in the most recent audited, consolidated financial statements of the **Organisation**, the **Principal Organisation** shall give written notice of such acquisition or creation to the Company as soon as practicable, but in no event later than sixty (60) days after the date of such acquisition or creation, together with such information as the Company may require. If the **Principal Organisation** fails to give such notice within the time specified in the preceding sentence, coverage for such acquired or created organisation and the **Insured Persons** in relation thereto shall terminate with respect to **Claims** first made more than sixty (60) days after such acquisition or creation. In the event of such acquisition or creation, the Company shall have the right to amend the terms of this **Coverage Section** including charging an additional premium.

### B. Acquisition of Organisation By Another Organisation

- (i) If, during the **Policy Period**, an **Event** occurs coverage shall continue until termination of this **Coverage Section**, but only with respect to **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to, such **Event**. If an **Event** occurs the entire premium for this **Coverage Section** shall be deemed fully earned unless otherwise agreed to by the Company.

Where the **Organisation's** board of directors or committee of management at the time of an **Event** remains in control after the **Event** for an interim period and then resign coverage shall continue with respect to **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to, the resignation of such board or committee.

- (ii) The **Principal Organisation** shall give written notice of any **Event** to the Company as soon as practicable, but in no event later than sixty (60) days, after the date of such **Event** together with such information as the Company may require. Upon receipt of such notice and information and at the request of the **Principal Organisation**, the Company will provide to the **Principal Organisation** a quotation for an extension



of coverage for a period of up to eighty-four (84) months for **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to, such **Event**. Any coverage extension pursuant to such quotation shall be subject to such additional or different terms, conditions and limitations of coverage and the payment of such additional premium as the Company, in its sole discretion, may require. Payment of the additional premium due for any coverage extension purchased under this section must be received by the Company within thirty (30) days following the acceptance by the **Principal Organisation** of a quotation by the Company.

Any extension of cover purchased by the **Principal Organisation** pursuant to this section shall commence at the expiration of the cover provided for in Section 12. B.(i) above.

If an extension of cover is purchased pursuant to this section then the entire premium paid shall be deemed fully earned at the inception of the coverage extension and such extension cannot be cancelled by the **Insureds** or the Company.

### C. Cessation of Subsidiaries

If an organisation ceases to be a **Subsidiary**, before or after the inception date of this **Coverage Section**, coverage with respect to such **Subsidiary** and the **Insured Persons** in relation thereto shall continue until termination of this **Coverage Section** or any renewal thereof, but only with respect to **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to, the date such organisation ceased to be a **Subsidiary**.

## 14. Outside Directorship Liability

Subject to the other terms of this policy, cover under Insuring Clause 1.C. Legal Representation Expenses, is extended to cover **Loss** arising out of an **Outside Directorship**.

Coverage for any **Outside Directorship** shall:

- (a) not be available to the **Outside Entity** in which such **Outside Directorship** is held or to any of the other directors, officers or employees of such **Outside Entity**;
- (b) be specifically excess of:
  - (i) coverage under any policies listed in the **Proposal** or any endorsement for the **Outside Entity**;
  - (ii) coverage under any other policy entered into by an **Insured** or under which any **Insured Person** is a beneficiary, including but not limited to a policy of insurance entered into by an **Outside Entity**; and
  - (iii) any indemnity available from the **Outside Entity** to such **Insured Person** by reason of serving in such **Outside Directorship**.

The **Principal Organisation** agrees to provide the Company with all details of any policies for the **Outside Entity** once they become known to them.

If during the **Policy Period** coverage is sought for any **Outside Directorship** that is not an **Outside Entity** such coverage shall apply to such **Outside Directorship** for a period of ninety (90) days from the date of commencement of such **Outside Directorship**. Coverage for such **Outside Directorship** shall terminate ninety (90) days after the date of commencement of such **Outside Directorship** unless the Company accepts in writing such **Outside Directorship**. Coverage for any additional **Outside Directorship** that is not an **Outside Entity** is subject to all limitations, conditions, provisions and other terms of this **Coverage Section**.

If the Company or any of its subsidiaries or affiliated companies makes payment under another policy or coverage section on account of any **Management Claim** or **Legal Representation Expenses** also covered under this **Coverage Section**, the Limit of Liability for this **Coverage Section** with respect to such **Management Claim** or **Legal Representation Expenses** shall be reduced by the amount of such payment.

## 15. Priority of Payments

In the event payment of **Loss** which is concurrently due under an Insuring Clause which provides coverage where an **Organisation** has not granted indemnification and under one or more of the other Insuring Clauses of this **Coverage Section**, the Company shall:

- (a) first pay such **Loss** where an **Organisation** has not granted indemnification to an **Insured Person**; then
- (b) to the extent of any remaining amount of the Limit of Liability, the Company shall pay such **Loss** in the order stipulated by the **Organisation**.

Except as otherwise provided in this section, the Company may pay **Loss** as it becomes due under this **Coverage Section** without regard to the potential for other future payment obligations under this **Coverage Section**.

Forefront Portfolio for Not for  
Profit Organisations Policy  
Wording

Crime Coverage Section

CHUBB®

Schedule

**Chubb Insurance Australia Limited**  
 ABN 23 001 642 020 AFSL 239687

Herein called the Company

THIS COVERAGE SECTION PROVIDES LOSS DISCOVERED COVERAGE WHICH APPLIES ONLY TO LOSS FIRST DISCOVERED DURING THE POLICY PERIOD.

Item 1.	Insuring Clause	Limit of Liability	Deductible Amount
	A. Employee Theft Coverage	\$	\$
	B. Premises Coverage	\$	\$
	C. In Transit Coverage	\$	\$
	D. Forgery Coverage	\$	\$
	E. Computer Fraud Coverage	\$	\$
	F. Funds Transfer Fraud Coverage	\$	\$
	G. Counterfeit Currency Fraud Coverage	\$	\$
	H. Credit Card Fraud Coverage	\$	\$
	I. Client Coverage	\$	\$
	J. Expense Coverage	\$	\$

Item 2. **Organisation:**

Item 3. Endorsement(s) Effective at Inception:

In consideration of payment of the premium and subject to the terms and conditions of this **Coverage Section**, the Company and the **Insured** agree as follows:

## 1. Insuring Clauses

### A. Employee Theft Coverage

The Company shall pay the **Principal Organisation** for direct loss of **Money**, **Securities** or **Property** sustained by an **Insured** resulting from fraud or dishonesty committed by an **Employee**, whether acting alone or in collusion with others, which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

### B. Premises Coverage

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from:

- (i) the unlawful taking of **Money**, **Securities** or **Property** committed by a **Third Party**; or
- (ii) the actual destruction or disappearance of **Money** or **Securities**,

within or from the **Premises** or **Banking Premises** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period including:

- (a) direct loss of or damage to **Property** which results from **Robbery** or attempted **Robbery** within the **Premises**;
- (b) direct loss of or damage to **Property** contained within any locked vault or safe which results from **Safe Burglary** or attempted **Safe Burglary** within the **Premises**;
- (c) damage to a locked safe, cash drawer, cash box or cash register within the **Premises** by felonious entry or attempted felonious entry or loss by felonious abstraction of such container from within the **Premises**; and
- (d) damage to the **Premises** which results from **Robbery** or **Safe Burglary**,

committed by a **Third Party**.

### C. In Transit Coverage

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from:

- (i) the unlawful taking of **Money**, **Securities** or **Property** committed by a **Third Party**; or
- (ii) the actual destruction or disappearance of **Money** or **Securities**,

while **In Transit** or while temporarily within the home of an **Employee** or partner of an **Insured** that is a partnership, which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period including:

- (a) direct loss of or damage to **Property** which results from **Robbery** while **In Transit**; and

- (b) direct loss which results from the unlawful taking of **Property** temporarily within the home of an **Employee** or a partner of an **Insured** which is a partnership,

committed by a **Third Party**.

### D. Forgery Coverage

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Forgery** or alteration of a **Financial Instrument** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period, including:

- (i) any cheque or draft made or drawn in the name of such **Insured** payable to a fictitious payee and endorsed in the name of such fictitious payee;
- (ii) any cheque or draft procured in a face to face transaction with such **Insured** or with one acting as the agent of such **Insured** by a **Third Party** impersonating another and made or drawn payable to the one impersonated and endorsed by a **Third Party** other than such one impersonated; and
- (iii) any payroll cheque, payroll draft or payroll order made or drawn by such **Insured** payable to bearer as well as to a named payee and endorsed by a **Third Party** other than such named payee without the authority of such named payee.

### E. Computer Fraud Coverage

The Company shall pay the **Principal Organisation** for direct loss of **Money**, **Securities** or **Property** sustained by an **Insured** resulting from **Computer Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

### F. Funds Transfer Fraud Coverage

The Company shall pay the **Principal Organisation** for direct loss of **Money** or **Securities** sustained by an **Insured** resulting from **Funds Transfer Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

### G. Counterfeit Currency Fraud Coverage

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Counterfeit Currency Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

### H. Credit Card Fraud Coverage

The Company shall pay the **Principal Organisation** for direct loss sustained by an **Insured** resulting from **Credit Card Fraud** committed by a **Third Party** which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

## I. Client Coverage

The Company shall pay the **Principal Organisation** for direct loss of **Money, Securities or Property** sustained by a **Client** resulting from **Theft**, fraud or dishonesty committed by an **Employee** not in collusion with such **Client's** directors or employees, including, for the avoidance of doubt, temporary staff or agents, which direct loss is **Discovered** during the **Policy Period** or Extended Discovery Period.

## J. Expense Coverage

The Company shall pay the **Principal Organisation** for **Investigative Costs** or **Computer Violation Expenses**.

No Retention shall apply to **Investigative Costs** or **Computer Violation Expenses** covered under Insuring Clause 1.J.

## 2. Definitions

When used in bold type in this **Coverage Section**:

**Banking Premises** means the interior portion of a building occupied by, or the night depository chute or safe maintained by, any authorised deposit taking institution including a bank, building society, credit union or an equivalent organisation in any other jurisdiction.

**Client** means a customer of an **Insured** to whom such **Insured** provides goods or services under written contract or for a fee or other monetary consideration.

**Computer Fraud** means the unlawful taking or the fraudulently induced transfer of **Money, Securities or Property** resulting from a **Computer Violation**.

**Computer System** means a computer or network of computers and all input, output, processing, storage, off-line media libraries and communication facilities which are connected to such computer or network of computers, provided that such computer or network of computers and facilities are owned and operated or leased and operated by an **Insured**.

**Computer Violation** means the fraudulent:

- (a) entry of **Data** into or deletion of **Data** from a **Computer System**;
- (b) change to **Data** elements or program logic of a **Computer System**, which is kept in machine readable format; or
- (c) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,

directed against an **Insured**.

**Computer Violation Expenses** means reasonable expenses resulting from any direct loss covered under Insuring Clauses 1.A, 1.E or 1.I which are excess of the Deductible Amount applicable to such direct loss, (other than regular or overtime wages, salaries or fees of the company directors, officers or employees of an **Insured** or office overheads, travel costs unrelated to a loss covered

under this policy or other administration costs) incurred by an **Insured**, with the Company's prior written consent, to reproduce or duplicate damaged or destroyed **Data** or computer programs. If such **Data** or computer programs cannot be duplicated from other **Data** or computer programs, then **Computer Violation Expenses** shall also include reasonable costs incurred for time taken for computer programmers, technical experts or consultants to restore such **Data** or computer programs to substantially the same level or operational capability existing immediately before the covered loss. **Computer Violation Expenses** shall not include expenses incurred by any **Client**.

**Counterfeit Currency Fraud** means the acceptance in good faith and in the ordinary course of business by an **Insured** of:

- (a) any postal or money order issued, or purporting to have been issued, by any post office, which is not paid by the post office upon presentation; or
- (b) counterfeit currency.

**Credit Card Fraud** means the **Forgery** or alteration of, on or in any written instrument required in connection with any credit card issued to an **Insured** or, at the request of an **Insured**, to an **Employee** or to any partner of an **Insured** that is a partnership.

**Data** means a representation of information, knowledge, facts, concepts or instructions which are processed and stored in a **Computer System**.

**Discovery** or **Discovered** means the knowledge of an **Executive** or **Insurance Representative** of facts which would cause a reasonable person to believe that a loss of a type covered by this **Coverage Section** has occurred or acts have taken place that may subsequently result in such loss. This includes loss:

- (a) sustained prior to the inception date of this **Coverage Section**;
- (b) loss which does not exceed the Deductible Amount as set forth in the Schedule; or
- (c) loss which the exact amount or details of which are unknown.

**Discovery** or **Discovered** shall not include knowledge acquired by an **Executive** or **Insurance Representative** acting alone or in collusion with an **Employee** or any other person, who is a participant in the **Theft**, fraud or dishonesty.

**Employee** means any natural person:

- (a) while in the regular service of an **Insured** in the ordinary course of such **Insured's** business and whom such **Insured** has the right to govern and direct in the performance of such service, whether such **Insured** compensates such person by salary, wages and/or commission or whether such person is a volunteer;
- (b) who is an **Executive** while performing acts within the scope of the usual duties of an employee as described on paragraph (a) of this definition;

- (c) while in the service of any **Superannuation Fund** as fiduciary, trustee, administrator, officer or employee; or
- (d) assigned to perform duties within the scope of the usual duties of an employee, as described in paragraph (a) of this definition, within **Premises** for an **Insured** by any agency furnishing temporary personnel on a contingent or part-time basis. However, this **Coverage Section** does not cover any loss caused by any such person if such loss is also covered by any insurance or sureties held by the agency furnishing such temporary personnel to an **Insured**.

**Employee** shall not include any agent, broker, factor, commission merchant, consignee, contractor, subcontractor or similar representative.

**Executive** means a natural person who is a duly elected or appointed director, public officer, officer or member of the management committee, or equivalent positions in any jurisdiction, of an **Insured**. **Executive** shall include a partner of an **Insured** that is a partnership.

**Financial Instrument** means a cheque, draft or similar written promise, order or direction to pay a sum certain in money that is made, drawn by or drawn upon an **Insured** or made or drawn by anyone acting as an **Insured's** agent, or that is purported to have been so made or drawn.

**Forgery** means the signing of another natural person's name, with the intent to deceive, but does not mean a signature that includes one's own name, in whole, with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.

**Funds Transfer Fraud** means fraudulent electronic, telegraphic, cable, teletype, facsimile, telephonic or written instructions (other than **Forgery**), purportedly issued by an **Insured**, and issued to a financial institution directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Insured** at such institution, without such **Insured's** knowledge or consent.

**In Transit** means **Money**, **Securities** or **Property** being conveyed outside the **Premises**, from one person or place to another, by an **Insured** while in the custody of an **Employee** or a person duly authorised by such **Insured** to have custody of such **Money**, **Securities** or **Property**. Such conveyance begins immediately upon receipt of **Money**, **Securities** or **Property** by the persons described above from such **Insured** and ceases immediately upon delivery to the designated recipient or its agent.

**Insurance Representative** means any **Employee** designated to represent an **Insured** for the purpose of effecting and maintaining insurance.

**Insured** means, collectively, the **Organisation** designated in Item 2. of the Schedule, any **Subsidiary** and, with respect to Insuring Clause 1.A only, any **Superannuation Fund**.

**Investigative Costs** means reasonable expenses (other than regular or overtime wages, salaries or fees of the company directors, officers or employees of an **Insured** or office overheads, travel costs unrelated to a loss or other administration costs), incurred by an **Insured**, with the Company's prior written consent, to establish the existence and amount of any direct loss covered by Insuring Clauses 1.A through to 1.I which are excess of the Deductible Amount applicable to such direct loss. **Investigative Costs** shall not include expenses incurred by any **Client**.

**Money** means currency, coin, bank notes and bullion.

**Premises** means the interior portion of any building occupied by an **Insured** in conducting its business.

**Property** means tangible property other than **Money** or **Securities**.

**Robbery** means the unlawful taking of **Money**, **Securities** or **Property** from the custody of an **Employee**, or other natural person (except a person acting as a watchman, porter or caretaker) authorised by an **Insured** to have custody of such **Money**, **Securities** or **Property**, by violence or threat of violence, committed in the presence and cognizance of such **Employee** or other person.

**Safe Burglary** means the unlawful taking of **Money**, **Securities** or **Property**, by forcible or violent entry evidenced by visible marks, from a locked vault or safe located within the **Premises**.

**Salary** means compensation an **Insured** pays an **Employee**, including bonus, commission, incentive payments, and the cost of health, welfare and superannuation benefits.

**Securities** means negotiable and non-negotiable instruments representing a share, participation or other interest in the property or enterprise of an entity, such as company stock or bonds.

**Subsidiary** means any organisation whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world and in which one or more **Organisations**:

- (a) controls the composition of the organisation's board, committee of management or trustees;
- (b) is in a position to cast, or control the casting of, more than fifty percent (50%) of the maximum number of votes that might be cast at a general meeting of the organisation; or
- (c) holds more than fifty percent (50%) of the issued share capital of the organisation (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

**Superannuation Fund** means any superannuation fund established by an **Insured** for the sole benefit of employees of such **Insured**.

**Theft** means the unlawful taking of **Money, Securities** or **Property** to the deprivation of an **Insured**, with respect to Insuring Clause 1.A; or a **Client** with respect to Insuring Clause 1.I.

**Third Party** means a natural person other than an **Employee** or a person acting in collusion with an **Employee**.

### 3. Exclusions

A. No coverage will be available under this **Coverage Section** for:

- (i) loss resulting directly or indirectly from any trading of **Money, Securities** or **Property**, whether or not in the name of an **Insured** and whether or not in a genuine or fictitious account; provided that this Exclusion shall not apply to loss otherwise covered under Insuring Clause 1.A which results in improper financial gain to an **Employee** (such loss shall mean only the amount of improper financial gain to such **Employee**, and shall not include **Salary**, commissions, fees or compensation, including but not limited to promotions and raises associated with employment, paid by the **Insured** to such **Employee**);
  - (ii) loss of any trade secrets, confidential processing methods or confidential information of any kind;
  - (iii) loss due to **Theft**, fraud or dishonesty committed by a partner of an **Insured** that is a partnership, whether acting alone or in collusion with others; provided that, if such **Theft**, fraud or dishonesty would otherwise be covered under Insuring Clause 1.A or 1.I, this Exclusion shall not apply to the extent that coverage is excess of the amount of such partner's percentage ownership of such **Insured**, on the day immediately preceding the date of **Discovery**, multiplied by such **Insured's** total assets as reflected in its most recent audited financial statements;
  - (iv) loss or damage due to war (whether declared or not), civil war, insurrection, rebellion, revolution, military, naval or usurped power, governmental intervention, expropriation or nationalisation, or any act or condition incident to any of the foregoing;
  - (v) loss of income as the result of a loss covered under this **Coverage Section**;
  - (vi) indirect or consequential loss or damage of any kind; provided that this Exclusion shall not apply to **Investigative Costs** and **Computer Violation Expenses**;
  - (vii) fees, costs or expenses incurred or paid:
    - (a) as a result of the reconstitution of **Data** if an **Insured** knowingly used illegal copies of programs;
    - (b) to render the **Data** usable by replacement processing equipment;
    - (c) to design, update or improve software or programs or to perfect their operation or performance; or
    - (d) as a result of an alteration in **Data** held on magnetic media due to the effect of magnetic fields, their incorrect use or the obsolescence of the **Computer System**;
  - (viii) fees, costs or expenses incurred or paid by an **Insured** in defending or prosecuting any legal proceeding or claim;
  - (ix) loss or damage due to fire; provided that this Exclusion shall not apply to loss of **Money** or **Securities** or damage to any safe or vault caused by the application of fire thereto for the purposes of **Safe Burglary**;
  - (x) loss due to an **Insured** knowingly having given or surrendered **Money, Securities** or **Property** in any exchange or purchase with a **Third Party**; provided that this Exclusion shall not apply to loss otherwise covered loss under Insuring Clause 1.E or 1.G;
  - (xi) loss sustained by one **Insured** to the advantage of any other **Insured**;
  - (xii) loss of or damage to **Money, Securities** or **Property** while in the custody of any bank, authorised deposit taking institution, armoured motor vehicle company or any person who is duly authorised by an **Insured** to have custody of such **Money, Securities** or **Property**; provided that this Exclusion shall not apply to the extent that coverage is excess of the amount recovered or received by such **Insured** under contract, if any, with, or insurance carried by, any of the foregoing or any other insurance or indemnity in force which would cover the loss in whole or in part; or
  - (xiii) loss or damage due to **Theft**, fraud, dishonesty, **Forgery, Computer Fraud, Funds Transfer Fraud, Counterfeit Currency Fraud, Credit Card Fraud** or any criminal act (other than **Robbery** or **Safe Burglary**) committed by any authorised representative of an **Insured**, whether acting alone or in collusion with others; provided that this Exclusion does not apply to loss otherwise covered under Insuring Clause 1.A or 1.I resulting from **Theft**, fraud or dishonesty committed by an **Employee** acting in collusion with such authorised representative.
- B. No coverage will be available under Insuring Clause 1.A or 1.I for:
- (i) loss caused by any agent, broker, factor, commission merchant, consignee, contractor, subcontractor or other similar representative; or
  - (ii) loss caused by an **Employee** which is sustained by an **Insured**:
    - (a) after an **Executive** or **Insurance Representative** becomes aware of a **Theft**,

fraud or dishonesty committed by such **Employee** while employed with or in the service of an **Insured**;

- (b) after an **Executive** or **Insurance Representative** becomes aware of a **Theft**, fraud or dishonesty involving **Money**, **Securities** or **Property** in an amount of twenty-five thousand dollars (\$25,000) or more, committed by such **Employee** prior to employment or service with an **Insured**.
- C. No coverage will be available under Insuring Clause 1.B or 1.C for:
- (i) loss or damage due to **Forgery**, **Computer Fraud**, **Funds Transfer Fraud**, **Counterfeit Currency Fraud**, **Credit Card Fraud** or **Funds Transfer Fraud**; or
- (ii) loss or damage of or to **Money**, **Securities** or **Property** while in the mail or in the custody of a carrier for hire other than an armoured motor vehicle company.
- D. No coverage will be available under Insuring Clause 1.B, 1.C, 1.E, or 1.F for loss or damage as a result of a kidnap, ransom or extortion payment (as distinct from **Robbery**) made by or on behalf of an **Insured**.
- E. No coverage will be available under Insuring Clause 1.D for loss:
- (i) due to **Forgery** or alteration of any **Financial Instrument** committed by any **Third Party** in collusion with any **Employee**; or
- (ii) of any registered or coupon obligation issued or purportedly issued by an **Insured**, or any coupons whether attached or detached.
- F. No coverage will be available under Insuring Clause 1.H for loss due to any forgery or alteration of, on or in any written instrument; provided that this Exclusion shall not apply if:
- (i) the provisions, conditions and other terms under which the involved credit card was issued were fully complied with; and
- (ii) an **Insured** is legally liable to the issuer of such credit card for such loss.

#### 4. Ownership

The Company's liability under this **Coverage Section** shall apply only to **Money**, **Securities** or **Property** owned by an **Insured** or for which it is legally liable, or held by it in any capacity, whether or not it is liable; provided that the Company shall not be liable for damage to **Premises** unless an **Insured** is the owner of such **Premises**, or is legally liable for such damage.

With respect to Insuring Clause 1.I only, the Company's liability under this **Coverage Section** shall apply only to **Money**, **Securities** or **Property** owned by a **Client** for which the **Insured** is legally liable or held by it in any capacity.

#### 5. Legal Expenses Extension

In addition to the Limits of Liability set forth in the Schedule, the Company shall pay the **Principal Organisation**:

- (a) With respect to **Forgery** coverage under Insuring Clause 1.D; reasonable court costs and legal fees incurred and paid with the Company's prior written consent in defending an **Insured** or an **Insured's** bank or approved deposit taking institution in any legal proceeding brought against it to enforce payment of a **Financial Instrument**;
- (b) With respect to **Credit Card Fraud** coverage under Insuring Clause 1.H; reasonable court costs and legal fees incurred and paid with the Company's prior written consent in defending an **Insured** in any legal proceeding brought against it to enforce payment of a written instrument required in connection with any credit card.

#### 6. Discovery and Liability for Prior Losses

Coverage is available for loss sustained at any time and **Discovered** during the **Policy Period**, or the Extended Discovery Period, if applicable.

In the event that loss, which would otherwise be covered under this **Coverage Section**, is sustained prior to this **Coverage Section's** inception date; or the effective date of coverage for an additional **Insured**; or the effective date of any coverage added by endorsement, such prior loss shall be subject to the following:

- (a) if an **Insured** was insured under a policy issued by a Company other than the Company which, at the time such loss was sustained afforded coverage for such prior loss, and such prior loss was first discovered prior to the expiration time allowed for discovery under such prior policy, then no coverage shall be available under this **Coverage Section**, unless the total amount of covered loss exceeds the limit of liability of such prior policy and, in such an event, the Company's Limit of Liability for any such loss will be in excess of the limit of liability of such prior policy and will be subject to all of the terms and conditions of this **Coverage Section**;
- (b) if an **Insured** was insured under a prior policy issued by the Company which, at the time such loss was sustained, afforded coverage for such prior loss, then such prior policy shall terminate as of the inception date of this **Coverage Section** and such prior policy shall not cover any loss not discovered and notified to the Company prior to the inception date of this **Coverage Section**. In such an event, the Company's Limit of Liability for any such prior loss shall be the applicable Limit of Liability as set forth in the Schedule of this **Coverage Section**.



The **Insured** shall neither be entitled to a separate recovery of the limits of each policy in force at the time any part of the prior loss was sustained, nor shall the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The Company's maximum liability for such prior loss shall not exceed the lesser of the limit of liability of the policy in force at the time such prior loss was sustained, or the applicable Limit of Liability as set forth in the Schedule for this **Coverage Section**.

## 7. Limits of Liability and Deductible

The Company's maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss, as set forth in Item 1. of the Schedule, regardless of the number of **Insureds** sustaining such loss.

All loss resulting from a single act or any number of acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss and the applicable Limit of Liability will apply, subject to Section 6. Discovery and Liability for Prior Losses.

If a loss is covered under more than one Insuring Clause, the maximum amount payable under this **Coverage Section** shall not exceed the largest applicable Limit of Liability of any such Insuring Clause.

The Company's liability under this **Coverage Section** shall apply only to that part of each loss which is in excess of the applicable Deductible Amount set forth in the Schedule. No Retention shall apply to loss sustained by any **Superannuation Fund** covered under this **Coverage Section**.

## 8. Non-Accumulation of Liability

When there is more than one **Insured**, the maximum liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all loss was sustained by any one **Insured**.

Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the amount the Company shall pay for any loss shall not be cumulative from year to year or from **Policy Period** to **Policy Period**.

## 9. Proof of Loss and Legal Proceedings

It is a condition of coverage hereunder that, upon **Discovery**, the **Principal Organisation** will:

- (a) give written notice to the Company at the earliest practicable moment, and in no event later than ninety (90) days after such **Discovery**;
- (b) furnish proof of loss with full particulars to the Company within six (6) months of such **Discovery**;
- (c) submit to examination under oath at the Company's request;

- (d) produce all pertinent records at such reasonable times and places as the Company designates; and
- (e) fully co-operate with the Company in all matters pertaining to a loss or claim.

The **Principal Organisation** may not offer, as a part of any proof of loss, any computation or comparison which involves in any manner a profit and loss computation or comparison. The **Principal Organisation** may offer a comparison between an **Insured's** or **Client's** inventory records and actual physical count of its inventory to prove the amount of loss, only where an **Insured** or **Client** establishes that, wholly apart from such comparison, it has sustained a covered loss caused by an **Employee**.

## 10. Extended Discovery Period

If this **Coverage Section** is terminated or not renewed by the Company for any reason, other than non-payment of premium, the **Insured** shall have the right upon payment of 100% of the annual premium for this **Coverage Section**, to an Extended Discovery Period of 365 days from the date of termination or non-renewal within which to report any losses first **Discovered** during such 365 day period, but only to the extent such losses were sustained prior to the effective date of termination or non-renewal.

The right to the Extended Discovery Period shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within ninety (90) days following the effective date of termination or non-renewal of this **Coverage Section**.

If the Extended Discovery Period is purchased in accordance with this section then:

- (a) it cannot be cancelled by the **Insureds** or the Company; and
- (b) the entire premium shall be deemed fully earned at the inception of the Extended Discovery Period.

## 11. Valuation

The Company shall pay on the bases of valuation set out below in respect of the following categories of covered loss:

- (a) loss in respect of **Securities**: the least of:
  - (i) the actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which the loss is **Discovered**;
  - (ii) the cost of replacing the **Securities**; or
  - (iii) the cost to post a Lost Instrument Bond. Such costs shall be paid by the Company on behalf of an **Insured**;
- (b) loss in respect of books of account or other records: the cost of blank books, pages, CD Roms or discs or other blank materials to replace lost or damaged books of account or other records;

(c) loss in respect of other personal property: the least of the price paid by an **Insured** for personal property or the cost to repair or replace such property with property of similar quality and value at the time the **Principal Organisation** furnishes proof of loss in compliance with Section 9.

## 12. Changes in Exposure

If an **Organisation** during the **Policy Period**:

- (a) acquires securities or voting rights in another organisation or creates another organisation which as a result of such acquisition or creation becomes a **Subsidiary**; or
- (b) acquires any organisation by merger into or consolidation with itself such that the **Organisation** is the holding entity,

then such organisation shall be an **Insured** under this **Coverage Section** solely for loss sustained after the date of such acquisition or creation provided that the total revenues of such acquired or created organisation at the time of its acquisition or creation do not exceed twenty-five percent (25%) of the total revenues of an **Organisation** as reflected in the most recent audited, consolidated financial statements of the **Organisation** and, in the case of such acquisition, the acquired organisation.

If the preconditions to coverage set forth above are not satisfied then there shall be no coverage for such acquired or created organisation until the **Principal Organisation** submits such information as the Company may require and agrees to pay any additional premium reasonably required by the Company. Coverage for any acquired or created organisation that does not meet the preconditions set forth in the paragraph above shall be subject to such additional or different terms and conditions as the Company, in its sole discretion, may require.

If an organisation ceases to be an **Insured** during the **Policy Period**, cover will continue with respect to such organisation until termination of this **Coverage Section**, but only with respect to **Loss** sustained prior to the date which it ceased to be an **Insured**.

## 13. Termination as to any Employee

For the purposes of coverage under Insuring Clauses 1.A and 1.1, **Employee** shall include an **Employee** for a period of sixty (60) days following termination of employment with an **Insured**.

## 14. Recoveries

Recoveries for any loss covered under this **Coverage Section**, whether effected by the Company, the **Principal Organisation** or any **Organisation**, less the cost of recovery, shall be distributed as follows:

- (a) first, to the **Principal Organisation** for the amount of such loss, otherwise covered, in excess of the Limit of Liability;

(b) second, to the Company for the amount of such loss paid to the **Principal Organisation** as covered loss;

(c) third, to the **Principal Organisation** for the Deductible Amount applicable to such loss;

(d) fourth, to the **Principal Organisation** for the amount of such loss not covered under the relevant **Coverage Section**.

Recovery by the Company from reinsurance or indemnity shall not be deemed a recovery hereunder.

Forefront Portfolio for Not for  
Profit Organisations Policy  
Wording

Kidnap, Ransom and Extortion  
Coverage Section

CHUBB®

## Schedule

**Chubb Insurance Australia Limited**

ABN 23 001 642 020 AFSL 239687

Herein called the Company

THIS COVERAGE SECTION PROVIDES LOSS DISCOVERED COVERAGE WHICH APPLIES ONLY TO LOSS FIRST DISCOVERED DURING THE POLICY PERIOD.

		Limit of Liability
Item 1.	Insuring Clause	
	A. Kidnap and Extortion Coverage	\$
	B. Custody Coverage	\$
	C. <b>Expenses</b> Coverage	\$
	(i) Sub Limit for <b>Recall Expenses</b>	\$
	(ii) Sub Limit for Rest and Rehabilitation Expenses	\$
	D. <b>Accidental Loss</b> Coverage	\$
	E. <b>Legal Liability Costs</b> Coverage	\$
Item 2.	<b>Organisation:</b>	
Item 3.	<b>Excluded Territory:</b> As defined in Section 2. Definitions.	
Item 4.	Endorsement(s) Effective at Inception:	

In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the **Insured** agree as follows:

## 1. Insuring Clauses

### A. Kidnapping and Extortion Coverage

The Company shall reimburse the **Organisation** for direct loss of property or other consideration surrendered as payment by or on behalf of an **Organisation** resulting from **Kidnapping, Extortion Threat** or **Cyber Extortion**.

### B. Custody Coverage

The Company shall reimburse the **Organisation** for direct loss caused by the actual destruction, disappearance, confiscation or unlawful taking of property or other consideration, which is intended as payment for a covered **Kidnapping, Extortion Threat** or **Cyber Extortion**, while being held or conveyed by a person authorised by an **Organisation**.

### C. Expense Coverage

The Company shall reimburse the **Organisation** for **Expenses** paid by an **Organisation** resulting directly from a covered **Kidnapping, Extortion Threat** or **Cyber Extortion**, or resulting directly from a **Hijacking, Political Threat** or **Wrongful Detention**.

### D. Accidental Loss Coverage

The Company shall pay the Benefit Amount for **Accidental Loss** resulting directly from a covered **Kidnapping** or resulting directly from a **Hijacking** or **Wrongful Detention**.

### E. Legal Liability Costs Coverage

The Company shall reimburse the **Organisation** for **Legal Liability Costs**.

## 2. Definitions

When used in bold type in this Coverage Section:

**Accidental Loss** means **Loss of Life, Loss of Use, Loss of Sight, Loss of Speech and/or Hearing** or **Mutilation** of an **Insured Person** when such **Accidental Loss**:

- (a) is sudden, unforeseen, unexpected and independent of any illness, disease or other bodily malfunction of such **Insured Person**; and
- (b) happens by chance and arises from a source external to such **Insured Person**.

**Computer System** means a computer or network of computers and all input, output, processing, storage, off-line media libraries and communication facilities which are connected to such computer or network of computers, provided that such computer or network of computers and facilities are owned and operated or leased and operated by an **Insured**.

**Consequential Personal Financial Loss** means pecuniary loss incurred by an **Insured Person**, including but not limited to pecuniary loss resulting directly from the failure to renew insurance contracts, the failure to exercise stock options or the failure to respond to margin or loan calls by financial institutions.

**Contaminate** means to introduce a foreign material or substance, which would render any tangible property unfit for use or sale.

**Cyber-attack** means a set of unauthorised **Instructions** that are designed to alter, damage or destroy information within a **Computer System** without the authorisation of an **Organisation**, including those **Instructions** that are self-replicating or self-propagating and are designed to contaminate computer programs or computer data, consume computer resources or in some fashion usurp the normal operation of a **Computer System**.

**Cyber Extortion** means a threat made directly against an **Organisation** to:

- (a) alter, damage, destroy or render unusable any **Data** owned by such **Organisation** or for which such **Organisation** is legally liable; or
- (b) disseminate, divulge or utilise a **Record**,

by the fraudulent input of **Data** by means of a **Cyber-attack** into a **Computer System** by a person or group, whether acting alone or in collusion with others, where such person or group has fraudulently accessed or alleges to have fraudulently accessed such **Computer System** and is demanding payment or a series of payments, in exchange for the mitigation or removal of such threats. However, such threat shall not constitute a **Cyber Extortion** unless, prior to surrendering property or other consideration as payment by or on behalf of an **Organisation**, such **Organisation** conducts a reasonable investigation and reasonably determines that such threat is technologically credible.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Organisation** or involving the same **Data, Record** or **Cyber-attack**,

will be deemed to constitute a single **Cyber Extortion**.

**Data** means information, knowledge, facts, concepts or instructions which are processed and stored in a **Computer System**.

**Employee** means any natural person:

- (a) while in the regular service of an **Insured** in the ordinary course of such **Insured's** business, and whom such **Insured** has the right to govern and direct in the performance of such service, whether such **Insured** compensates such person by salary, wages and/or commission or whether such person is a volunteer;

- (b) who is an **Executive** while performing acts within the scope of the usual duties of an employee as described in paragraph (a) of this definition; or
- (c) while in the service of any **Superannuation Fund** as fiduciary, trustee, administrator, officer or employee.

**Employee** shall not include any agent, broker, factor, commission merchant, consignee, contractor, subcontractor or similar representative.

**Excluded Territory** means: Yemen, Algeria, Georgia, India, Indonesia, Iraq, Malaysia, Pakistan, Peru, Philippines, Russia, Uzbekistan, Syria, Libya, Iran, Thailand, Israel, Mauritania, Burkina Faso, Mali, Kyrgyzstan, Guatemala, Peru, Nigeria and Niger.

**Executive** means a natural person who is a duly elected or appointed director, public officer, officer or member of the management committee, or equivalent positions in any jurisdiction, of an **Insured**. **Executive** shall include a partner of an **Insured** that is a partnership.

**Expenses** means:

- (a) solely in connection with a **Kidnapping, Extortion Threat, Political Threat, Hijacking or Wrongful Detention**, only the reasonable fees and expenses for or cost of:
  - (i) an independent negotiator or consultant;
  - (ii) an independent public relations consultant;
  - (iii) travel and accommodation of an **Insured Person**;
  - (iv) independent legal advice (other than **Legal Liability Costs**);
  - (v) independent security guard services for up to ninety (90) days;
  - (vi) advertising, communications and recording equipment;
  - (vii) an independent forensic analyst;
  - (viii) assessment of such **Extortion Threat** or **Political Threat** by an independent security consultant;
  - (ix) interest for a loan taken by an **Organisation** for property or other consideration surrendered as payment under Insuring Clause 1.A;
  - (x) a reward paid by an **Organisation** to a natural person who provides information not otherwise available leading to the arrest and conviction of the person responsible for such **Kidnapping, Extortion Threat, Wrongful Detention or Hijacking**;
  - (xi) the **Salary** which an **Organisation** continues to pay an **Employee** following the **Kidnapping, Wrongful Detention or Hijacking** of such **Employee**. Such coverage shall apply to the **Salary** of such **Employee** in effect at the time of such **Kidnapping, Wrongful Detention or Hijacking** and will end thirty (30) days after such

**Employee** is released or suffers **Loss of Life**, or sixty (60) months after such **Kidnapping, Wrongful Detention or Hijacking** began, whichever is more recent;

- (xii) the **Salary** which an **Organisation** pays a newly hired natural person to conduct the duties of an **Employee** following such **Kidnapping, Wrongful Detention, or Hijacking** of such **Employee**. Such coverage shall apply up to the **Salary** of such **Employee** in effect at the time of such **Kidnapping, Wrongful Detention, or Hijacking** and will end thirty (30) days after such **Employee** is released or suffers **Loss of Life**, or sixty (60) months after such **Kidnapping, Wrongful Detention or Hijacking** began, whichever is more recent;
- (xiii) **Consequential Personal Financial Loss** which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
- (xiv) reasonable medical, cosmetic, psychiatric and dental expenses incurred following an **Insured Person's** release;
- (xv) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to thirty (30) days, when such expenses are incurred within twelve (12) months following an **Insured Person's** release;
- (b) solely in connection with an **Extortion Threat to Contaminate Merchandise, Recall Expenses**;
- (c) solely in connection with a **Cyber Extortion**, only the reasonable fees and expenses for or cost of:
  - (i) an independent negotiator;
  - (ii) assessment of such **Cyber Extortion** by an independent network security consultant;
  - (iii) an independent public relations consultant;
  - (iv) travel and accommodation of an **Insured Person**;
  - (v) independent legal advice (other than defence costs);
  - (vi) interest for a loan taken by an **Organisation** for property or other consideration surrendered as payment under Insuring Clause 1A;
  - (vii) a reward paid by an **Organisation** to a natural person who provides information not otherwise available leading to the arrest and conviction of the person responsible for such **Cyber Extortion**;
- (d) other reasonable expenses incurred by an **Organisation**, subject to the Company's prior written approval.

**Extortion Threat** means a threat or threats made solely and directly against an **Organisation** to:

- (a) commit a **Kidnapping** of, do bodily harm to, or wrongfully abduct or detain any **Insured Person**;

- (b) damage, destroy or **Contaminate** any **Property**;
- (c) disseminate, divulge or utilise any **Proprietary Information**; or
- (d) disseminate or make public negative information regarding **Merchandise** that has been the subject of a prior threat under (b) above,

by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments, in exchange for the mitigation or removal of such threats.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Organisation** or involving the same **Insured Person, Property, Proprietary Information or Merchandise**,

will be deemed to constitute a single **Extortion Threat**.

**Hijacking** means the unlawful detention of an **Insured Person** (other than a **Kidnapping**) by violence or threat of violence by a person or group, where such unlawful detention:

- (a) occurs while traveling on or in an aircraft, watercraft or motor vehicle for a period in excess of four (4) hours; or
- (b) occurs while traveling on or in an aircraft or watercraft and results in such **Insured Person's Loss of Life**.

**Instructions** means an ordered set of **Data** representing coded information that, when executed by a **Computer System**, causes such **Computer System** to process **Data** or perform one or more operations.

**Insured** means any **Organisation** and any **Insured Person**.

**Insured Person** means:

- (a) any **Employee**;
- (b) any **Relative** of an **Employee**;
- (c) any natural person who is employed in the household of an **Employee** while in the home of such **Employee**;
- (d) any natural person who is a legal resident in the home of an **Employee** or a guest while in the home of an **Employee**;
- (e) any customer or guest of an **Organisation** while on the **Premises** of such **Organisation**;
- (f) any customer or guest of an **Organisation** while traveling on or in an aircraft, watercraft or motor vehicle with an **Employee**; or
- (g) any natural person who is temporarily retained by an **Organisation** to deliver a ransom or extortion payment.

**Kidnapping** means an actual or alleged wrongful abduction and holding under duress or by fraudulent means of an **Insured Person** by a person or a group, whether

acting alone or in collusion with others, demanding payment or a series of payments by an **Organisation**, in exchange for the release of such **Insured Person**.

**Legal Liability Costs** means the reasonable defence costs incurred by an **Organisation** and damages which an **Organisation** becomes legally obligated to pay as a result of a judgment or settlement in any suit brought by an **Insured Person** (or the estate, heirs or legal representatives of such **Insured Person**) against such **Organisation** alleging negligence or incompetence:

- (a) in the hostage retrieval operations or negotiations in a covered **Kidnapping** or **Extortion Threat** (as described in sub-paragraph (a) of the definition of **Extortion Threat**) or in a **Hijacking** or **Wrongful Detention** of such **Insured Person**; or
- (b) in the prevention of a covered **Kidnapping** or **Extortion Threat** (as described in sub-paragraph (a) of the definition of **Extortion Threat**) or in a **Hijacking** or **Wrongful Detention** of such **Insured Person**,

provided that such **Organisation** agrees as a condition to coverage under Insuring Clause 1.E to co-operate with the Company in conducting the defence or in negotiating the settlement of such suit.

**Loss of Life** means:

- (a) death, including clinical death, determined by a medical examiner or similar local governing medical authority; or
- (b) the absence of communication from an **Insured Person** or those responsible for the **Kidnapping, Hijacking or Wrongful Detention** of such **Insured Person** for a period of two (2) years following the later of:
  - (i) such **Kidnapping, Hijacking or Wrongful Detention**;
  - (ii) the last communication from such **Insured Person**; or
  - (iii) the last communication from those responsible for such **Kidnapping, Hijacking or Wrongful Detention**.

**Loss of Sight** means the permanent loss of sight to the extent of legal blindness.

**Loss of Speech and/or Hearing** means the permanent total loss of the capability of speech and/or hearing.

**Loss of Use** means the permanent total loss of function of a foot, hand, or thumb and index finger.

**Merchandise** means an **Organisation's** inventory, raw materials, work in progress or products manufactured or distributed by an **Organisation**.

**Mutilation** means the permanent total loss of an entire finger, toe, ear, nose or genital organ.

**Political Threat** means a politically motivated threat or threats made solely and directly against an **Organisation**

to do bodily harm to an **Employee** or a **Relative** of an **Employee** by a person or group:

- (a) acting as an agent of or with tacit approval of any government or governmental entity; or
- (b) acting or purporting to act on behalf of any political terrorist or insurgent party, organisation or group.

All such threats:

- (i) related by a common committed, attempted or threatened act; or
- (ii) made contemporaneously against the same **Employee** or **Relative** of an **Employee**,

will be deemed to constitute a single **Political Threat**.

**Premises** means buildings or facilities occupied by an **Organisation** in conducting its business.

**Property** means:

- (a) all **Premises** and **Merchandise** of an **Organisation**;
- (b) any other real or tangible personal property owned or leased by an **Organisation**; and
- (c) any other tangible personal property for which an **Organisation** is legally liable, provided that such tangible personal property is located on the **Premises** or on any land adjacent thereto occupied by such **Organisation** in conducting its business.

**Proprietary Information** means any confidential, private or secret information of an **Organisation** and unique to such **Organisation's** business, contained in or on drawings, negatives, microfilm, tapes, transparencies, manuscripts, prints, computer discs or other records of a similar nature, provided that such information is protected by physical or electronic control or other reasonable efforts to maintain non-disclosure of such information.

**Recall Expenses** means:

- (a) reasonable expenses for transportation; and
- (b) other reasonable expenses, subject to the Company's prior written approval,

incurred by an **Organisation** in the withdrawal, physical inspection or destruction of **Merchandise**.

**Record** means information about a customer held by an **Organisation** pertaining to that customer's relationship with such **Organisation**, which is not publicly available and is stored in an electronic medium, provided that such information is protected by electronic control to maintain non-disclosure of such information.

**Relative** means spouses, **Domestic Partners**, siblings, ancestors, spouses' ancestors, lineal descendants or lineal descendants' spouses. Lineal descendants include adopted children, foster children and stepchildren. Ancestors include adoptive parents and step-parents.

**Salary** means compensation an **Organisation** pays an **Employee**, including bonus, commission, incentive

payments, and the cost of health, welfare and superannuation benefits.

**Wrongful Detention** means the wrongful involuntary confinement of an **Insured Person** (other than a **Kidnapping** or **Hijacking**) by a person or group, for a period of not less than four (4) hours.

### 3. Exclusions

A. Coverage under this Coverage Section does not apply to:

- (i) loss due to any fraudulent, dishonest or criminal act of an identifiable **Employee**, whether acting alone or in collusion with others; provided that this Exclusion (i) shall not apply to the extent that coverage under this **Coverage Section** is excess of the amount available to an **Organisation**, whether collectible or not, under any other bond, insurance or indemnity which would cover such loss in whole or in part;
- (ii) loss resulting from fraud by an **Insured Person**, whether acting alone or in collusion with others, allegedly the subject of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat** or **Hijacking** if an **Organisation** had not, prior to any payment, made reasonable efforts to determine that such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat** or **Hijacking** was genuine;
- (iii) loss of property or other consideration surrendered or intended to be surrendered as payment by or on behalf of an **Insured Person** unless an **Organisation** agrees that such payment is on behalf of such **Organisation**;
- (iv) loss of income not realised as the result of a covered loss;
- (v) **Recall Expenses** for or due to:
  - (a) refunds for, the value of or the cost of replacing any withdrawn, damaged or destroyed **Merchandise**; or
  - (b) any loss, fees or expenses incurred for any known or suspected defect, deficiency or use of substandard or flawed materials necessitating the withdrawal, physical inspection or destruction of **Merchandise** in the absence of an **Extortion Threat** against such **Merchandise**;
- (vi) loss arising from **Wrongful Detention** or **Political Threat** due to:
  - (a) any violation of law of the host country by an **Insured**; or
  - (b) failure of an **Insured** to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;
- (vii) loss sustained by one **Insured** to the advantage of any other **Insured**;



(viii) loss unless the **Kidnapping, Extortion Threat, Cyber Extortion, Political Threat, Wrongful Detention** or **Hijacking** occurs prior to:

- (a) termination of this Coverage Section as to any applicable **Insured** and is discovered and communicated in writing to the Company as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination;
- (b) termination of any Insuring Clause or termination of any particular coverage offered under any Insuring Clause and is discovered and communicated in writing to the Company as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination; or
- (c) termination of this Coverage Section in its entirety and is discovered and communicated in writing to the Company as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination.

(ix) loss resulting from fraud by an **Insured Person**, whether acting alone or in collusion with others, allegedly the subject of an **Accidental Loss**;

(x) loss of any property, any payments made or legal obligations or expenses incurred in any **Excluded Territory**.

B. Coverage under Insuring Clause 1.B, 1.C, 1.D or 1.E does not apply to loss of property or other consideration actually surrendered as a ransom or extortion payment covered under Insuring Clause 1.A.

C. Coverage under Insuring Clause 1.A does not apply to:

- (i) loss of property or other consideration surrendered away from the **Premises** in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such property or other consideration at the time of such surrender for the sole purpose of conveying it to pay a previously communicated ransom or extortion demand and unless actually surrendered to those responsible for such demand or their designee; or
- (ii) loss of property or other consideration surrendered on the **Premises** unless brought onto the **Premises** after receipt of the ransom or extortion demand for the sole purpose of paying such demand and unless actually surrendered to those responsible for such demand or their designee.

#### 4. Beneficiary

The **Loss of Life Benefit Amount** will be paid to the **Insured Person's** designated beneficiary. The Benefit Amount for all other **Accidental Loss** will be paid to the **Insured Person**, unless otherwise directed by the **Insured Person**.

If an **Insured Person** suffers **Loss of Life** and has not designated a beneficiary, or if the designated beneficiary is not alive, the Company will pay covered loss in the following order:

- (a) to the spouse or **Domestic Partner**;
- (b) in equal shares to the surviving children;
- (c) in equal shares to the surviving parents;
- (d) in equal shares to the surviving brothers and sisters; or
- (e) to the estate,

of such **Insured Person**.

#### 5. Limits of Liability and Deductible

The Company shall only be liable for a **Kidnapping, Extortion Threat, Cyber Extortion, Hijacking, Political Threat** or **Wrongful Detention** that first occurs during the **Policy Period**.

The Company's maximum liability for each loss shall not exceed the Limit of Liability applicable to such loss, as set forth in Item 1. in the Schedule for this **Coverage Section**, regardless of the number of **Insureds** sustaining such loss.

The Company's maximum liability shall not exceed the Limit of Liability:

- (a) Applicable to Insuring Clause 1.A as set forth in Item 1.(A) of the Schedule for this **Coverage Section**: for all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Extortion Threat, Kidnapping or Cyber Extortion** and any related **Extortion Threat, Kidnapping or Cyber Extortion**, or a series of related **Extortion Threats, Kidnappings or Cyber Extortions**;
- (b) Applicable to Insuring Clause 1.B as set forth in Item 1.(B) of the Schedule for this **Coverage Section**: for all loss of property and other consideration intended as ransom and extortion payments arising from one **Extortion Threat, Kidnapping or Cyber Extortion** and any related **Extortion Threat, Kidnapping or Cyber Extortion**, or a series of related **Extortion Threats, Kidnappings or Cyber Extortions**;
- (c) Applicable to Insuring Clause 1.C as set forth in Item 1.(C) of the Schedule for this **Coverage Section**: for all **Expenses** arising from one **Extortion Threat, Kidnapping, Cyber Extortion, Hijacking, Political Threat** or **Wrongful Detention** and any related **Extortion Threat, Kidnapping, Cyber Extortion, Hijacking, Political Threat** or **Wrongful Detention**, or a series of related **Extortion Threats, Kidnappings, Cyber Extortions, Hijackings, Political Threats** or **Wrongful Detentions**;
- (d) Applicable to Insuring Clause 1.D as set forth in Item 1.(D) of the Schedule for this **Coverage Section**: for all **Accidental Loss** arising from one **Extortion Threat, Kidnapping, Hijacking** or **Wrongful**

**Detention** and any related **Extortion Threat, Kidnapping, Hijacking** or **Wrongful Detention, Kidnappings, Hijackings** or **Wrongful Detentions;**

- (e) Applicable to Insuring Clause 1.E as set forth in Item 1.(E) of the Schedule for this **Coverage Section**: for all **Legal Liability Costs** arising from one **Kidnapping, Hijacking, Wrongful Detention** or **Extortion Threat** (as described in subparagraph (a) of the definition of **Extortion Threat**) and any related **Kidnapping, Hijacking, Wrongful Detention**, or **Extortion Threat** (as described in subparagraph (a) of the definition of **Extortion Threat**), or a series of related **Kidnappings, Hijackings, Wrongful Detentions** or **Extortion Threats** (as described in subparagraph (a) of the definition of **Extortion Threat**).

The Company's maximum liability for all **Recall Expenses** shall be the Sub limit as set forth in Item 1.(C)(i) of the Schedule for this **Coverage Section**. Such amount shall be part of, and not in addition to, the Limit of Liability as set forth in Item 1.(C) of the Schedule for this **Coverage Section**.

The Company's maximum liability for all rest and rehabilitation expenses (as described in subparagraph (a)(xv) of the definition of **Expenses**) shall be the sub limit as set forth in Item 1.(C)(ii) of the Schedule for this **Coverage Section**. Such amount shall be part of, and not in addition to, the Limit of Liability as set forth in Item 1.(C) of the Schedule for this **Coverage Section**.

## 6. Non-Accumulation of Liability

When there is more than one **Insured**, the maximum liability of the Company for loss sustained by any or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.

Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, whether under this Coverage Section, any prior bond or policy, or any renewal or replacement of this Coverage Section, the liability of the Company with respect to any loss shall not be cumulative from year to year or from policy period to policy period.

## 7. Loss Sustained

A loss shall be deemed to have been sustained under:

- (a) Insuring Clause 1.A, at the time of the surrender of the ransom or extortion payment;
- (b) Insuring Clause 1.B, at the time of the actual destruction, disappearance, confiscation or unlawful taking of the property or other consideration;
- (c) Insuring Clause 1.C, at the time of the payment of incurred **Expenses** by the **Organisation**;

- (d) Insuring Clause 1.D, at the time of the **Accidental Loss**; or
- (e) Insuring Clause 1.E, at the time the **Organisation** has made payment for any incurred expense, judgment or settlement.

## 8. Personal Assets

In the event of a ransom or extortion demand directed against an **Insured Person** rather than against an **Organisation**, property or other consideration surrendered or intended to be surrendered by or on behalf of such **Insured Person** and the **Expenses** as set forth in sub paragraphs (a)(i) through (a)(x) and (a)(xiii) through (a)(xv) of the definition of **Expenses**; incurred by or on behalf of such **Insured Person** shall, at the option of such **Organisation**, be considered property or other consideration surrendered or intended to be surrendered on behalf of such **Organisation** and **Expenses** incurred by such **Organisation**.

## 9. Insured Knowledge

Knowledge possessed by, or discovery made by any **Executive** shall constitute knowledge possessed by, or discovery made by, all **Insureds**.

## 10. Notice - Proof of Loss

It is a condition of coverage hereunder that, at the earliest practicable moment after the occurrence of any loss hereunder, the principal **Organisation** will:

- (a) give the Company written notice thereof;
- (b) furnish a proof of loss with full particulars to the Company within six (6) months after such occurrence;
- (c) submit to examination under oath at the Company's request;
- (d) produce all pertinent records at such reasonable times and places as the Company designates; and
- (e) fully co-operate with the Company in all matters pertaining to a claim for loss.

## 11. Valuation

The Company shall pay:

- (a) the cost of blank books, pages, CD Roms, discs or tapes or other blank materials to replace lost or damaged books of account or other records;
- (b) the least of:
  - (i) the actual cash value of any other property or other consideration at the time of loss; or
  - (ii) the actual cost to repair or replace such other property with that of similar quality and value at the time of loss.