




Allstate Forefront Management Liability Policy



This Product Disclosure Statement (PDS) was prepared on 01 November 2016 and tells you about this Farm Insurance cover to help you decide if this cover is right for you.

Any advice provided is general only and does not take into account your individual circumstances. You should carefully read this document as well as other documentation provided to you such as your Insurance Certificate. Keep them in a safe place for future reference.

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DUTY OF DISCLOSURE

Your Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

What you do not need to tell us

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

FOREFRONT PORTFOLIO INSURANCE POLICY - GENERAL TERMS AND CONDITIONS DECLARATIONS

Policy Number: <Policy Number>

No	Title	Description
Item 1.	Company Principal Address	<Company Name> Principal Address <Street No.> <Street> <CITY> <STATE> <POSTCODE> <COUNTRY>
Item 2.	Policy Period	From: <Inception Date> at 4:00 PM L.S.T To: <Expiry Date> at 4:00 PM L.S.T Both days inclusive. L.S.T (Local Standard Time) means the time applicable on the relevant date at the Principal Address.
Item 3.	Combined Maximum Aggregate Limit of Liability for the Liability Coverage Sections	<input type="checkbox"/> Yes: Combined Maximum Aggregate Limit of Liability for the Liability Coverage Sections: \$<Max Limit> <input type="checkbox"/> No: Combined Maximum Aggregate Limit of Liability for the Liability Coverage Sections
Item 4.	Coverage Section(s)	Coverage is only available for the following if indicated by : <input type="checkbox"/> Directors and Officers Liability Coverage Section <input type="checkbox"/> Employment Practices Liability Coverage Section <input type="checkbox"/> Crime Coverage Section <input type="checkbox"/> Statutory Liability Coverage Section <input type="checkbox"/> Kidnap, Ransom and Extortion Coverage Section <input type="checkbox"/> Cyber Coverage Section
Item 5.	Extended Reporting Period	(a) 100% of annual premium for an additional 365 days; or (b) Nil additional premium for 90 days.
Item 6.	Endorsement(s) Effective at Inception	<Number of GTC Endorsements>

Signed for and on behalf of Chubb Insurance Australia Limited

<Today's Date>

Date

<Signature and Stamp of U/W>

Authorised Employee

**FOREFRONT PORTFOLIO INSURANCE POLICY - GENERAL TERMS AND CONDITIONS
ENDORSEMENT(S)**

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - GENERAL TERMS AND CONDITIONS WORDING

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

1. Terms and Conditions

- 1.1. 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** 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 words in bold print in these General Terms and Conditions not defined herein shall have the meaning ascribed in the Definitions section of the relevant **Coverage Section**.

2. General Definitions

- 2.1. **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 bond.
- 2.2. **Claim** shall have the meaning ascribed to that term in the relevant **Liability Coverage Section**.
- 2.3. **Company** means the organisation shown in Item 1. of the Declarations.
- 2.4. **Coverage Event** means the event or loss which must occur, be sustained or discovered in order to invoke coverage under each **Non-Liability Coverage Section**.
- 2.5. **Coverage Section** means the **Liability Coverage Sections** and the **Non-Liability Coverage Sections** or any one of them as appropriate.
- 2.6. **Defence Costs** shall have the meaning ascribed to that term in the relevant **Liability Coverage Section**.
- 2.7. **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;
 - 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).
- Director** shall include any equivalent position in any jurisdiction.
- 2.8. **Domestic Partner** means natural person qualifying as a domestic partner or de facto 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**.
- 2.9. **Event** means:
 - a. the **Company** merging into or consolidating with another organisation such that the **Company** becomes a subsidiary of the other organisation;
 - b. another organisation acquiring the business or assets of the **Company**; or
 - c. another organisation or person or group of organisations or persons acting in concert, acquiring control of the composition of the **Company's** board, 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 **Company** or holding more than fifty percent (50%) of the issued share capital of the **Company** (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).
- 2.10. **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.
- 2.11. **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.
- 2.12. **Insured** shall have the meaning ascribed to that term in each **Coverage Section**.
- 2.13. **Insured Person** shall have the meaning ascribed to that term in each **Coverage Section**. Solely with respect to any **Liability Coverage Section**, coverage for an **Insured Person** shall also include:
 - a. the lawful spouse or **Domestic Partner** of an **Insured Person**, solely by reason of such person'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**; or

- b. the estate, heirs, legal representatives or assigns of an **Insured Person** who is deceased or against the legal representatives or assigns of an **Insured Person** who is under a legal disability by reason of mental incapacity or is insolvent or bankrupt.

All provisions of the relevant **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**.

2.14. **Insurer** means Chubb Insurance Australia Limited (ABN: 23 001 642 020 AFSL: 239687).

2.15. **Liability Coverage Section** means the **Directors** and **Officers** Liability, Employment Practices Liability, Statutory Liability and the **Privacy** Liability Coverage, **Network Security** Liability Coverage and **Internet** Liability Coverage Insuring Clauses of the **Cyber Coverage Section** of this **Policy**, if purchased, as shown in Item 4. of the Declarations.

2.16. **Loss**:

- a. with respect to any **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**.

2.17. **Non-Liability Coverage Section** means the Crime, Kidnap, Ransom and Extortion and the **Data Asset Loss** Coverage, **Cyber Extortion** Coverage Insuring Clauses and **Incident Response Expenses** of the **Cyber Coverage Section** of this **Policy**, if purchased, as shown in Item 4. of the Declarations.

2.18. **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).

Officer shall include any equivalent position in any jurisdiction.

2.19. **Organisation** means, collectively, the **Company** and any **Subsidiary**, or any one of them.

2.20. **Policy** means:

- a. this document;
- b. any endorsement attaching to and forming part of this document either at the commencement of the **Policy Period** or during the **Policy Period**; and
- c. the Declarations of the General Terms and Conditions and the Schedules of each **Coverage Section**.

2.21. **Policy Period** means the period of time shown in Item 2. of the Declarations, subject to any prior termination in accordance with Section 20. (Termination of **Policy**).

2.22. **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.

2.23. **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 attributable to the matters described above.

2.24. **Proposal** means all proposals, including attachments and materials incorporated therein, submitted by, or information disclosed by the **Insureds** to the **Insurer** for this **Policy** or any policy issued by the **Insurer** 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**.

2.25. **Related Claims** means:

- a. with respect to the **Liability Coverage Sections**: all **Claims** based upon, arising from or attributable to the one originating source or cause or the same underlying source or cause, regardless of whether such **Claims** or other matters giving rise to a claim under this **Policy** involve the same or different claimants, **Insureds**, events, or legal causes of action. All such **Claims** will be treated as if first made at the time of the notification of the earliest **Claim** to the **Insurer**;
- b. with respect to the **Non-Liability Coverage Sections**: all direct losses based upon, arising from or attributable to the one originating source or cause or

the same underlying source or cause, regardless of whether such losses or other matters giving rise to a claim under this **Policy** involve the same or different **claimants**, **Insureds** or events. All such losses will be treated as if first made at the time of the notification of the earliest loss to the **Insurer**.

Notwithstanding the above, with regard to the **Cyber Coverage Section, Related Claims** means all **Single Claims**. A **Single Claim** shall attach to the **Policy**, only if the notice of the first **Claim, Regulatory Proceeding** or other matter giving rise to a claim, that became such **Single Claim**, was notified to the **Insurer** during the **Policy Period**.

2.26. **Subsidiary** means:

- a. with respect to the **Liability Coverage Sections**: at the time of the occurrence of a **Wrongful Act**, or the commencement of a **Formal Investigation**, any organisation in which one or more **Organisations**:
 - i. control the composition of the organisation's board;
 - ii. 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
 - iii. 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).

Subsidiary shall include any incorporated joint venture or company over which an **Organisation** exercises effective management control.

- b. with respect to the **Non-Liability Coverage Sections**: **Subsidiary** shall have the meaning ascribed to that term in each **Coverage Section**.

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

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

3. Territory, Choice of Law and Jurisdiction

Other than with respect to the Statutory **Liability Coverage Section**, coverage shall extend anywhere in the world.

The **Insurer** will not provide cover, be liable to pay any claim or provide any benefit if to do so would expose the **Insurer** (or any parent company, direct or indirect holding company of the **Insurer**) to any penalty or restriction (including extraterritorial or restrictions so far as such do not contradict laws applicable to the **Insurer**), arising out of any trade and economic sanctions laws or regulations which are applicable to it.

The construction and enforcement of the provisions of this **Policy** shall be determined in accordance with and governed by the law of Australia. Except as provided for in Section 10. (Allocation), any disputes relating to the construction and enforcement of the provisions of this **Policy** shall be submitted to the exclusive jurisdiction of the Australian courts.

4. Bilateral Extended Reporting Period

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

- a. upon payment of the additional premium shown in Item 5.(a) of the Declarations, to an Extended Reporting Period of three hundred and sixty-five (365) days from the expiry date of the **Policy Period** within which to report any **Claims** first made during such three hundred and sixty-five (365) day period; or
- b. if the three hundred and sixty-five (365) day Extended Reporting Period is not purchased, to an Extended Reporting Period of ninety (90) days within which to report any **Claims** that are first made during such ninety (90) day period. There is no additional premium payable for such ninety (90) day Extended Reporting Period,

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

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

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

If the three hundred and sixty-five (365) day Extended Reporting Period is purchased then the entire premium shown in Item 5.(a) of the Declarations shall be deemed fully earned at the inception of such Extended Reporting Period.

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

5. Limit of Liability

- a. Solely with respect to all **Liability Coverage Sections**:
 - i. The **Insurer's** maximum liability for all **Loss** under the applicable **Liability Coverage Section** on account of any **Claim** first made during the

same **Policy Period** shall be the Limit of Liability shown in the Schedule of the applicable **Liability Coverage Section**. If a **Loss** is covered under more than one **Liability Coverage Section**, then the Limit of Liability for all **Loss** shown in the Schedule of the applicable **Liability Coverage Section** shall apply to such **Loss**, subject to paragraph (ii) below.

- ii. If the Combined Maximum Aggregate Limit of Liability for the **Liability Coverage Sections** shown in Item 3. of the Declarations is elected, the **Insurer's** maximum liability for all **Loss** under all **Liability Coverage Sections** on account of all **Claims** first made during the same **Policy Period**, whether covered under one or more **Liability Coverage Sections**, shall be the Combined Maximum Aggregate Limit of Liability for each **Policy Period** shown in Item 3. of the Declarations.
 - iii. If the Combined Maximum Aggregate Limit of Liability for the **Liability Coverage Sections** shown in Item 3. of the Declarations is not elected, the **Insurer's** maximum liability for all **Loss** under each **Liability Coverage Section** on account of all **Claims** first made during the same **Policy Period**, whether covered under one or more **Liability Coverage Sections**, shall be the Limit of Liability shown in the Schedule of each applicable **Liability Coverage Section**.
 - iv. **Defence Costs** are part of and not in addition to the applicable maximum Limit of Liability as shown in the Schedule of each applicable **Liability Coverage Section**; the payment by the **Insurer** of **Defence Costs** erodes such Limits of Liability.
 - v. All **Related Claims** shall be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with Section 7. (Reporting), paragraphs (a)(ii) and (a)(iii), regardless of whether such date is before or during the **Policy Period**.
 - vi. All **Related Claims** arising from **Loss** as defined in the Statutory **Liability Coverage Section** and **Regulatory Fines** as shown in Item 2.(ii) of the **Cyber Coverage Section**, shall reduce the Limit of Liability shown in Item 1. of the Schedule of the Statutory **Liability Coverage Section**.
- b. Solely with respect to each **Non-Liability Coverage Section**: the **Insurer's** maximum liability shall be the respective Limits of Liability shown in the Schedule of each applicable **Non-Liability Coverage Section**.

6. Deductible Amount

The **Insurer's** liability under this **Policy** shall apply only to that part of each **Loss** or **Coverage Event** which is in excess of the applicable Deductible Amount shown in the Schedule of each applicable **Liability Coverage Section** or **Non-Liability Coverage Section** and such Deductible Amount shall be borne by the **Insureds** uninsured and at their own risk.

If a single **Loss** is covered by more than one **Coverage Section** and if more than one Deductible Amount applies to such **Loss**, the applicable Deductible Amounts shall be applied separately to each **Loss** but the sum of such Deductible Amounts shall not exceed the largest applicable Deductible Amount.

7. Reporting

- a. Solely with respect to any **Liability Coverage Section**:
 - i. The **Insureds** shall give to the **Insurer** written notice of any **Claim** as soon as practicable and, in any event, no later than the expiration of any Extended Reporting Period, if granted by the **Insurer**.
 - ii. If during the **Policy Period**, or any applicable Extended Reporting Period, if granted, an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the **Insurer**, then any **Claim** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period** or Extended Reporting Period in which the circumstances were first reported to the **Insurer**.
 - iii. Each **Insured** shall give to the **Insurer** such information and co-operation as it may reasonably require, including but not limited to a description of the **Claim**, **Potential Employment Claim** or potential **Third Party Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential loss, the names of actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim** or circumstances.
 - iv. Solely with respect to **Crisis Expenses**, the **Insured** shall give to the **Insurer** 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 **Insurer** 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 **Insurer's** ordinary course of business.
- b. Solely with respect to the Employment Practices **Liability Coverage Section**: if during the **Policy Period** any **Insured**:
 - i. 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 **Insurer** as soon as practicable during the **Policy Period**; and

- ii. 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 Period** in which the written notice was first given by an **Insured** to the **Insurer**.

- c. Solely with respect to any **Non-Liability Coverage Section**: reporting of a **Coverage Event** shall be in accordance with the applicable **Discovery** and **Notice - Proof of Loss** sections of each **Non-Liability Coverage Section**.

8. Notice

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

All notices to the **Insurer** 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

Email: aus.financiallinesclaims@chubb.com

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

9. Defence

- a. Solely with respect to any **Liability Coverage Section**:
 - i. The **Insurer** shall have the right and duty to defend any **Claim** covered by this **Policy**. The **Insurer's** duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability or it is determined that coverage is not available under the applicable **Liability Coverage Section**.
 - ii. An **Insured** shall have the right to associate with the **Insurer** in the defence of any **Claim**, including but not limited to negotiating a

settlement, subject to the provisions of this section.

- iii. The **Insurer** 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 **Insurer's** recommendation, then the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Insurer** could have settled such **Claim** plus **costs**, charges and expenses accrued as of the date such settlement was proposed in writing by the **Insurer** to such **Insured**.
 - iv. Each **Insured** agrees not to settle, or convey any offer of settlement to any claimant with regard to, any **Claim**, incur any **Defence Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Insurer's** prior written consent, which shall not be unreasonably withheld. The **Insurer** shall not be liable for any **Defence Costs**, any other element of **Loss** incurred, any obligation assumed or any admission made by any **Insured** without the **Insurer's** prior written consent, which shall not be unreasonably withheld. A **Pre-Investigation** shall not constitute an admission of liability.
 - v. The **Insurer** will have no obligation to pay **Loss**, including **Defence Costs**, or to defend or continue to defend any **Claim** after the applicable Limit of Liability with respect to such **Claim** has been exhausted by the payment of **Loss** or it is determined that coverage is not available under the applicable **Liability Coverage Section**. If the Limit of Liability is exhausted by the payment of **Loss** prior to the expiration of this **Policy**, then the **Policy** premium will be deemed fully earned.
- b. With respect to all **Coverage Sections**:
 - i. Each **Insured** agrees to provide the **Insurer** with all information, assistance and co-operation which the **Insurer** reasonably requires including, without limitation, for the purposes of any investigation the **Insurer** makes, in its absolute discretion.
 - ii. Each **Insured** agrees that such **Insured** will do nothing that may prejudice the **Insurer's** position or its potential or actual rights of recovery.

10. Allocation

In the event of:

- i. a **Claim** against an **Insured** which is not wholly covered by this **Policy**; and/or

- ii. a **Claim** against an **Insured** being also made against any party who is not an **Insured**,

the **Insurer** and the **Insured** shall then use their best endeavours to determine a reasonable allocation of **Loss** that is covered under this **Policy** and loss that is not covered on the basis of the relative legal and financial exposures.

In the event of a dispute as to allocation under (a) and (b) above, the **Insurer** and the **Insured** shall within twenty-eight (28) days (or such other period as may be agreed) submit such dispute to a single Queen's Counsel or Senior Counsel with at least ten (10) years' experience of the insurance industry to be agreed by the parties, or in default of agreement nominated by the President of the Law Society of New South Wales for a binding written neutral evaluation, based on a single written submission by each party and such other information as the Queen's Counsel or Senior Counsel shall require, in order to achieve an expeditious and cost effective resolution.

In the event of a dispute between the **Insurer** and any **Insured** as to whether or not cover is permissible or matters are insurable under applicable law, all reasonable fees costs and expenses incurred by an **Insured**, with the **Insurer's** prior consent, which shall not be unreasonably withheld, in determining such cover is permissible or matters are insurable, shall be reimbursed by the **Insurer**.

11. Acquisition or Creation of Another Organisation

- a. 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 **Insureds** in relation thereto shall be **Insureds** under this **Policy**:

- A. solely for **Wrongful Acts** occurring after the effective date of such acquisition or creation, with respect to all **Liability Coverage Sections**; or
- B. solely for loss sustained after the effective date of such acquisition or creation, with respect to all **Non-Liability Coverage Sections**.

- b. However, if such acquired or created organisation:

- i. 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** and, in the case of such acquisition, the acquired organisation; or

- ii. is located, incorporated, domiciled or operates in, or has securities listed on any exchange in the **U.S.A.**,

then the **Company** shall give written notice of such acquisition or creation to the **Insurer** 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 **Insurer** may require. If the **Company** 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 **Insurer** shall have the right to amend the terms of this **Policy** including charging an additional premium.

- c. The **Insurer** may agree, after presentation of a complete **Proposal**, to provide cover for **Wrongful Acts** occurring or loss sustained prior to such acquisition or creation and shall have the right to amend the terms of this **Policy** including charging an additional premium.

12. Cessation of Subsidiaries

If any organisation ceases to be a **Subsidiary**, before or after the inception date of this **Policy**, then with respect to any:

- a. **Liability Coverage Section**: coverage under this **Policy** shall continue for such **Subsidiary** and the **Insureds** in relation thereto until termination of this **Policy**, or any renewal thereof, but solely for **Claims** for **Wrongful Acts** occurring prior to the effective date of such cessation; or
- b. **Non-Liability Coverage Section**: such **Subsidiary** and the **Insureds** in relation thereto cease to be **Insureds** as of the effective date of such cessation, and coverage under this **Policy** shall apply as provided in such **Non-Liability Coverage Section**.

13. Conversion of Coverage

If, during the **Policy Period**, an **Event** occurs, then coverage under this **Policy** shall, with respect to:

- a. any **Liability Coverage Section**: continue until the expiration of this **Policy**, but only with respect to **Claims** for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to such **Event**; and
- b. the **Non-Liability Coverage Sections**: terminate.

Where the **Organisation's** board of directors at the time of the **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.

The **Company** shall give written notice of such **Event** to the **Insurer** 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 **Insurer** may require. Upon receipt of such notice and information and at the request of the **Company**, the **Insurer** will provide to the **Company** 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 and conditions and limitation of coverage and the payment of such additional premium as the **Insurer**, 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 **Insurer** within thirty (30) days following the acceptance by the **Company** of a quotation by the **Insurer**.

Any extension of cover purchased by the **Company** pursuant to this section shall commence at the expiration of the cover provided for in (a) above.

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

14. Non-Avoidance

With respect to the **Liability Coverage Section** only, 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 the relevant **Coverage Section**.

The **Insurer** shall not avoid the relevant **Coverage Section** with respect to any **Insured**.

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

- a. by an **Insured Person**; or
- b. with respect to any **Claim** under Insuring Clause 1.4 (**Organisation Liability Coverage**) of the **Directors** and **Officers Liability Coverage Section** or any of the other **Liability Coverage Sections**, by any chairman, managing director, chief executive officer, chief operating officer, chief financial officer, or the holder of any equivalent position in any jurisdiction of an **Organisation**,

then the **Insurer** 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 attributable to the fraudulent misrepresentation or fraudulent non-disclosure.

In the event of misrepresentation or non-disclosure, other than fraudulent misrepresentation or non-disclosure, the **Insurer**

waives all rights available to it pursuant to section 28(3) of the Insurance Contracts Act 1984 (Cth), as amended.

15. Valuation and Foreign Currency

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

16. Subrogation

In the event of any payment under this **Policy**, the **Insurer** 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 **Insurer** effectively to bring suit in the name of such **Insured**.

17. Recoveries

Solely with respect to all **Non-Liability Coverage Sections**: recoveries with respect to any loss, whether effected by the **Insurer**, the **Company** or any **Organisation**, less the cost of recovery, shall be distributed as follows:

- a. first, to the **Company** for the amount of such loss, otherwise covered, in excess of the Limit of Liability;
- b. second, to the **Insurer** for the amount of such loss paid to the **Company** as covered loss;
- c. third, to the **Company** for the Deductible Amount applicable to such **loss**; and
- d. fourth, to the **Company** for the amount of such loss excluded under this **Coverage Section**.

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

18. Authorisation

By acceptance of this **Policy**, the **Company** agrees to be the sole agent of and act on behalf of each **Insured** with respect to the giving and receiving of notice of **Claim** or termination, the payment of premiums and the receiving of any return premiums that may become due under this **Policy**, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this **Policy** (except the giving of notice to apply for the Extended Reporting Period), the adjustment of loss amounts and the receipt of payment of loss. The **Company** agrees that it shall be responsible for the application of any such payment as provided in this **Policy**. Each **Insured** agrees that the **Company**

shall act on their behalf with respect to all such matters.

19. Alteration and Assignment

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

20. Termination of Policy

This **Policy** shall terminate at the earliest of the following times:

- a. thirty (30) days after the receipt by the **Company** of a written notice of termination from the **Insurer** 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 prior written notice or, if a later time is specified in such notice, at such later time;
- b. upon the receipt by the **Insurer** of written notice of termination from the **Company**. However, this **Policy** may not be terminated by the **Company** after the effective date of any event described in Section 13. (Conversion of Coverage);
- c. upon expiration of the **Policy Period** shown in Item 2. of the Declarations; or
- d. at such other time as may be agreed upon in writing by the **Insurer** and the **Company**.

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

21. Bankruptcy

The bankruptcy, winding up, receivership or insolvency of an **Insured** or the estate of an **Insured** shall not relieve the **Insurer** of its obligations nor deprive the **Insurer** of its rights under this **Policy**.

22. Policy Construction

In this **Policy**:

- a. the title and any headings or sub-headings are solely for convenience and form no part of the terms and conditions of coverage;
- 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. references to a section refer to a section in the

General Terms and Conditions or the relevant **Coverage Section**, and references to a Schedule refers to the Schedule of the relevant **Coverage Section**;

- d. the singular includes the plural and the plural includes the singular, unless otherwise indicated;
- e. a reference to this **Policy** includes these General Terms and Conditions and each **Coverage Section** unless otherwise indicated; and
- f. a reference to one gender includes the other gender.

23. Other Insurance

To the extent that any **Loss** is insured under:

- a. those policies listed in the **Proposal**; or
- b. any other policy,

then to the extent to which it is permitted by the Insurance Contracts Act 1984 (Cth), as amended, coverage is only provided under this **Policy** subject to its terms and conditions for such **Loss** excess of the coverage provided by any of the policies referred to in (a) or (b) above. The **Insured** agrees to provide the **Insurer** all details of any excess policies effected once they become known to them.

If the **Insurer** 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 this **Policy**, the Limit of Liability for this **Policy** with respect to such **Claim** shall be reduced by the amount of such payment.

The **Insurer's** liability under the Kidnap, Ransom and Extortion **Coverage Section** for any loss of personal assets covered under Section 4.4 (Personal Assets) of that **Coverage 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 **Insurer** or any of its subsidiaries or affiliated companies.

24. Conformance with Local Laws

The provisions of this **Policy** shall be read subject to any laws governing the construction of this **Policy**. If any provision of this **Policy** is 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; and
- 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.

25. G.S.T - Basis of Settlement

If any **Insured** is entitled to an input tax credit for the premium paid in consideration of the **Insurer's** issuance of this **Policy**, then such **Insured** must inform the **Insurer** of the extent of

that entitlement at or before the time a **Claim** is made under this **Policy**. The **Insurer** shall not be liable for **Loss** based upon, arising from, or attributable to any **Insured's** misstatement of, or failure to inform the **Insurer** of, the extent of its entitlement to an input tax credit for the premium.

The Deductible Amount 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 Amount.

26. Confidentiality

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

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

27. Continuity of Cover

Solely with respect to any **Liability Coverage Section**, notwithstanding the Pending or Prior Litigation Exclusion found in each **Liability Coverage Section**, coverage is provided for **Claims** or circumstances which could or should have been notified under any policy or coverage section of which this **Policy** is a renewal or replacement or which it may succeed in time provided always that:

- a. the **Claim** or circumstance could and should have been notified after the Pending or Prior Litigation Dates shown in the Schedule of the relevant **Coverage Section**;
- b. the **Insurer** has continued to be the insurer under such previous policy or coverage section without interruption; and
- c. the cover provided by this section 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.

FOREFRONT PORTFOLIO INSURANCE POLICY - DIRECTORS AND OFFICERS LIABILITY COVERAGE
SECTION SCHEDULE

No	Title	Description
Item 1.	Limit of Liability for this Coverage Section Sub-limit of Liability	(a) Each Loss \$<Limit EL> (b) Each Policy Period \$<Limit EPP> Fines and Penalties (c) Each Loss \$<F&P EL Lim> (d) Each Policy Period \$<F&P EPP Lim> Occupational Health and Safety Corporate Manslaughter Costs or Expenses (e) Each Loss \$<OHS EL Lim> (f) Each Policy Period \$<OHS EPP Lim> Pollution Defence Costs (g) Each Loss \$<PDC EL Lim> (h) Each Policy Period \$<PDC EPP Lim> Crisis Expenses (i) Each Loss \$<CE EL Lim> (j) Each Policy Period \$<CE EPP Lim> Prosecution and Reputation Protection Costs (k) Each Loss \$<PRPC EL Lim> (l) Each Policy Period \$<PRPC EPP Lim> Insured Person’s Tax Liability and/or Superannuation Liability (m) Each Loss \$<IPTL EL Lim> (n) Each Policy Period \$<IPTL EPP Lim> Tax Investigation and Audit Expenses (o) Each Loss \$<TIAE EL Lim> (p) Each Policy Period \$<TIAE EPP Lim> Attendance Compensation (q) Each Loss \$<AC EL Lim> (r) Each Policy Period \$<AC EPP Lim> Pre-Investigation Costs (s) Each Loss \$<PI EL Lim> (t) Each Policy Period \$<PI EPP Lim> Deprivation of Assets Expenses (u) Each Loss \$<DAE EL Lim> (v) Each Policy Period \$<DAE EPP Lim> Pension Administration Liability (w) Each Loss \$<PAL EL Lim> (x) Each Policy Period \$<PAL EPP Lim> Dedicated Additional Limit of Liability for Directors or Officers \$<DAL>

No	Title	Description
Item 2.	Deductible Amount	(a) D&O Liability Coverage \$<DA DO> (b) Organisation Reimbursement Coverage \$<DA OR> (c) Legal Representation Expenses \$<DA LRE> (d) Organisation Liability Coverage \$<DA OL>
Item 3.	Pending or Prior Litigation Date	(a) D&O Liability Coverage <PorP DO> (b) Organisation Reimbursement Coverage <PorP OR> (c) Legal Representation Expenses <PorP LRE> (d) Organisation Liability Coverage <PorP OL>
Item 4.	Endorsement(s) Effective at Inception	<Number of D&O Endorsements>

**FOREFRONT PORTFOLIO INSURANCE POLICY - DIRECTORS AND OFFICERS LIABILITY COVERAGE
SECTION ENDORSEMENT(S)**

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - DIRECTORS AND OFFICERS LIABILITY COVERAGE SECTION WORDING

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

1. Insuring Clauses

1.1. D&O Liability Coverage

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

1.2. Organisation Reimbursement Coverage

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

1.3. Legal Representation Expenses

The **Insurer** shall pay, on behalf of each **Insured Person**, **Legal Representation Expenses** on account of any **Formal Investigation** identifying such **Insured Person** in writing and notified to such **Insured Person** or the **Organisation** during the **Policy Period**, or, if exercised, during the Extended Reporting Period.

1.4. Organisation Liability Coverage

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

2. Extensions

2.1. Advancement of Costs and Expenses

The **Insurer** shall, prior to the final disposition of any **D&O Claim** or **Organisation 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 **Insurer** 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**.

2.2. Fines and Penalties

Coverage shall extend to **Fines** and **Penalties** up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule on account of any **D&O Claim**. The **Insurer's** maximum liability under this Extension shall not exceed the Sub-limit of Liability shown in Item 1. of the Schedule.

2.3. Outside Directorship

Coverage shall extend to any **D&O Claim** on account of an **Outside Directorship**.

Coverage for any **Outside Entity** 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**; or
- 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 **Company** agrees to provide the **Insurer** with all details of any policies for the **Outside Entity** once they become known to them.

If an **Organisation** is permitted or required by law to indemnify, or not prevented by law from indemnifying an **Insured Person** for **Loss** on account of a **D&O Claim** made against an **Insured Person** who serves in an **Outside Directorship** but fails or refuses, other than for reason of **Financial Impairment**, to so indemnify such **Insured Person** then the **Insurer** shall pay such **Loss** on behalf of such **Insured Person** subject to all the Exclusions of this **Coverage Section**. In such event the applicable Deductible Amount shown in Item 2. of the Schedule shall be paid by the **Organisation** to the **Insurer**. No Deductible Amount shall apply in the event of **Financial Impairment**.

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 **Insurer** 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 any **D&O Claim** made against an **Insured Person** due to an **Outside Directorship** is insured under any other policy issued by the **Insurer**, its parent, a subsidiary or affiliate, then payment under such policy on account of an **D&O Claim** also covered under this **Coverage Section** shall reduce by the amount of the payment, the **Insurer's** Limit of Liability under this **Policy** with respect to such **D&O Claim**.

For the avoidance of doubt and subject to the other terms and conditions of this **Policy**, coverage under Insuring Clause 1.3 (**Legal Representation Expenses**), is extended to cover **Loss** on account of a **D&O Claim** arising out of an **Outside Directorship**.

2.4. Occupational Health and Safety Corporate Manslaughter Costs or Expenses

Notwithstanding Exclusion 4.A.3 (**Bodily Injury/Property Damage**), coverage shall extend to **Defence Costs, Prosecution and Reputation Protection Costs or Crisis Expenses** on account of any **D&O Claim**, any **Organisation Claim** or **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. The **Insurer's** maximum liability under this Extension shall not exceed the Sub-limit of Liability shown in Item 1. of the Schedule.

2.5. Pollution Defence Costs

Notwithstanding Exclusion 4.A.6 (**Pollution**), coverage shall extend to **Defence Costs** on account of any **D&O Claim** in respect of **Pollution** up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule, provided such **D&O Claim** is brought and maintained entirely outside the **U.S.A.**

2.6. Retired Directors or Officers

If this **Coverage Section** is terminated or not renewed by either the **Insurer** or the **Company** 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 **D&O Claim** that is first made during such eighty-four (84) month period but only to the extent such **D&O Claim** is for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to the effective date of termination or non-renewal. Any **D&O Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Period**. There is no additional premium payable for such Extended Reporting Period in respect of any **Retired Directors** or **Officers**.

2.7. Dedicated Additional Limit of Liability for Directors or Officers

Notwithstanding anything to the contrary in Section 5. (Limit of Liability), of the General Terms and Conditions (but otherwise subject to all applicable terms and conditions), the **Insurer** shall pay under this Extension only, on behalf of any **Director** or **Officer**, **Loss** for which such **Director** or **Officer** is not indemnified by an **Organisation**, on account of any **D&O Claim** first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring and **Formal Investigation** into conduct occurring before or during the **Policy Period**.

The **Insurer's** maximum liability under this Extension shall not exceed the Sub-limit of Liability shown in Item 1. of the Schedule, inclusive of all **Loss** in respect of all **D&O Claims** against all **Directors** or **Officers**. The Sub-limit of Liability shown in Item 1. of the Schedule is in addition to and does not reduce the Limit of Liability shown in Item 1. of the Schedule.

The Dedicated Additional Limit of Liability for **Directors** or **Officers** shall be excess of the Limit of Liability for this **Coverage Section** shown in Item 1. of the Schedule and excess of any insurance available that is specifically excess of this **Coverage Section**. The Limit of Liability for this **Coverage Section** and any excess insurance must be completely exhausted by payment of loss, damages or defence **costs** there under before the **Insurer** shall have any obligation to make payment on account of the Dedicated Additional Limit of Liability for **Directors** or **Officers**. The **Insured** agrees to provide the **Insurer** all details of any excess policies effected once they become known to them and the **Insurer** will endorse the policy accordingly. No Deductible Amount applies to this Extension.

2.8. Emergency Costs and Expenses

If, because of an emergency, the **Insurer's** prior written consent, which shall not be unreasonably withheld, to any **Defence Costs, Legal Representation Expenses, Prosecution and Reputation Protection Costs or Crisis Expenses** cannot be requested, can be incurred without that consent for a period of thirty (30) days immediately following the date on which the **D&O Claim** was first made or the event for which **Crisis Expenses** may be incurred.

2.9. Crisis Expenses

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

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

2.10. Prosecution and Reputation Protection Costs

Coverage shall extend to **Prosecution and Reputation Protection Costs** up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule. No Deductible Amount applies to this Extension.

2.11. Insured Person's Tax Liability and/or Superannuation Liability

Coverage shall extend to **Tax Liability** and/or **Superannuation Liability** for which the **Insured Person** is not **Indemnifiable** by an **Organisation** on account of any **D&O Claim** up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule.

2.12. Tax Investigation and Audit Expenses

Coverage shall extend to **Tax Investigation** and **Audit Expenses** on account of any **Organisation Claim** first made during the **Policy Period** up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule.

2.13. 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 Period**, up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule.

2.14. Pre-Investigation Costs

Coverage shall extend to the reasonable fees, costs and expenses of an **Insured Person** (but not including any remuneration, cost of their time or costs or overheads of any **Organisation**) incurred directly with respect to:

- a. any **Pre-Investigation**; and
- b. preparing any written notice or reports to any official body in connection with any **Pre-Investigation**,

up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule.

2.15. Deprivation of Assets Expenses

Coverage shall extend to **Deprivation of Assets Expenses** incurred on account of any **D&O Claim** or **Formal Investigation** first made during the **Policy Period**. The **Insurer's** maximum liability under this Extension shall not exceed the Sub-limit of Liability shown in Item 1. of the Schedule, irrespective of the number of claims under this **Policy**, the amount claimed or the number of **Insureds** who claim.

2.16. Pension Administration Liability

Coverage shall extend to **Pension Administration Liability** on account of any **Organisation Claim** first made during the **Policy Period** up to the amount of the Sub-limit of Liability shown in Item 1. of the Schedule.

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**:

3.1. **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 **Insurer** shall only be liable for the **attendance** of one observer for all **Organisations** per day,

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

3.2. **Attendance Compensation** means the amount which the **Insurer** pays on behalf of an **Organisation** as shown in Item 1. of the Schedule.

3.3. **Claim** means for purposes of coverage under:

- a. Insuring Clause 1.1 (D&O Liability Coverage) and 1.2 (**Company Reimbursement Coverage**): any **D&O Claim**;
- b. Insuring Clause 1.3 (**Legal Representation Expenses**): any **Formal Investigation**; and
- c. Insuring Clause 1.4 (**Organisation Liability Coverage**): any **Organisation Claim**.

3.4. **Crisis Expenses** means reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries or fees of **Insured Persons** or office overheads, travel **costs** unrelated to a **Claim** or other administration costs) incurred by an **Organisation**, with the **Insurer'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, chief financial officer, 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.

3.5. **D&O Claim** means, with respect to Insuring Clause 1.1 (D&O Liability Coverage) and 1.2 (Company Reimbursement Coverage) only:

- a. a written demand for monetary damages, non-pecuniary relief or any request to waive or suspend a statute of limitations;
- 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;
- f. an investigative order or similar document,

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

- g. an **Extradition** proceeding.

3.6. **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 or fees of **Insured Persons** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred with the **Insurer'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 any effort to obtain the **Extradition** of such **Insured Person**; or appealing any order or other grant of **Extradition** of such **Insured Person**.

3.7. **Deprivation of Assets Expenses** means the payment directly to the provider of the following services in the event of an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of an **Insured Person** or creating a charge over real property or personal assets of the **Insured Person** during the **Policy Period**:

- a. schooling; or
- b. housing; or
- c. utilities; or
- d. personal insurances.

Such expenses will only be payable after the exhaustion of any personal allowance directed by a court to meet such payments. Such expenses will be payable after thirty (30) days following the event above, and only for a period of up to twelve (12) months.

3.8. **Employment Matter** means a **D&O Claim** for any actual or alleged 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; sexual 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.

3.9. **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 a criminal accusation.

3.10. **Fines and Penalties** means fines and penalties which are civil, strict or administrative and which are insurable in the jurisdiction in which the **Claim** giving rise to them is determined. **Fines and Penalties** do not include any **Tax Liability** and/or **Superannuation Liability**.

3.11. **Formal Investigation** means a formal investigation, examination or inquiry of an **Organisation**, an **Outside Entity** or **Insured Person** by an 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 their **Insured Capacity**. For the sole purpose of giving effect to the terms of this **Policy** where the context requires, and subject always to their specific terms of cover. **Formal Investigation** shall also include a **Pre-Investigation**. **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**.

3.12. **Fund** means any single employer superannuation or similar fund established for the benefit of any **Insured Person**. **Fund** does not include any industry or master superannuation funds.

3.13. **Indemnifiable** means not prevented:

- a. by law or **Financial Impairment**; or
- b. by an **Organisation's** constitution, memorandum or articles of association, by laws, shareholder resolutions or board or other governing body resolutions, from being indemnified or reimbursed by an **Organisation**.

3.14. **Insured** means:

- a. with respect to any **Organisation Claim** or **Tax Audit Notice**: an **Organisation**; and
- b. with respect to any other **Claim**: an **Organisation** and/or any **Insured Person**.

- 3.15. **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 the **Organisation**, even if such **Organisation** directed or requested the **Insured Person** to serve in such other position or capacity, other than an **Outside Directorship**.
- 3.16. **Insured Person** means any natural person who was, now is or shall be:
- a. a **Director** or **Officer** of an **Organisation**;
 - b. a full time, part-time, temporary, casual or seasonal employee or any volunteer of an **Organisation**;
 - c. a trustee of an **Organisation**;
 - d. a **Director** of a corporate trustee or policy committee member of any superannuation fund established for the benefit of employees of an **Organisation**; or
 - e. a member of a committee established by or approved by the board of directors of an **Organisation** whether under statute or otherwise (provided that such **Organisation** grants indemnification to such person).

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

- 3.17. **Legal Representation Expenses** means reasonable **Defence Costs** which an **Insured Person** incurs on account of the attendance and/or provision of documents or information by such **Insured Person** in an **Insured Capacity** at or to any **Formal Investigation** or on account of the preparation of such attendance or provision, which attendance and/or provision is required by the body instituting the **Formal Investigation**.
- 3.18. **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 settlements to which the **Insurer** has consented;
 - f. awards of claimant's costs;
 - g. pre-judgment and post-judgment interest;
 - h. punitive, exemplary, multiplied or aggravated damages or **Fines** and **Penalties** unless the **Insurer** is legally prohibited from paying such damages, fines or penalties in the jurisdiction in which the **Claim** is determined;
 - i. any amount in a settlement or judgment attributable

to alleged violations of Section 11, 12, and 15 of the **Securities Act** of 1933, as amended, unless the **Insurer** is legally prohibited as a result of a court order from paying such amount in the jurisdiction in which the **Claim** is determined;

- j. **Tax Investigation** and **Audit Expenses**;
- k. **Prosecution** and **Reputation Protection Costs**;
- l. **Crisis Expenses** notwithstanding that there is no allegation of a **Wrongful Act**;
- m. **Attendance Compensation**;
- n. **Pre-Investigation** provided in Extension 2.14 (**Pre-Investigation Costs**);
- o. **Deprivation of Assets Expenses**; and
- p. **Pension Administration Liability**.

Loss does not include:

- i. any amount for which an **Insured Person** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- ii. fines or penalties other than to the extent covered pursuant to paragraph (h) above;
- iii. 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 2.11 (**Insured Person's Tax Liability** and/or **Superannuation Liability**) and paragraph (j) above;
- iv. liquidated damages;
- v. any costs incurred by an **Organisation** to comply with any order for injunctive or other nonpecuniary relief, or to comply with an agreement to provide such relief;
- vi. any amount not covered by this **Coverage Section** because of Section 10. (Allocation) of the General Terms and Conditions; or
- vii. any amount not insurable under the law pursuant to which this **Coverage Section** is construed.

3.19. **Organisation Claim** means:

- a. a written demand for monetary damages, non-pecuniary relief or any request to waive or suspend a statute of limitations;
- 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 **Organisation** for a **Wrongful Act**, including any appeal there from; or
- f. a **Tax Audit Notice**.
- 3.20. **Outside Directorship** means the position of **Director, Officer**, trustee, governor, councillor, 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 the **Organisation**.
- 3.21. **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. 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
 - c. which is not located, incorporated or domiciled or does not operate in the **U.S.A.**; or
 - d. which is not an authorised deposit taking institution, finance company, leasing company, friendly society, life insurance company, general insurance company, reinsurance company, investment company, mutual fund, collective investment scheme, fund manager, investment adviser, responsible entity of a managed investment scheme, trustee company, money market corporation, investment bank or any broker or dealer in securities or commodities, mortgage broker, real estate agent, stock exchange, commodities exchange, futures exchange, custodian, clearing house, registrar, medical benefits association or hospital benefits association or organisations of a similar nature.
- 3.22. **Pension Administration Liability** means an **Organisation Claim** in connection with the operation, administration or sponsorship of any **Fund**.
- 3.23. **Personal Injury Wrongful Act** means any:
- a. false arrest, wrongful detention or imprisonment, malicious prosecution; or
 - b. wrongful entry or eviction or other invasion of the right of privacy.
- 3.24. **Pre-Investigation** means:
- a. a raid or on-site visit to any **Organisation** or **Insured Person** by an official body first occurring during the **Policy Period** that involves the production, review, copying or confiscation of records or interviews of any **Insured Person**; or
 - b. any formal notification by the **Organisation** or an **Insured Person** to any regulator first given during the **Policy Period**, where the **Organisation** reasonably considers that a material breach of the **Organisation's** or **Insured Person's** legal or regulatory duty has occurred or may occur; or
 - c. any internal inquiry conducted by the **Organisation**.
- 3.25. **Prosecution and Reputation Protection Costs** means that part of **Loss** consisting of reasonable legal fees and related professional charges, arising from a **D&O Claim** first made during the **Policy Period** and incurred personally by an **Insured Person** with the prior consent of the **Insurer**, 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 **D&O 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 Period** by any government, 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 any **Insured**.
- 3.26. **Retired Directors or Officers** means a **Director** or **Officer** of the **Organisation** 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**.
- 3.27. **Superannuation Liability** means a **D&O Claim** alleging that an **Insured Person** is personally liable for any unpaid superannuation guarantee charge due from an **Organisation**.
- 3.28. **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.

- 3.29. **Tax Investigation and Audit Expenses** means that part of **Loss** consisting of reasonable **costs**, charges or fees of a **Tax Agent** incurred in investigating any **Tax Audit Notice**.
- 3.30. **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 Audit Notice** does not include:
- a. comprehensive risk reviews or risk management assessments;
 - b. specific risk reviews; or
 - c. pre-lodgement compliance reviews.
- 3.31. **Tax Liability** means a **D&O Claim** alleging that an **Insured Person** is personally liable for the failure to pay tax due from an **Organisation** in connection with the bankruptcy, receivership, administration, winding up, insolvency or liquidation of such **Organisation**.
- 3.32. **Wrongful Act** means any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of warranty of authority or breach of duty or **Personal Injury Wrongful Act** committed, attempted, or allegedly committed or attempted by:
- a. with respect to Insuring Clause 1.1 (D&O Liability Coverage) and 1.2 (**Company** Reimbursement Coverage) only: an **Insured Person**, individually or otherwise, in his **Insured Capacity** or any matter claimed against such **Insured Person** by reason of serving in such **Insured Capacity**; or
 - b. with respect to Insuring Clause 1.4 (**Organisation** Liability Coverage) only: an **Organisation**; or
 - c. with respect to Extension 2.16 (**Pension Administration Liability**) only: an **Insured**.

4. Exclusions

- 4.A. Exclusions Applicable to All Insuring Clauses The **Insurer** shall not be liable for **Loss** in respect of any **Claim**:
- 4.A.1. Prior Notice
- based upon, arising from or attributable to any fact or circumstance if written notice of such 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.
- 4.A.2. Pending or Prior Litigation
- based upon, arising from or attributable to any 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 applicable Pending or Prior Litigation Date shown in Item 3. of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein.

4.A.3. Bodily Injury/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. This Exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in an **Employment Matter** or a **Claim** alleging a **Personal Injury Wrongful Act**.

4.A.4. Professional Services

for any actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect, or breach of duty committed, attempted or allegedly committed or attempted in the rendering of, or actual or alleged failure to render any professional services to a third party.

4.A.5. Securities

based upon, arising from or attributable to any public or private offering of securities including the public or private solicitation, sale, distribution or issuance of such securities, whether or not a disclosure document has been issued, unless the **Insurer** grants its prior written consent to extend cover for such disclosure document.

4.A.6. Pollution

based upon, arising from or attributable to **Pollution**.

4.A.7. Financial

Impairment based upon, arising from or attributable to **Financial Impairment**.

4.A.8. ERISA

based upon, arising from or attributable to any actual or alleged violation of the responsibilities, obligations or duties imposed by the **Employee** Retirement Income Security Act, 1974 (USA) and amendments thereto.

- 4.B. Exclusions Applicable to Insuring Clause 1.1 (D&O Liability Coverage), 1.2 (**Organisation** Reimbursement Coverage) and 1.3 (**Legal Representation Expenses**) Only

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

4.B.1. Conduct of Insured Person

based upon, arising from or attributable to any:

- a. 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 such **Insured Person**; or
- b. conduct or contravention in respect of which a 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.

This Exclusion shall not apply, including for the avoidance of doubt, to the **Insurer's** obligation to advance costs and expenses under Extension 2.1 (Advancement of **Costs** and **Expenses**), until a final 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 **Insurer**.

4.C. Exclusions Applicable to Insuring Clause 1.4 (**Organisation** Liability Coverage) Only

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

4.C.1. Contractual Liability

based upon, arising from or attributable to any written, oral, express or implied contract or agreement.

4.C.2. Assumed Liability

for liability of others assumed by any **Insured** under any written, oral, express or implied contract or agreement except liability that would have attached to such **Insured** in the absence of such contract.

4.C.3. Employment Practices

based upon, arising from or attributable to, directly or indirectly resulting from the employment relationship or the nature, terms or conditions of employment.

4.C.4. Third Party Discrimination

based upon, arising from or attributable to any actual or alleged unlawful discrimination or unlawful harassment of any third party.

4.C.5. Defamation

based upon, arising from or attributable to any libel, slander, oral or written publication of defamatory or disparaging material.

4.C.6. Trade Practices

based upon, arising from or attributable to the 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, restraint of trade, restrictive trade practices or which protects competition.

4.C.7. Copyright

based upon, arising from, or attributable to any actual or alleged assertion or infringement of copyright, patent, service mark, trade name, design right or trademark, whether registrable or not, or misappropriation of ideas or trade secrets or know how or any assertion or infringement of any intellectual property.

4.C.8. Conduct of Organisation

based upon, arising from or attributable to:

a. any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or bylaw anywhere in the world or duty imposed by any such law, regulation or by-law by an **Organisation**; or

b. an **Organisation** having gained any profit,

remuneration or advantage to which such **Organisation** was not legally entitled.

This Exclusion shall not apply including, for the avoidance of doubt, to the **Insurer's** obligation to advance costs and expenses under Extension 2.1 (Advancement of **Costs** and **Expenses**), until a final adjudication in any proceedings establishes such a deliberately fraudulent act or omission, wilful violation or breach, personal profit, remuneration or advantage. The term 'proceeding' shall not include any declaratory proceeding brought by or against the **Insurer**.

4.C.9. Trading Debts

based upon, arising from or attributable to any trading or business debt incurred by an **Organisation**.

4.C.10. Organisation 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 **Defence Costs**.

4.C.11. Fines and Penalties

based upon, arising from or attributable to any fines or penalties assessed or levied against or imposed on an **Organisation**.

4.C.12. Products Liability

based upon, arising from or attributable to any goods manufactured, distributed, supplied, installed, treated, assembled or processed by or on behalf of the **Organisation**.

4.D. Exclusions Applicable to Extension 2.12 (**Tax Investigation** and **Audit Expenses**) Only

The **Insurer** shall not be liable for **Loss** in respect of any **Tax Investigation** and **Audit Expenses**:

4.D.1. Delay, Refusal or Failure to Comply

based upon, arising from, or attributable to 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**.

4.D.2. Prior Inquiries

based upon, arising from, or attributable to inquiries from the Australian Taxation Office or any state or territory government tax collection authority related to an identified intention to conduct an audit or likely future audit.

4.D.3. Income Earned or Services Outside Australia

based upon, arising from, or attributable to 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 residing outside Australia.

4.D.4. Customs

based upon, arising from or attributable to any matters arising under customs legislation.

4.D.5. Prior Notice

based upon, arising from or attributable to 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 Period**.

4.D.6. Conduct of Organisation

based upon, arising from, or attributable to any fraudulent act or omission or fraudulent misrepresentation committed by or on behalf of an **Organisation**.

4.D.7. Criminal Prosecution

based upon, arising from, or attributable to 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.

4.D.8. Non-Tax Agent Returns

based upon, arising from or attributable to 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.

4.D.9. Post Audit Costs

for a **Tax Audit Notice** incurred after the audit or investigation has been completed.

5. Conditions

5.1. Severability - Imputation of Knowledge

Other than with respect to Section 4. (Exclusions), C. (Exclusions Applicable to Insuring Clause 1.4 (**Organisation** Liability Coverage) Only), in order to determine if coverage is available, no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**.

With respect to the Section 4. (Exclusions), C. (Exclusions Applicable to Insuring Clause 1.4 (**Organisation** Liability Coverage) Only), in order to determine if coverage is available, only facts pertaining to and knowledge possessed by any chief executive officer, chief operating officer, chief financial officer or the holder of any equivalent position in any jurisdiction of an **Organisation** shall be imputed to such **Organisation**.

5.2. Presumptive Indemnification

If an **Organisation** is permitted or required by law to indemnify, or not prevented by law from indemnifying an **Insured Person** for **Loss** but fails or refuses, other than for reason of **Financial Impairment**, to so indemnify an **Insured Person** then the **Insurer** shall pay such **Loss** on behalf of such **Insured Person**

subject to all the Exclusions of this **Coverage Section**. In such event the applicable Deductible Amount shown in Item 2. of the Schedule shall be paid by the **Organisation** to the **Insurer**. No Deductible Amount shall apply in the event of **Financial Impairment**. This section does not apply to **Loss** arising out of an **Outside Directorship**.

5.3. Priority of Payments

- a. In the event payment of **Loss** is due under this **Coverage Section** but the amount of such **Loss** in the aggregate exceeds the remaining available Limit of Liability for this **Coverage Section**, the **Insurer** shall:
 - i. first pay such **Loss** for which coverage is provided under Insuring Clause 1.1 (D&O Liability Coverage) or Insuring Clause 1.3 (**Legal Representation Expenses**) of this **Coverage Section**; then
 - ii. to the extent of any remaining amount of the Limit of Liability available after payment under (a) above, pay such **Loss** for which coverage is provided under any other Insuring Clause of this **Coverage Section**.
- b. Except as otherwise provided in this section, the **Insurer** 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**.

5.4. Co-ordination of Coverage

Any **Loss** covered under both this **Coverage Section** and the Employment Practices **Liability Coverage Section**, if purchased, shall be first covered under the Employment Practices **Liability Coverage Section**, subject to the terms, conditions and limitations therein. Any remaining portion of such **Loss** otherwise covered under this **Coverage Section** which is not paid under the Employment Practices **Liability Coverage Section** shall be covered under this **Coverage Section**, subject to its terms, conditions and limitations.

FOREFRONT PORTFOLIO INSURANCE POLICY - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION SCHEDULE

No	Title	Description
Item 1.	Limit of Liability for this Coverage Section	(a) Employment Practices Liability Coverage \$<Lim EPL> (b) Third Party Liability Coverage \$<Lim TL>
Item 2.	Deductible Amount	(a) Employment Practices Liability Coverage \$<DA EPL> (b) Third Party Liability Coverage \$<DA TPL>
Item 3.	Pending or Prior Litigation Date	(a) Employment Practices Liability Coverage <PorP EPL> (b) Third Party Liability Coverage <PorP TPL>
Item 4.	Endorsement(s) Effective at Inception	<Number of EPL Endorsements>

**FOREFRONT PORTFOLIO INSURANCE POLICY - EMPLOYMENT PRACTICES LIABILITY COVERAGE
SECTION ENDORSEMENT(S)**

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - EMPLOYMENT PRACTICES LIABILITY COVERAGE SECTION WORDING

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

1. Insuring Clauses

1.1. Employment Practices Liability Coverage

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

1.2. Third Party Liability Coverage

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

2. Extension

2.1. Advancement of Defence Costs

The **Insurer** shall, prior to the final disposition of any **Claim**, advance **Defence Costs** within thirty (30) days of receipt of an invoice for same.

Any advancement of **Defence Costs** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this **Coverage Section**.

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

3. Definitions

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

- 3.1. **Benefits** means perquisites, fringe benefits, deferred compensation or payments in connection with an employee benefit plan and any other payment to or for the benefit of an employee arising out of the employment relationship. **Benefits** shall not include salary, wages, commissions, bonuses, **Stock Benefits** or non-deferred cash incentive compensation.
- 3.2. **Claim** means:
 - a. with respect to Insuring Clause 1.1 (Employment Practices Liability Coverage) only: an Employment **Claim**; and
 - b. with respect to Insuring Clause 1.2 (**Third Party** Liability Coverage) only: a **Third Party Claim**.
- 3.3. **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 **Insurer'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**.
- 3.4. **Employee** means any natural person whose labour or service is engaged and directed by an **Organisation**, including part-time, seasonal, casual and temporary employees as well as volunteers, but only while that natural person is acting in his capacity as such. **Employee** shall include any **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**.
- 3.5. **Employee Entitlements** means employee benefit arrangements of any kind (whether during or postemployment) 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 other welfare plans, including insurance of any kind;
 - d. superannuation, retirement or pension contributions, benefits and entitlements; or
 - e. **Stock Benefits**, profit sharing or deferred compensation plans.
- 3.6. **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, re-engagement or injunctive relief and any request to waive or suspend a statute of limitations;

- b. a civil proceeding;
- c. an arbitration proceeding, mediation, conciliation or alternative dispute resolution proceeding;
- d. a criminal proceeding;
- 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**, against an **Insured** for a **Wrongful Act** including any appeal therefrom; or

- f. an **Extradition** proceeding.

Employment Claim shall not include any labour or grievance arbitration, mediation, conciliation, alternative dispute resolution proceeding or other proceeding pursuant to a collective bargaining agreement.

- 3.7. **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 a criminal accusation.
- 3.8. **Independent Contractor** means any natural person working for an **Organisation** in the capacity of an independent contractor and pursuant to an express contract between such contractor and an **Organisation** which governs the nature of the **Organisation's** engagement of such **Independent Contractor**.
- 3.9. **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 body anywhere in the world.
- 3.10. **Insured** means an **Organisation** and/or **Insured Persons**.
- 3.11. **Insured Person** means:
 - a. a **Director** or **Officer** of an **Organisation**;
 - b. a full time, part-time, temporary, casual or seasonal employee or any volunteer of an **Organisation**; or
 - c. an **Independent Contractor** while acting in his capacity as such and only if the **Organisation** agrees to indemnify the **Independent Contractor** in the same manner as provided to the **Organisation's** employees in the event of a **Claim**.

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

- 3.12. **Loss** means the total amount which an **Insured** becomes legally obligated to pay on account of any covered **Claim**,

including, but not limited to:

- a. **Defence Costs**;
- b. awards of damages or orders made by any court or tribunal to pay compensation including any statutory compensation orders;
- c. judgments;
- d. sums payable due to any settlements to which the **Insurer** has consented;
- e. awards of claimant's costs;
- f. pre-judgment and post-judgment interest;
- g. punitive, exemplary, multiplied damages or aggravated damages unless the **Insurer** is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined.

Loss does not include:

- i. fines or penalties imposed by law;
 - ii. taxes, other than Goods and Services Tax due under the New Tax System (Goods and Services Tax) Act (Cth) 1999, as amended;
 - iii. any costs incurred by an **Organisation** to comply with any order for, grant of or agreement to provide injunctive or other non-pecuniary relief other than for **Defence Costs** advanced under Extension 2.1 (Advancement of **Defence Costs**);
 - iv. the future 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 **Claim**, including:
 - A. **Benefits** due or to become due or the equivalent value of such **Benefits**, except with respect to any **Employment Claim** for wrongful termination of employment; or
 - B. **Stock Benefits**;
 - v. any amount not covered by this **Coverage Section** pursuant to Section 10. (Allocation), of the General Terms and Conditions;
 - vi. regular or overtime wages, salaries or fees of **Insured Persons**; or
 - vii. any amount not insurable under the law pursuant to which this **Coverage Section** is construed.
- 3.13. **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 a **Claim** but may subsequently give rise to a **Claim**; and
 - b. is lodged with:

-
- i. any supervisory employee having management-level responsibility for personnel matters with respect to such claimant, if such supervisory employee provides notice of such complaint or allegation to any member of an **Organisation's** human resources, general counsel or riskmanagement departments, or other comparable department; or
 - ii. an **Organisation's** human resources department, general counsel, risk management department or other comparable department.
- 3.14. **Retaliation** means retaliatory treatment against an **Employee** 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 the Federal False **Claims Act**, Section 806 of the Sarbanes Oxley Act or any whistle-blower law anywhere in the world.
- 3.15. **Stock Benefits** means any offering, plan or agreement between an **Organisation** and any **Directors** and **Officers** or **Employee** which grants stock or stock options or stock appreciation rights as to an **Organisation** to such individual, including but not limited to restricted stock or any other stock grant or compensation or incentive granted in the form of securities of such **Organisation**. **Stock Benefits** shall not include employee stock ownership plans or employee stock purchase plans.
- 3.16. **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**.
- 3.17. **Third Party Claim** means:
- a. a written demand for monetary damages of non-pecuniary relief, including injunctive relief and any request to waive or suspend a statute of limitations;
 - b. a civil proceeding;
 - c. an arbitration proceeding, 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.
- 3.18. **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 any **Insured**.
- 3.19. **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**.
- 3.20. **Wages and Hours** means:
- a. the amount, calculation, timing or manner of payment of minimum wages, prevailing wage rates, overtime pay or other reward;
 - b. the classification of employees for wage or hours of work purposes;
 - c. withholdings or other deductions from wages;
 - d. rights to leave or absence from work or rights to pay during such absence;
 - e. child labour; or
 - f. pay equity or comparable worth.
- 3.21. **Wrongful Act** means:
- a. with respect to Insuring Clause 1.1 (Employment Practices Liability Coverage) only: any actual or alleged wrongful or unfair, employment related:
 - i. discipline, dismissal, discharge or termination of employment;
 - ii. denial of natural justice;
 - iii. breach of any oral, written or implied employment contract;
 - iv. misrepresentation;
 - v. unlawful discrimination;
 - vi. unlawful harassment;
 - vii. sexual harassment
 - viii. failure to employ or promote;
 - ix. deprivation of a career opportunity;
 - x. failure to grant tenure;
 - xi. demotion;
 - xii. evaluation;
 - xiii. invasion of privacy;
 - xiv. defamation;
 - xv. misleading or deceptive conduct;
 - xvi. bullying; or
 - xvii. infliction of emotional distress,
- committed, attempted, or allegedly committed or

attempted, by an **Organisation** and/or an **Insured Person**; and

- b. with respect to Insuring Clause 1.2 (Third Party Liability Coverage) only: any **Third Party Wrongful Act** committed, attempted, or allegedly committed or attempted, by any **Insured**.

4. Exclusions

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

4.1. Prior Notice

based upon, arising from or attributable to any fact or circumstance if written 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.

4.2. Pending or Prior Litigation

based upon, arising from or attributable to any written demand, suit, formal administrative or regulatory proceeding, formal investigative order or similar document or proceeding pending against, or order, decree or judgment entered for or against any **Insured** on or prior to the Pending or Prior Litigation Date shown in Item 3. of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein.

4.3. ERISA

based upon, arising from or attributable to any actual or alleged violation of the responsibilities, obligations or duties imposed by the **Employee Retirement Income Security Act, 1974 (USA)** and amendments thereto.

4.4. Bodily Injury/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. This Exclusion shall not apply to emotional distress, mental anguish or humiliation in any **Claim**.

4.5. Workers Compensation

based upon, arising from or attributable to 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 anywhere in the world. This Exclusion shall not apply to **Loss** on account of any Employment **Claim** for **Retaliation**.

4.6. Assumed Liability

based upon, arising from or attributable to 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.

4.7. Statutory Entitlement

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**. This Exclusion shall not apply to **Loss** on account of any Employment **Claim** for **Retaliation**.

4.8. Sums Under Contract

for any salary, wages or 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 oral or written contract of employment;
- d. which represent any amount the **Insured** would have been liable for in the absence of a **Wrongful Act**.

4.9. Trustees Liability

based upon, arising from, or attributable to 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**.

4.10. Pollution

based upon, arising from or attributable to **Pollution**. This Exclusion shall not apply to **Loss** on account of any Employment **Claim** for **Retaliation**.

4.11. Wages and Work Safety

based upon, arising from or attributable to any actual or alleged breach of any law (except the Workplace Relations Act 1996 and the Equal Pay Act 1963, the latter being a **U.S.A** statute) or duty relating to **Wages and Hours** or health and safety at work. This Exclusion shall not apply to a **Claim** seeking remedy for **Retaliation**.

4.12. U.S.A Employer Obligations

based upon, arising from or attributable to a **U.S.A Claim** for the violation of the responsibilities, obligations or duties imposed by any law (including the Worker Adjustment and Retraining Notifications Act 1988, a **U.S.A** statute) or amendments to or regulations promulgated under any such law that governs any obligation of an employer to notify, discuss or bargain with its employees or others in advance of any plant or facility closing, mass lay-off, or any similar obligation. This Exclusion shall not apply to a **Claim** seeking remedy for **Retaliation**.

4.13. Conduct of Insured

based on, arising from or attributable to any dishonest or fraudulent act or omission of an **Insured**, provided that:

- a. this Exclusion shall only apply if it is established through a judgment or any other adjudication or any admission by such **Insured** that the relevant conduct

occurred; or

- b. for the purposes of this Exclusion the **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured**.

5. Conditions

5.1. Severability - Imputation of Knowledge

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 chief executive officer, human resources manager or general counsel, 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 in this **Coverage Section**.

5.2. Co-ordination of Coverage

Any **Loss** covered under this **Coverage Section** and the **Directors and Officers Liability Coverage Section**, if purchased, shall be first covered under this **Coverage Section**, subject to its terms, conditions and limitations.

FOREFRONT PORTFOLIO INSURANCE POLICY - CRIME COVERAGE SECTION SCHEDULE

No	Title	Description																																				
Item 1.	Limit of Liability and Deductible Amount for this Coverage Section	<table> <tr> <th>Insuring Clause</th><th>Limit of Liability</th><th>Deductible Amount</th></tr> <tr> <td>(a) Employee Theft Coverage</td><td>\$<ET Lim></td><td>\$<DA ET></td></tr> <tr> <td>(b) Premises Coverage</td><td>\$<Prem Lim></td><td>\$<DA Prem></td></tr> <tr> <td>(c) In Transit Coverage</td><td>\$<IT Lim></td><td>\$<DA IN></td></tr> <tr> <td>(d) Forgery Coverage</td><td>\$<Forg Lim></td><td>\$<DA Forg></td></tr> <tr> <td>(e) Computer Fraud Coverage</td><td>\$<CF Lim></td><td>\$<DA CF></td></tr> <tr> <td>(f) Funds Transfer Fraud Coverage</td><td>\$<FTF Lim></td><td>\$<DA FTF></td></tr> <tr> <td>(g) Counterfeit Currency Fraud Coverage</td><td>\$<CoCF Lim></td><td>\$<DA CoCF></td></tr> <tr> <td>(h) Credit Card Fraud Coverage</td><td>\$<CrCFLim></td><td>\$<DA CrCF></td></tr> <tr> <td>(i) Client Coverage</td><td>\$<Client Lim></td><td>\$<DA Client></td></tr> <tr> <td>(j) Expense Coverage</td><td>\$<Exp Lim></td><td><Always Nil></td></tr> <tr> <td>(k) Social Engineering Fraud Coverage</td><td>\$<SEF Lim></td><td>\$<DA SEF></td></tr> </table> <p>If "Not Covered" is inserted opposite any Insuring Clause, such Insuring Clause and any other reference to such Insuring Clause in this Coverage Section shall be deemed to be deleted.</p> <p>No Deductible Amount shall apply to: (i) Superannuation Funds; or (ii) Expense Coverage provided pursuant to Insuring Clause 1.10.</p>	Insuring Clause	Limit of Liability	Deductible Amount	(a) Employee Theft Coverage	\$<ET Lim>	\$<DA ET>	(b) Premises Coverage	\$<Prem Lim>	\$<DA Prem>	(c) In Transit Coverage	\$<IT Lim>	\$<DA IN>	(d) Forgery Coverage	\$<Forg Lim>	\$<DA Forg>	(e) Computer Fraud Coverage	\$<CF Lim>	\$<DA CF>	(f) Funds Transfer Fraud Coverage	\$<FTF Lim>	\$<DA FTF>	(g) Counterfeit Currency Fraud Coverage	\$<CoCF Lim>	\$<DA CoCF>	(h) Credit Card Fraud Coverage	\$<CrCFLim>	\$<DA CrCF>	(i) Client Coverage	\$<Client Lim>	\$<DA Client>	(j) Expense Coverage	\$<Exp Lim>	<Always Nil>	(k) Social Engineering Fraud Coverage	\$<SEF Lim>	\$<DA SEF>
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(k) Social Engineering Fraud Coverage	\$<SEF Lim>	\$<DA SEF>																																				
Item 2.	Excluded Territory	None																																				
Item 3.	Endorsement(s) Effective at Inception	<Number of Crime Endorsements>																																				

FOREFRONT PORTFOLIO INSURANCE POLICY - CRIME COVERAGE SECTION ENDORSEMENT(S)

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - CRIME COVERAGE SECTION WORDING

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

1. Insuring Clauses

1.1. Employee Theft Coverage

The **Insurer** shall pay the **Company** for direct loss of **Money, Securities or Property** sustained by an **Insured** resulting from **Theft**, 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.

1.2. Premises Coverage

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

- a. the unlawful taking of **Money, Securities or Property** committed by a **Third Party**; or
- b. the actual destruction or disappearance of **Money or Securities**,

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

- i. direct loss of or damage to **Property** which results from **Robbery** or attempted **Robbery** within the **Premises**;
- ii. direct loss of or damage to **Property** contained within any safe which results from **Safe Burglary** or attempted **Safe Burglary** within the **Premises**;
- iii. damage to a locked safe, cash drawer, cash box or cash register within the **Premises** by felonious entry or loss by felonious abstraction of such container from within the **Premises**; and
- iv. damage to the **Premises** which results from **Safe Burglary** or **Robbery**,

committed by a **Third Party**.

1.3. In Transit Coverage

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

- a. the unlawful taking of **Money, Securities or Property** committed by a **Third Party**; or
- b. the actual destruction or disappearance of **Money or Securities**,

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

- i. direct loss or damage to **Property** resulting from **Robbery** while **In Transit**; and
- ii. direct **loss** resulting 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**.

1.4. Forgery Coverage

The **Insurer** shall pay the **Company** 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:

- a. any cheque or draft made or drawn in the name of such **Insured** payable to a fictitious payee and endorsed in the names of such fictitious payee;
- b. 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 other impersonated and endorsed by a **Third Party** other than such one impersonated; and
- c. 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.

1.5. Computer Fraud Coverage

The **Insurer** shall pay the **Company** 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.

1.6. Funds Transfer Fraud Coverage

The **Insurer** shall pay the **Company** for direct loss of **Money, Securities or Property** 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.

1.7. Counterfeit Currency Fraud Coverage

The **Insurer** shall pay the **Company** 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.

1.8. Credit Card Fraud Coverage

The **Insurer** shall pay the **Company** 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.

1.9. Client Coverage

The **Insurer** shall pay the **Company** 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.

1.10. Expense Coverage

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

No Deductible Amount shall apply to **Investigative Costs** or **Computer Violation Expenses** covered under Insuring Clause 1.10 (Expense Coverage).

1.11. Social Engineering Fraud Coverage

The **Insurer** shall pay the **Company** for direct loss resulting from an **Organisation** having transferred, paid or delivered any **Property, Money or Securities** as the direct result of **Social Engineering Fraud** committed by a person purporting to be a **Vendor, Client** or an **Employee** who was authorised by the **Organisation** to instruct other **Employees** to transfer **Property, Money or Securities**.

2. Definitions

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

- 2.1. **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 equivalent organisation in any other jurisdiction.
- 2.2. **Client** means a customer of an **Insured** to whom such **Insured** provides goods or services under a written contract or for a fee or other monetary consideration.
- 2.3. **Computer Fraud** means the unlawful taking or the fraudulently induced transfer of **Money, Securities or Property** resulting from a **Computer Violation**.
- 2.4. **Computer System** means a computer or network of computers, including its input, output, processing, storage, offline media library and communication facilities provided that such computer, computer network and facilities are owned and operated or leased and operated by an **Insured**.
- 2.5. **Computer Violation** means the fraudulent:
 - a. entry of **Data** into or deleting of **Data** from a **Computer System**;
 - b. change to **Data** elements or program logic of a **Computer System**, which is kept in a machine readable format; or
 - c. introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,directed against an **Insured**.
- 2.6. **Computer Violation Expenses** means reasonable expenses resulting from any direct loss covered under Insuring Clause 1.1 (**Employee Theft** Coverage), 1.5 (Computer Fraud Coverage) or 1.9 (**Client** Coverage), 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 **Insurer's** prior written consent, which shall not be unreasonably withheld, 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 the 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**.
- 2.7. **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.
- 2.8. **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 any **Employee** or to any partner of an **Insured** that is a partnership.
- 2.9. **Data** means representation of information, knowledge, facts, concepts or instructions which are processed and stored in a **Computer System**.
- 2.10. **Discovery** or **Discovered** means knowledge acquired by an **Executive** or **Insurance Representative** of facts which would cause a reasonable person to believe a loss of the type covered by this **Coverage Section** has occurred or acts have taken place which 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 shown in Item 1. of the Schedule; or
 - c. loss which the exact amount or details of which are unknown.

Discovery or **Discovered** shall not include knowledge acquired or possessed by an **Executive** or **Insurance Representative** whether acting alone or in collusion with

an **Employee** or any other person, who is a participant in the fraud or dishonesty.

2.11. **Employee** means a natural person:

- a. while in the regular service of an **Insured** in the ordinary course of such **Insured's** business whom such **Insured** has the right to govern and direct in the performance of such service whether the **Insured** compensates such person by salary, wages and/or commissions 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;
- c. while in the service of any **Superannuation Fund** as fiduciary, trustee, administrator, officer or employee as described in paragraph (a) of this definition; 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.

- 2.12. **Executive** means a natural person who is duly elected or appointed director or officer, or equivalent positions in any jurisdiction, of an **Insured**. **Executive** shall include a partner of an **Insured** that is a partnership.
- 2.13. **Financial Instrument** means a cheque, draft or similar written promise, order or direction to pay a sum certain in money that is drawn by or drawn upon an **Insured** or made or drawn by any person acting as an **Insured's** agent or that is purported to have been so made or drawn.
- 2.14. **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 handwritten signatures.
- 2.15. **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 financial institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Insured** at such financial institution, without such **Insured's** knowledge or consent.

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

- 2.17. **Insured** means collectively, the **Organisation**, any **Subsidiary** and, with respect to Insuring Clause 1.1 (Employee Theft Coverage) only, any **Superannuation Fund**.
- 2.18. **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 an **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 **Organisation** and ceases immediately upon delivery to the designated recipient or its agent.
- 2.19. **Investigative Costs** means reasonable expenses, (other than regular or overtime wages, **Salary** 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 **Insurer's** prior written consent, which shall not be unreasonably withheld, to establish the existence and amount of any direct loss covered by Insuring Clause 1.1 (Employee Theft Coverage) through to 1.9 (Client Coverage), which are excess of the Deductible Amount applicable to such direct loss. **Investigative Costs** shall not include expenses incurred by any **Client**.
- 2.20. **Money** means currency, coin, bank notes and bullion.
- 2.21. **Premises** means the interior of any building occupied by an **Insured** in conducting its business.
- 2.22. **Property** means tangible property other than **Money** or **Securities**.
- 2.23. **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 cognisance of such **Employee** or other natural person.
- 2.24. **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**.
- 2.25. **Salary** means compensation an **Insured** pays an **Employee**, including but not limited to any bonus, commission, incentive payments and the cost of health, welfare and superannuation benefits.
- 2.26. **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.

- 2.27. **Social Engineering Fraud** means the intentional misleading of an **Employee**, through misrepresentation of a material fact which is relied upon by an **Employee**, believing it is genuine.
- 2.28. **Subsidiary** means any organisation in which one or more **Insureds**:
- controls the composition of the organisation's board;
 - 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
 - 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).
- 2.29. **Theft** means the unlawful taking of **Money, Securities or Property** to the deprivation of an **Insured** with respect to Insuring Clause 1.1 (**Employee Theft** Coverage); or a **Client** with respect to Insuring Clause 1.9 (**Client** Coverage).
- 2.30. **Third Party** means a person other than an **Employee**, or a person acting in collusion with an **Employee**.
- 2.31. **Vendor** means any entity or natural person that has provided goods or services to an **Organisation** under a legitimate pre-existing arrangement or written agreement.

3. Exclusions

3.A. Exclusions Applicable to All Insuring Clauses

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

3.A.1. Confidential Information

loss of any trade secrets, confidential processing methods or confidential information of any kind.

3.A.2. Shareholder

loss due to fraud or dishonesty by any person or partner controlling at any time more than ten percent (10%) of the issued share capital of an **Organisation** (but, if that loss would, but for this Exclusion, be covered under Insuring Clause 1.1 (**Employee Theft** Coverage) or 1.9 (**Client** Coverage), then the **Insurer** shall pay so much of that loss as exceeds the value of that person's or partner's shareholding on the day immediately preceding the date of **Discovery** of the loss).

3.A.3. War

loss or damage due to war (whether declared or not); civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalisation; or any act or condition incident to any of the foregoing.

3.A.4. Loss of Income

loss of income as the result of any loss covered under this **Coverage Section**.

3.A.5. Consequential Loss

indirect or consequential loss or damage of any kind. This Exclusion shall not apply to **Investigative Costs** and **Computer Violation Expenses**.

3.A.6. Legal Proceedings

fees, costs or expenses incurred or paid by an **Insured** in prosecuting or defending any legal proceeding or claim. This Exclusion shall not apply to the coverage provided under Section 4.9 (Legal Expenses).

3.A.7. Insured Advantage

loss sustained by one **Insured** to the advantage of any other **Insured**.

3.A.8. Safe Deposit or Armoured Motor Vehicle

loss of or damage to **Money, Securities or Property** while in the custody of any bank or authorised deposit taking institution, armoured motor vehicle company or any person who is duly authorised by an **Insured** to have custody of **Money, Securities or Property**. This Exclusion shall not apply to the extent that coverage is excess of the amount recovered or received by an **Insured** under a 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.

3.A.9. Trading

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. This Exclusion shall not apply to loss otherwise covered under Insuring Clause 1.1 (**Employee Theft** Coverage), which results in improper financial gain to an **Employee** (such loss as used herein 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 an **Insured** to such **Employee**).

3.A.10. Data

fees, costs or expenses incurred or paid:

- as a result of the reconstitution of **Data** if an **Insured** knowingly uses illegal copies of programs;
- to render the **Data** usable by replacement processing equipment;
- to design, update or improve software programs or to perfect their operation or performance; or
- 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**.

3.A.11. Fire

loss or damage due to fire. This Exclusion does not apply to loss of **Money** or **Securities** or damage to any safe or vault caused by the application of fire thereto for the purpose of **Safe Burglary**.

3.A.12. Authorised Representative

loss or damage due to **Theft**, fraud, dishonesty, **Forgery**, **Computer Fraud**, **Fund Transfer Fraud**, **Counterfeit Currency Fraud**, **Credit Card Fraud**, **Social Engineering 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. This Exclusion does not apply to loss otherwise covered under Insuring Clause 1.1 (Employee Theft Coverage) or 1.9 (Client Coverage), resulting from Theft, fraud or dishonesty committed by an **Employee** acting in collusion with such authorised representative.

3.B. Exclusions Applicable to Insuring Clause 1.1 (Employee Theft Coverage) or 1.9 (Client Coverage) Only

No coverage will be available under Insuring Clause 1.1 (Employee Theft Coverage) or 1.9 (Client Coverage) for:

3.B.1. Known Dishonesty

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 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 greater than or equal to twenty-five thousand dollars (\$25,000), committed by an **Employee** prior to employment with an **Insured**.

3.B.2. Agents

loss caused by any agent, broker, factor, commission merchant, consignee, contractor, subcontractor or similar representative.

3.C. Exclusions Applicable to Insuring Clause 1.2 (Premises Coverage) or 1.3 (In Transit Coverage) Only

No coverage is available under Insuring Clause 1.2 (Premises Coverage) or 1.3 (In Transit Coverage) for **loss** or damage:

3.C.1. Forgery

due to **Forgery**, Computer Fraud, **Counterfeit Currency Fraud**, **Credit Card Fraud** or **Funds Transfer Fraud**.

3.C.2. Mail

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**.

3.D. Exclusion Applicable to Insuring Clause 1.2 (Premises Coverage), 1.3 (In Transit Coverage), 1.5 (Computer Fraud Coverage), 1.6 (Funds Transfer Fraud Coverage) or 1.11 (Social Engineering Fraud Coverage) Only

No coverage will be available under Insuring Clause 1.2 (Premises Coverage), 1.3 (In Transit Coverage), 1.5 (Computer Fraud Coverage), 1.6 (Funds Transfer Fraud Coverage) or 1.11 (Social Engineering Fraud Coverage) for loss or damage as a result of:

3.D.1. Kidnap

a kidnap, ransom or other extortion payment (as distinct from **Robbery**) surrendered to any person as a result of a threat to do bodily harm to any person or a threat to do damage to any property.

3.E. Exclusions Applicable to Insuring Clause 1.4 (Forgery Coverage) Only

No coverage is available under Insuring Clause 1.4 (Forgery Coverage) for loss due to **Forgery** or alteration of:

3.E.1. Third Party

any **Financial Instrument** committed by any **Third Party** in collusion with any **Employee**.

3.E.2. Coupons

of any registered or coupon obligation issued or purportedly issued by an **Insured**, or any coupons whether attached or detached.

3.F. Exclusions Applicable to Insuring Clause 1.8 (Credit Card Fraud Coverage) Only

No coverage is available under Insuring Clause 1.8 (Credit Card Fraud Coverage) for loss due to any forgery or alteration of, on or in any written instrument. This Exclusion shall not apply if:

3.F.1. Credit Card Conditions

the provisions, conditions and other terms under which the involved credit card was issued were fully complied with.

3.F.2. Legal Liability

an **Insured** is legally liable to the issuer of such credit card for such loss.

3.G. Exclusion Applicable to Insuring Clause 1.11 (Social Engineering Fraud Coverage) Only

No coverage is available under Insuring Clause 1.11 (Social Engineering Fraud Coverage) for:

3.G.1. Coverage Afforded under Other Insuring Clauses

loss or damage due to **Theft** by an **Employee**, **Forgery**, **Computer Fraud**, **Funds Transfer Fraud**, **Counterfeit Currency Fraud** or **Credit Card Fraud**.

3.G.2. Forgery Insuring Clause

loss pursuant to coverage afforded under Insuring Clause 1.4 (**Forgery Coverage**).

4. Conditions

4.1. 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** is subject to the following:

- a. if an **Insured** was insured under a prior policy issued by a company other than the **Insurer** 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 of the 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 **Insurer'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**; or
- b. if an **Insured** was insured under a prior policy issued by the **Insurer** 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 **Insurer** prior to the inception date of this **Coverage Section**. In such an event, the **Insurer's** Limit of Liability for any such prior **loss** shall be the applicable Limit of Liability as shown in Item 1. of the Schedule of this **Coverage Section**.

The **Insured** shall neither be entitled to 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 **Insurer'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 shown in Item 1. of the Schedule.

4.2. Limit of Liability and Deductible Amount

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

If a direct 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.

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 4.1 (**Discovery and Liability for Prior Losses**).

The **Insurer's** liability under this **Coverage Section** shall apply only to that part of covered **loss** which is excess of the applicable Deductible Amount shown in Item 1. of the Schedule. No Deductible Amount shall apply to loss sustained by any **Superannuation Fund** covered under this **Coverage Section**.

4.3. Ownership

The **Insurer's** liability under this **Coverage Section** shall apply only to **Money, Securities, or Property** owned by an **Insured**; for which it is legally liable; or held by it in any capacity, whether or not it is liable, provided that the **Insurer** 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 1.9 (**Client Coverage**) only, the **Insurer's** liability under this **Coverage Section** shall apply only to **Money, Securities or Property** owned by a **Client** for which an **Insured** is legally liable or held by it in any capacity.

4.4. Non-Accumulation of Liability

When there is more than one **Insured**, the maximum liability of the **Insurer** for loss sustained by one or all **Insureds** shall not exceed the amount for which the **Insurer** 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, the amount the **Insurer** shall pay for any loss shall not be cumulative from year to year or from **Policy Period** to **Policy Period**.

4.5. Notice - Proof of Loss

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

- a. give written notice to the **Insurer** at the earliest practicable moment, and in no event later than ninety (90) days after such **Discovery**;
- b. furnish a proof of loss with full particulars to the **Insurer** within six (6) months of such **Discovery**;
- c. submit to examination under oath at the **Insurer's** request;
- d. produce all pertinent records at such reasonable times and places as the **Insurer** designates; and
- e. fully co-operate with the **Insurer** in all matters

pertaining to a claim for loss.

The **Company** 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 **Company** may offer a comparison between an **Insured's** or **Client's** inventory records and actual physical counts of its inventory to prove the amount of loss only where an **Insured** establishes that, wholly apart from such comparison, it has sustained a covered loss caused by an **Employee**.

4.6. Valuation

The **Insurer** 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 **Insurer** 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; and
- 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 **Company** furnishes proof of loss in compliance with Section 4.5 (Notice - Proof of **Loss**).

4.7. Termination as to any Employee

For the purposes of coverage under Insuring Clause 1.1 (Employee Theft Coverage) and 1.9 (Client Coverage), **Employee** shall include an **Employee** for a period of sixty (60) days following termination of employment with an **Insured**.

4.8. Extended Discovery Period

If this **Coverage Section** is terminated or not renewed by the **Insurer** for any reason, other than non-payment of premium, the **Insured** shall have the right upon payment of one hundred percent (100%) of the annual premium for this **Coverage Section**, to an Extended Discovery Period of three hundred and sixty-five (365) days from the date of termination or non-renewal within which to report any losses first **Discovered** during such three hundred and sixty-five (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 **Insurer** 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 **Insurer**; and
- b. the entire premium shall be deemed fully earned at the inception of the Extended **Discovery** Period.

In addition to the Limits of Liability shown in Item 1. of the Schedule, the **Insurer** shall pay the **Company**:

- a. with respect to **Forgery** coverage under Insuring Clause 1.4 (Forgery Coverage), reasonable court costs and legal fees incurred and paid with the **Insurer's** prior written consent, which shall not be unreasonably withheld 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 1.8 (**Credit Card Fraud** Coverage), reasonable court costs and lawyers' fees incurred and paid with the **Insurer's** prior written consent, which shall not be unreasonably withheld, 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.

FOREFRONT PORTFOLIO INSURANCE POLICY - STATUTORY LIABILITY COVERAGE SECTION SCHEDULE

No	Title	Description
Item 1.	Limit of Liability for this Coverage Section	\$<Limit>
Item 2.	Deductible Amount	\$<DA>
Item 3.	Pending or Prior Litigation Date	<PorP Date>
Item 4.	Endorsement(s) Effective at Inception	<Number of SL Endorsements>

**FOREFRONT PORTFOLIO INSURANCE POLICY - STATUTORY LIABILITY COVERAGE SECTION
ENDORSEMENT(S)**

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - STATUTORY LIABILITY COVERAGE SECTION WORDING

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

1. Insuring Clause

1.1. Statutory Liability Coverage

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

2. Extension

2.1. Advancement of Defence Costs

The **Insurer** shall, prior to the final disposition of any **Claim**, advance **Defence Costs** within thirty (30) days of receipt of an invoice for same.

Any advancement of **Defence Costs** shall be repaid to the **Insurer** by the **Organisation**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this **Coverage Section**.

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

3. Definitions

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

3.1. **Act** means

- a. any Act of the Parliament of the Commonwealth of Australia and/or New Zealand and any Act of the Parliaments of the States or Territories of the Commonwealth of Australia, including any subordinate or delegated legislation made under those Acts; and
- b. any amendment, consolidation or re-enactment of any of the above Acts or legislation.

3.2. **Claim** means any written notice received by an **Organisation** alleging a **Wrongful Act** resulting in the **Organisation** being liable to pay a **Penalty**.

3.3. **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 or fees of the partners, directors, officers or employees of the **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in

defending, investigating or

- 3.4. settling any **Claim** and the premium for appeal, attachment or similar bonds. **Loss** means **Defence Costs** and any **Penalty** which any **Organisation** becomes legally obligated to pay on account of any covered **Claim**, including any reasonable legal costs and associated expense payable by the **Organisation** to any other party by reason of an order of any Regulatory Authority.

Loss does not include:

- a. any amount for which an **Organisation** is absolved from payment by reason of any covenant or agreement or order or determination of a tribunal or court;
- b. fines or penalties imposed by law other than any **Penalty**;
- c. any amount allocated to **loss** not covered by this **Coverage Section** pursuant to Section 10. (Allocation), of the General Terms and Conditions; and
- d. **matters** for which the **Insurer** is legally prohibited from insuring under Australian law.

3.5. **Penalty** means any fine or **penalty** which is civil, strict or administrative which an **Organisation** is ordered to pay pursuant to any **Act** and which is insurable in the jurisdiction in which the **Claim** giving rise to the fine or **penalty** is determined.

3.6. **Regulatory Authority** means a person or entity appointed, constituted or acting under a delegation pursuant to any **Act** for the purposes of enforcement of such **Act** or another **Act**, including a person or entity authorised to collect monies payable to the Consolidated Revenue Fund, consolidated fund or any other such fund.

3.7. **Wrongful Act** means any 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 by an **Organisation**.

4. Exclusions

The **Insurer** shall not be liable for **Loss** on account of any **Claim**:

4.1. Prior Notice

based upon, arising from or attributable to any fact or circumstance if written notice of such 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.

4.2. Pending or Prior Litigation

based upon, arising from or attributable to any demand, suit or proceeding pending against, or order, decree or judgment entered for or against any **Organisation** on or prior to the Pending or Prior Litigation Date shown in

- Item 3. of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein.
- 4.3. Bodily Injury/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.
- 4.4. Restrictive Trade Practices
- based upon, arising from or attributable to 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.
- 4.5. Damages
- based upon, arising from, or attributable to:
- a. any amount payable as compensation;
 - b. any compliance, remedial, reparation or restitution costs;
 - c. any damages, including any exemplary, or punitive damages or the multiple portion of any multiplied damage award; or
 - d. any consequential economic loss.
- 4.6. 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 to a third party.
- 4.7. Conduct of Organisation
- based upon, arising from or attributable to any deliberate conflict of interest, dishonest, deliberately criminal or deliberately fraudulent, or malicious 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 **Organisation**.
- 4.8. Tax
- based upon, arising from or attributable to 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 damages reflecting taxes.
- 4.9. Traffic
- based upon, arising from or attributable to any actual or alleged violation of the responsibilities, obligations or duties imposed by any law, regulation or by-law relating to vehicular, air or marine traffic and any amendments thereto.
- 4.10. Corporations Act
- based upon, arising from or attributable to 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 anywhere in the world, and any amendments thereto.
- 4.11. U.S.A
- brought and maintained, in whole or in part, in or subject to the substantive and procedural laws of the **U.S.A.**
- 4.12. Pollution
- based upon, arising from or attributable to **Pollution**.
- 4.13. Superannuation
- based upon, arising from or attributable to any actual or alleged violation of the responsibilities, obligations or duties imposed by the Superannuation Guarantee (Administration) Act 1992 (Cth), the **Employee Retirement Income Security Act, 1974 (USA)** or any similar law anywhere in the world, and any amendments thereto.
- 4.14. Employment
- based upon, arising from or attributable to the employment relationship or the nature, terms or conditions of employment.
- 5. Condition**
- 5.1. Severability - Imputation of Knowledge
- With respect to Exclusion 4.7 (Conduct of **Organisation**), in order to determine if coverage is available only facts pertaining to and knowledge possessed by any past, present or future chief financial officer, in-house general counsel, chief executive officer, company secretary, chairman, president or managing director or equivalent thereof, of an **Organisation** shall be imputed to such **Organisation**.

FOREFRONT PORTFOLIO INSURANCE POLICY - KIDNAP, RANSOM AND EXTORTION COVERAGE SECTION SCHEDULE

No	Title	Description
Item 1.	Limit of Liability for this Coverage Section	<div>Insuring Clause</div> <div>Limit of Liability</div> <div>(a) Kidnapping or Extortion Threat Coverage</div> <div>\$<KET Lim></div> <div>(b) Custody Coverage</div> <div>\$<Cust Lim></div> <div>(c) Expenses Coverage</div> <div>\$<Exp Lim></div> <div>(i) Sub-limit of Liability for Recall Expenses</div> <div>\$<RE Lim></div> <div>(ii) Sub-limit of Liability for Rest and Rehabilitation Expenses</div> <div>\$<RRE Lim></div> <div>(d) Accidental Loss Coverage</div> <div>\$<AL Lim></div> <div>(e) Legal Liability Costs Coverage</div> <div>\$<LLC Lim></div>
Item 2.	Insured	<Company Name >
Item 3.	Excluded Territory	As defined in definition 2.9 Excluded Territory of Section 2. (Definitions).
Item 4.	Endorsement(s) Effective at Inception	<Number of KRE Endorsements>

**FOREFRONT PORTFOLIO INSURANCE POLICY - KIDNAP, RANSOM AND EXTORTION COVERAGE
SECTION ENDORSEMENT(S)**

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - KIDNAP, RANSOM AND EXTORTION COVERAGE SECTION WORDING

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

1. Insuring Clauses

1.1. Kidnapping or Extortion Threat Coverage

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

1.2. Custody Coverage

The **Insurer** shall reimburse the **Company** 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** or **Extortion Threat**, while being held or conveyed by a person authorised by the **Company**.

1.3. Expense Coverage

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

1.4. Accidental Loss Coverage

The **Insurer** shall pay the benefit amount for **Accidental Loss** resulting directly from a covered **Kidnapping** or resulting directly from a **Hijacking** or **Wrongful Detention**.

1.5. Legal Liability Costs Coverage

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

2. Definitions

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

2.1. **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**.

2.2. **Computer System** means a computer or network of computers and all input, output, processing, storage, offline 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**.

2.3. **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.

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

2.5. **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**.

2.6. **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**.

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

2.8. **Employee** means a natural person:

- a. while in the regular service of an **Organisation** in

the ordinary course of such **Organisation's** business whom such **Organisation** has the right to govern and direct in the performance of such service whether the **Organisation** compensates such person by salary, wages and/or commissions 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 (a) above; or
- c. while in the service of any **Superannuation Fund** as fiduciary, trustee, administrator, officer or employee as described in (a) above.

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

2.9. **Excluded Territory** means Algeria, Colombia, Georgia, India, Indonesia, Iraq, Israel, Malaysia, Pakistan, Peru, The Philippines, Russia, Sri Lanka, Uzbekistan, Haiti, Iran, The Ivory Coast or Thailand.

2.10. **Executive** means a natural person who is a duly elected or appointed director or officer, or equivalent positions in any jurisdiction, of an **Organisation**. **Executive** shall include a partner of an **Organisation** that is a partnership.

2.11. **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 1.1 (**Kidnapping** or **Extortion Threat Coverage**);
 - 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; and
 - 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; or
 - b. solely in connection with an **Extortion Threat** to **Contaminate Merchandise: Recall Expenses**;
- 2.12. **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**.

2.13. **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.

2.14. **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.

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

2.16. **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.

2.17. **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**.

2.18. **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 1.5 (**Legal Liability Costs Coverage**) to co-operate with the **Insurer** in conducting the defence or in negotiating the settlement of such suit.

2.19. **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 latter 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**.

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

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

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

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

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

2.25. **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**.

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

2.27. **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.

2.28. **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 nondisclosure of such information.

2.29. **Recall Expenses** means:

- a. reasonable expenses for transportation; and
- b. other reasonable expenses, subject to the **Insurer's** prior written consent, which shall not be unreasonably withheld,

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

2.30. **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.

2.31. **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.

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

2.33. **Subsidiary** means any organisation in which one of more

Organisations:

- a. controls the composition of the organisation's board;
- 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).

2.34. **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

3.A. Exclusions Applicable to All Insuring Clauses

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

3.A.1. Employee Dishonesty

loss due to any fraudulent, dishonest or criminal act of an identifiable **Employee**, whether acting alone or in collusion with others. This Exclusion 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.

3.A.2. False Threats

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.

3.A.3. Exchange or Purchase

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**.

3.A.4. Loss of Income

loss of income not realised as the result of a covered loss.

3.A.5. Recall Expenses

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**.

3.A.6. Statutory Travel Requirements/Violation of Law

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.

3.A.7. Insured Advantage

loss sustained by one **Insured** to the advantage of any other **Insured**.

3.A.8. Loss After Policy Termination

loss unless the **Kidnapping, Extortion Threat, 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 **Insurer** 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 Insurer 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 Insurer as soon as practicable, but in no event later than sixty (60) days following the effective date of such termination.

3.A.9. Fraud

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

3.A.10. Property

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

3.A.11. Cyber

loss pursuant to:

- a. cover under the Cyber **Coverage Section**;
- b. any **Cyber Extortion**.

3.B. Exclusion Applicable to Insuring Clause 1.2 (Custody

Coverage), 1.3 (**Expenses Coverage**), 1.4 (**Accidental Loss Coverage**) or 1.5 (**Legal Liability Costs Coverage**) Only

Coverage under Insuring Clause 1.2 (Custody Coverage), 1.3 (**Expenses Coverage**), 1.4 (**Accidental Loss Coverage**) or 1.5 (**Legal Liability Costs Coverage**), does not apply to:

3.B.1. Ransom or Extortion

loss of property or other consideration actually surrendered as a ransom or extortion payment covered under Insuring Clause 1.1 (**Kidnapping** or **Extortion Threat Coverage**).

3.C. Exclusions Applicable to Insuring Clause 1.1 (**Kidnapping** or **Extortion Threat Coverage**) Only

Coverage under Insuring Clause 1.1 (**Kidnapping** or **Extortion Threat Coverage**), does not apply to:

3.C.1. Robbery

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.

3.C.2. On Premises

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. Conditions

4.1. Limit of Liability

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

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

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

- a. applicable to Insuring Clause 1.1 (**Kidnapping** or **Extortion Threat Coverage**) as shown in Item 1.(a) of the Schedule: for all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Extortion Threat, Kidnapping**, and any related **Extortion Threat, Kidnapping** or a series of related **Extortion Threats** or **Kidnappings**.

- b. applicable to Insuring Clause 1.2 (Custody Coverage) as shown in Item 1.(b) of the Schedule: for all loss of property and other consideration intended as ransom and extortion payments arising from one **Extortion Threat** or **Kidnapping** and any related **Extortion Threat**, **Kidnapping** or a series of related **Extortion Threats** or **Kidnappings**.
- c. Applicable to Insuring Clause 1.3 (**Expenses Coverage**) as shown in Item 1.(c) of the Schedule: for all **Expenses** arising from one **Extortion Threat**, **Kidnapping**, **Hijacking**, **Political Threat** or **Wrongful Detention** and any related **Extortion Threat**, **Kidnapping**, **Hijacking**, **Political Threat** or **Wrongful Detention**, or a series of related **Extortion Threats**, **Kidnappings**, **Hijackings**, **Political Threats** or **Wrongful Detentions**.
- d. Applicable to Insuring Clause 1.4 (Accidental Loss Coverage) as shown in Item 1.(d) of the Schedule: for all **Accidental Loss** arising from one **Extortion Threat**, **Kidnapping**, **Hijacking** or **Wrongful Detention** and any related **Extortion Threat**, **Kidnapping**, **Hijacking** or **Wrongful Detention**, or a series of related **Extortion Threats**, **Kidnappings**, **Hijackings** or **Wrongful Detentions**.
- e. Applicable to Insuring Clause 1.5 (**Legal Liability Costs Coverage**) as shown in Item 1.(e) of the Schedule: for all **Legal Liability Costs** arising from one **Kidnapping**, **Hijacking**, **Wrongful Detention** or **Extortion Threat** (as described in sub-paragraph (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 sub-paragraph (a) of the definition of **Extortion Threat**).

The **Insurer's** maximum liability for all **Recall Expenses** shall be the Sub-limit of Liability shown in Item 1.(c)(i) of the Schedule. Such amount shall be part of, and not in addition to, the Limit of Liability shown in Item 1.(c) of the Schedule.

The **Insurer'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 of Liability shown in Item 1.(c)(ii) of the Schedule. Such amount shall be part of, and not in addition to the Limit of Liability shown in Item 1.(c) of the Schedule.

4.2. Non-Accumulation of Liability

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

Regardless of the number of years this **Policy** 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 **Insurer** with respect to any loss shall not be cumulative from year to year or from policy period to policy period.

4.3. Loss Sustained

A loss shall be deemed to have been sustained under:

- a. Insuring Clause 1.1 (**Kidnapping** or **Extortion Threat Coverage**): at the time of the surrender of the ransom or extortion payment;
- b. Insuring Clause 1.2 (Custody Coverage): at the time of the actual destruction, disappearance, confiscation or unlawful taking of the property or other consideration;
- c. Insuring Clause 1.3 (**Expenses Coverage**): at the time of the payment of incurred **Expenses** by the **Organisation**;
- d. Insuring Clause 1.4 (**Accidental Loss Coverage**): at the time of the **Accidental Loss**; or
- e. Insuring Clause 1.5 (**Legal Liability Costs Coverage**): at the time the **Organisation** has made payment for any incurred expense, judgment or settlement.

4.4. 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**.

4.5. Insured Knowledge

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

4.6. 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 **Company** will:

- a. give the **Insurer** written notice thereof;
- b. furnish a proof of loss with full particulars to the **Insurer** within six (6) months after such occurrence;
- c. submit to examination under oath at the **Insurer's** request;
- d. produce all pertinent records at such reasonable times and places as the **Insurer** designates; and

-
- e. fully co-operate with the **Insurer** in all matters pertaining to a claim for loss.

4.7. Valuation

The **Insurer** 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 actually cost to re-paid or replace such other property with that of similar quality and value at the time of loss.

4.8. 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 **Insurer** 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**.

FOREFRONT PORTFOLIO INSURANCE POLICY - CYBER COVERAGE SECTION SCHEDULE

No	Title	Description																																	
Item 1.	Limit of Liability for this Coverage Section	\$<Limit>																																	
Item 2.	Limit of Liability and Deductible Amount	<table> <tr> <td>Insuring Clause</td><td>Limit of Liability</td><td>Deductible Amount</td></tr> <tr> <td>(a) Privacy Liability Coverage</td><td>\$<PL Lim></td><td>\$<DA PL></td></tr> <tr> <td>(b) Network Security Liability Coverage</td><td>\$<NSL Lim></td><td>\$<DA NSL></td></tr> <tr> <td>(c) Data Asset Loss Coverage</td><td>\$<DAL Lim></td><td>\$<DA DAL></td></tr> <tr> <td>(d) Internet Liability Coverage</td><td>\$<IL Lim></td><td>\$<DA IL></td></tr> <tr> <td>(e) Cyber Extortion Coverage</td><td>\$<CE Lim></td><td>\$<DA CE></td></tr> <tr> <td>Sub-limit of Liability</td><td></td><td></td></tr> <tr> <td>(i) Incident Response Expenses</td><td>\$<IRE Lim></td><td>\$<DA IRE></td></tr> <tr> <td>(ii) Regulatory Fines</td><td>\$<RF Lim></td><td>\$<DA RF></td></tr> <tr> <td>(iii) Consumer Redress Fund</td><td>\$<CRF Lim></td><td>\$<DA CRF></td></tr> <tr> <td>(iv) Reward Expenses</td><td>\$<RE Lim></td><td>\$<DA RE></td></tr> </table>	Insuring Clause	Limit of Liability	Deductible Amount	(a) Privacy Liability Coverage	\$<PL Lim>	\$<DA PL>	(b) Network Security Liability Coverage	\$<NSL Lim>	\$<DA NSL>	(c) Data Asset Loss Coverage	\$<DAL Lim>	\$<DA DAL>	(d) Internet Liability Coverage	\$<IL Lim>	\$<DA IL>	(e) Cyber Extortion Coverage	\$<CE Lim>	\$<DA CE>	Sub-limit of Liability			(i) Incident Response Expenses	\$<IRE Lim>	\$<DA IRE>	(ii) Regulatory Fines	\$<RF Lim>	\$<DA RF>	(iii) Consumer Redress Fund	\$<CRF Lim>	\$<DA CRF>	(iv) Reward Expenses	\$<RE Lim>	\$<DA RE>
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(iv) Reward Expenses	\$<RE Lim>	\$<DA RE>																																	
Item 3.	Insured	<Company Name>																																	
Item 4.	Excluded Territory	U.S.A and Canada																																	
Item 5.	Pending or Prior Litigation Date	<PorP Date>																																	
Item 6.	Endorsement(s) Effective at Inception	<Number of CYB Endorsements>																																	

FOREFRONT PORTFOLIO INSURANCE POLICY - CYBER COVERAGE SECTION ENDORSEMENT(S)

<Ends Inserted Here>

FOREFRONT PORTFOLIO INSURANCE POLICY - CYBER COVERAGE SECTION WORDING

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

1. Insuring Clauses

1.1. Privacy Liability Coverage

The **Insurer** will pay **Damages** and **Privacy Claims Expenses** by reason of a **Privacy Claim** first made against an **Insured** during the **Policy Period**, or, if exercised, during the Extended Reporting Period, and reported to the **Insurer** pursuant to Section 7. (Reporting), of the General Terms and Conditions, for any **Privacy Wrongful Act**.

1.2. Network Security Liability Coverage

The **Insurer** will pay **Damages** and **Network Security Claims Expenses**, by reason of a **Network Security Claim** first made against an **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period, and reported to the **Insurer** pursuant to Section 7. (Reporting), of the General Terms and Conditions, for any **Network Security Wrongful Act**.

1.3. Data Asset Loss Coverage

The **Insurer** will pay will pay for **Recovery Costs** by reason of a **Data Asset Incident** taking place during the **Policy Period**, or, if exercised, during the Extended Reporting Period, and reported to the **Insurer** pursuant to Section 7. (Reporting), of the General Terms and Conditions.

1.4. Internet Liability Coverage

The **Insurer** will pay **Damages** and **Internet Claims Expenses** by reason of an **Internet Claim** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** pursuant to Section 7. (Reporting), of the General Terms and Conditions, for any **Internet Wrongful Act**.

1.5. Cyber Extortion Coverage

The **Insurer** will pay **Cyber Extortion Damages** and **Cyber Extortion Expenses**, by reason of a **Cyber Extortion Event** taking place and reported to the **Insurer** pursuant to Section 7. (Reporting), of the General Terms and Conditions.

2. Extensions

2.1. Advancement of Defence Costs

The **Insurer** shall, prior to the final disposition of any **Claim**, advance **Defence Costs** within thirty (30) days of receipt of an invoice for same.

Any advancement of **Defence Costs** shall be repaid to

the **Insurer** by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this **Coverage Section**.

2.2. Reward Expenses

The **Insurer** shall pay **Reward Expenses** up to the amount of the Sub-limit of Liability shown in Item 2. of the Schedule that is in direct connection with a **Cyber Extortion Event** which commences during the **Policy Period**. No Deductible Amount applies to this Extension.

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**:

- 3.1. **Act of Cyber-Terrorism** means any act, including force or violence, or the threat thereof expressly directed against the **Insured's Computer System** by an individual or group(s) of individuals, whether acting alone, on behalf of or in connection with any organisation(s) or government(s), to cause Unauthorised Use or Access of, or a targeted **Denial of Service Attack** or transmission of unauthorised, corrupting or harmful software code to the **Insured's Computer System** for the purpose of furthering social, ideological, religious, economic or political objectives, intimidating or coercing a government or the civilian population thereof, or disrupting any segment of the economy.
- 3.2. **Bodily Injury** means injury to the body, sickness, or disease, and death. **Bodily Injury** also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease or death of any person; unless arising from a **Privacy Wrongful Act** expressly covered under Insuring Clause 1.1 (Privacy Liability Coverage).
- 3.3. **Claim** means a **Privacy Claim**, **Network Security Claim**, **Internet Claim** or **Cyber Extortion Event**.
- 3.4. **Computer Malicious Act** means any dishonest act committed against the **Insured's Computer System**, consisting of introducing, altering or destroying the **Insured's Data**, without involving any physical damage to the **Insured's Computer System**, telecommunications equipment or infrastructure.
- 3.5. **Computer System** means computer hardware, software, firmware, and the data stored thereon, as well as associated input and output devices, data storage devices, networking equipment and storage area network or other electronic data backup facilities.
- 3.6. **Consumer Redress Fund** means a sum of money which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory**

Proceeding. Consumer Redress Fund shall not include any sums paid which constitute taxes, fines, penalties, injunctions or sanctions.

- 3.7. **Cyber Extortion Damages** means monies paid by the **Insured** with the **Insurer's** prior written consent, which shall not be unreasonably withheld, to terminate or end a **Cyber Extortion Event**. Such monies will not exceed the amount we reasonably believe the loss would have been in the absence of these terms of coverage.
- 3.8. **Cyber Extortion Event** means any credible threat or connected series of threats made by a third party against the **Insured** expressing intent to:
- release, divulge, disseminate, destroy or use confidential or proprietary information, or personally identifiable information, stored on the **Insured's Computer System**;
 - alter, corrupt, damage, manipulate, misappropriate, delete or destroy **Data**, instructions or any electronic information transmitted or stored on the **Insured's Computer System**;
 - introduce any **Malware** which is designed to modify, alter, damage, destroy, delete, contaminate or degrade the integrity, quality or performance of **Data**, applications, network or operating system and related software;
 - initiate an attack on the **Insured's Computer System** that depletes the system's resources or impedes system access available through the internet to authorised users of the system;
 - introduce any **Malware** or other material for the purpose of denying authorised users access to the **Insured's Computer System**; or
 - restrict or inhibit access to the **Insured's Computer System**, for the purpose of demanding monies from the **Insured**.
- 3.9. **Cyber Extortion Expenses** means such reasonable and necessary expenses (not to be unreasonably withheld or delayed), which directly result from a **Cyber Extortion Event**, including sums incurred to hire information technology consultants, legal and regulatory consultants and crisis negotiators.
- 3.10. **Damages** means compensatory damages, any award of prejudgment or post-judgment interest and settlements which the **Insured** becomes legally obligated to pay on account of any **Privacy Claim**, **Network Security Claim** or **Internet Claim** first made against the **Insured** during the **Policy Period** for a **Wrongful Act** to which this **Coverage Section** applies. **Damages** include:
- punitive damages, exemplary damages, fines and penalties, to the extent such damages are insurable under the laws of the applicable jurisdiction that most favours coverage for such damages; and
 - a **Consumer Redress Fund**, and **Regulatory Fines**,

up to the amount of the Sub-limit of Liability shown in Item 2. of the Schedule.

Damages do not include:

- any amount for which the **Insured** is not legally obligated to pay;
 - matters uninsurable under the laws pursuant to which this **Coverage Section** is construed;
 - the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;
 - the **Insured's** loss of fees or profits, return of fees, commissions or royalties, or re-performance of services by the **Insured** or under the **Insured's** supervision;
 - disgorgement of any profit, remuneration or financial advantage to which the **Insured** is not legally entitled; and
 - any amounts other than those which compensate solely for a loss caused by a **Wrongful Act**, unless specifically provided for in this **Coverage Section**.
- 3.11. **Data** means any information, facts or programs stored, created, used, or transmitted on any hardware or software that allows a computer and any of its accessories to function, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media that are used with electronically controlled equipment or other electronic backup facilities. **Data** does not constitute tangible property.
- 3.12. **Data Asset Incident** means entry to, corruption of or destruction of an **Insured's Data** caused by:
- Computer Malicious Acts**;
 - Malware**;
 - Hacking**;
 - Unauthorised Use or Access**; or
 - Denial of Service Attack**.
- 3.13. **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 or fees of the directors, officers or employees of the **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in defending, investigating or settling any **Claim** and the premium paid for appeal, attachment or similar bonds.
- 3.14. **Denial of Service Attack** means temporary total or partial malicious deprivation of service to the **Insured's Computer System** without the **Insured's** information technology equipment, telecommunications equipment

or infrastructure, including the associated software resources, sustaining any alteration or destruction.

and actually or allegedly committed by such contractor.

- 3.15. **Expenses** mean **Privacy Claims Expenses, Network Security Claims Expenses, Internet Claims Expenses** and **Incident Response Expenses**.
- 3.16. **Hacking** means the malicious access to the **Insured's Computer System**, for the purpose of creation, deletion, confiscation, collection, disruption, divulgence, interruption, or corruption of the **Insured's Data** or services.
- 3.17. **Incident Response Expenses** means those reasonable and necessary **expenses** incurred by the **Insured** or which the **Insured** becomes legally obligated to pay:
- to retain the services of a third party computer forensics firm or by an **independent contractor** for whom the **Insured** is legally responsible, to determine the cause and scope of the **Insured's Network Security** failure, to properly handle, manage, store, destroy or otherwise control **Personal Data**;
 - to comply with **Privacy Regulations**, including but not limited to the consumer notification provisions of **Privacy Regulations** of the applicable jurisdiction that most favours coverage for such expenses;
 - to retain a legal or regulatory advisor to communicate with a government agency to determine the applicability and actions necessary to comply with **Privacy Regulations**; and, the costs to respond to any requests for information or demands by any government agency alleging the violation of **Privacy Regulations**, including the costs of providing any necessary privacy impact assessments, or costs to attend hearings.
 - with the **Insurer's** prior consent, which shall not be unreasonably withheld:
 - to voluntarily notify individuals whose **Personal Data** has been wrongfully disclosed;
 - to retain a notification service, including the services of a call centre support service, to voluntarily notify individuals whose **Personal Data** has been wrongfully disclosed or otherwise compromised;
 - to retain the services of a public relations firm, crisis management firm or law firm for advertising or related communications solely for the purpose of protecting or restoring the **Insured's** reputation as a result of a **Wrongful Act**;
 - to retain the services of a law firm solely to determine the **Insured's** indemnification rights under a written agreement with an **independent contractor** with respect to a **Privacy Wrongful Act** or **Network Security Wrongful Act** expressly covered under this **Coverage Section**

Incident Response Expenses do not include:

- costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the loss event or to be compliant with **Privacy Regulations**;
- taxes, **finances**, **penalties**, injunctions, or sanctions; or
- the **Insured's** wages, salaries, internal operating costs or expenses, or fees.

- 3.18. **Insured's Computer System** means a **Computer System**:
- leased, owned, or operated by the **Organisation**; or
 - operated for the **Organisation's** benefit by a third party service provider under written contract with the **Organisation**.
- 3.19. **Insured** means the **Organisation** and the **Insured Person**.
- 3.20. **Insured Person** means:
- any past, present or future principal, partner, officer, director, trustee, employee, leased employee, or temporary employee of the **Insured** while acting on the **Insured's** behalf or at the **Insured's** direction and control;
 - a lawyer employed by the **Insured** who in their capacity as such must comply with Sarbanes-Oxley Act of 2002 (**U.S.A**); and
 - independent contractors** of the **Insured**, who are natural persons, whilst performing duties on behalf of the **Insured**.
- 3.21. **Internet Activities** means the display or other use of **Matter** on an **Internet Site** or on a **Social Media Platform**.
- 3.22. **Internet Claim** means:
- a written demand against the **Insured** for monetary or non-monetary damages;
 - a civil proceeding against the **Insured** seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint, statement of claim, or similar pleading; or
 - an arbitration proceeding against the **Insured** seeking monetary damages or non-monetary or injunctive relief.
- 3.23. **Internet Claims Expenses** means:
- reasonable and necessary legal counsels' fees, expert witness fees and other fees and costs incurred by the **Insurer**, or by the **Insured** with the **Insurer's** prior written consent, which shall not be unreasonably withheld, in the investigation and defence of a

covered **Internet Claim**;

- b. reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided the **Insurer** shall have no obligation to apply for or furnish such bond; and
- c. subject to the **Insurer's** prior written consent, which shall not be unreasonably withheld, **Incident Response Expenses** incurred for public relations and crisis communications services.

3.24. **Internet Site** means any of the **Insured's internet site(s)** used to promote, advertise or conduct the business of the **Insured**.

3.25. **Internet Wrongful Act** means any libel, slander, or other oral or written publication of defamatory or disparaging material, committed, attempted or allegedly committed or attempted, by an **Organisation**; by any person for whose **Internet Wrongful Acts** such **Insured** is legally liable; or by any **Insured Person** in their capacity as such, solely in connection with **Internet Activities** by or on behalf of such **Organisation**.

3.26. **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. awards of **Damages** or orders made by any court or tribunal to pay compensation;
- c. judgments;
- d. sums payable due to settlements to which the **Insurer** has consented;
- e. awards of claimants' costs;
- f. pre-judgment and post-judgment interest;
- g. punitive, exemplary or aggravated **Damages** unless the **Insurer** is legally prohibited from paying such **Damages** in the jurisdiction in which the **Claim** is determined; and
- h. the multiple portion of any multiplied **Damages** award unless the **Insurer** is legally prohibited from paying such **Damages** in the jurisdiction in which the **Claim** is determined;

Loss does not include:

- i. any amount for which an **Insured Person** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- ii. fines or penalties;
- iii. any amount not covered by this **Coverage Section** because of Section 10.(Allocation), of the General Terms and Conditions; or

- iv. matters for which the **Insurer** is legally prohibited from indemnifying an **Insured** under Australian law other than to the extent covered pursuant to paragraphs (g) and (h) above.

3.27. **Malware** means programs, files or instructions of a malicious nature which may disrupt, harm, impede access to, or in any other way corrupt the operation of or **Data** within, any software or **Computer System**, including, but not limited to malicious code, ransomware, cryptoware, virus, trojans, worms and logic or time bombs.

3.28. **Matter** means printed, verbal, numerical, audio or visual expression, or any other expression whatsoever, regardless of the medium through which such expression is made.

3.29. **Network Security** means those activities performed by the **Insured**, or by others on behalf of the **Insured**, to protect against unauthorised use of, a **Denial of Service Attack** by a third party, or transmission of **Malware** to the **Insured's Computer System**.

3.30. **Network Security Claim** means:

- a. a written demand against the **Insured** for monetary or non-monetary damages;
- b. a civil proceeding against the **Insured** seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;
- c. an arbitration proceeding against the **Insured** seeking monetary damages or non-monetary or injunctive relief;
- d. a **Regulatory Proceeding**; or
- e. written notice by the **Insured** to the **Insurer** of a **Network Security Wrongful Act** actually or allegedly committed by the **Insured** which could give rise to a **Network Security Claim** under (a) to (d) above.

3.31. **Network Security Claims Expenses** means:

- a. reasonable and necessary legal counsel's fees, expert witness fees and other fees and costs incurred by the **Insured** with the **Insurer's** prior consent, which shall not be unreasonably withheld, in the investigation and defence of a covered **Network Security Claim**;
- b. reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided the **Insurer** shall have no obligation to apply for or furnish such bond;
- c. **Incident Response Expenses**;
- d. **Regulatory Fines**; and
- e. a **Consumer Redress Fund**.

3.32. **Network Security Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, breach of duty, or **Personal Injury** offence actually or allegedly committed or attempted by the

Insured, resulting in a failure of **Network Security**, including the failure to deter, inhibit, defend against or detect any **Computer Malicious Act**, including:

- a. **Malware**;
- b. **Hacking**;
- c. a **Denial of Service Attack**; or
- d. Unauthorised Use or Access.

3.33. **Personal Data** means:

- a. an individual's name, national identity number or national insurance number, medical or healthcare data, other protected health information, driver's licence number, state identification number, credit card number, debit card number, address, telephone number, email address, account number, account histories, or passwords; and
- b. any other non-public personal information as defined in **Privacy Regulations**,

in any format if such information creates the potential for an individual to be uniquely identified or contacted.

3.34. **Personal Injury** means injury arising out of one or more of the following offences:

- a. false arrest, detention or imprisonment;
- b. malicious prosecution;
- c. libel, slander, or other defamatory or disparaging material;
- d. publication or an utterance in violation of an individual's right to privacy; and
- e. wrongful entry or eviction, or other invasion of the right to private occupancy.

3.35. **Privacy Claim** means:

- a. a written demand against the **Insured** for monetary or non-monetary damages;
- b. a civil proceeding seeking monetary damages or non-monetary or injunctive relief against the **Insured**, commenced by the service of a complaint or similar pleading;
- c. an arbitration proceeding against the **Insured** seeking monetary damages or non-monetary or injunctive relief;
- d. a **Regulatory Proceeding**; or
- e. written notice by the **Insured** to the **Insurer** of a **Privacy Wrongful Act** actually or allegedly committed by the **Insured** which could give rise to a **Privacy Claim** under (a) to (d) above.

3.36. **Privacy Claims Expenses** means:

- a. reasonable and necessary legal counsel's fees, expert witness fees and other fees and costs incurred by the **Insured** with the **Insurer's** prior consent, which shall

not be unreasonably withheld, in the investigation and defence of a covered **Privacy Claim**;

- b. reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided the **Insurer** shall have no obligation to apply for or furnish such bond;
- c. **Incident Response Expenses**;
- d. **Regulatory Fines**; and
- e. a **Consumer Redress Fund**.

3.37. **Privacy Regulations** means regulations associated with the care, custody, control or use of **Personal Data**.

3.38. **Privacy Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, breach of duty, or **Personal Injury** offence actually or allegedly committed or attempted by the **Insured**, resulting in the failure by the **Insured** or by an independent contractor for which the **Insured** is legally responsible to handle, manage, store, destroy or otherwise control:

- a. **Personal Data**; or
- b. third party corporate information in any format provided to the **Insured** and specifically identified as confidential and protected under a non-disclosure agreement or similar contract with the **Insured**; or
- c. an unintentional violation of the **Insured's privacy** policy that results in the violation of any **Privacy Regulations**, including but not limited to the unintentional wrongful collection of **Personal Data** by the **Insured**.

3.39. **Property Damage** means physical injury to or loss or destruction of tangible **property**, including the loss of use thereof. However, solely with respect to **Incident Response Expenses** covered under Insuring Clause 1.1 (**Privacy Liability Coverage**) and 1.2 (**Network Security Liability Coverage**), **Property Damage** does not mean physical injury to, loss or destruction of, or loss of use of **Data**.

3.40. **Recovery Costs** means any reasonable and necessary costs to remove any **Malware** from the **Insured's Computer System** and/or reconstruct any of the **Insured's Data** due to a **Data Asset Incident** including but not limited to:

- a. the use of external equipment hired or leased;
- b. the implementation of alternative work methods in accordance with a business continuity plan;
- c. costs to subcontract with an external service provider;
- d. increased costs of labour; or
- e. **Incident Response Expenses** incurred with the **Insurer's** prior written consent, which shall not be unreasonably withheld.

Recovery Costs do not include:

- i. costs or expenses incurred to update, replace, restore, or otherwise improve **Data** to a level beyond that which existed prior to the loss event;
 - ii. costs or expenses incurred to identify or remediate software vulnerabilities;
 - iii. costs to update, restore, replace, upgrade, maintain, or improve any **Computer System**;
 - iv. costs incurred to research and develop **Data**, including **Trade Secrets**;
 - v. the economic or market value of **Data**, including **Trade Secrets**; or
 - vi. any other consequential loss or damage.
- 3.41. **Regulatory Fines** means any civil monetary fine or penalty imposed by a government or regulatory body, including a federal, state, local or foreign governmental entity in such entity's regulatory or official capacity pursuant to its order under a **Regulatory Proceeding**. **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement of profits or multiple damages.
- 3.42. **Regulatory Proceeding** means a request for information, demand, suit, civil investigation or civil proceeding by or on behalf of a government agency, commenced by a service of a complaint or similar alleging the violation of **Privacy Regulations** by the **Insured** as a result of the **Insured's Privacy Wrongful Act** or **Network Security Wrongful Act**.
- 3.43. **Reward Expenses** means the reasonable amount of a reward paid by an **Organisation**, with the **Insurer's** prior written consent, which shall not be unreasonably withheld, to a natural person who provides information in relation to a **Cyber Extortion Event** not otherwise available leading to the arrest and conviction of any person responsible for that **Cyber Extortion Event**.
- 3.44. **Single Claim** means all **Claims**, **Regulatory Proceedings** or other matters giving rise to a claim under this **Coverage Section** that relate to the same originating source or cause or the same underlying source or cause, regardless of whether such **Claims**, **Regulatory Proceedings** or other matters giving rise to a claim under this **Coverage Section** involve the same or different claimants, insureds, events, or legal causes of action.
- 3.45. **Social Media Platform** means a third party website for the purpose of allowing the creation and exchange of user-generated content through blogs, microblogs, social networking and wikis.
- 3.46. **Trade Secret** means information, including a formula, pattern, compilation, program, device, method, technique or process that derives independent economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain value from its disclosure or use, so long as reasonable efforts have been made to maintain its secrecy.
- 3.47. **Unauthorised Use or Access** means the entry or access to the **Insured's Computer System** by an unauthorised party or individual, including an employee or authorised party exceeding authority.
- 3.48. **Wrongful Act** means actual or alleged **Privacy Wrongful Act**, **Network Security Wrongful Act**, or **Internet Wrongful Act**.
- 3.49. **Wrongful Employment Practices** means any actual or alleged violation of employment laws or any other legal provisions relating to any individual's actual or prospective employment relationship with the **Insured**, including:
- a. employment-related invasion of privacy, except with respect to that part of any **Claim** arising out of the loss of **Personal Data** which is otherwise covered under Insuring Clause 1.1 (**Privacy Liability Coverage**); or
 - b. employment-related wrongful infliction of emotional distress, except with respect to that part of any **Claim** arising out of the loss of **Personal Data** which is otherwise covered under Insuring Clause 1.1 (**Privacy Liability Coverage**).
- ## 4. Exclusions
- The **Insurer** shall not be liable for **Damages** or **Expenses** in respect of any **Claim**:
- 4.1. Pending or Prior Litigation
- based upon, arising from or attributable to:
- a. any **Claim** made, threatened or intimated against the **Insured** before the Pending or Prior Litigation Date shown in Item 5. of the Schedule; or
 - b. any litigation or other proceedings commenced against the **Insured** before the Pending or Prior Litigation Date shown in Item 5. of the Schedule, or alleging or derived from the same or substantially the same facts or circumstances alleged in the litigation or proceedings; or
 - c. any fact, circumstance, act, omission or claim known or disclosed in the **Proposal** or of which notice has been given to any other insurer on or before the Pending or Prior Litigation Date shown in Item 5. of the Schedule; or
 - d. any fact, circumstance, act or omission which, prior to the commencement of the Pending or Prior Litigation Date shown in Item 5. of the Schedule, the **Insured** was aware may give rise to a **Claim** or which at such date the **Insured** ought reasonably have been aware may give rise to a **Claim**.
- 4.2. Conduct of Insured
- based upon, arising from or attributable to, or in any way

connected with the **Insured's** conduct, or of any person for whose conduct the **Insured** is legally responsible, which involves:

- a. committing or permitting any knowing or wilful breach of duty, or violation, of any laws; or
- b. committing or permitting any criminal, deliberately fraudulent or deliberately dishonest act or omission; or
- c. any actual or attempted gain of personal profit, secret profit or advantage by the **Insured** to which the **Insured** were not entitled.

This Exclusion shall only apply where such conduct has been established to have occurred by written admission or a final adjudication in any proceeding.

For the purpose of determining the applicability of this Exclusion to an **Insured Person**, no conduct of, facts known to or knowledge possessed by any one **Insured** shall be imputed to any other **Insured Person**.

For the purpose of determining the applicability of this Exclusion to the **Organisation**, only the conduct of, facts known to and knowledge possessed by any past, present or future chairman, chief executive officer, chief financial officer, chief operating officer, managing director, chairman, company secretary, chief legal officer, chief technology officer, chief information security officer, or any person who holds an equivalent position, will be imputed to such **Organisation**.

4.3. Bodily Injury/Property Damage

based upon, arising from or attributable to any **Bodily Injury** or **Property Damage**.

4.4. Assumed Liability

for breach of any express, implied, actual or constructive contract, warranty, guarantee, or promise, including liquidated damages provisions or any liability assumed by the **Insured**. This Exclusion shall not apply to:

- a. any liability or obligation the **Insured** would have in the absence of such contract, warranty, promise or agreement; or
- b. any indemnity by the **Insured** in a written contract or agreement with the **Insured's** client regarding any **Privacy Claim** suffered by the **Insured** that results in the failure to preserve the confidentiality or privacy of **Personal Data** of customers of the **Insured's** client.

4.5. Insured versus Insured

brought or maintained by the **Insured**, or on the **Insured's** behalf, or any other natural person or entity for whom or which the **Insured** is legally liable. This Exclusion shall not apply to **Privacy Wrongful Acts** expressly covered under Insuring Clause 1.1 (Privacy Liability Coverage).

4.6. Employment Related Wrongful Acts

based upon, arising from or attributable to any:

- a. illegal discrimination of any kind; or
- b. humiliation, harassment or misconduct based upon, arising out of or related to any such discrimination; or
- c. **Wrongful Employment Practices**.

This Exclusion shall not apply with respect to that part of any **Privacy Claim** or **Network Security Claim** alleging employment-related invasion of privacy or employment-related wrongful infliction of emotional distress in the event such claim arises out of the loss of **Personal Data** which is covered under Insuring Clause 1.1 (Privacy Liability Coverage).

4.7. Fees

based upon, arising from or attributable to any fees, expenses, or costs paid to or charged by the **Insured**.

4.8. Internet Access

based upon, arising from or attributable to any failure, interruption, or outage to internet access service provided by the internet service provider that hosts the **Insured's** website, unless such infrastructure is under the **Insured's** operational control.

4.9. Act of God

based upon, arising from or attributable to fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical **event**, however caused.

4.10. War and Terrorism

based upon, arising from or attributable to war, invasion, acts of foreign enemies, terrorism, hostilities or warlike operations (whether war is declared or not), strike, lock-out, riot, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power. This Exclusion shall not apply to an **Act of Cyber-Terrorism** which results in a **Claim**.

4.11. Trade Secret

based upon, arising from or attributable to any actual or alleged validity, invalidity, infringement, violation or misappropriation of any patent or **Trade Secret** by or on behalf of the **Insured**.

4.12. Intellectual Property

based upon, arising from or attributable to any infringement, violation or misappropriation by the **Insured** of any copyright, service mark, trade name, trademark or other intellectual property of any third party. This Exclusion shall not apply to a **Privacy Wrongful Act** expressly covered under Insuring Clause 1.1 (Privacy Liability Coverage).

4.13. Personal Data

based upon, arising from, attributable to, directly or indirectly resulting from, or in any way involving the

unauthorised, surreptitious, or wrongful collection of **Personal Data** by the **Insured** or the failure to provide

adequate notice that such information is being collected. This Exclusion shall not apply to the **Insured's** unintentional violation of any **Privacy** Regulation, including but not limited to the unintentional wrongful collection of **Personal Data**.

4.14. Internet Content

solely with respect to coverage under Insuring Clause 1.4 (**Internet** Liability Coverage), based upon, arising from or attributable to the actual goods, products or services described, illustrated or displayed in **Matter**.

4.15. First Party

solely with respect to coverage under Insuring Clauses 1.3 (**Data Asset Loss** Coverage):

- a. based upon, arising from or attributable to the ordinary wear and tear or gradual deterioration of **Data**, including any data processing media; or
- b. based upon, arising from or attributable to any action of a public or governmental authority, including the seizure, confiscation or destruction of the **Insured's Computer System** or **Data**.

4.16. Statutory Liability

for which cover is available under the Statutory **Liability Coverage Section**.

5. Conditions

5.1. Cessation of Subsidiaries

If, during the **Policy Period**, an **Insured** other than the **Company** completely ceases the primary business it was carrying on at the start of the **Policy Period**; or enters into bankruptcy, winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or a receiver or holder of a similar position is appointed over any of its assets, cover for that **Organisation** and its **Insured Persons** shall continue until the end of the **Policy Period**, but that cover shall not be for **Wrongful Acts** after such cessation, entry or appointment. Sub-limits of Liability are not subject to reinstatement once exhausted.

The **Insurer's** maximum liability for **Incident Response Expenses, Regulatory Fines, Consumer Redress Fund** and **Reward Expenses** shall not exceed the Sub-limit of Liability for **Incident Response Expenses, Regulatory Fines, Consumer Redress Fund** and **Reward Expenses** shown in Item 2. of the Schedule.

5.2. Limit of Liability

The amount shown in Item 1. of the Schedule is the **Insurer's** maximum aggregate liability under this **Coverage Section**, irrespective of the number of claims under this **Coverage Section**, the amount claimed, the number of **Insureds** who claim, or when such claims are made under this **Coverage Section**.

Subject to the above:

- a. the maximum liability for all **Damages and Privacy Claims Expenses** from each **Privacy Claim** and from all **Privacy Claims** in the aggregate under Insuring Clause 1.1 (**Privacy** Liability Coverage), is the amount shown in Item 2.(a) of the Schedule;
- b. the maximum liability for all **Damages and Network Security Claims Expenses** from each **Network Security Claim** and from all **Network Security Claims** in the aggregate under Insuring Clause 1.2 (**Network Security** Coverage), is the amount shown in Item 2.(b) of the Schedule;
- c. the maximum liability for all **Recovery Costs** from **Data Asset Incidents** in the aggregate under Insuring Clause 1.3 (**Data Asset Loss** Coverage), is the amount specified in Item 2.(c) of the Schedule;
- d. the maximum liability for all **Damages and Internet Claims Expenses** from each **Internet Claim** and from all **Internet Claims** in the aggregate under Insuring Clause 1.4 (**Internet** Liability), is the amount shown in Item 2.(d) of the Schedule;
- e. the maximum liability for all **Cyber Extortion Damages and Cyber Extortion Expenses** from each **Cyber Extortion Event** and from all **Cyber Extortion Events** in the aggregate under Insuring Clause 1.5 (**Cyber Extortion** Coverage), is the amount specified in Item 2.(e) of the Schedule;
- f. the maximum liability for all **Incident Response Expenses, Consumer Redress Fund, Reward Expenses** and **Regulatory Fines**, payable under this **Coverage Section**, are the Sub-limit of Liability amounts shown in Item 2. of the Schedule.

The **Insurer** will only be liable for that part of the **Damages** and/or **Expenses** or any applicable Sub-limit of Liability arising from any **Claim**, which exceeds the Deductible Amount.

Subject to the terms of this **Coverage Section**, any payment under any Extension erodes the Sub-limit of Liability for the relevant Extension, the Limit of Liability for the applicable Insuring Clause and also the Aggregate Limit of Liability shown in Item 1. of the Schedule. Once a Sub-limit of Liability for an Extension is exhausted, there shall be no further cover under that Extension, even where the Extension would otherwise apply in respect of a different Insuring Clause.

5.3. Deductible Amount

The Deductible Amount shown in Item 2. of the Schedule shall apply to each and every **Single Claim**. The Deductible Amount is the sum that is payable by the **Insured** in respect of each and every **Single Claim** notified to the **Insured** under this **Policy**.

5.4. Severability - Imputation of Knowledge

With respect to Exclusion 4.2 (Conduct of **Insured**), in

order to determine if coverage is available:

- a. no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**; and
- b. only facts pertaining to and knowledge possessed by any past, present or future chief financial officer, inhouse general counsel, chief executive officer, chairman, president or managing director or equivalent thereof, of an **Organisation** shall be imputed to an **Organisation**.

PRIVACY STATEMENT

Chubb Insurance Australia Limited (Chubb) is committed to protecting your privacy. This document provides you with an overview of how we handle your personal information. Our Privacy Policy can be accessed on our website at www.chubb.com/au.

Personal Information Handling Practices

Collection, Use and Disclosure

We collect your personal information (which may include sensitive information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim in order to help us properly administrate your insurance proposal, policy or claim.

Personal information may be obtained by us directly from you or via a third party such as your insurance intermediary or employer (e.g. in the case of a group insurance policy).

When information is provided to us via a third party we use that information on the basis that you have consented or would reasonably expect us to collect your personal information in this way and we take reasonable steps to ensure that you have been made aware of how we handle your personal information.

The primary purpose for our collection and use of your personal information is to enable us to provide insurance services to you. Sometimes, we may use your personal information for our marketing campaigns, in relation to new products, services or information that may be of interest to you.

We may disclose the information we collect to third parties, including service providers engaged by us to carry out certain business activities on our behalf (such as assessors and call centres in Australia). In some circumstances, in order to provide our services to you, we may need to transfer personal information to other entities within the Chubb Group of companies (such as the regional head offices of Chubb located in Singapore, UK or USA), or third parties with whom we or those other Chubb Group entities have sub-contracted to provide a specific service for us, which may be located outside of Australia (such as in the Philippines or USA). Please note that no personal information is disclosed by us to any overseas

entity for marketing purposes.

In all instances where personal information may be disclosed overseas, in addition to any local data privacy laws, we have measures in place to ensure that those parties hold and use that information in accordance with the consent you have provided and in accordance with our obligations to you under the Privacy Act 1988 (Cth).

Your Choices

In dealing with us, you agree to us using and disclosing your personal information as set out in this statement and our Privacy Policy. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer. However, should you choose to withdraw your consent it is important for you to understand that this may mean we may not be able to provide you or your organisation with insurance or to respond to any claim.

How to Contact Us

If you would like a copy of your personal information, or to correct or update it, please contact our customer relations team on 1800 815 675 or email CustomerService.AUNZ@chubb.com.

If you have a complaint or would like more information about how we manage your personal information, please review our Privacy Policy for more details or contact the Privacy Officer, Chubb Insurance Australia Limited, GPO Box 4907, Sydney NSW 2001, Tel: +61 2 9335 3200 or email Privacy.AU@chubb.com.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and your rights under it is available at www.codeofpractice.com.au and on request.

COMPLAINTS AND DISPUTE RESOLUTION

We take the concerns of our customers very seriously and have detailed complaint handling and internal dispute resolution procedures that you can access. Please note that if we have resolved your initial complaint to your satisfaction by the end of the 5th business day after we have received it, and you have not requested that we provide you a response in writing, the following complaint handling and internal dispute resolution process does not apply. This exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

Stage 1 - Complaint Handling Procedure

If you are dissatisfied with any aspect of your relationship with Chubb including our products or services and wish to make a complaint, please contact us at:

The Complaints Officer
Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
O 1800 815 675
E Complaints.AU@chubb.com

The members of our complaint handling team are trained to handle complaints fairly and efficiently.

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your complaint.

We will investigate your complaint and keep you informed of the progress of our investigation. We will respond to your complaint in writing within fifteen (15) business days provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames and, if we cannot agree, you may request that your complaint is taken to Stage 2 and referred to our internal dispute resolution team. We will otherwise keep you informed about the progress of our response at least every ten (10) business days, unless you agree otherwise.

Please note if your complaint relates to Wholesale Insurance (as defined in the General Insurance Code of Practice), we may elect to refer it straight to Stage 2 for review by our Internal Dispute Resolution team.

Stage 2 - Internal Dispute Resolution Procedure

If you advise us that you wish to take your complaint to Stage 2, your complaint will be reviewed by members of our internal dispute resolution team, who are independent to our complaint handling team and are committed to reviewing disputes objectively, fairly and efficiently.

You may contact our internal dispute resolution team by phone, fax or post (as below), or email at:

Internal Dispute Resolution Service
Chubb Insurance Australia Limited

GPO Box 4065
Sydney NSW 2001
O +61 2 9335 3200
F +61 2 9335 3411
E DisputeResolution.AU@chubb.com

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your dispute.

We will keep you informed of the progress of our review of your dispute at least every ten (10) business days and will respond to your dispute in writing within fifteen (15) business days, provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames. If we cannot agree, you may refer your dispute to the Financial Ombudsman Service Australia (FOS) as detailed under Stage 3 below, subject to its Terms of Reference. If your complaint or dispute falls outside the FOS Terms of Reference, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

Stage 3 - External Dispute Resolution

If you are dissatisfied with our internal dispute determination, or we are unable to resolve your complaint or dispute to your satisfaction within forty-five (45) days, you may refer your complaint or dispute to FOS, subject to its Terms of Reference.

FOS is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and we agree to be bound by its determinations about a dispute. Where a dispute is covered by the FOS Terms of Reference, the General Insurance Division of FOS offers a free and accessible dispute resolution service to consumers.

You may contact FOS at any time at:

Financial Ombudsman Service Australia
GPO Box 3
Melbourne VIC 3001
O 1800 367 287
F +61 3 9613 6399
E info@fos.org.au
www.fos.org.au

If you would like to refer your dispute to FOS you must do so within two (2) years of the date of our internal dispute determination. FOS may still consider a dispute lodged after this time if FOS considers that exceptional circumstances apply.

NOTES



Contact us:

Allstate Underwriting

Office: Level 4, 9 The Avenue, Midland WA 6056

Post: PO Box 230 Midland DC WA 6936

Tel: 1300 591 947