

26-Nov-2025

Alberta Registered Music Teachers' Association (1982)
1114 CAMERON RD S
LETHBRIDGE, AB, T1K 4B3, CA

Your Travelers Canada insurance renewal policy.

Thank you for choosing Travelers Canada for your insurance needs. This renewal policy is effective 20-Dec-2025. Please read your policy carefully to ensure the coverage matches your business needs.

If you have any questions about your policy, please contact your broker at:

WESTLAND INSURANCE GROUP LTD.
Phone: 780.436.7880
Website: WWW.WESTLANDINSURANCE.CA

Evolving Business Needs.

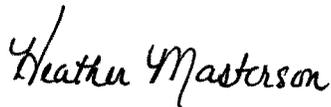
Your business is unique. It may evolve over the course of this policy term. As the world changes and your organization evolves, talk to your broker about what changes to your insurance protection might be appropriate. Travelers Canada offers a breadth of protection that your company may need now and in the years to come.

We're with you every step of the way.

If an unforeseen event threatens to sideline your business, Travelers Canada is here to help. We'll be with you from the moment we start your claim and throughout the claims process.

When you need to report a claim, call your **broker** or call our Travelers Canada Claim team at **1.800.661.5522**. Or report your claim to newclaims@travelers.com. We're here 24/7.

Sincerely,



Heather Masterson
President & CEO

Included in your policy



Travelers Canada knows you are busy with the day-to-day tasks of running your organization. The time and cost required to address the unexpected can seem overwhelming. So, we've added the following services* to help you navigate the unexpected:

- Business Legal Assistance
- Designated Human Resources Support
- Emotional Support Counselling

Call **1.877.473.9797**, 24 hours a day, 7 days a week.



Giving you enhanced business services*

FOR BUSINESS OWNERS

As a Travelers Canada customer with a business, you're busy with the day-to-day tasks of running your company. The time and cost needed to address other issues that crop up can seem overwhelming. So we've added resources to help you better focus on your business.



Business Legal Assistance



Designated Human Resources (HR) Support



Emotional Support Counselling

Take advantage of these free services:

Business Legal Assistance – Access to legal assistance for business issues such as rental agreements, contracts, real estate and consumer law.

Designated Human Resources (HR) Support – HR support for hiring, absences/leaves, safety, discrimination, immigration, benefits and temporary employees.

Emotional Support Counselling – Access to a professional counsellor for emotional support on a variety of issues, including family and/or relationship problems, trauma, grief and work-related issues for you and your employees.

Call us at: 877.473.9797 24 hours a day, 7 days a week.

**SERVICES PROVIDED BY ASSISTENZA*

travelerscanada.ca

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The Insurer's maximum liability for each **Policy Year** for all **Claims** and limits of insurance under the **Scheduled Coverage Sections** indicated in ITEM 5 will not exceed the amount of the **Shared Limit of Insurance for Scheduled Coverage Sections**. Any applicable Additional Defence Limit of Insurance, supplemental Limit of Insurance, or Identity Fraud Expense Reimbursement Limit of Insurance is in addition to, and not part of, the **Shared Limit of Insurance for Scheduled Coverage Sections**.

ITEM 5

COVERAGE SECTIONS TO BE INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:

Coverage Section	Coverage Sections Included at Inception	Shared Limit of Insurance Scheduled Coverage Sections
Liability Coverage Sections		
Non-Profit Organization Directors and Officers Liability Coverage	Included	Shared
Employment Practices Liability Coverage	Included	Shared
Fiduciary Liability Coverage		
Professional Liability Coverage		
Crime Coverage Section		
Crime Coverage		
Kidnap and Extortion Coverage		
Cyber Coverage Section		
CyberRisk Coverage		
Other Coverage Section		
Identity Fraud Expense Reimbursement Coverage	Included	

Only those **Coverage Sections** marked "Included" in the middle column are included in this **Policy**.

Only those **Scheduled Coverage Sections** marked "Shared" in the last column are subject to the **Shared Limit of Insurance for Scheduled Coverage Sections** indicated in ITEM 4.

ITEM 6 A.

COVERAGE FEATURES:

If "Not Covered" is inserted opposite any specified Insuring Agreement below, or if no amount is included in the Limit of Insurance, such Insuring Agreement and any other reference thereto is deemed to be deleted from this **Policy**.

Annual Reinstatement of "for all Claims" or Aggregate Limits of Insurance for each Policy Year: Applicable

Non-Profit Organization Directors and Officers Liability Coverage Section [CNDO-E-26400 05-20]

COVERAGE	LIMIT OF INSURANCE	SUBLIMIT	ADDITIONAL LIMIT OF INSURANCE	RETENTION
Non-Profit Organization Directors and Officers Liability Coverage for all Claims	\$2,000,000			Not applicable to: Non-Indemnifiable Loss; or Crisis Management Expenses or Workplace Violence Event Expenses under Insuring Agreement D \$0 for each Claim under Insuring Agreement B \$0 for each Claim under Insuring Agreement C
Employed Lawyer Wrongful Act Coverage for all Claims		\$1,000,000		
Workplace Violence Expense Coverage for all Claims		\$50,000		
Crisis Management Expense Coverage for all Crisis Events		\$50,000		
Supplemental Personal Indemnification Coverage for all Claims			\$1,000,000	
Defence Outside Limits for Non-US Claims for all Claims			Applicable	
Additional Defence Coverage for US Claims for all Claims			\$1,000,000	

Prior or Pending Proceeding Date: 20-Dec-2018

Continuity Date: 20-Dec-2018

Non-Profit Organization Directors and Officers Liability Endorsements Attached at Policy Inception Date:

[CNDO-E-26703 12-17] Sexual Misconduct and Child Abuse Exclusion Endorsement - with carveback for Sexual Harassment and Workplace Harassment

[CNDO-E-26706 12-17] Specified Services Exclusion Endorsement

Employment Practices Liability Coverage Section [CEPL-E-31400 05-20]

COVERAGE	LIMIT OF INSURANCE	SUBLIMIT	ADDITIONAL LIMIT OF INSURANCE	RETENTION
Employment Practices Liability Coverage for all Claims	\$2,000,000			Not applicable to non-indemnifiable Loss
Third Party Claim Coverage under Insuring Agreement B for all Claims		Not Covered		\$1,000 for each Claim under Insuring Agreement A
Additional Defence Coverage for Non-US Claims for all Claims			Not Covered	
Additional Defence Coverage for US Claims for all Claims			Not Covered	

Prior or Pending Proceeding Date:

Claims for Wrongful Employment Practices: 20-Dec-2018

Claims for Third Party Wrongful Acts: Not Covered

Continuity Date:

Claims for Wrongful Employment Practices: 20-Dec-2018

Claims for Third Party Wrongful Acts: Not Covered

Employment Practices Liability Endorsements Attached at Policy Inception Date:

None

Identity Fraud Expense Reimbursement Coverage Section [CIDF-E-53400 05-20]

COVERAGE	LIMIT OF INSURANCE	SUBLIMIT	ADDITIONAL LIMIT OF INSURANCE	RETENTION
Identity Fraud Expense Reimbursement Coverage for each Insured Person for each Identity Fraud	\$25,000			\$0

Identity Fraud Expense Reimbursement Endorsements Attached at Policy Inception Date:

None

ITEM 6 B. TYPE OF CLAIM DEFENCE FOR LIABILITY COVERAGE SECTIONS: Duty to Defend

ITEM 6 C. OPTIONAL EXTENDED REPORTING PERIOD FOR LIABILITY COVERAGE SECTIONS:

Additional Premium Percentage: 75%
Additional Months: 12

(If exercised in accordance with the applicable EXTENDED REPORTING PERIOD condition)

ITEM 6 D. RUN-OFF EXTENDED REPORTING PERIOD FOR LIABILITY COVERAGE SECTIONS:

Additional Premium Percentage: 195%
Additional Months: 72

(If exercised in accordance with the applicable CHANGE OF CONTROL condition)

ITEM 7 PREMIUM FOR THE POLICY PERIOD:

\$3,630.00 Policy Period Premium

\$1,210.00 Annual Premium

ITEM 8 A. COVERAGE SECTIONS ATTACHED AT ISSUANCE:

[CGTC-E-10000 05-20] General Terms and Conditions

[CNDO-E-26400 05-20] Non-Profit Organization Directors and Officers Liability Coverage Section

[CEPL-E-31400 05-20] Employment Practices Liability Coverage Section

[CIDF-E-53400 05-20] Identity Fraud Expense Reimbursement Coverage Section

ITEM 8 B. OTHER ENDORSEMENTS ATTACHED AT ISSUANCE (In addition to any endorsements listed in ITEM 6.A.):

[CGTC-E-10502 12-17] Acknowledgement and Acceptance of Competitor Application Endorsement - Amended Definition of Application

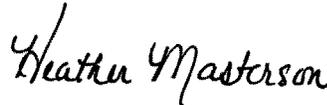
[CMME-E-88241 01-25] Cyber Exclusion Endorsement - Applicable to Specified Directors and Officers Liability Coverage Section

PRODUCER INFORMATION:

WESTLAND INSURANCE GROUP LTD.
UNIT 100 17203 103RD AVENUE NW
EDMONTON, AB, T5S 1J4, CA

IN WITNESS WHEREOF, the Insurer has caused this policy to be signed by its authorized officer.

TRAVELERS INSURANCE COMPANY OF CANADA



President and Chief Executive Officer

Policy Issuance Date: 26-Nov-2025

GENERAL TERMS AND CONDITIONS

CERTAIN LIABILITY COVERAGE SECTIONS OF THIS POLICY ARE WRITTEN ON A CLAIMS-MADE BASIS AND COVER ONLY CLAIMS MADE AGAINST INSUREDS DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD. UNLESS DEFENCE OUTSIDE LIMITS COVERAGE IS ELECTED, DEFENCE EXPENSES WILL REDUCE, AND MAY EXHAUST, THE LIMIT OF INSURANCE; PROVIDED, WHERE THE LAW OF THE PROVINCE OF QUÉBEC APPLIES TO A CLAIM THAT GIVES RISE TO COVERAGE UNDER A COVERAGE SECTION OF THIS POLICY, PAYMENT OF DEFENCE EXPENSES WILL NOT REDUCE THE LIMIT OF INSURANCE. IF DEFENCE OUTSIDE LIMITS COVERAGE IS ELECTED, PAYMENT OF DEFENCE EXPENSES WILL NOT REDUCE THE LIMIT OF INSURANCE, EXCEPT: AS RESPECTS CLAIMS BROUGHT AND MAINTAINED IN THE UNITED STATES OF AMERICA, DEFENCE EXPENSES WILL REDUCE, AND MAY EXHAUST, THE LIMIT OF INSURANCE. THE RETENTION APPLIES TO DEFENCE EXPENSES, EXCEPT AS OTHERWISE REQUIRED BY THE LAW OF THE PROVINCE OF QUÉBEC.

THE INSURER HAS NO DUTY-TO-DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

PLEASE READ ALL TERMS CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the **Application**, subject to the Declarations, and pursuant to all the terms, conditions, exclusions, and limitations of this **Policy**, the Insurer and the **Insureds** agree:

I. GENERAL

These GENERAL TERMS AND CONDITIONS apply to all **Coverage Sections** unless any **Coverage Section** states specifically that all or part of these GENERAL TERMS AND CONDITIONS will not apply to such **Coverage Section**.

The terms and conditions contained in each **Coverage Section** apply only to that **Coverage Section**. If any provision in these GENERAL TERMS AND CONDITIONS is inconsistent or in conflict with the terms and conditions of a particular **Coverage Section**, such **Coverage Section**'s terms, conditions, and limitations will control for that **Coverage Section**.

II. DEFINITIONS

A. TERMS APPEARING IN BOLD IN EACH COVERAGE SECTION

Words and phrases appearing in bold type in a **Coverage Section** have the meaning set forth in the DEFINITIONS section of that **Coverage Section**.

Certain words and phrases are defined in more than one **Coverage Section**. Such words or phrases have only the meaning set forth in the DEFINITIONS section of that particular **Coverage Section** in which the term appears.

If a word or phrase appearing in bold type in a **Coverage Section** is not defined in the DEFINITIONS section of that **Coverage Section**, the word or phrase has the meaning ascribed in the Declarations or set forth in section C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS.

B. TERMS APPEARING IN BOLD IN THESE GENERAL TERMS AND CONDITIONS

Words or phrases appearing in bold type in these GENERAL TERMS AND CONDITIONS and not defined in section C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS will have the meaning ascribed in the Declarations or set forth in the DEFINITIONS section of a particular **Coverage Section** for purposes of coverage provided under that particular **Coverage Section**.

C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS

Where appearing in this **Policy**, either in the singular or the plural, the following words and phrases appearing in bold type have the meaning set forth in this section C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS:

Additional Defence Coverage Limit of Insurance	means the amount set forth in ITEM 6.A of the Declarations for each applicable Liability Coverage Section . If: (i) no Additional Defence Coverage Limit of Insurance is shown; or (ii) Additional Defence Coverage Limit of Insurance is marked "Not Covered" in ITEM 6.A. of the Declarations for a Liability Coverage Section Additional Defence Coverage Limit of Insurance ; any reference to the Additional Defence Coverage Limit of Insurance will be
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deemed to be deleted as respects such **Liability Coverage Section**.

Annual Reinstatement of “for all Claims” or Aggregate Limit of Insurance for each Policy Year

means, if **Annual Reinstatement of “for all Claims” or Aggregate Limit of Insurance for each Policy Year** is marked “Applicable” in ITEM 6.A. of the Declarations, the reinstatement of each applicable **Coverage Section** or Insuring Agreement **Limit of Insurance** for each **Policy Year** during the **Policy Period**.

Annual Reinstatement of the Shared Limit of Insurance

means, if **Annual Reinstatement of the Shared Limit of Insurance** is marked “Applicable” in ITEM 4 of the Declarations, the reinstatement of the **Shared Limit of Insurance** for **Scheduled Coverage Sections** and of each applicable **Coverage Section** or Insuring Agreement **Limit of Insurance** for each **Policy Year** during the **Policy Period**.

Application

means: (i) all signed applications for this **Policy**, including material submitted with or requested in such applications; and (ii) all public documents, including certifications related to the accuracy of such public documents, filed with the Ontario Securities Commission, the Securities and Exchange Commission (SEC), or similar domestic or foreign regulatory body, by an **Insured Organization** during the 12 months preceding the **Policy Period**.

If the **Application** uses words or phrases that differ from the words or phrases defined in this **Policy**, no inconsistency between any words or phrases used in the **Application** and any words or phrases defined in this **Policy** will waive or change the terms, conditions, and limitations of this **Policy**.

Change of Control

means:

1. the **Named Insured** or **Insurance Representative**; or all of, or substantially all of, its assets; is acquired by another entity such that it is not the surviving entity;
2. the **Named Insured** or **Insurance Representative** merges into, or consolidates with, another entity such that it is not the surviving entity;
3. the **Named Insured** or **Insurance Representative** emerges from bankruptcy protection, as of the effective date stated in the plan of reorganization; or
4. another entity, person, or affiliated group of entities or persons acting in concert obtains:
 - a. more than 50% of the outstanding securities; or
 - b. the right to:
 - (1) elect, appoint, or designate more than 50% of the board of directors, board of trustees, or board of managers, or functional equivalent thereof; or
 - (2) exercise a majority control of the board of directors, board of trustees, or board of managers, or a functional equivalent thereof;

of the **Named Insured** or **Insurance Representative**.

Coverage Event

means the **First Party Event**, **Identity Fraud**, **Insured Event**, or **Single Loss** that must occur or be **Discovered** in order to invoke coverage under a **First Party Coverage Section**.

Coverage Section

means a **First Party Coverage Section** or **Liability Coverage Section** marked “Included” in ITEM 5 of the Declarations.

Financial Impairment

means the status of the **Insured Organization** or **Outside Entity** resulting from:

1. the appointment by any federal, provincial, territorial, or state official, agency or court of an examiner, receiver, conservator, liquidator, trustee, or rehabilitator, or any functional equivalent position, to take control of, supervise, manage, or liquidate the **Insured Organization** or **Outside Entity**;
2. the appointment by a creditor exercising its rights pursuant to a written instrument of any agent, receiver, or receiver and manager;
3. a reorganization proceeding relating to the **Insured Organization** or **Outside Entity** brought pursuant to the Companies’ Creditors Arrangement Act or Bankruptcy and Insolvency Act; the **Insured Organization** or **Outside Entity** becoming a debtor in possession under the U.S. Bankruptcy Code, Chapter 11; or
4. any foreign equivalent appointment or reorganization.

Financial Interest

means the **Named Insured’s** insurable interest in an **Insured Organization** domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, as a result of the **Named Insured’s**:

1. ownership of the majority of the outstanding securities or voting rights of such **Insured Organization** representing the present right to elect, appoint, or exercise a majority control over such **Insured Organization's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;
2. indemnification of, or representation that it has an obligation to indemnify, such **Insured Organization** for: (i) **Loss** as respects any **Liability Coverage Section**; or (ii) loss as respects any **First Party Coverage Section**; sustained by such **Insured Organization**; or
3. election or obligation to obtain insurance for such **Insured Organization**.

First Named Insured means the entity first named in ITEM 1 of the Declarations.

First Party Coverage Section means, if purchased as set forth in ITEMS 5 and 6 of the Declarations:

1. the **Crime Coverage Section**;
2. the **Kidnap and Ransom Coverage Section**;
3. the **First Party Insuring Agreements** of the **CyberRisk Coverage Section**; and
4. the **Identity Fraud Expense Reimbursement Coverage Section**.

Foreign Parent Corporation means an entity incorporated outside Canada, while such entity owns more than 50% of: (i) the outstanding securities; (ii) the voting rights representing the right to elect or appoint the board of directors, board of trustees, or board of managers, or a functional equivalent thereof; or (iii) the voting rights representing the right to exercise a majority control of the board of directors, board of trustees, or board of managers, or a functional equivalent thereof; of the **Named Insured**.

Liability Coverage Section means, if purchased as set forth in ITEMS 5 and 6 of the Declarations:

1. the **Directors, Officers, and Organization Liability Coverage Section**; **Private Company Directors and Officers Liability Coverage Section**; or **Non-Profit Organization Directors and Officers Liability Coverage Section**;
2. the **Employment Practices Liability Coverage Section**;
3. the **Fiduciary Liability Coverage Section**;
4. the **Miscellaneous Professional Liability Coverage Section**, **Design Professional Liability Coverage Section**, or **Accountants Professional Liability Coverage Section**; and
5. the **LIABILITY Insuring Agreements** of the **CyberRisk Coverage Section**.

Liability Coverage Section also means, as respects sections III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTION, A. EXTENSIONS OF COVERAGE, 2. OPTIONAL EXTENDED REPORTING PERIOD and H. CHANGE IN EXPOSURE of these GENERAL TERMS AND CONDITIONS, the **PRIVACY BREACH NOTIFICATION**, **COMPUTER AND LEGAL EXPERTS**, and **PUBLIC RELATIONS Insuring Agreements** of the **CyberRisk Coverage Section**, solely as respects a **First Party Event** occurring and discovered prior to termination or non-renewal of the **CyberRisk Coverage Section**.

Named Insured means any entity named in ITEM 1 of the Declarations.

Non-Indemnifiable Loss means **Loss** covered under:

1. the **Directors, Officers, and Organization Liability Coverage Section**, Insuring Agreements A. **INSURED PERSON INDIVIDUAL LIABILITY COVERAGE** or D.4. **INTERVIEW REQUEST COVERAGE**, a.;
2. the **Private Company Directors and Officers Liability Coverage Section**, Insuring Agreements A. **INSURED PERSON INDIVIDUAL LIABILITY COVERAGE** or D.5. **INTERVIEW REQUEST COVERAGE**, a.; or
3. **Non-Profit Organization Directors and Officers Liability Coverage Section**, Insuring Agreement A. **INSURED PERSON INDIVIDUAL LIABILITY COVERAGE**.

Non-Profit Entity means any entity: (i) incorporated or continued under the Canada Non-Profit Corporations Act, S.C., 2009, c. 23, or any similar or related provincial or territorial statute; (ii) which is exempt from federal income tax as an entity described in section 501(c)(3), 501(c)(4), or 501(c)(10) of the United States of America Internal Revenue Code of 1986, as amended; or (iii) that qualifies as such under any foreign equivalent law.

Non-US Claim	means any Claim other than a US Claim .
Optional Extended Reporting Period	means the period of time set forth in ITEM 6.C. of the Declarations following the effective date of any non-renewal or termination of this Policy .
Policy	means, collectively, the Declarations, the Application , all purchased Coverage Sections , the General Terms and Conditions , and any endorsements attached thereto, which constitute the entire agreement between the Insurer and the Insured .
Policy Period	means the period of time set forth in ITEM 2 of the Declarations, subject to prior termination in accordance with section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, I. TERMINATION OF POLICY.
Policy Year	<p>means the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; provided, if such time period is less than one year, Policy Year means the time between: (i) the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; and (ii) the effective date of cancellation or termination of this Policy.</p> <p>If:</p> <ol style="list-style-type: none"> 1. a Coverage Section is added to this Policy after the Inception Date set forth in ITEM 2 of the Declarations; and 2. the time between the Inception Date of such Coverage Section and: (i) any anniversary of this Policy; or (ii) the effective date of cancellation or termination of this Policy; <p>is less than one year, Policy Year means the time between the Inception Date of such Coverage Section and such anniversary or effective date of cancellation or termination of this Policy.</p>
Pollutant	<p>means:</p> <ol style="list-style-type: none"> 1. a solid, liquid, gaseous, or thermal irritant or contaminant; 2. an electric, magnetic, or electromagnetic field; 3. an odour or noise; 4. oil or oil products; or 5. asbestos, asbestos fibers, or products containing asbestos; <p>including materials to be recycled, reconditioned, or reclaimed.</p>
Related Wrongful Act	means all Wrongful Acts that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event, transaction, or decision.
Scheduled Coverage Sections	means those Coverage Sections marked "Shared" in ITEM 5 of the Declarations.
Shared Additional Defence Coverage Limit of Insurance	<p>means the amount specified in ITEM 4 of the Declarations as applicable for Additional Defence Coverage for all Claims under the Scheduled Coverage Sections for which Additional Defence Coverage is indicated in ITEM 6.A. of the Declarations.</p> <p>If the Shared Limit of Insurance for Scheduled Coverage Sections is marked "Not Applicable" in ITEM 4 of the Declarations, any reference to the Shared Additional Defence Coverage Limit of Insurance will be deemed deleted from this Policy.</p>
Shared Limit of Insurance	<p>means the amount set forth in ITEM 4 of the Declarations.</p> <p>If the Shared Limit of Insurance for Scheduled Coverage Sections is marked "Not Applicable" in ITEM 4 of the Declarations, any reference to the Shared Limit of Insurance for Scheduled Coverage Sections will be deemed deleted from this Policy.</p>
Spouse	means any natural person who qualifies as a legal spouse, domestic partner, or party to a civil union under any applicable domestic or foreign law or regulation, or under the provisions of any formal program established by the Insured Organization .
Subsidiary	<p>means:</p> <ol style="list-style-type: none"> 1. as respects any Named Insured or Insurance Representative that is a Non-Profit Entity, any Non-Profit Entity; or

2. as respects any other **Named Insured** or **Insurance Representative**, any entity;

while the **Named Insured** or **Insurance Representative**, directly or indirectly, owns more than 50% of the outstanding voting securities or other equity ownership, representing the present right to elect or appoint directors, officers, or **Managers**, or any functional equivalent position, if such ownership or right to elect or appoint: (i) exists on or before the **Inception Date** set forth in ITEM 2 of the Declarations; or (ii) exists after the **Inception Date** set forth in ITEM 2 of the Declarations, subject to section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, H. CHANGE IN EXPOSURE.

Subsidiary also means, as respects a particular **Coverage Section**, any other entity specified in the **Coverage Section** definition of **Subsidiary**.

US Claim

means a **Claim** brought and maintained in the United States of America.

III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS

A. EXTENSIONS OF COVERAGE

1. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSAL LIABILITY COVERAGE

As respects **Liability Coverage Sections**, this **Policy** will afford coverage for **Claims** for **Wrongful Acts** committed by any **Insured Person**, and made against: (i) any estate, heir, legal representative, or assignee of the **Insured Person** in the event of death, incapacity, insolvency, or bankruptcy of such **Insured Person**; or (ii) the **Insured Person's Spouse** solely because of such **Spouse's** legal status as a **Spouse**, or because of such **Spouse's** ownership interest in property that the claimant seeks as recovery for alleged **Wrongful Acts** of the **Insured Person**.

All loss such estate, heir, legal representative, assignee, or **Spouse** of such **Insured Person** becomes legally obligated to pay for such **Claim** will be treated as **Loss** that the **Insured Person** is legally obligated to pay for such **Claim**. The coverage afforded by this section 1. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSAL LIABILITY COVERAGE will not apply to the portion of any **Claim** that alleges any wrongful act or omission by the estate, heir, legal representative, assignee, or **Spouse** of the **Insured Person**.

2. OPTIONAL EXTENDED REPORTING PERIOD

As respects **Liability Coverage Sections**:

- a. If this **Policy** is not renewed or otherwise terminates for a reason other than non-payment of premium, the **Named Insured** has the right to elect an **Optional Extended Reporting Period**.
- b. The **Optional Extended Reporting Period** provides the **Insured** with the ability to report: (i) **Claims** or **Potential Claims** made during the **Optional Extended Reporting Period** for **Wrongful Acts**; or (ii) **Interview Requests** made during the **Optional Extended Reporting Period** based upon, or arising out of, matters or circumstances; that occurred prior to such termination or cancellation and that would have been covered by such **Liability Coverage Section**.
- c. The **Optional Extended Reporting Period** will not provide new, additional, or reinstated **Limits of Insurance**. The Insurer's maximum liability for all **Claims** made during the **Optional Extended Reporting Period** is the remaining portion of the applicable **Limits of Insurance** set forth in ITEMS 4 and 6.A. of the Declarations as of the effective date of the termination or cancellation.
- d. The premium due for the **Optional Extended Reporting Period** will equal that percent set forth in ITEM 6.C. of the Declarations of the original annualized premium, and the fully annualized amount of any additional premium, charged by the Insurer before or during the **Policy Period**.
- e. The entire premium for the **Optional Extended Reporting Period** will be deemed fully earned and non-refundable upon payment.
- f. The right to elect the **Optional Extended Reporting Period** terminates unless written notice of such election, with payment of the additional premium due, which is deemed fully earned upon inception of the **Optional Extended Reporting Period**, is received by the Insurer within 60 days of the effective date of such non-renewal or termination.
- g. The **Named Insured** will not be entitled to elect the **Optional Extended Reporting Period** under this section 2. OPTIONAL EXTENDED REPORTING PERIOD if an extension of coverage is effected pursuant to section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, H. CHANGE IN EXPOSURE, 3. CHANGE OF CONTROL.

B. LIMITS OF INSURANCE

1. COVERAGE SECTION LIMIT OF INSURANCE

Subject to any applicable **Shared Limit of Insurance** or any applicable Annual Reinstatement:

a. CLAIMS

The **Limits of Insurance** set forth in ITEM 6.A. of the Declarations for each **Liability Coverage Section** are:

- (1) if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is elected, the maximum amounts the Insurer will pay under this **Policy** for all **Loss**, other than **Defence Expenses**; or
- (2) if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is not elected, the maximum amounts the Insurer will pay under this **Policy** for all **Loss**, including **Defence Expenses**;

during each **Policy Period** under each applicable **Coverage Section** or Insuring Agreement, regardless of the number of **Claims** or **Insureds**, and regardless of when payment is made by the Insurer, or when an **Insured's** legal obligation regarding a **Claim** arises or is established.

b. COVERAGE EVENTS

Any applicable **Coverage Event Limit of Insurance** set forth in ITEM 6 of the Declarations is the maximum amount the Insurer will pay under this **Policy** for such **Coverage Event**.

Any applicable **Coverage Event** aggregate **Limits of Insurance** set forth in ITEM 6 of the Declarations are the maximum amounts the Insurer will pay under this **Policy** for all such **Coverage Events** during each **Policy Period** under each applicable **Coverage Section** or Insuring Agreement, regardless of the number of **Coverage Events** or **Insureds**, and regardless of when payment is made by the Insurer.

c. LIMITS REDUCED BY DEFENCE EXPENSES

If ITEM 6.A. of the Declarations indicates Defence Outside Limits is elected, payment of **Defence Expenses** will not reduce applicable **Limits of Insurance**; provided:

- (1) as respects **Claims** brought and maintained in the United States of America; or
- (2) if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is not elected;

payment of **Defence Expenses** will reduce, and may exhaust, all applicable **Limits of Insurance**, except as otherwise required by the law of the Province of Québec.

d. CLAIMS UNDER MORE THAN ONE LIABILITY COVERAGE SECTION

If **Loss**, including **Defence Expenses**, arising from a single **Claim** is covered under more than one **Liability Coverage Section**, the applicable **Limits of Insurance** for such **Liability Coverage Sections** will apply separately to each part of such **Loss**; provided, the Insurer's maximum liability for such **Loss** will not exceed the amount of the sum of the remaining applicable **Limits of Insurance**.

e. EXHAUSTION OF INSURING AGREEMENT LIMIT OF INSURANCE

If the **Limit of Insurance** applicable to an Insuring Agreement is exhausted by the payment of covered amounts, all obligations of the Insurer, including any duty to defend, under such Insuring Agreement are completely fulfilled and exhausted.

f. EXHAUSTION OF COVERAGE SECTION LIMIT OF INSURANCE

If the **Limit of Insurance** applicable to a **Coverage Section** is exhausted by the payment of covered amounts, the premium for such **Coverage Section** is considered fully earned and all obligations of the Insurer, including any duty to defend, under such **Coverage Section** are completely fulfilled and exhausted.

2. SHARED LIMIT OF INSURANCE

If ITEM 4 of the Declarations indicates a **Shared Limit of Insurance** has been elected, and subject to any applicable Annual Reinstatement or **Shared Additional Defence Coverage Limit of Insurance**:

a. The Insurer's maximum liability for:

- (1) all **Loss**, excluding **Defence Expenses**, for all **Claims** under **Coverage Sections** for which Defence Outside Limits has been elected;
- (2) all **Loss**, including **Defence Expenses**, for all **Claims** under **Coverage Sections** for which Defence Outside Limits has not been elected; and
- (3) all **Coverage Events**;

during each **Policy Period** under all **Scheduled Coverage Sections** will not exceed the **Shared Limit of Insurance**.

b. If **Loss** is covered under more than one **Scheduled Coverage Section**:

- (1) the **Limit of Insurance**; and
- (2) the election of Defence Inside Limits or Defence Outside Limits;

applicable to each **Scheduled Coverage Section** will apply separately to each part of such **Loss**, subject to the **Shared Limit of Insurance**.

c. The **Shared Limit of Insurance** will be reduced, and may be exhausted, by payment: (i) of **Loss**; or (ii) for **Covered Events**; under any **Scheduled Coverage Section**.

- d. If the **Shared Limit of Insurance** is exhausted by the payment of covered amounts, the premium for this **Policy** is considered fully earned and all obligations of the Insurer, including any duty to defend, are completely fulfilled and exhausted.

3. ANNUAL REINSTATEMENT OF LIMIT

a. REINSTATEMENT – “FOR ALL CLAIMS” OR AGGREGATE LIMIT OF INSURANCE

If ITEM 6.A. of the Declarations indicates that an **Annual Reinstatement of “for all Claims” or Aggregate Limit of Insurance for each Policy Year** is applicable, sections 1. COVERAGE SECTION LIMIT OF INSURANCE, a. CLAIMS, and b. COVERAGE EVENTS, are replaced with the following:

a. CLAIMS

The **Limits of Insurance** set forth in ITEM 6.A. of the Declarations for each **Liability Coverage Section** are:

- (1) if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is elected, the maximum amounts the Insurer will pay under this **Policy** for all **Loss** other than **Defence Expenses**; or
- (2) if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is not elected, the maximum amounts the Insurer will pay under this **Policy** for all **Loss**, including **Defence Expenses**;

during each **Policy Year** of the **Policy Period** under each applicable **Coverage Section** or Insuring Agreement, regardless of the number of **Claims** or **Insureds**, and regardless of when payment is made by the Insurer, or when an **Insured’s** legal obligation regarding a **Claim** arises or is established.

b. COVERAGE EVENTS

Any applicable **Coverage Event Limit of Insurance** set forth in ITEM 6 of the Declarations is the maximum amount the Insurer will pay under this **Policy** for such **Coverage Event**.

Any applicable **Coverage Event** aggregate **Limits of Insurance** set forth in ITEM 6 of the Declarations are the maximum amounts the Insurer will pay under this **Policy** for all such **Coverage Events** during each **Policy Year** of the **Policy Period** under each applicable **Coverage Section** or Insuring Agreement, regardless of the number of **Coverage Events** or **Insureds**, and regardless of when payment is made by the Insurer.

b. REINSTATEMENT - SHARED LIMIT OF INSURANCE

If ITEM 4 of the Declarations indicates that a reinstatement of the **Shared Limit of Insurance** is applicable, section 2. SHARED LIMIT OF INSURANCE, a. and d., are replaced with the following:

a. The Insurer’s maximum liability for:

- (1) all **Loss**, excluding **Defence Expenses**, for all **Claims** under **Coverage Sections** for which Defence Outside Limits has been elected;
- (2) all **Loss**, including **Defence Expenses**, for all **Claims** under **Coverage Sections** for which Defence Outside Limits has not been elected; and
- (3) all **Coverage Events**;

during each **Policy Year** of the **Policy Period** under all **Scheduled Coverage Sections** will not exceed the **Shared Limit of Insurance**.

- d. If the **Shared Limit of Insurance** is exhausted by the payment of covered amounts during a **Policy Year**, the premium for the **Policy Period** is considered fully earned and all obligations of the Insurer for that **Policy Year**, including any duty to defend, are completely fulfilled and exhausted.

4. ADDITIONAL DEFENCE COVERAGE LIMIT OF INSURANCE

a. SHARED LIMIT OF INSURANCE — NOT APPLICABLE

If: (i) ITEM 4 of the Declarations indicates that a **Shared Limit of Insurance** for **Scheduled Coverage Sections** is not applicable; and (ii) ITEM 6.A. of the Declarations indicates that any **Liability Coverage Section** includes Additional Defence Coverage:

- (1) **Defence Expenses** under such **Liability Coverage Section** will apply first to, and reduce, the **Additional Defence Coverage Limit of Insurance**.
- (2) The **Additional Defence Coverage Limit of Insurance** is in addition to, and not part of, the **Limit of Insurance** for such **Liability Coverage Section**.
- (3) If ITEM 6.A. of the Declarations indicates that an **Annual Reinstatement of “for all Claims” or Aggregate Limit of Insurance for each Policy Year** is applicable, any applicable **Additional Defence Coverage Limit of Insurance** will be reinstated for each **Policy Year** of the **Policy Period**.
- (4) If the applicable **Additional Defence Coverage Limit of Insurance** is exhausted, payment of **Defence Expenses** will reduce, and may exhaust, any other applicable **Limits of Insurance**.

b. SHARED LIMIT OF INSURANCE — APPLICABLE

If: (i) ITEM 4 of the Declarations indicates that a **Shared Limit of Insurance** for **Scheduled Coverage Sections** is applicable; (ii) ITEM 5 of the Declarations indicates any **Liability Coverage Section** is a **Scheduled Coverage**

Section; and (iii) ITEM 6.A. of the Declarations indicates that such **Liability Coverage Section** includes Additional Defence Coverage:

- (1) The **Additional Defence Coverage Limit of Insurance** set out in ITEM 4 of the Declarations is the maximum the Insurer will pay as Additional Defence Coverage for all **Scheduled Coverage Sections** indicated in ITEM 5 of the Declarations.
- (2) **Defence Expenses** under such **Scheduled Coverage Sections** will apply first to, and reduce, the **Shared Additional Defence Coverage Limit of Insurance**.
- (3) The **Shared Additional Defence Coverage Limit of Insurance** is in addition to, and not part of, the **Shared Limit of Insurance** for such **Scheduled Coverage Sections**.
- (4) If ITEM 4 of the Declarations indicates that a reinstatement of the **Shared Limit of Insurance** is applicable, the **Shared Additional Defence Coverage Limit of Insurance** will be reinstated for each **Policy Year** of the **Policy Period**.
- (5) If the applicable **Shared Additional Defence Coverage Limit of Insurance** is exhausted, payment of **Defence Expenses** will reduce, and may exhaust, any other applicable **Limits of Insurance**, including the **Shared Limit of Insurance**.

5. OPTIONAL EXTENDED REPORTING PERIOD OR RUN-OFF EXTENDED REPORTING PERIOD LIMIT OF INSURANCE

The **Limit of Insurance** for any **Optional Extended Reporting Period** or Run-Off Extended Reporting Period is part of, and not in addition to, the **Limit of Insurance**, including the **Shared Limit of Insurance**, applicable to any **Coverage Section** or Insuring Agreement. The purchase of an Extended Reporting Period will not increase or reinstate the **Limit of Insurance** or **Shared Limit of Insurance**.

C. RETENTION

1. CLAIMS

- a. The Insurer's liability as respects **Loss** for each **Claim** applies only to the portion of **Loss** that is excess of the applicable **Retention** set forth in ITEM 6.A. of the Declarations. Such **Retention** will be borne by the **Insured** at its own risk, and in satisfaction of **Loss**.
- b. As respects **Loss** other than **Non-Indemnified Loss**, if indemnification by the **Insured Organization** is not permitted by law or if the **Insured Organization** is unable to make such indemnification solely by reason of **Financial Impairment**, no **Retention** will apply to **Loss** of such **Insured Person**. The **Insured Organization** will be conclusively deemed to have indemnified all **Insured Persons** to the extent that the **Insured Organization** is permitted or required to indemnify them pursuant to common or statutory law, or contract, or the charter or by-laws of the **Insured Organization**.

2. COVERAGE EVENTS

The Insurer's liability as respects any **Coverage Event** applies only to that amount in excess of the applicable **Retention** set forth in ITEM 6.A. of the Declarations. Such **Retention** will be borne by the **Insured** at its own risk.

3. MULTIPLE RETENTIONS UNDER THIS POLICY

If: (i) **Loss** arising from a single **Claim**; or (ii) a **Coverage Event**; is subject to multiple **Retentions**, each **Retention** will be applied separately to the part of such **Loss** or **Coverage Event** to which it corresponds, and the largest applicable **Retention** set forth in ITEM 6 of the Declarations will be the maximum **Retention** applicable to all such **Loss** or **Coverage Events**.

4. RETENTION UNDER THIS POLICY AND OTHER INSURANCE

If: (i) **Loss** arising from a single **Claim**; or (ii) a **Coverage Event**; is subject to a **Retention** under this **Policy** and a retention or deductible under any other insurance issued by the Insurer or its affiliated companies, any payment by an **Insured** of such retention or deductible will reduce, by the amount of such payment that would otherwise have been covered under this **Policy**, the applicable **Retention** under this **Policy**.

5. RETENTION PAID BY INSURER

The Insurer, at its sole discretion, may pay all or part of the **Retention** amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Insurer any amounts so paid.

D. NOTICE

Notice to the Insurer of any **Claim**, **Potential Claim**, or **Coverage Event** will be deemed notice under the **Policy** in its entirety.

All such notices must be sent to the Insurer as set forth in ITEM 3 of the Declarations and will be deemed received and effective upon the earliest of the actual date of receipt by the addressee, or one day following the date such notice is sent.

E. RELATED CLAIMS

As respects **Liability Coverage Sections**, all **Claims** or **Potential Claims** against an **Insured** arising out of the same **Wrongful Act** or **Related Wrongful Act** are considered one **Claim** that is deemed first made on the date that the earliest of such **Claims** is first made, or deemed to be made pursuant to the INSURED'S DUTIES section of the CONDITIONS in such **Liability Coverage Section** concerning the reporting of **Potential Claims**; regardless of whether such date is before or during the **Policy Period** or applicable Extended Reporting Period.

F. ORDER OF PAYMENTS

If non-indemnifiable **Loss** and: (i) any other **Loss**; or (ii) payment as a result of a **Coverage Event**; are concurrently due under this **Policy**, the Insurer will:

1. first, pay **Ransom** for **Bodily Injury Extortion** or **Kidnap** under the **Kidnap and Ransom Coverage Section**;
2. second, pay **Non-Indemnifiable Loss**; and
3. third, pay non-indemnifiable **Loss** of an **Insured Person** under any other **Coverage Section** if: (i) indemnification by the **Insured Organization** is not permitted by law; or (ii) the **Insured Organization** is unable to make such indemnification solely by reason of **Financial Impairment**;

unless otherwise instructed upon written request by the **Insured Organization** through an **Executive Officer**.

Except as provided in this section F. ORDER OF PAYMENTS, the Insurer may pay **Loss** as it becomes due without regard to the potential for other future payment obligations.

G. SUBROGATION

In the event of payment under this **Policy**, the Insurer will be subrogated to all of the **Insureds'** rights of recovery against any person or entity, including an **Insured Person's** rights to indemnification or advancement from any entity, to the extent of such payment.

The **Insured** must execute and deliver instruments and papers, and do all that is necessary to secure such rights, and must do nothing to prejudice such rights.

H. CHANGE IN EXPOSURE

1. CREATION OR ACQUISITION

- a. If during the **Policy Period**, the **Insured Organization**: (i) creates or acquires a **Subsidiary**; (ii) acquires an entity by such entity's merger into or consolidation with an **Insured Organization**, and the **Insured Organization** is the surviving entity; or (iii) purchases assets or assumes liabilities of another entity, without acquiring the entity; and:
 - (1) the total: (i) assets of such **Subsidiary** or entity; or (ii) amount of such purchased assets or assumed liabilities of such other entity; do not exceed the lesser of:
 - (a) 50% of the total assets of the **Insured Organization** as reflected in financial statements as of the **Inception Date** of this **Coverage Section**; or
 - (b) \$25,000,000;then, subject to section 1. CREATION OR ACQUISITION, c., this **Policy** will provide coverage as respects such:
 - (i) **Subsidiary** or entity and its **Insured Persons**; or (ii) purchased assets or assumed liabilities; or
 - (2) such creation, acquisition, purchase, or assumption does not meet the requirements of section 1. CREATION OR ACQUISITION, a.(1), then, subject to section 1. CREATION OR ACQUISITION, c., such: (i) **Subsidiary** or entity and its **Insured Persons**; or (ii) purchased assets or assumed liabilities; will be covered automatically for the lesser of the remainder of the **Policy Period** or 90 days (the "Automatic Coverage Period").
- b. Provided, coverage as respects any creation, acquisition, purchase, or assumption will extend only:
 - (1) as respects any **Liability Coverage Section**, to: (i) **Claims** or **Potential Claims** for **Wrongful Acts** committed; (ii) **Workplace Violence Event Expenses** for **Workplace Violence Events** occurring; (iii) **Crisis Management Expenses** in connection with **Crisis Events** occurring; (iv) **Interview Expenses** for **Interview Requests** arising out of matters or circumstances occurring; or (v) **Document Expenses** incurred; after such creation, acquisition, purchase, or assumption; and
 - (2) as respects other **First Party Coverage Sections**, to any **Coverage Event** taking place in its entirety and **Discovered** after such creation, acquisition, purchase, or assumption.
- c. As a condition precedent to further coverage for any creation, acquisition, purchase, or assumption that does not meet the requirements of section 1. CREATION OR ACQUISITION, a.(1), after the Automatic Coverage Period, the **Named Insured** or **Insurance Representative** must:
 - (1) provide written notice of the creation, acquisition, purchase, or assumption to the Insurer within 90 days of such creation, acquisition, purchase, or assumption; and
 - (2) promptly provide any additional information the Insurer may reasonably request.

Upon receipt of such notice and information, the Insurer, at its sole discretion, may provide the **Named Insured** or **Insurance Representative** with a quotation for additional coverage following the Automatic Coverage Period for the remainder of the **Policy Period**.

If the **Named Insured** or **Insurance Representative** fails to:

- (a) comply with this condition precedent;
- (b) pay any additional premium within 90 days following receipt of such quotation; or
- (c) agree to any additional coverage terms, conditions, exclusions, or limitations set forth in the quotation;

coverage for such: (i) **Subsidiary** or entity and its **Insured Persons**; or (ii) purchased assets or assumed liabilities; will terminate upon expiration of the Automatic Coverage Period.

2. CESSATION OF SUBSIDIARIES

If an entity ceases to be a **Subsidiary**, coverage for such entity and its **Insured Persons** will continue until the termination of this **Policy**, but only for:

- a. as respects any **Liability Coverage Section**: (i) **Claims** or **Potential Claims** for **Wrongful Acts** committed; (ii) **Workplace Violence Event Expenses** for **Workplace Violence Events** occurring; (iii) **Crisis Management Expenses** in connection with **Crisis Events** occurring; (iv) **Interview Expenses** for **Interview Requests** arising out of matters or circumstances occurring; or (v) **Document Expenses** incurred; while such entity was a **Subsidiary**;
- b. as respects the **Crime Coverage Section** or the **Identity Fraud Expense Reimbursement Coverage Section**, **Coverage Events**: (i) occurring while such entity was a **Subsidiary**; and (ii) **Discovered** while such entity was a **Subsidiary** or no later than 90 days after such entity ceased to be a **Subsidiary**;
- c. as respects the **Kidnap and Ransom Coverage Section**: **Coverage Events** first occurring while such entity was a **Subsidiary**; and
- d. as respects the BREACH RESPONSE, CYBER CRIME, and BUSINESS LOSS Insuring Agreements under the **CyberRisk Coverage Section**, **Loss**: (i) incurred; and (ii) arising from any **Coverage Event** taking place in its entirety and **Discovered**; while such entity was a **Subsidiary**.

3. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs:

- a. Then coverage will:
 - (1) as respects any **Liability Coverage Section**, continue until termination of this **Policy**, but only for: (i) **Claims** or **Potential Claims** for **Wrongful Acts** committed; or (ii) **Interview Expenses** for **Interview Requests** based upon, or arising out of, matters or circumstances occurring; prior to such **Change of Control**;
 - (2) as respect the **Crime Coverage Section** or the **Identity Fraud Expense Reimbursement Coverage Section**, terminate for **Coverage Events**: (i) that occurred prior to such **Change of Control** unless **Discovered** within 90 days of such **Change of Control**; or (ii) that occur after such **Change of Control**;
 - (3) as respects the **Kidnap and Ransom Coverage Section**: terminate as respects **Coverage Events** first occurring after such **Change of Control**; and
 - (4) as respects the BREACH RESPONSE, CYBER CRIME, and BUSINESS LOSS Insuring Agreements under the **CyberRisk Coverage Section**, continue only for **Loss**: (i) incurred prior to such **Change of Control**; and (ii) arising from a **Coverage Event Discovered** during the **Policy Period** or any applicable Automatic Extended Period to Discover Loss.
- b. As of the effective date of such event, all **Liability Coverage Section** and **CyberRisk Coverage Section** premiums paid or due at any time under this **Policy** are deemed fully earned and non-refundable.
- c. As of the effective date of such event, the Insurer will refund the unearned portion of any **First Party Coverage Section** premiums, other than **CyberRisk Coverage Section** premiums, paid or due at any time under this **Policy** on a pro rata basis.
- d. RUN-OFF EXTENDED REPORTING PERIOD – LIABILITY COVERAGE SECTIONS
 - (1) As respects the **Directors, Officers, and Organization Liability Coverage Section**, at the **Named Insured's** request, the Insurer will provide the **Named Insured** with a quotation for a six-year, or shorter period as may be negotiated, Run-Off Extended Reporting Period from a **Change of Control**. Such quotation will be conditioned upon the **Named Insured** providing any information the Insurer may request. The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election is received by the Insurer within 60 days of receipt of such quotation.
 - (2) As respects **Liability Coverage Sections** other than the **Directors, Officers, and Organization Liability Coverage Section**:
 - (a) The **Named Insured** has the right to elect a Run-Off Extended Reporting Period for any **Liability Coverage Section** for the period set forth in ITEM 6.D. of the Declarations following the effective date of a **Change of Control**.
 - (b) The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 6.D. of the Declarations of the annualized premium of the applicable **Liability Coverage Section**, including

the fully annualized amount of any additional premiums charged by the Insurer during the **Policy Period** prior to the **Change of Control**.

- (c) The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election is received by the Insurer within 60 days of the **Change of Control**.
- (3) The Run-Off Extended Reporting Period provides the **Insured** with the ability to report: (i) **Claims** or **Potential Claims** made during the Run-Off Extended Reporting Period for **Wrongful Acts**; or (ii) **Interview Requests** made during the Run-Off Extended Reporting Period based upon, or arising out of, matters or circumstances; that occurred prior to the **Change of Control** and that would have been covered by such **Liability Coverage Section**.
- (4) The Run-Off Extended Reporting Period will not provide new, additional, or reinstated **Limits of Insurance**. The Insurer's maximum liability for all **Claims** made during the Run-Off Extended Reporting Period is the remaining portion of the applicable **Limits of Insurance** set forth in ITEMS 4 and 6.A. of the Declarations as of the effective date of the **Change in Control**.
- (5) The **Named Insured** must include with any notice of election of a Run-Off Extended Reporting Period: (i) payment of any additional premium required by the Insurer, which is deemed fully earned upon inception of such Run-Off Extended Reporting Period; and (ii) acceptance of any additional terms, conditions, exclusions, and limitations required by the Insurer.
- (6) If the **Named Insured** elects such Run-off Extended Reporting Period, it is not entitled to elect coverage under section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, A. EXTENSIONS OF COVERAGE, 2. OPTIONAL EXTENDED REPORTING PERIOD.

I. TERMINATION OF POLICY

1. BY THE INSURER

- a. The Insurer may not terminate this **Policy** prior to expiration of the **Policy Period**, except for non-payment of premium when due. If such non-payment occurs, written notice of the non-payment will be provided to the **Named Insured** or **Insurance Representative**. Unless payment in full is received within 20 days of the **Named Insured's** or **Insurance Representative's** receipt of such notice, the Insurer will terminate this **Policy**.
- b. The Insurer will not be required to renew this **Policy** upon its expiration. If the Insurer elects not to renew, it will provide the **Named Insured** or **Insurance Representative** written notice to that effect at least 45 days before the **Expiration Date** set forth in ITEM 2 of the Declarations.

2. BY THE INSURED

The **Named Insured** or **Insurance Representative** may terminate:

- a. this **Policy**;
- b. a **Coverage Section** of this **Policy**;
- c. an Insuring Agreement of this **Policy**; or
- d. coverage for any **Insured**;

prior to the expiration of the **Policy Period** by providing the Insurer with prior written notice specifying the effective date of such termination and, in event of termination of this **Policy** in its entirety, such date will replace the **Expiration Date** set forth on ITEM 2 of the Declarations; provided, this **Policy** may not be terminated after the effective date of a **Change of Control** of the **Named Insured** or **Insurance Representative** as described in section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, H. CHANGE IN EXPOSURE, 3. CHANGE OF CONTROL.

- 3. In the event that this **Policy** is terminated by the **Insured** prior to the expiration of the **Policy Period**, the Insurer will refund any unearned premium on a pro rata basis.
- 4. Payment or tender of unearned premium by the Insurer is not a condition precedent to the effectiveness of such termination, but such payment will be made as soon as practicable.

J. AUTHORIZATION

By acceptance of this **Policy**, the **First Named Insured** or **Insurance Representative** agrees to act on behalf of all **Insureds**:

- 1. to give and receive any notice of a **Claim**, **Potential Claim**, **Coverage Event**, termination, non-renewal, or change of coverage; and
- 2. to pay premiums and receive any return premiums that may become due under this **Policy**;

and each **Insured** agrees that they have, individually and collectively, delegated such authority exclusively to the **First Named Insured** or **Insurance Representative**; provided, nothing in this section J. AUTHORIZATION relieves any **Insured** from giving any notice to the Insurer required under this **Policy**.

K. ALTERATION OR ASSIGNMENT

No change in, modification of, or assignment of, interest under this **Policy** will be effective unless made by the Insurer by written endorsement to this **Policy**.

Notice to a representative of the **Insured**, or knowledge possessed by an agent or other person, will not waive or change any part of this **Policy**, or estop the Insurer from asserting its rights under the terms, conditions, and limitations of this **Policy**.

L. TERRITORY

Where legally permissible, this **Policy** applies anywhere in the world.

M. VALUATION

1. Unless indicated otherwise in ITEM 7 of the Declarations, all premiums, **Limits of Insurance**, **Retentions**, loss, or other amounts under this **Policy** are expressed and payable in Canadian Dollars.

If a final judgment is rendered, a settlement or **Discovered Coverage Event** is denominated, or another element of loss under this **Policy** is stated in a currency other than Canadian Dollars, payment under this **Policy** will be made in Canadian Dollars at the rate of exchange published by the Bank of Canada on the date the final judgment is reached, the amount of the settlement is agreed upon, the **Coverage Event** is **Discovered**, or any other element of loss is due, respectively.

2. Provided, if stated in ITEM 7 of the Declarations that all premiums, **Limits of Insurance**, **Retentions**, loss, or other amounts under this **Policy** are expressed and payable in U.S. Dollars.

If a final judgment is rendered, a settlement or **Discovered Coverage Event** is denominated, or another element of loss under this **Policy** is stated in a currency other than U.S. Dollars, payment under this **Policy** will be made in U.S. Dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, the **Coverage Event** is **Discovered**, or any other element of loss is due, respectively.

N. SANCTIONS

This **Policy** will provide coverage or any other benefit, only to the extent that provision of such coverage or benefit will not expose the Insurer or any of its affiliated or parent companies to any sanction, prohibition, or restriction under United Nations resolutions or to any trade or economic sanctions, laws, or regulations of Canada, the European Union, the United Kingdom, or the United States of America; provided, however, this condition will not contravene any applicable federal law of Canada.

O. CONFORMANCE TO LAW

1. If there is an inconsistency between: (i) any period of limitation in this **Policy** relating to giving notice of termination or cancellation or discovery/extended reporting election; and (ii) the minimum or maximum period required by law:
 - a. where such law allows, the Insurer will resolve the inconsistency by applying the notice period that is more favourable to the **Insureds**; or
 - b. if not allowed a choice by law, the Insurer will amend the notice period to conform to applicable law.

2. Where this **Policy** is legally required to be interpreted in accordance with the law of the Province of Québec:

Les parties ont expressément convenu que la présente police et tous documents y afférents soient rédigés en langue anglaise seulement.

The parties have expressly agreed that this **Policy** and all related documents be drafted in the English language only.

P. BANKRUPTCY

Bankruptcy or insolvency of an **Insured**, or an **Insured's** estate, will not relieve the Insurer of its obligations, nor deprive the Insurer of its rights or defences, under this **Policy**.

Q. ACTION AGAINST THE INSURER

1. No action will lie against the Insurer unless there has been full compliance with all of the terms of this **Policy** and unless such action is brought and maintained in a court of competent jurisdiction within Canada.
2. As respects **Liability Coverage Sections**, no person or organization has a right under this **Policy** to join the Insurer as a party to an action against an **Insured** to determine such **Insured's** liability, nor may the Insurer be impleaded by an **Insured** or its legal representative.
3. As respects **First Party Coverage Sections**, the **Insured** may not bring any legal action against the Insurer involving loss:
 - a. until 60 days after the **Insured** has filed proof of loss with the Insurer; and
 - b. unless such legal action is brought within two years from the date the **Insured**: (i) reports to the Insurer such claim for loss or **Covered Expenses** under the **Kidnap and Ransom Coverage Section**; or (ii) **Discovers** the loss under any other **Coverage Section**.

R. HEADINGS

The titles of the various paragraphs of this **Policy** and its endorsements are inserted solely for convenience or reference, and are not to be deemed in any way to limit or affect the provision to which they relate.

STATUTORY CONDITIONS – ALBERTA, BRITISH COLUMBIA, MANITOBA, SASKATCHEWAN

To comply with the Insurance Acts of Alberta, British Columbia, Manitoba, and Saskatchewan, all coverages included in any **Policy** made or deemed to be made in Alberta, British Columbia, Manitoba, or Saskatchewan are subject to the Statutory Conditions in force in such province as set out below, unless such coverages are exempt from the application of these Statutory Conditions under the applicable Act. If there is any conflict between the Statutory Conditions in force and any other provision in this **Policy**, such conflict will be settled in favour of the **Insured**.

Statutory Conditions 1, and 6 through 13 apply only to contracts that include insurance against loss or damage to property.

Misrepresentation

1. If a person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property Of Others

2. The insurer is not liable for loss or damage to property owned by a person other than the insured unless
 - (a) otherwise specifically stated in the contract, or
 - (b) the interest of the insured in that property is stated in the contract.

Change Of Interest

3. The insurer is liable for loss or damage occurring after an authorized assignment under the *Bankruptcy and Insolvency Act* (Canada) or a change of title by succession, by operation of law or by death.

Material Change In Risk

4. (1) The insured must promptly give notice in writing to the insurer or its agent of a change that is
 - (a) material to the risk, and
 - (b) within the control and knowledge of the insured.(2) If an insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.(3) If an insurer or its agent is notified of a change under subparagraph (1) of this condition, the insurer may
 - (a) terminate the contract in accordance with Statutory Condition 5, or
 - (b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.(4) If the insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.

Termination Of Insurance

5. (1) The contract may be terminated
 - (a) by the insurer giving to the insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or

- (b) by the insured at any time on request.
- (2) If the contract is terminated by the insurer,
 - (a) the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
 - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the insured, the insurer must refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

Requirements After Loss

6. (1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9,
 - (a) immediately give notice in writing to the insurer,
 - (b) deliver as soon as practicable to the insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
 - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the insured,
 - (iv) stating the amount of other insurances and the names of other insurers,
 - (v) stating the interest of the insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,

- (vi) stating any changes in title, use, occupation, location, possession or exposures of the property since the contract was issued, and
- (vii) stating the place where the insured property was at the time of loss,
- (c) if required by the insurer, give a complete inventory of undamaged property showing in detail quantities and costs of that property, and
- (d) if required by the insurer and if practicable,
 - (i) produce books of account and inventory lists,
 - (ii) furnish invoices and other vouchers verified by statutory declaration, and
 - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraph (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

Fraud

7. Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

Who May Give Notice And Proof

8. Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made
 - (a) by the agent of the insured, if
 - (i) the insured is absent or unable to give the notice or make the proof, and
 - (ii) the absence or inability is satisfactorily accounted for, or
 - (b) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in clause (a) of this condition.

Salvage

9. (1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under subparagraph (1) of this condition.

Entry, Control, Abandonment

10. After loss or damage to insured property, the insurer has
 - (a) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
 - (b) after the insured has secured the property, a further right of access and entry by accredited representatives

sufficient to enable them to appraise or estimate the loss or damage, but

- (i) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
- (ii) without the insurer's consent, there can be no abandonment to it of the insured property.

In Case Of Disagreement

11. (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the applicable *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

When Loss Payable

12. Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

Repair Or Replacement

13. (1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the insurer gives notice under subparagraph (1) of this condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

Notice

14. (1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- (2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

Action – British Columbia, Alberta, Manitoba

15. Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act of the province of British Columbia, Alberta or Manitoba, as is applicable.

Limitations Of Actions – Saskatchewan

16. An action or proceeding against an Insurer must be commenced within the period as established in The Limitations Act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACKNOWLEDGEMENT AND ACCEPTANCE OF COMPETITOR APPLICATION ENDORSEMENT
Amended Definition of Application

This endorsement changes the following:

General Terms and Conditions

It is agreed that:

The following is added to section **II. DEFINITIONS, C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS, Application**, and is applicable notwithstanding other forms that amend such section:

Application **Application** also means any signed application completed and executed on behalf of the **Insured Organization** for this **Policy** set forth in the Application Schedule below, including any:

- a. materials submitted;
 - b. warranty provided; and
 - c. statements made;
- in connection with such application.

APPLICATION SCHEDULE		
Type of Policy/Coverage	Carrier	Date Signed
Intact Application	Intact	20-Dec-2018

All other terms and conditions remain unchanged.

Issuing Company: Travelers Insurance Company of Canada
Policy Number: 1002859300

NON-PROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY

THIS IS A CLAIMS-MADE COVERAGE. UNLESS DEFENCE OUTSIDE LIMITS COVERAGE IS ELECTED, DEFENCE EXPENSES WILL REDUCE, AND MAY EXHAUST, THE LIMIT OF INSURANCE, EXCEPT AS OTHERWISE REQUIRED BY THE LAW OF THE PROVINCE OF QUÉBEC. IF DEFENCE OUTSIDE LIMITS COVERAGE IS ELECTED, PAYMENT OF DEFENCE EXPENSES WILL NOT REDUCE LIMIT OF INSURANCE, EXCEPT: AS RESPECTS CLAIMS BROUGHT AND MAINTAINED IN THE UNITED STATES OF AMERICA, DEFENCE EXPENSES WILL REDUCE, AND MAY EXHAUST, THE LIMIT OF INSURANCE.

PLEASE READ ALL TERMS CAREFULLY.

I. INSURING AGREEMENTS

A. INSURED PERSON INDIVIDUAL LIABILITY COVERAGE

The Insurer will pay, on behalf of an **Insured Person**, **Loss** that is not indemnified by the **Insured Organization** on account of a **Claim** first made against such **Insured Person** during the **Policy Period** or applicable Extended Reporting Period.

B. ORGANIZATION INDEMNIFICATION LIABILITY COVERAGE

The Insurer will pay, on behalf of the **Insured Organization**, **Loss** of an **Insured Person** that such **Insured Organization** indemnifies on account of a **Claim** first made against such **Insured Person** during the **Policy Period** or applicable Extended Reporting Period.

C. ORGANIZATION LIABILITY COVERAGE

The Insurer will pay, on behalf of the **Insured Organization**, **Loss** on account of a **Claim** first made against such **Insured Organization** during the **Policy Period** or applicable Extended Reporting Period.

D. ADDITIONAL COVERAGES — WITHIN THE LIMIT OF INSURANCE

1. EMPLOYED LAWYER WRONGFUL ACT COVERAGE

The Insurer will pay, on behalf of the **Insured**, **Loss** on account of an **Employed Lawyer Claim** first made against such **Employed Lawyer** during the **Policy Period** or applicable Extended Reporting Period.

2. WORKPLACE VIOLENCE EVENT EXPENSE COVERAGE

The Insurer will pay, on behalf of the **Insured Organization**, **Workplace Violence Event Expenses** on account of a **Workplace Violence Event** first occurring during the **Policy Period**.

3. CRISIS MANAGEMENT EXPENSE COVERAGE

The Insurer will pay, on behalf of the **Insured Organization**, **Crisis Management Expenses** incurred by the **Insured Organization** as a result of any **Crisis Event** first occurring during the **Policy Period**.

4. RETIREE COVERAGE

If:

- a. a member of the board of directors, officer, **Manager**, or any functional equivalent position of the **Insured Organization** retires and no longer serves in their capacity as an **Insured Person**:

- (1) after the **Inception Date** of this **Coverage Section**, or of the first primary policy continuously written by the Insurer of which the coverage provided by this **Coverage Section** is a renewal or replacement; and
(2) before the end of the **Policy Period**; and

- b. the Insurer or **Named Insured** does not renew this **Coverage Section**, or the **Named Insured** terminates this **Coverage Section**, and this **Coverage Section** is not replaced by any other directors and officers liability coverage;

coverage granted by this **Coverage Section** under Insuring Agreement A. INSURED PERSON INDIVIDUAL LIABILITY COVERAGE for such **Insured Person** is extended for a six-year period from such **Insured Person**'s official retirement date, but only as respects a **Claim** for a **Wrongful Act** occurring before such **Insured Person**'s official retirement date.

No coverage is available under this Insuring Agreement D.4. RETIREE COVERAGE if the **Named Insured** is entitled to elect an extension of coverage under section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, H. CHANGE IN EXPOSURE, 3. CHANGE OF CONTROL of the General Terms and Conditions.

E. SUPPLEMENTAL PERSONAL INDEMNIFICATION COVERAGE

If ITEM 6.A. of the Declarations indicates that Supplemental Personal Indemnification Coverage has been purchased and if the **Limit of Insurance** for this **Coverage Section** or a **Shared Limit of Insurance**, if applicable, has been exhausted, the Insurer will provide the **Insured Persons** with an additional Supplemental Personal Indemnification Limit of Insurance under Insuring Agreement A. INSURED PERSON INDIVIDUAL LIABILITY COVERAGE. This Supplemental Personal Indemnification Limit of Insurance applies solely to **Loss** on account of a **Claim**, other than a **Claim** for an employment-related **Wrongful Act**, against an **Insured Person**.

II. DEFINITIONS

Where appearing in this **Coverage Section**, either in the singular or the plural, the following words and phrases appearing in bold type have the meaning set forth in this section II. DEFINITIONS:

- Claim** means:
1. a written demand against an **Insured** for monetary damages or non-monetary relief, including injunctive relief, for a **Wrongful Act**, commenced by the **Insured's** receipt of such demand;
 2. a civil proceeding, other than an administrative or regulatory proceeding, against an **Insured** for a **Wrongful Act**, commenced by service of a notice of action, statement of claim, writ of summons, complaint, or similar pleading;
 3. an administrative or regulatory proceeding, other than an investigation, against an **Insured** for a **Wrongful Act**, commenced by the **Insured's** receipt of a notice of filed charges, service of summons, or similar document;
 4. an arbitration, mediation, or other alternative dispute resolution proceeding against an **Insured** for a **Wrongful Act**, commenced by the **Insured's** receipt of a demand for arbitration, mediation, or other alternative dispute resolution, if the **Insured** is legally obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Insurer's written consent, such consent not to be unreasonably withheld;
 5. a penal or criminal proceeding against an **Insured** for a **Wrongful Act**, commenced by an arrest, a summons to appear, the laying of an information, the return of an indictment, or similar legal document;
 6. a formal investigation of an **Insured** for a **Wrongful Act**, commenced by the **Insured's** receipt of:
 - a. a notice of filed charges, investigative order, civil investigative demand, or similar document; or
 - b. a written notice identifying such **Insured** as the target of a regulatory enforcement body;
 7. a request for **Extradition** of an **Insured Person** for a **Wrongful Act**, commenced by the **Insured's** receipt of such request;
 8. solely as respects Insuring Agreement D.1. EMPLOYED LAWYER WRONGFUL ACT COVERAGE, an **Employed Lawyer Claim**; or
 9. a written request to toll or waive a statute of limitations relating to any of the above, commenced by the **Insured's** receipt of such written request;
- including any appeal therefrom;
10. solely as respects **Workplace Violence Event Expenses**, a **Workplace Violence Event** covered under Insuring Agreement D.2. WORKPLACE VIOLENCE EVENT EXPENSE COVERAGE; or
 11. solely as respects **Crisis Management Expenses**, a **Crisis Event** covered under Insuring Agreement D.3. CRISIS MANAGEMENT EXPENSE COVERAGE.

Claim does not mean any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement. A **Claim** is deemed to be made when it is first commenced as set forth above.

- Crisis Event** means:
1. the death, incapacity, or criminal indictment of any **Executive Officer**;
 2. a public announcement or accusation that an individual under the management control of the **Insured Organization** has caused the bodily injury to, or death of, or sexually abused a member of the **Insured Organization**;
 3. a public announcement that the **Insured Organization** has defaulted or intends to default on its debt;
 4. a public announcement that: (i) the **Insured Organization** intends to file for bankruptcy protection; (ii) a third party is seeking to file for involuntary bankruptcy on behalf of the **Insured Organization**; or (iii) bankruptcy proceedings against the **Insured Organization** are imminent, whether such bankruptcy is

voluntary or involuntary; or

5. a public announcement that the withdrawal or return by the **Insured Organization** of a non-governmental grant, contribution, or bequest in excess of 10% of the assets of the **Insured Organization** as at the **Inception Date** set forth in ITEM 2. of the Declaration.

A **Crisis Event** will first begin when an **Executive Officer** becomes aware of such event during the **Policy Period**, and will conclude at the earlier of: (i) when the **Crisis Management Firm** advises the **Insured Organization** that such event no longer exists; or (ii) when the **Crisis Management Expenses Limit of Insurance** is exhausted.

Crisis Management Expenses

means the reasonable costs, charges, fees, or expenses of a **Crisis Management Firm** incurred by the **Insured Organization** subsequent to and in connection with a **Crisis Event**.

Crisis Management Expenses also means reasonable and necessary:

1. expenses incurred by the **Insured Organization** for publication and circulation of materials in connection with a **Crisis Event**; or
2. travel expenses incurred by directors, officers, or employees of the **Insured Organization** in connection with a **Crisis Event**;

incurred during, or within 90 days prior to and in anticipation of, the **Crisis Event**, but in no event later than when the **Crisis Management Firm** has advised the **Insured Organization** that such **Crisis Event** no longer exists.

Crisis Management Firm

means any crisis management firm or public relations firm hired by the **Insured Organization** with the Insurer's written consent, which will not be unreasonably withheld, to perform services for an **Insured** to minimize potential harm to the **Insured Organization** arising from a **Crisis Event**.

Defence Expenses

means the reasonable costs, charges, fees, or expenses, including any premium or origination fee for a bond, loan, or similar financial instrument, incurred by the Insurer or, subject to section IV. CONDITIONS, B. CLAIM DEFENCE AND SETTLEMENT, the **Insured**:

1. defending, investigating, or appealing a **Claim**;
2. lawfully opposing, challenging, or resisting any request for, or any effort to obtain, **Extradition**; or
3. lawfully seeking release of an **Insured Person** from any arrest or confinement to a specific residence or a secure custodial facility by or on behalf of any law enforcement authority.

Defence Expenses does not include: (i) salaries, wages, fees, benefits, or overhead of, or paid to, any **Insured** or any **Employee** of such **Insured**; (ii) regular or overtime wages, salaries, or fees of any employee, director, officer, or functional equivalent position, of an **Outside Entity**; (iii) **Workplace Violence Event Expenses**, as respects Insuring Agreement D.2. WORKPLACE VIOLENCE EVENT EXPENSE COVERAGE; (iv) **Crisis Management Expenses**, as respects Insuring Agreement D.3. CRISIS MANAGEMENT EXPENSE COVERAGE; or (v) the principal of, collateral or interest on collateral for, or interest on, a bond, loan, or similar financial instrument.

Employed Lawyer

means an **Employee** admitted to practice law and who was, is, or becomes employed as a lawyer full-time for, and salaried by, the **Insured Organization**.

Employed Lawyer Claim

means any **Claim**, of the type described in paragraphs 1-7 or 9 of the definition of **Claim** above, against an **Employed Lawyer** for an **Employed Lawyer Wrongful Act**.

Employed Lawyer Wrongful Act

means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted by an **Employed Lawyer** before or during the **Policy Period** in performing professional legal services for the **Insured Organization**; provided, **Employed Lawyer Wrongful Act** does not include any error, misstatement, misleading statement, act, omission, neglect, or breach of duty in connection with any conduct by such **Employed Lawyer** which:

1. did not occur while such **Employed Lawyer** was employed as a lawyer by the **Insured Organization**;
2. is not related to such **Employed Lawyer's** employment with the **Insured Organization**;
3. is not performed on behalf of and at the **Insured Organization's** request; or
4. is performed by such **Employed Lawyer** for others for a fee.

Employee

means a natural person who was, is, or becomes engaged by and directed by the **Insured Organization** for their labour or service while:

1. on the payroll of the **Insured Organization**, including full-time, part-time, temporary, or seasonal workers;

2. a volunteer or intern of the **Insured Organization**; or
3. their services have been leased to the **Insured Organization**.

Executive Officer

means a natural person who was, is, or becomes a chairperson, chief executive officer, president, executive director, chief financial officer, risk manager, **Manager**, in-house general counsel, human resources manager, or managing director, or a functional equivalent position, of the **Insured Organization**.

Extradition

means a formal process by which an **Insured Person** in any country is surrendered, or sought to be surrendered, to any other country to answer any criminal accusation, including the execution of an arrest warrant where such execution is an element of such process.

Financial Interest

means the **Named Insured's** insurable interest in an **Insured Organization** domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, as a result of the **Named Insured's**:

1. ownership of the majority of the outstanding securities or voting rights of such **Insured Organization** representing the present right to elect, appoint, or exercise a majority control over such **Insured Organization's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;
2. indemnification of, or representation that it has an obligation to indemnify, such **Insured Organization** for **Loss** incurred by such **Insured Organization**; or
3. election or obligation to obtain insurance for such **Insured Organization**.

Insured

means the **Insured Persons** and the **Insured Organization**.

Insured Organization

means the **Named Insured**, any **Subsidiary**, and any such entity operating: (i) under the protection of the Companies' Creditors Arrangement Act of Canada; (ii) as a debtor in possession under Chapter 11 of the United States of America Bankruptcy Code; or (iii) under any foreign equivalent legislation.

Insured Person

means:

1. an **Executive Officer**, **Employed Lawyer**, **Employee**, or a natural person who was, is, or becomes a member of the **Insured Organization**, or such person while serving in an **Outside Position**;
2. a natural person who was, is, or becomes a duly elected or appointed director, member of the board of trustees, board of managers, board of regents, board of governors, advisory board, or officer, or any functional equivalent position, of the **Insured Organization**, or such person while serving in an **Outside Position**;
3. a natural person who was, is, or becomes a de facto director or officer, or any functional equivalent position, of the **Insured Organization**;
4. a natural person who was, is, or becomes a shadow director, or any functional equivalent position, of the **Insured Organization** pursuant to the United Kingdom Companies Act of 2006, or equivalent statute; or
5. a natural person who was, is, or becomes a member of the management committee, advisory committee, or other duly constituted committee, or any functional equivalent position, of the **Insured Organization**.

Loss

means: (i) **Defence Expenses**; (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an **Insured** is legally obligated to pay as a result of a **Claim**; provided, as respects the multiple portion of a multiplied damage award, or punitive or exemplary damages, **Loss** only includes such damages to the extent they are insurable under the law of a jurisdiction that is most favourable to the insurability of such damages and has a substantial relationship to the **Insured**, **Claim**, Insurer, or this **Coverage Section**; (iii) **Workplace Violence Event Expenses**, as respects Insuring Agreement D.2. WORKPLACE VIOLENCE EVENT EXPENSE COVERAGE; and (iv) **Crisis Management Expenses**, as respects Insuring Agreement D.3. CRISIS MANAGEMENT EXPENSE COVERAGE.

Loss, other than **Defence Expenses**, does not include any amount that constitutes:

1. an amount that an **Insured** is absolved from paying;
2. taxes, fines, or penalties; provided, **Loss** includes:
 - a. civil penalties assessed against an **Insured Person** pursuant to: the Corruption of Foreign Public Officials Act, S.C. 1998, c 34, ss.3(2) and 4(2); the United States of America Foreign Corrupt Practices Act of 1977 §§ 15 U.S.C. §§78dd-2(g)(2)(B) and 78ff(c)(2)(B); or the United Kingdom Bribery Act of 2010 (Eng.) §, c 2311 (1)(a); and

- b. taxes and other statutory deductions assessed against an **Insured Person** pursuant to applicable federal, provincial, or territorial statutory law imposing liability upon the **Insured Person** in their capacity as such where the **Insured Organization** has failed to deduct, withhold, or remit such amounts as required by law and is financially unable to do so;
3. disgorgement or other loss that is uninsurable under the law pursuant to which this **Coverage Section** is construed;
4. costs to comply with an order, judgment, or award of injunctive or other equitable relief, or the portion of a settlement encompassing injunctive or other equitable relief;
5. costs incurred testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or assessing the effects of, any **Pollutant**;
6. liquidated damages; or
7. amounts required to be repaid, returned, or refunded pursuant to any statute or regulation requiring the return of incentive-based compensation.

Loss does not include any amount allocated to uncovered loss pursuant to section IV. CONDITIONS, F. ALLOCATION.

Manager means a natural person who was, is, or becomes, as respects an **Insured Organization** that is a limited liability company or limited liability partnership, a member of the board of managers, the board of governors, management committee, or advisory committee, or a trustee, other than a bankruptcy trustee, of an **Insured Organization** that is a **Non-Profit Entity**.

Outside Entity means any **Non-Profit Entity** other than an **Insured Organization**.

Outside Manager means a natural person who was, is, or becomes, as respects an **Outside Entity** that is a limited liability company or limited liability partnership, a member of the board of managers, the board of governors, management committee, or advisory committee of such **Outside Entity**.

Outside Position means a position of director, officer, **Outside Manager**, member of the board of trustees, member of the board of regents, or member of the board of governors, or a functional equivalent position, in an **Outside Entity**, solely while service in such position by an **Insured Person** is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned by, the **Insured Organization**.

Personal Injury Offence means:

1. false arrest, detention or imprisonment, or malicious prosecution;
2. the publication or utterance of libel, slander, or other defamatory or disparaging material;
3. invasion of, infringement of, or interference with, the rights of privacy;
4. wrongful entry or eviction; or
5. invasion of the right of private occupancy.

Potential Claim means an incident, occurrence, fact, matter, act, or omission that could reasonably be expected to give rise to a **Claim**, including a complaint or allegation against an **Insured** for a **Wrongful Act** by or on behalf of a potential claimant, if such complaint or allegation does not constitute a **Claim** but may subsequently give rise to a **Claim**.

Publication Offence means any infringement of copyright or trademark, unauthorized use of title, plagiarism, or misappropriation of ideas.

Terrorism means an ideologically motivated unlawful act, including the use or threat of violence or force, committed by or on behalf of any group, organization, or government for the purpose of influencing any government or instilling fear in the public or a section of the public.

Workplace Violence Event means any intentional:

1. use of deadly force; or
2. threat of deadly force with the display of a lethal weapon;

which:

- a. occurs on or in the buildings, facilities, or properties occupied by the **Insured Organization**; and
- b. does or could result in bodily injury to, or death of, an **Insured Person**.

Workplace Violence Event does not mean: (i) such acts committed to demand money, securities, or property; (ii) any act of **Terrorism**; or (iii) any act arising out of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, or military power.

Workplace Violence Event Expenses

means the reasonable costs, charges, fees, or expenses incurred and paid by the **Insured Organization** for:

1. the services of an independent security consultant for 90 days following a **Workplace Violence Event**;
2. the services of an independent public relations consultant for 90 days following a **Workplace Violence Event**;
3. counselling services provided to **Insured Persons** conducted by an independent consultant at the premises of the **Insured Organization** for 120 days following a **Workplace Violence Event**;
4. the services of an independent security guard and other reasonable costs to secure the premises of the **Insured Organization** for 15 days following a **Workplace Violence Event**; or
5. the services of an independent private forensic analyst for 120 days following a **Workplace Violence Event**.

Wrongful Act

means:

1. any error, misstatement, misleading statement, act, omission, neglect, **Personal Injury Offence**, **Publication Offence**, or breach of duty committed or attempted before or during the **Policy Period** by: (i) an **Insured Person** in their capacity as such; or (ii) an **Insured Organization**, solely as respects Insuring Agreement C. ORGANIZATION LIABILITY COVERAGE;
2. an **Employed Lawyer Wrongful Act**, solely as respects Insuring Agreement D.1. EMPLOYED LAWYER WRONGFUL ACT COVERAGE; or
3. any matter claimed against an **Insured Person** solely by reason of their status as such.

Wrongful Act does not include any conduct committed or attempted by any **Insured Person** in their capacity as a director, officer, manager, trustee, or employee of any entity other than the **Insured Organization** or **Outside Entity**, even if service in such capacity is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned to such **Insured Person** by the **Insured Organization**.

Wrongful Termination

means the actual, alleged or constructive termination of an employment relationship between: (i) an **Employee** and the **Insured Organization**; or (ii) an employee and an **Outside Entity**; in a manner or for a reason which is contrary to applicable law or public policy, or in violation of any written or oral agreement other than a collective bargaining agreement.

Terms appearing in bold type in this **Coverage Section** but not defined above have the meaning ascribed in the Declarations or set forth in section II. DEFINITIONS, C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS of the General Terms and Conditions.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. BODILY INJURY OR PERSONAL INJURY

The Insurer will not be liable for **Loss** on account of a **Claim** for any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, or humiliation; provided, this exclusion will not apply to:

- a. any **Claim** for emotional distress, mental anguish, or humiliation if, and only to the extent that, such allegations are made as part of a **Claim** for any **Personal Injury Offence** or employment related **Wrongful Act**;
- b. **Defence Expenses** for a **Claim** against an **Insured Person**:
 - (1) which is a criminal proceeding brought for violation of section 217.1 of the Criminal Code of Canada, R.S.C. 1985, c. C-46, as amended by Bill C-45;
 - (2) brought pursuant to the Occupational Health and Safety Amendment Act (Violence and Harassment in the Workplace) 2009, S.O. 2009, c. 23 -- ('Bill 168 '); or
 - (3) for violation of the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007, or any similar or related statute; or
- c. any **Claim** covered under Insuring Agreement D.2. WORKPLACE VIOLENCE EVENT EXPENSE COVERAGE.

2. ENTITY VERSUS INSURED

The Insurer will not be liable for **Loss** on account of a **Claim** brought or maintained by or on behalf of, or in the name or right of: (i) an **Insured Organization** against an **Insured**; or (ii) an **Outside Entity**, against an **Insured Person** for a **Wrongful Act** while serving in their capacity in an **Outside Position** with such **Outside Entity**; provided, this exclusion will not apply to a **Claim** brought and maintained:

- a. in the form of a derivative action without the assistance, participation, or intervention of any **Insured** who has served in such capacity at any time in the four years preceding the date the **Claim** is first made, or where such **Insured** is acting pursuant to any whistleblower statute;
- b. by a trustee in bankruptcy or an interim receiver appointed pursuant to the provisions of the Bankruptcy and Insolvency Act, R.S.C. 1985, C. B-3; a liquidator appointed pursuant to the provisions of the Winding-up and Restructuring Act, R.S.C. 1985, c. W-11; or a receiver or receiver and manager appointed pursuant to the Courts of Justice Act, R.S.O. 1990, c. C.43, or pursuant to other similar applicable federal, provincial, territorial, or state legislation; or
- c. outside of Canada, the United States (including any U.S. territory, possession, or protectorate), the United Kingdom, Australia, or any other jurisdiction governed by a common law legal system, but only if the laws where such **Claim** is brought and maintained require that such **Claim** be brought by or on behalf of such entity.

3. NUCLEAR OR MEDICAL WASTE

The Insurer will not be liable for **Loss** on account of a **Claim** based upon or arising out of any nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material; or infectious or medical waste.

4. PENSION OR BENEFIT PLAN

The Insurer will not be liable for **Loss** on account of a **Claim** for:

- a. any violation of responsibilities, duties or obligations of fiduciaries of any employee benefit plan under: the Income Tax Act, R.S.C. 1985, c 1; the Pension Benefits Standards Act, R.S.C., 1985, c.32 (2nd Supp.); the Pension Benefits Act, RSO 1990, c P.8; or the United States of America Employee Retirement Income Security Act of 1974 (ERISA), 29 USCA § 1132 et seq.; or any similar or related federal, provincial, territorial, state, or local law or regulation applicable to fiduciaries of any employee benefit plan; or
- b. an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an **Employee** or such **Employee's** dependent in any employee benefit plan, fund, or program, including contracts or agreements not subject to the laws or regulations described in section 4. PENSION OR BENEFIT PLAN, a., above.

5. POLLUTION

The Insurer will not be liable for **Loss** on account of a **Claim**:

- a. based upon or arising out of the actual, alleged, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of any **Pollutant**;
- b. based upon or arising out of any request, demand, direction, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**; or
- c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**;

provided, this exclusion does not apply to:

- (1) any derivative action;
- (2) **Defence Expenses** for **Claims** brought and maintained in Canada covered under Insuring Agreement A. INSURED PERSON INDIVIDUAL LIABILITY COVERAGE; or
- (3) any **Claim** for retaliation against any **Employee**:
 - (a) on account of such **Employee's** actual, alleged, or threatened: (i) refusal to violate any federal, provincial, territorial, state, or local statutory law, common law, or civil law anywhere in the world, regarding the matters described in this exclusion; or (ii) disclosure regarding the matters described in this exclusion, on account of an employment related **Wrongful Act**; and
 - (b) for which the Insured Organization fails to indemnify such Employee, subject to section IV. CONDITIONS, F. INDEMNIFICATION AND ADVANCEMENT OF LOSS WITHIN THE RETENTION.

6. PRIOR KNOWLEDGE

The Insurer will not be liable for **Loss** on account of a **Claim** for any fact, circumstance, situation, or event that is, or reasonably would be regarded as, the basis for a **Claim** which any **Executive Officer** had knowledge of prior to the applicable **Continuity Date** set forth in ITEM 6.A. of the Declarations for this **Coverage Section**.

Nor will the Insurer be liable for **Loss** on account of an **Employed Lawyer Claim** for any fact, circumstance, situation, or

event that is, or reasonably would be regarded as, the basis for an **Employed Lawyer Claim** which any **Employed Lawyer** had knowledge of prior to the applicable **Continuity Date** set forth in ITEM 6.A. of the Declarations.

7. PRIOR NOTICE

The Insurer will not be liable for **Loss** on account of a **Claim** based upon or arising out of any fact, circumstance, situation, event, **Wrongful Act**, or **Related Wrongful Act** which, before the **Inception Date** set forth in ITEM 2 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** and accepted under any policy of insurance of which this **Coverage Section** is a direct renewal or replacement, or which it succeeds in time.

8. PRIOR OR PENDING PROCEEDING

The Insurer will not be liable for **Loss** on account of a **Claim** based upon, or arising out of: (i) any prior or pending written demand, action, or other proceeding against any **Insured** or **Outside Entity** as of or prior to the applicable **Prior or Pending Proceeding Date** set forth in ITEM 6.A. of the Declarations for this **Coverage Section**; or (ii) any **Wrongful Act** or **Related Wrongful Act** underlying or alleged in such written demand, action, or other proceeding.

9. PROPERTY DAMAGE

The Insurer will not be liable for **Loss** on account of a **Claim** for damage to, destruction of, loss of, or loss of use of any tangible property including when resulting from inadequate or insufficient protection from soil or ground water movement, soil subsidence, mould, spores, mildew, fungus, or wet or dry rot.

B. EXCLUSIONS APPLICABLE TO LOSS ONLY UNDER INSURING AGREEMENT C

1. EMPLOYMENT LAWS

The Insurer will not be liable for **Loss** on account of a **Claim**, as respects Insuring Agreement C. ORGANIZATION LIABILITY COVERAGE, for:

- a. any violation of responsibilities, duties, or obligations under any federal, provincial, territorial, state, or local law or regulation concerning social security, employment insurance, unemployment insurance, workers' compensation, or disability benefits; or
- b. any violation of: the Canada Labour Code, R.S.C. 1985, c. L-2, parts I and II; the Canadian Human Rights Act, R.S.C. 1985, c. H-6, section 11; the Employment Standards Act, 2000, SO 2000. c.41; the Labour Adjustment Benefits Act, R.S.C. 1985, c L-1; the Occupational Health and Safety Act, RSO 1990, c O.1.; the Employment Equity Act, SC 1995, c 44; the Worker Adjustment and Retraining Notification Act (WARN), 29 U.S.C. §§ 2101- 2109; the Occupational Safety and Health Act (OSHA), 29 U.S.C. ch. 15 § 651 et seq.; the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), 29 USCA § 1162 et seq.; the National Labor Relations Act (NLRA), 29 USCA §§ 151 et seq.; the Fair Labor Standards Act (FLSA), 29 USCA §§ 201 et seq.; or amendments thereto or regulations promulgated thereunder, or any similar or related federal, provincial, territorial, state, or local law or regulation, or any similar or related requirement at common law; provided, this exclusion will not apply to that portion of **Loss** on account of any employment claim for **Wrongful Termination** described in section B. EXCLUSIONS APPLICABLE TO LOSS ONLY UNDER INSURING AGREEMENT C, 2. EMPLOYMENT RELATED WRONGFUL ACT, b.

2. EMPLOYMENT RELATED WRONGFUL ACT

- a. The Insurer will not be liable for **Loss** on account of a **Claim**, as respects Insuring Agreement C. ORGANIZATION LIABILITY COVERAGE, for fringe benefits, deferred payments (including insurance premiums in connection with an employee benefit plan), or other perquisites, or any liability imposed upon or costs incurred by any **Insured** for damages for breach of any common law, civil law, or statutory right or entitlement to notice of termination, compensation in lieu of notice of termination, or severance pay.
- b. Provided, as respects a **Claim** for **Wrongful Termination** brought and maintained in Canada, if:
 - (1) the **Insured Organization** paid or offered to pay the claimant following the termination of employment, and prior to the **Claim** being first made, in reliance upon legal advice obtained as respects the **Insured Organization's** legal obligations to the claimant as a result of the termination of employment; and
 - (2) such payment or offer to pay was made in good faith;this exclusion will not apply to that part of **Loss** on account of such **Claim** consisting of amounts that exceed both:
 - (a) the minimum amount payable under applicable employment standards law; and
 - (b) the amount the **Insured Organization** has offered or paid to the claimant following the termination of employment and prior to the **Claim** being first made.

C. EXCLUSIONS APPLICABLE TO LOSS OTHER THAN DEFENCE EXPENSES

1. CONDUCT

The Insurer will not be liable for **Loss**, other than **Defence Expenses**, on account of a **Claim** based upon or arising out of any **Insured**:

- a. committing any intentionally dishonest or fraudulent act or omission;

- b. committing any willful violation of any statute, rule, or law; provided, an act resulting in the imposition of a criminal fine or other criminal sanction in a jurisdiction outside of Canada will not, by itself, be conclusive proof of a deliberate violation of any statute, rule, or law if such act is not treated as a criminal violation in Canada; or
- c. gaining any profit, remuneration, or financial advantage to which such **Insured** was not legally entitled;

if a final non-appealable adjudication adverse to such **Insured** in any underlying proceeding establishes that such conduct occurred.

2. LIABILITY ASSUMED UNDER CONTRACT OR AGREEMENT

The Insurer will not be liable for **Loss**, other than **Defence Expenses**, on account of a **Claim** for any liability assumed by the **Insured Organization** under any contract or agreement, except to the extent that the **Insured Organization** would have been liable in the absence of such contract or agreement.

D. SEVERABILITY OF EXCLUSIONS

No **Wrongful Act** of, nor knowledge possessed by, an **Insured Person** will be imputed to any other **Insured Person** for purposes of applying section III. EXCLUSIONS. Solely as respects section III. EXCLUSIONS, C. EXCLUSIONS APPLICABLE TO LOSS OTHER THAN DEFENCE EXPENSES, 1. CONDUCT, no conduct of any **Insured** will be imputed to any other **Insured** to determine if coverage is available.

IV. CONDITIONS

A. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM

1. As a condition precedent to exercising rights under this **Coverage Section**, the **Insured** must give the Insurer written notice of a **Claim** made against an **Insured** as soon as practicable after an **Executive Officer** first becomes aware of such **Claim**, but in no event later than:
 - a. 180 days after the **Expiration Date** of the **Policy Period** as set forth in ITEM 2 of the Declarations, if the **Named Insured** elects to renew this **Coverage Section**; or
 - b. (i) 60 days after the **Expiration Date** of the **Policy Period** as set forth in ITEM 2 of the Declarations; or (ii) the expiration of any applicable Extended Reporting Period.
2. If the **Insured Organization** elects to seek coverage for **Crisis Management Expenses**, the **Insured** must:
 - a. give the Insurer written notice of a **Crisis Event** or circumstances that could give rise to a **Crisis Event** as soon as practicable after an **Executive Officer** first becomes aware of such **Crisis Event** or circumstances, but in no event later than: (i) 60 days after the **Expiration Date** of the **Policy Period** as set forth in ITEM 2 of the Declarations; or (ii) the expiration of any applicable Extended Reporting Period;
 - b. include with any notice of a **Crisis Event** or circumstances that could give rise to a **Crisis Event** a description of the nature of the **Crisis Event** or circumstances, the nature of the alleged or potential damage, the names of the **Insured Persons** involved, and a description of how the **Insured** first became aware of such **Crisis Event** or circumstance; and
 - c. give the Insurer additional information about the **Crisis Event** as it is learned by the **Insured**.
3. The failure of the **Insured** to give the Insurer timely notice of any **Claim** will not, for purposes of this **Coverage Section**, result in a forfeiture of coverage under this **Coverage Section**, unless and to the extent that the Insurer is materially prejudiced by such delay.
4. If an **Insured**: (i) becomes aware of any **Potential Claim**; and (ii) gives written notice of such **Potential Claim**, including the anticipated **Wrongful Act** and other allegations, the reasons for anticipating such **Claim**, the nature of the alleged or potential damage, and the names of potential claimants and **Insureds** involved, to the Insurer during the **Policy Period** or any applicable Extended Reporting Period, then any **Claim** subsequently arising from such **Potential Claim** will be deemed made during the **Policy Period**.
5. The **Insured** agrees to provide the Insurer with all information, assistance, and cooperation that the Insurer reasonably requests, but failure of an **Insured Person** to provide the Insurer with such information, assistance, or cooperation will not impair the rights of any other **Insured Person** under this **Coverage Section**.
6. The **Insured** will do nothing to prejudice the Insurer's position or its potential or actual rights of subrogation or recovery, and the Insurer may make any investigation it deems necessary.

B. CLAIM DEFENCE AND SETTLEMENT

1. If Duty-to-Defend coverage is provided under this **Coverage Section** as indicated in ITEM 6.B. of the Declarations:
 - a. The Insurer will have the right and duty to defend any **Claim** covered by this **Coverage Section**, even if the allegations are groundless, false, or fraudulent, including the right to select defence counsel as respects such **Claim**; provided, the Insurer will not be obligated to defend or to continue to defend any **Claim** after the applicable **Limit of Insurance** has been exhausted by payment of **Loss**.

- b. As respects a **Claim**, the **Insured** will not, without the Insurer's prior written consent, settle or offer to settle a **Claim**, or otherwise incur **Defence Expenses, Workplace Violence Event Expenses** or **Crisis Management Expenses**, assume contractual obligations, consent to judgments, or admit liability.
 - c. If the Insurer's duty to defend ceases as respects any **Claim**, the Insurer will notify the **Insured** so that the **Insured** can arrange to take control of the defence. The Insurer agrees to take whatever steps are necessary to avoid a default judgment during a transfer of control of the defence of any such **Claim**. The **Insured** agrees to repay the reasonable expenses incurred by the Insurer in taking any such steps during the transfer and further agrees that, in undertaking any such steps, the Insurer has not waived or otherwise given up any rights under this **Policy**.
 - d. In the event of a **Claim** against an **Insured** or **Foreign Parent Corporation** that resides or is domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, the Insurer will have the right and duty to defend such **Claim** as set forth in this section B. CLAIM DEFENCE AND SETTLEMENT, 1. to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.
If the Insurer is prohibited from defending such **Claim**, then section B. CLAIM DEFENCE AND SETTLEMENT, 2. applies to such **Claim**; provided, any such **Claim** is subject to section IV. CONDITIONS, F. ALLOCATION, 2.
2. If Reimbursement coverage is provided under this **Coverage Section** as indicated in ITEM 6.B. of the Declarations:
- a. The Insurer has no duty to defend any **Claim** under this **Coverage Section**. The **Insured** has the duty to defend all **Claims** made against it.
 - b. As respects a **Claim**, the **Insured** will not, without the Insurer's prior written consent, settle or offer to settle a **Claim**, or otherwise incur **Defence Expenses, Workplace Violence Event Expenses** or **Crisis Management Expenses**, assume contractual obligations, consent to judgments, or admit liability; provided, if the **Insured** is able to fully and finally settle, or otherwise dispose of, a **Claim**, including **Defence Expenses**, for an amount not exceeding the applicable **Retention** set forth in ITEM 6.A. of the Declarations, and the **Insured** has provided the Insurer with notice of such **Claim** pursuant to section IV. CONDITIONS, A. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM, then the Insurer's consent is not required.
 - c. As respects a **Claim** submitted for coverage under this **Coverage Section**, the Insurer has the right to, and will be given the opportunity to, effectively associate and consult with the **Insured** in advance regarding: (i) the selection of appropriate defence counsel; (ii) settlement negotiations; and (iii) substantive defence strategies, including decisions concerning the filing and content of substantive motions.
 - d. Subject to any applicable **Retention**:
 - (1) The Insurer will advance **Defence Expenses Workplace Violence Event Expenses** or **Crisis Management Expenses** on behalf of the **Insured** that are covered under this **Coverage Section**.
 - (2) Such **Defence Expenses, Workplace Violence Event Expenses, or Crisis Management Expenses** will be advanced within 90 days of the date when the Insurer's Claims Department receives: (i) the invoices documenting that such expenses have been incurred; and (ii) any additional information or documentation reasonably requested by the Insurer related to such expenses.
 - e. To the extent it is finally established that any advanced **Defence Expenses, Workplace Violence Event Expenses, or Crisis Management Expenses** are not covered under this **Coverage Section**, the **Insureds** agree to repay the Insurer such amounts severally according to their interests. As a condition of any payment of expenses under this section B. CLAIM DEFENCE AND SETTLEMENT, 2., the Insurer may require a written undertaking on terms and conditions satisfactory to the Insurer guaranteeing such repayment.
3. The Insurer is not liable for settlements, **Defence Expenses, Workplace Violence Event Expenses, or Crisis Management Expenses**, assumed obligations, consent judgments, or admissions to which it has not consented when such consent is required.
4. With the written consent of the **Insured**, the Insurer may settle a **Claim** for a monetary amount it deems reasonable.
5. Neither the Insurer nor the **Insured** will unreasonably withhold any consent referenced in this section B. CLAIM DEFENCE AND SETTLEMENT.

C. LIMIT OF INSURANCE

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, B. LIMITS OF INSURANCE of the General Terms and Conditions.

1. SUBLIMIT OF INSURANCE

Any **Sublimit** set forth in in ITEM 6.A. of the Declarations for this **Coverage Section** is:

- a. the maximum amount the Insurer will pay for all such **Loss**, other than any applicable **Defence Expenses**, if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is applicable; or
- b. the maximum amount the Insurer will pay for all such **Loss**, including any applicable **Defence Expenses**, if ITEM 6.A. of the Declarations does not indicate that Defence Outside Limits is applicable;

during each **Policy Period** under the specified Insuring Agreement or for the specified **Loss**, regardless of the number of **Claims** or **Insureds**, and regardless of when payment is made by the Insurer, or when an **Insured's** legal obligation regarding a **Claim** arises or is established; provided, such **Sublimit** is part of, and not in addition to, the **Limit of**

Insurance for Non-Profit Organization Directors and Officers Liability Coverage set forth in ITEM 6.A. of the Declarations.

2. **ADDITIONAL DEFENCE COVERAGE SUBLIMIT FOR US CLAIMS**

If an **Additional Defence Coverage Sublimit for US Claims** is set forth in ITEM 6.A. of the Declarations for this **Coverage Section**, such **Additional Defence Coverage Sublimit for US Claims** is part of, and not in addition to, the **Additional Defence Coverage for Non-US Claims** set forth in ITEM 6.A. of the Declarations.

3. **ADDITIONAL LIMIT OF INSURANCE**

Any **Additional Limit of Insurance** set forth in ITEM 6.A. of the Declarations for this **Coverage Section**, other than an **Additional Limit of Insurance** for Additional Defence Coverage is:

- a. the maximum amount the Insurer will pay for all such **Loss**, other than any applicable **Defence Expenses**, if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is applicable; or
- b. the maximum amount the Insurer will pay for all such **Loss**, including any applicable **Defence Expenses**, if ITEM 6.A. of the Declarations does not indicate that Defence Outside Limits is applicable;

during each **Policy Period** under the specified Insuring Agreement or for the specified **Loss**, regardless of the number of **Claims** or **Insureds**, and regardless of when payment is made by the Insurer, or when an **Insured's** legal obligation regarding a **Claim** arises or is established. Such **Additional Limit of Insurance** is in addition to, and not part of, the **Limit of Insurance** for the **Non-Profit Organization Directors and Officers Liability Coverage** set forth in ITEM 6.A. of the Declarations.

Provided, any amount the Insurer will pay for such **Loss** or **Defence Expenses** as respects Insuring Agreement E. SUPPLEMENTAL PERSONAL INDEMNIFICATION COVERAGE, if applicable, will be in addition to amounts paid for **Loss** or **Defence Expenses** under the **Limit of Insurance** for **Non-Profit Organization Directors and Officers Liability Coverage** prior to the exhaustion of: (i) such **Limit of Insurance** for **Non-Profit Organization Directors and Officers Liability Coverage**; or (ii) any applicable **Shared Limit of Insurance**.

4. **LIMIT OF INSURANCE – OUTSIDE ENTITY**

If any **Claim** against any **Insured** gives rise to an obligation both under this **Coverage Section** and under any other coverage or policy of insurance issued by the Insurer or any of its affiliates to any **Outside Entity**, the Insurer's maximum aggregate limit of insurance under all such policies for all **Loss**, including **Defence Expenses**, for such **Claim** will not exceed the largest single available limit of insurance under any such coverage. Payment by the Insurer, or any of its affiliated companies, under another policy as a result of a **Claim** made against an **Insured Person** in an **Outside Position** reduces the Insurer's **Limit of Insurance** under this **Coverage Section** as respects such **Claim**, by the amount of such payment.

D. RETENTION

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, C. RETENTION of the General Terms and Conditions.

No retention will apply to:

1. that portion of **Loss** covered under Insuring Agreements:
 - a. A. INSURED PERSON INDIVIDUAL LIABILITY COVERAGE;
 - b. D.3. CRISIS MANAGEMENT EXPENSE COVERAGE; or
 - c. E. SUPPLEMENTAL PERSONAL INDEMNIFICATION COVERAGE;except as otherwise provided in section IV. CONDITIONS, E. INDEMNIFICATION AND ADVANCEMENT OF LOSS WITHIN THE RETENTION, 1.;
2. **Workplace Violence Event Expenses** covered under Insuring Agreement D.2. WORKPLACE VIOLENCE EVENT EXPENSE COVERAGE; or
3. **Defence Expenses** resulting from any **Claim**, other than a **Claim** for an employment related **Wrongful Act**, if:
 - a. as respects such **Claim**, there is a final non-appealable adjudication of no liability obtained prior to or during trial, in favour of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment, or any similar motion or process, after exhaustion of all appeals, or a final judgment of no liability obtained after trial, in favour of all **Insureds**, after exhaustion of all appeals; or
 - b. such **Claim** is dismissed by agreement or consent, with prejudice, and without the payment of any monetary consideration by the **Insureds**.

The Insurer will reimburse the **Insured Organization** for any such **Retention** paid by the **Insured Organization** in connection with any such **Claim**.

In no event will a settlement of a **Claim** be considered a final adjudication of no liability for purposes of this section D. RETENTION.

E. INDEMNIFICATION AND ADVANCEMENT OF LOSS WITHIN THE RETENTION

1. Regardless of whether **Loss** for a **Claim** against an **Insured Person** is actually indemnified, the **Retention** applicable for Insuring Agreement B. ORGANIZATION INDEMNIFICATION LIABILITY COVERAGE will apply to **Loss** that the **Insured Organization** or **Outside Entity** is legally permitted to indemnify, unless such **Insured Organization** or **Outside Entity** fails to provide indemnification solely by reason of its **Financial Impairment**.
2. If the **Insured Organization** or **Outside Entity**, as applicable, fail to indemnify an **Insured Person** for **Loss** within the applicable **Retention**, the Insurer will advance such amounts on behalf of the **Insured Person** and such **Insured Person** will not be liable for amounts within the applicable **Retention**. Such advancement of **Loss**:
 - a. will reduce, and may exhaust, the **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations; and
 - b. does not relieve the **Insured Organization** or **Outside Entity** of its obligation to provide indemnification to such **Insured Person**, or the **Insured Organization's** obligation to satisfy the applicable **Retention** on behalf of such **Insured Person**.
3. The Insurer will be subrogated to the **Insured Person's** rights of recovery against the **Insured Organization** or **Outside Entity** for any amounts it owes to the **Insured Person** and that the Insurer has advanced under this section E. INDEMNIFICATION AND ADVANCEMENT OF LOSS WITHIN THE RETENTION.
4. The **Insured Organization** or **Outside Entity's** failure to indemnify an **Insured Person** occurs if the **Insured Organization** or **Outside Entity** fails or refuses to pay **Loss** on behalf of the **Insured Person** within 60 days of the **Insured Person's** written demand to the **Insured Organization** or **Outside Entity** for such indemnification.

F. ALLOCATION

1. If Duty-to-Defend coverage is indicated in ITEM 6.B. of the Declarations and if, in any **Claim**, an **Insured**: (i) incurs **Loss** jointly with others; or (ii) incurs an amount consisting of both **Loss** covered by this **Coverage Section** and loss not covered by this **Coverage Section** because the **Claim** includes both covered and uncovered matters; then such **Loss** and uncovered loss will be allocated as follows:
 - a. 100% of **Defence Expenses** will be allocated to **Loss**; and
 - b. all loss other than **Defence Expenses** will be allocated between **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in, the defence and settlement of the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under this **Coverage Section**. In making such a determination, the **Insured Organization**, the **Insured Persons**, and the Insurer agree to use their best efforts to determine a fair and proper allocation of all such amounts. If an allocation cannot be agreed to, then the Insurer will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Coverage Section** and applicable law.
2. If Reimbursement coverage is indicated in ITEM 6.B. of the Declarations and if, in any **Claim**, an **Insured**: (i) incurs **Loss** jointly with others; or (ii) incurs an amount consisting of both **Loss** covered by this **Coverage Section** and loss not covered by this **Coverage Section** because the **Claim** includes both covered and uncovered matters; the **Insureds** and the Insurer agree to use their best efforts to allocate such amounts between **Loss** and uncovered loss based upon the relative legal and financial exposures of the parties to covered and uncovered matters.
 - a. For that part of **Loss** consisting of **Defence Expenses** if the parties agree on an allocation of **Defence Expenses**, the Insurer, on a current basis and prior to disposition of the **Claim**, will advance **Defence Expenses** allocated to **Loss**. If there is no agreement on the allocation of **Defence Expenses**, the Insurer, on a current basis and prior to disposition of the **Claim**, will advance **Defence Expenses** that the Insurer believes are covered under this **Coverage Section** until a different allocation is negotiated, arbitrated, or judicially determined.
 - b. A negotiated, arbitrated, or judicially determined allocation of **Defence Expenses** in connection with a **Claim** will apply retroactively to all **Defence Expenses** in connection with such **Claim**.
 - c. An allocation or advancement of **Defence Expenses** in connection with a **Claim** will not apply to, nor create any presumption as respects the allocation of, other **Loss** in connection with such **Claim** or any other **Claim**.

G. SUBROGATION

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, G. SUBROGATION of the General Terms and Conditions.

The Insurer will not exercise any available rights of subrogation against an **Insured Person** unless section III. EXCLUSIONS, C. EXCLUSIONS APPLICABLE TO LOSS OTHER THAN DEFENCE EXPENSES, 1. CONDUCT applies to such **Insured Person**.

H. TERRITORY

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, L. TERRITORY of the General Terms and Conditions.

1. This **Coverage Section** does not apply to **Loss** incurred by an **Insured** residing or domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, to the extent that providing this insurance would violate the

laws or regulations of such country or jurisdiction.

2. If an **Insured Person** residing in a country or jurisdiction in which the Insurer is not licensed incurs **Loss** referenced in section H. TERRITORY, 1. above, to which Insuring Agreement A. INSURED PERSON INDIVIDUAL LIABILITY COVERAGE would have applied, such **Loss** will be paid in a country or jurisdiction mutually acceptable to such **Insured Person** and the Insurer, to the extent that doing so would not violate any applicable laws or regulations.
3. If an **Insured Organization** incurs **Loss** referenced in section H. TERRITORY, 1. above, to which this insurance would have applied, the Insurer will reimburse the **Named Insured** for its **Loss**, on account of its **Financial Interest** in such **Insured Organization**. As a condition precedent to such reimbursement, or any rights under this **Coverage Section**, the **Named Insured** will cause the **Insured Organization** or its **Insured Persons** to comply with the conditions of this **Coverage Section**.

I. OTHER INSURANCE AND INDEMNIFICATION

1. If **Loss** arising from a **Claim** made against an **Insured** under this **Coverage Section** is covered under any other valid and collectible insurance of the same type, prior or current, then this **Coverage Section** covers such **Loss** only to the extent that the amount of such **Loss** is in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise, unless such other insurance is a personal umbrella liability policy, personal directors and officers liability policy purchased by an **Insured Person**, or written as specific excess insurance over the **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations.
2. This **Coverage Section** covers **Loss** for any **Claim** made against any **Insured Person** serving in an **Outside Position** only to the extent that the amount of such **Loss** exceeds any indemnity and other insurance available from, or provided by, the applicable **Outside Entity**.
3. If **Loss** arising from any **Employed Lawyer Claim** is insured under any valid or collectible other insurance, prior or current, providing lawyers professional, legal malpractice, or errors and omissions liability coverage, then this **Coverage Section** will cover such **Loss** only to the extent that the amount of such **Loss** is in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise.
4. This **Coverage Section** is not subject to the terms, conditions, exclusions, or limitations of any other insurance.

J. RECOVERIES

1. All recoveries from third parties for payments made under this **Coverage Section** will be applied, after the deduction of costs and expenses incurred in obtaining such recovery, in the following order of priority:
 - a. first, to the Insurer to reimburse the Insurer for any **Retention** amount it has paid on behalf of any **Insured**;
 - b. second to the **Insured** to reimburse the **Insured** for **Loss** paid that would have been covered by this **Coverage Section**, but for the fact that such **Loss** is in excess of the applicable **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations;
 - c. third, to the Insurer to reimburse the Insurer for amounts paid under this **Coverage Section**; provided, the Insurer will reinstate the applicable **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations to the extent of such recovery, less any recovery costs incurred by the Insurer;
 - d. fourth, to the **Insured** to satisfy any applicable **Retention**; and
 - e. fifth, to the **Insured** to satisfy any loss not covered under this **Coverage Section**.
2. Pursuant to this section J. RECOVERIES, 1.c. above, if the recovery reimburses amounts paid under two or more **Coverage Sections**, the Insurer will reinstate the **Limit of Insurance** for each applicable **Coverage Section** in proportion to how such amounts were allocated among those **Coverage Sections** in the underlying **Claim**.
3. Recoveries do not include any recovery from insurance, suretyship, reinsurance, security, or indemnity taken for the Insurer's benefit.
4. The Insurer assumes no duty to seek a recovery of any amounts paid under this **Coverage Section**.

K. FOREIGN PARENT CORPORATE COVERAGE

This **Coverage Section** will be extended to apply coverage for **Defence Expenses** resulting from any **Claim** made against a **Foreign Parent Corporation**, but only if and so long as:

1. such **Claim** results from a **Wrongful Act** actually or allegedly committed solely by any **Insured**;
2. such **Insured** and the **Foreign Parent Corporation** are represented by the same counsel in connection with such **Claim**; and
3. such **Insured** is included as a co-defendant.

No **Foreign Parent Corporation** will, by reason of this section K. FOREIGN PARENT CORPORATE COVERAGE, have any greater right to coverage under this **Coverage Section** than any **Insured**.

The Insurer has no obligation to pay **Loss** on account of a **Claim** against a **Foreign Parent Corporation** for any error,

misstatement, misleading statement, act, omission, neglect, or breach of duty by: (i) such **Foreign Parent Corporation**; (ii) any member of its board of directors; (iii) its officers or employees; or (iv) any functional equivalent position.

L. REPRESENTATIONS AND SEVERABILITY

1. In consideration of issuing this **Coverage Section**, the Insurer has relied upon the statements and representations in the **Application**.
2. The **Insured** represents and agrees that all statements and representations in the **Application** are true and accurate, and are the basis of this **Coverage Section**, which is issued in reliance upon the truth of all such statements and representations. The **Application** is deemed attached to, and incorporated into, this **Coverage Section**.
3. As respects all statements and representations contained in the **Application**, knowledge possessed by an **Insured Person** will not be imputed to another **Insured Person**.
4. The **Insured** agrees that if statements or representations in the **Application** are: (i) untrue or inaccurate; and (ii) made with the intent to deceive or materially affect either the acceptance of the risk or the hazard assumed by the Insurer; no coverage will be afforded under this **Coverage Section** for a **Claim** arising out of such statements or representations as respects:
 - a. an **Insured Person** who, as of the **Inception Date** set forth in ITEM 2 of the Declarations, had knowledge of the information that was not truthfully or accurately disclosed in the **Application**;
 - b. the **Insured Organization** to the extent it indemnifies an **Insured Person** referenced in this section L. REPRESENTATIONS AND SEVERABILITY, 4.a. above; or
 - c. the **Insured Organization**, if any **Executive Officer** had knowledge of the information that was not truthfully or accurately disclosed in the **Application**;

whether or not the **Insured** knew of such untruthful or inaccurate disclosure in the **Application**.

M. NON-RESCINDABILITY

The Insurer will not, under any circumstance, rescind this **Coverage Section** as respects any **Insured** who, as of the **Inception Date** of this **Coverage Section**, did not know the facts that were not truthfully and accurately disclosed in the **Application** for this **Coverage Section**.

SEXUAL MISCONDUCT AND CHILD ABUSE EXCLUSION ENDORSEMENT
With Carveback for Sexual Harassment and Workplace Harassment

This endorsement changes the following:

Non-Profit Organization Directors and Officers Liability Coverage Section

It is agreed that:

1. The following is added to section **II. DEFINITIONS**:

Sexual Harassment means any unwelcome sexual advances, requests for sexual favours, or any other conduct of a sexual nature:

1. which is made a term or condition of employment or advancement with the **Insured Organization**;
2. for which the submission to, or rejection of, is used as a basis for decisions by the **Insured Organization**; or
3. which has the purpose or effect of creating an intimidating, hostile, or offensive work environment.

Workplace Harassment means any actual or alleged harassment, other than **Sexual Harassment**, which creates a work environment that interferes with job performance or creates an intimidating, hostile, or offensive work environment.

2. The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS**:

SEXUAL MISCONDUCT AND CHILD ABUSE

The Insurer will not be liable for **Loss** on account of a **Claim** based upon or arising out of:

- a. any sexual abuse or injury, sexual molestation, sexually harassing behaviour, sexual assault, sexual exploitation, child abuse, or child neglect; or
- b. any wrongful hiring or retention, wrongful supervision, wrongful investigation, wrongful reporting or failure to report to the proper authorities, in connection with any incident or pattern of incidents of alleged sexual abuse or injury, sexual molestation, sexually harassing behaviour, sexual assault, sexual exploitation, child abuse, or child neglect; provided, this exclusion will not apply to a **Claim** for **Sexual Harassment** or **Workplace Harassment**.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIED SERVICES EXCLUSION ENDORSEMENT

This endorsement changes the following:

Non-Profit Organization Directors and Officers Liability Coverage Section

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS:**

SPECIFIED SERVICES

The Insurer will not be liable for **Loss** on account of a **Claim** based upon or arising out of any **Insured's** performance of, or failure to perform, for any third party the services set forth in the Specified Services Schedule below.

SPECIFIED SERVICES SCHEDULE
Website domain hosting Website development

All other terms and conditions remain unchanged.

Issuing Company: Travelers Insurance Company of Canada
Policy Number: 1002859300

EMPLOYMENT PRACTICES LIABILITY

THIS IS A CLAIMS-MADE COVERAGE. UNLESS DEFENCE OUTSIDE LIMITS COVERAGE IS ELECTED, DEFENCE EXPENSES WILL REDUCE, AND MAY EXHAUST, THE LIMIT OF INSURANCE, EXCEPT AS OTHERWISE REQUIRED BY THE LAW OF THE PROVINCE OF QUÉBEC. IF DEFENCE OUTSIDE LIMITS COVERAGE IS ELECTED, PAYMENT OF DEFENCE EXPENSES WILL NOT REDUCE LIMIT OF INSURANCE, EXCEPT: AS RESPECTS CLAIMS BROUGHT AND MAINTAINED IN THE UNITED STATES OF AMERICA, DEFENCE EXPENSES WILL REDUCE, AND MAY EXHAUST, THE LIMIT OF INSURANCE.

PLEASE READ ALL TERMS CAREFULLY.

I. INSURING AGREEMENTS

A. EMPLOYMENT PRACTICES LIABILITY COVERAGE

The Insurer will pay, on behalf of the **Insured**, **Loss** on account of an **Employment Claim** first made against the **Insured** during the **Policy Period** or applicable Extended Reporting Period.

B. THIRD PARTY CLAIM COVERAGE

If ITEM 6.A. of the Declarations indicates that Third Party Claim Coverage has been purchased, the Insurer will pay, on behalf of the **Insured**, **Loss** on account of a **Third Party Claim** first made against the **Insured** during the **Policy Period** or applicable Extended Reporting Period.

II. DEFINITIONS

Where appearing in this **Coverage Section**, either in the singular or the plural, the following words and phrases appearing in bold type have the meaning set forth in this section II. DEFINITIONS:

- Claim** means an **Employment Claim** or, if Insuring Agreement B. THIRD PARTY CLAIM COVERAGE is purchased, a **Third Party Claim**.
- Claimant** means:
1. a past, present, or future **Employee** of, or applicant for employment with, the **Insured Organization**;
 2. a governmental entity or agency, when acting on behalf of, or for the benefit of, a past, present, or future **Employee** or applicant for employment; or
 3. any **Independent Contractor**.
- Defence Expenses** means the reasonable costs, charges, fees, or expenses, including any premium or origination fee for a bond, loan, or similar financial instrument, incurred by the Insurer or, subject to section IV. CONDITIONS, B. CLAIM DEFENCE AND SETTLEMENT, the **Insured** defending, investigating, or appealing a **Claim**.
- Defence Expenses** does not include: (i) salaries, wages, fees, benefits, or overhead of, or paid to, any **Insured** or any employee of such **Insured** to defend, investigate, or appeal a **Claim**; (ii) regular or overtime wages, salaries, or fees of any employee, director, officer, **Outside Manager**, regent, governor, advisory board member, or functional equivalent position, of an **Outside Entity**; or (iii) the principal of, collateral or interest on collateral for, or interest on, a bond, loan, or similar financial instrument.
- Discrimination** means:
1. any violation of an employment discrimination law; or
 2. any disparate treatment of, or the failure or refusal to hire, a **Claimant** or **Outside Claimant** because they are, or allege to be, a member of a class that is legally protected.
- Employee** means a natural person who was, is, or becomes engaged by and directed by the **Insured Organization** for their labour or service while:
1. on the payroll of the **Insured Organization**, including full-time, part-time, temporary, or seasonal workers;
 2. a volunteer or intern of the **Insured Organization**; or

3. their services have been leased by the **Insured Organization**.

Independent Contractors are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the alleged **Wrongful Act**.

Employment Agreement

means any express or implied employment agreement, other than a collective bargaining or partnership agreement, regardless of the basis in which the agreement is alleged to exist.

Employment Claim

means:

1. a written demand against an **Insured** for monetary damages or non-monetary relief, including injunctive relief, for a **Wrongful Employment Practice**, commenced by the **Insured's** receipt of such demand;
2. a civil proceeding, other than an administrative or regulatory proceeding, against an **Insured** for a **Wrongful Employment Practice**, commenced by service of a notice of action, statement of claim, writ of summons, complaint, or similar pleading;
3. an administrative or regulatory proceeding against an **Insured** for a **Wrongful Employment Practice** commenced by the **Insured's** receipt of a notice of filed charges, formal investigative order, service of summons, or similar document; provided, in the context of an audit conducted by the Office of Federal Contract Compliance Programs of the United States of America, **Employment Claim** will be limited to a Notice of Violation, Order to Show Cause, or a written demand for monetary damages or non-monetary relief;
4. an arbitration, mediation, or other alternative dispute resolution proceeding against an **Insured** for a **Wrongful Employment Practice**, commenced by the **Insured's** receipt of a demand for arbitration, mediation, or other alternative dispute resolution, if the **Insured** is legally obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Insurer's written consent, such consent not to be unreasonably withheld;
5. a penal or criminal proceeding against an **Insured** for a **Wrongful Employment Practice**, commenced by an arrest, a summons to appear, the laying of an information, the return of an indictment, or similar legal document;
6. a request for **Extradition** of an **Insured Person** for a **Wrongful Employment Practice**, commenced by the **Insured's** receipt of such request; or
7. a written request to toll or waive a statute of limitations relating to any of the above, commenced by the **Insured's** receipt of such written request;

including any appeal therefrom; by or on behalf of, or for the benefit of, a **Claimant** or **Outside Claimant**.

Employment Claim does not include any labour or grievance arbitration, or other proceeding, pursuant to a collective bargaining agreement. An **Employment Claim** is deemed to be made when it is first commenced as set forth above.

Executive Officer

means a natural person who was, is, or becomes a member of the board of directors, officer, partner, principal, risk manager, **Manager**, in-house general counsel, or member of the staff of the human resources department, or a functional equivalent position, of the **Insured Organization**.

Extradition

means a formal process by which an **Insured Person** in any country is surrendered, or sought to be surrendered, to any other country to answer any criminal accusation, including the execution of an arrest warrant where such execution is an element of such process.

Financial Interest

means the **Named Insured's** insurable interest in an **Insured Organization** domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, as a result of the **Named Insured's**:

1. ownership of the majority of the outstanding securities or voting rights of such **Insured Organization** representing the present right to elect, appoint, or exercise a majority control over such **Insured Organization's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;
2. indemnification of, or representation that it has an obligation to indemnify, such **Insured Organization** for **Loss** incurred by such **Insured Organization**; or
3. election or obligation to obtain insurance for such **Insured Organization**.

Independent Contractor

means any natural person who is not an **Employee** and performs labour or services solely under contract with, and at the direction and control of, the **Insured Organization**. The status of a natural person as an **Independent Contractor** will be determined as of the date of the alleged **Wrongful Act**.

Insured	means the Insured Persons and the Insured Organization .
Insured Organization	means the Named Insured , any Subsidiary , and any such entity operating: (i) under the protection of the Companies' Creditors Arrangement Act of Canada; (ii) as debtor in possession under Chapter 11 of the United States of America Bankruptcy Code; or (iii) under any foreign equivalent legislation.
Insured Person	means: <ol style="list-style-type: none"> 1. an Executive Officer or Employee, or such person while serving in an Outside Position; 2. a natural person who was, is, or becomes a de facto director or officer, or any functional equivalent position, of the Insured Organization; or 3. a natural person who was, is, or becomes member of the board of trustees, member of the board of regents, or member of the board of governors, or any functional equivalent position, of the Insured Organization; <p>for Wrongful Acts committed in the discharge of their duties as such.</p>
Loss	means: (i) Defence Expenses ; (ii) damages, judgments, settlements, and prejudgment and postjudgment interest that an Insured is legally obligated to pay as a result of a Claim ; provided, as respects the multiple portion of a multiplied damage award, or punitive or exemplary damages, Loss only includes such damages to the extent they are insurable under the law of a jurisdiction that is most favourable to the insurability of such damages and has a substantial relationship to the Insured, Claim, Insurer , or this Coverage Section ; and (iii) legal fees and expenses of a Claimant or Outside Claimant awarded pursuant to a court order or judgment or agreed pursuant to a settlement of a Claim . <p>Loss, other than Defence Expenses, does not include:</p> <ol style="list-style-type: none"> 1. an amount that an Insured is absolved from paying; 2. payroll or other taxes; fines; or penalties; 3. loss that is uninsurable under the law pursuant to which this Coverage Section is construed; 4. costs to comply with an order, judgment, or award of injunctive or other equitable relief, or the portion of a settlement encompassing injunctive or equitable relief, including actual or anticipated costs of reasonable accommodation under: (i) the Ontarians with Disabilities Act, 2001, SO 2001, c 32; (ii) the Americans With Disabilities Act or the Rehabilitation Act of 1973; or (iii) any similar or related federal, provincial, territorial, state, or local law or regulation; 5. liquidated damages other than liquidated damages awarded under the United States of America Age Discrimination in Employment Act or the Equal Pay Act; 6. future compensation, including salary or benefits, for a Claimant or Outside Claimant who has been or will be hired, promoted, accommodated, or reinstated to employment pursuant to a settlement, court order, judgment, award, or other disposition of a Claim; 7. that part of any judgment or settlement which constitutes front pay, future monetary losses including but not limited to pension and other benefits, or other future economic relief, or the value or equivalent thereof, if the Insured has been ordered, or has the option pursuant to a judgment, order, or other award or disposition of a Claim, to hire, promote, accommodate, or reinstate the Claimant or Outside Claimant to whom such sums are to be paid, but fails to do so; or 8. pension, medical, disability, life insurance, fringe benefits, deferred payments (including insurance premiums in connection with an employee benefit plan), Stock Benefit, or other similar employee benefits, or other perquisites, except and to the extent that a judgment or settlement of a Claim includes a monetary component measured by the value of: <ol style="list-style-type: none"> a. pension, medical, disability, life insurance, fringe benefits, deferred payments, or other similar employee benefits, or other perquisites; or b. Stock Benefits of an Insured Organization whose equity or debt securities are not publicly traded, including on a stock exchange or another organized securities market; <p>as consequential damages for a Wrongful Act.</p> <p>Loss does not include any amount allocated to uncovered loss pursuant to section IV. CONDITIONS, F. ALLOCATION.</p>
Manager	means a natural person who was, is, or becomes, as respects an Insured Organization that is a limited liability company or limited liability partnership, a member of the board of managers, the board of governors, management committee, or advisory committee of such Insured Organization .

Outside Claimant	<p>means:</p> <ol style="list-style-type: none"> 1. a past, present, or future Outside Employee of, or applicant for employment with, an Outside Entity; 2. a governmental entity or agency when acting on behalf of, or for the benefit of, past, present, or future Outside Employees or applicants for employment; or 3. any natural person independent contractor who performs labour or services under contract solely for, and at the direction and control of, the Outside Entity.
Outside Employee	<p>means a natural person whose labour or service is engaged by and directed by an Outside Entity while:</p> <ol style="list-style-type: none"> 1. on the payroll of an Outside Entity, including full-time, part-time, temporary, or seasonal workers; 2. a volunteer or intern of an Outside Entity; or 3. their services have been leased by the Outside Entity. <p>The status of an individual as an Outside Employee will be determined as of the date of the alleged Wrongful Employment Practice.</p>
Outside Entity	means any Non-Profit Entity other than the Insured Organization .
Outside Manager	means a natural person who was, is, or becomes, as respects an Outside Entity that is a limited liability company or limited liability partnership, a member of the board of managers, the board of governors, management committee, or advisory committee of such Outside Entity .
Outside Position	means a position of director, officer, Outside Manager , member of the board of trustees, member of the board of managers, member of the board of regents, or member of the board of governors, or a functional equivalent position, of an Outside Entity , solely while service in such position by an Insured Person is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned by, the Insured Organization .
Potential Claim	means an incident, occurrence, fact, matter, act, or omission that could reasonably be expected to give rise to a Claim , including a complaint or allegation by or on behalf of a potential Claimant or Outside Claimant against an Insured for a Wrongful Act , if such complaint or allegation does not constitute a Claim but may subsequently give rise to a Claim .
Regular Defence Expenses	means Defence Expenses for any Claim other than a Wage and Hour Claim ; provided, Regular Defence Expenses does not include Defence Expenses for that portion of any Claim for violation of the responsibilities, duties, or obligations imposed on an Insured under any Wage and Hour Law other than a Claim for a violation of any provision of federal, provincial, territorial, or state human rights or employment standards legislation designed to protect pay equality.
Retaliation	means any Wrongful Termination , or other adverse employment action against, an Employee or Outside Employee on account of their: (i) exercise, or attempted exercise, of rights protected by law; (ii) refusal to violate any law; (iii) disclosure, or threatened disclosure, of violations of any law to a superior or governmental agency; or (iv) testimony in, or assistance or cooperation with, any proceeding or investigation regarding alleged violations of law.
Sexual Harassment	<p>means any unwelcome sexual advances, requests for sexual favours, or any other conduct of a sexual nature:</p> <ol style="list-style-type: none"> 1. which is made a term or condition of a Claimant's or Outside Claimant's employment or advancement; 2. for which the submission to, or rejection of, is used as a basis for decisions affecting the Claimant or Outside Claimant; or 3. which has the purpose or effect of creating an intimidating, hostile, or offensive work environment.
Stock Benefit	means compensation provided to Employees in the form of equity or debt securities, or the right to purchase such securities, including any grant of stock, restricted stock, stock options, warrants, phantom stock, stock appreciation rights, or performance shares.
Subsidiary	<p>also means, in addition to the meaning set out in section II. DEFINITIONS, C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS of the General Terms and Conditions, solely as respects any Named Insured that is not a Non-Profit Entity:</p> <ol style="list-style-type: none"> 1. any entity operated as a joint venture while: (i) the Named Insured, directly or indirectly, owns exactly 50% of the outstanding voting securities or other equity ownership, representing the present right to vote for the election or appointment of directors or officers, Managers, or any functional equivalent

position; and (ii) the **Insured Organization** solely controls management and operation of such entity pursuant to a written agreement with the owner(s) of the remaining outstanding voting securities or other equity ownership; or

2. any **Non-Profit Entity** while the **Named Insured** has the ability to exercise management control;

if such management control: (i) exists on or before the **Inception Date** set forth in ITEM 2 of the Declarations; or (ii) exists after the **Inception Date** set forth in ITEM 2 of the Declarations, subject to section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, H. CHANGE IN EXPOSURE of the General Terms and Conditions.

Third Party Claim

means:

1. a written demand against an **Insured** for monetary damages or non-monetary relief, including injunctive relief, for a **Third Party Wrongful Act**, commenced by the **Insured's** receipt of such demand;
2. a civil proceeding, other than an administrative or regulatory proceeding, against an **Insured** for a **Third Party Wrongful Act**, commenced by service of a notice of action, statement of claim, writ of summons, complaint, or similar pleading;
3. an administrative or regulatory proceeding against an **Insured** for a **Third Party Wrongful Act**, commenced by the **Insured's** receipt of a notice of filed charges, formal investigative order, service of summons, or similar document; provided, in the context of an audit conducted by the Office of Federal Contract Compliance Programs of the United States of America, **Third Party Claim** will be limited to a Notice of Violation, Order to Show Cause, or a written demand for monetary damages or non-monetary relief;
4. an arbitration, mediation, or other alternative dispute resolution proceeding against an **Insured** for a **Third Party Wrongful Act**, commenced by the **Insured's** receipt of a demand for arbitration, mediation, or other alternative dispute resolution, if the **Insured** is legally obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Insurer's written consent, such consent not to be unreasonably withheld;
5. a request for **Extradition**, of an **Insured Person** for a **Third Party Wrongful Act**, commenced by the **Insured's** receipt of such request; or
6. a written request to toll or waive a statute of limitations relating to any of the above, commenced by the **Insured's** receipt of such written request;

including any appeal therefrom; by or on behalf of, or for the benefit of, any natural person other than a **Claimant** or **Outside Claimant**.

Third Party Claim does not include any labour or grievance arbitration, or other proceeding, pursuant to a collective bargaining agreement or any type of criminal proceeding. A **Third Party Claim** is deemed to be made when it is first commenced as set forth above.

Third Party Wrongful Act

means, as respects a natural person other than a **Claimant** or **Outside Claimant**:

1. any violation of any federal, provincial, territorial, state, or local statutory law, common law, or civil law, prohibiting any kind of discrimination or harassment; or
2. any unwelcome sexual advances, requests for sexual favours, or other conduct of a sexual nature that violates the human rights or civil rights of such person;

committed or attempted by an **Insured** before or during the **Policy Period**.

Wage and Hour Claim

means a **Claim** brought or maintained for violation of the responsibilities, duties, or obligations imposed on an **Insured** under any **Wage and Hour Law** other than a **Claim** for a violation of any provision of federal, provincial, territorial, or state human rights or employment standards legislation designed to protect pay equality.

Wage and Hour Law

means any domestic or foreign law or regulation governing, or related to: (i) the payment of wages, including the payment of overtime, on-call time, or minimum wages; (ii) meal periods or rest breaks; (iii) the reimbursement of employment-related expenses; or (iv) the classification of employees for the purpose of determining employees' eligibility for compensation under such laws.

Workplace Harassment

means any harassment, other than **Sexual Harassment**, which creates a work environment that interferes with job performance, inflicts emotional distress, or creates an intimidating, hostile, or offensive work environment.

Wrongful Act

means:

1. a **Wrongful Employment Practice** committed or attempted by an **Insured**, before or during the **Policy Period**, occurring in the course of, or arising out of, a **Claimant's** employment, application for employment, or performance of services with the **Insured Organization**;
2. a **Wrongful Employment Practice** by an **Insured Person** in his or her **Outside Position** occurring in the course of, or arising out of, an **Outside Claimant's** employment, application for employment, or performance of services with an **Outside Entity**; or
3. solely as respects Insuring Agreement B. THIRD PARTY CLAIM COVERAGE, a **Third Party Wrongful Act**.

Wrongful Employment Practice

means:

1. **Discrimination**;
2. **Retaliation**;
3. **Sexual Harassment**;
4. **Workplace Harassment**;
5. **Wrongful Termination**;
6. any breach of **Employment Agreement**;
7. any employment-related misrepresentation;
8. any employment-related defamation, including libel or slander, or invasion of privacy;
9. any failure or refusal to employ or promote, including wrongful failure to grant bonuses or perquisites, or grant tenure;
10. any wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
11. any employment-related wrongful infliction of emotional distress; or
12. in connection with paragraphs 1. to 11., above: (i) negligent hiring, supervision of others, training, or retention, committed by an **Insured**; or (ii) failure or refusal to create or enforce adequate workplace or employment policies and procedures; provided, the **Claim** alleging such acts is brought by, on behalf of, or for the benefit of, a **Claimant** or **Outside Claimant**.

Wrongful Termination

means the actual, alleged, or constructive termination of an employment relationship between a **Claimant** and the **Insured Organization**, or between an **Outside Claimant** and an **Outside Entity**: (i) in a manner or for a reason which is contrary to applicable law or public policy; or (ii) in violation of an **Employment Agreement**.

Terms appearing in bold type in this **Coverage Section** but not defined above have the meaning ascribed in the Declarations or set forth in section II. DEFINITIONS, C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS of the General Terms and Conditions.

III. EXCLUSIONS**A. EXCLUSIONS APPLICABLE TO ALL LOSS****1. BODILY INJURY**

The Insurer will not be liable for **Loss** on account of a **Claim** for bodily injury, sickness, disease, death, or loss of consortium; provided, this exclusion will not apply to that portion of a **Claim** seeking **Loss** for emotional distress, mental anguish, humiliation, or loss of reputation.

2. EMPLOYMENT LAWS

The Insurer will not be liable for **Loss** on account of a **Claim** for:

- a. any violation of responsibilities, duties, or obligations under any federal, provincial, territorial, state, or local law or regulation concerning social security, employment insurance, unemployment insurance, workers' compensation, or disability benefits; or
- b. any violation of: the Canada Labour Code, R.S.C. 1985, c. L-2, parts I and II; the Canadian Human Rights Act, R.S.C. 1985, c. H-6, section 11; the Employment Standards Act, 2000, SO 2000, c.41; the Labour Adjustment Benefits Act, R.S.C. 1985, c L-1; the Occupational Health and Safety Act, RSO 1990, c O.1.; the Employment Equity Act, SC 1995, c 44; the Worker Adjustment and Retraining Notification Act (WARN), 29 U.S.C. §§ 2101- 2109; the Occupational Safety and Health Act (OSHA), 29 U.S.C. ch. 15 § 651 et seq.; the Consolidated Omnibus Budget Reconciliation Act

of 1985 (COBRA), 29 USCA § 1162 et seq.; the National Labor Relations Act (NLRA), 29 USCA §§ 151 et seq.; or amendments thereto or regulations promulgated thereunder, or any similar or related federal, provincial, territorial, state, or local law or regulation, or any similar or related requirement at common law, except as otherwise provided under sections III. EXCLUSIONS, A.13. WAGE AND HOUR or B.1. EMPLOYMENT AGREEMENT;

provided, this exclusion will not apply to a **Claim** for **Retaliation**.

3. INDEPENDENT CONTRACTOR AGREEMENT

The Insurer will not be liable for **Loss** on account of a **Claim** for any liability under an agreement governing the terms of the labour or service of: (i) an **Independent Contractor** or temporary worker engaged by the **Insured Organization**; (ii) an employee whose services are leased to the **Insured Organization**; or (iii) a natural person independent contractor who performs labour or service solely for an **Outside Entity** on a full-time basis pursuant to a written contract or agreement.

4. LIABILITY ASSUMED UNDER CONTRACT OR AGREEMENT

The Insurer will not be liable for **Loss** on account of a **Claim** for any liability of others assumed by an **Insured** under any contract or agreement, whether oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement; provided, this exclusion will not apply to **Regular Defence Expenses** arising out of, or attributable to, a breach of an **Employment Agreement**.

5. OUTSIDE POSITION

The Insurer will not be liable for **Loss** on account of a **Third Party Claim** against any **Insured** solely due to their service in an **Outside Position**.

6. PENSION OR BENEFIT PLAN

The Insurer will not be liable for **Loss** on account of a **Claim** for:

- a. any violation of responsibilities, duties, or obligations under the Income Tax Act, R.S.C. 1985, c 1; the Pension Benefits Standards Act, R.S.C., 1985, c.32 (2nd Supp.); the Pension Benefits Act, RSO 1990, c P.8; or the United States of America Employee Retirement Income Security Act of 1974 (ERISA), 29 USCA § 1132 et seq.; or any similar or related federal, provincial, territorial, state, or local law or regulation applicable to fiduciaries of any employee benefit plan; or
- b. an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an **Employee** or such **Employee's** dependent in any employee benefit plan, fund, or program, including contracts or agreements not subject to the laws or regulations described in section 6. PENSION OR BENEFIT PLAN, a. above;

provided, this exclusion will not apply to a **Claim** for **Retaliation**.

7. POLLUTION

The Insurer will not be liable for **Loss** on account of a **Claim**:

- a. based upon or arising out of the actual, alleged, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, or escape of any **Pollutant**;
- b. based upon or arising out of any request, demand, direction, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**; or
- c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**;

provided, this exclusion will not apply to a **Claim** for **Retaliation**.

8. PRIOR KNOWLEDGE

The Insurer will not be liable for **Loss** on account of a **Claim** for any fact, circumstance, situation, or event that is or reasonably would be regarded as the basis for a **Claim** about which any **Executive Officer** had knowledge prior to the applicable **Continuity Date** set forth in ITEM 6.A. of the Declarations for this **Coverage Section**.

9. PRIOR NOTICE

The Insurer will not be liable for **Loss** on account of a **Claim** based upon or arising out of any fact, circumstance, situation, transaction, event, **Wrongful Act**, or **Related Wrongful Act** which, before the **Inception Date** set forth in ITEM 2 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** and accepted under any policy of insurance of which this **Coverage Section** is a direct renewal or replacement, or which it succeeds in time.

10. PRIOR OR PENDING PROCEEDING

The Insurer will not be liable for **Loss** on account of a **Claim** based upon or arising out of: (i) any prior or pending written demand, action, or other proceeding against any **Insured** as of, or prior to, the applicable **Prior and Pending Proceeding**

Date set forth in ITEM 6.A. of the Declarations for this **Coverage Section**; or (ii) any **Wrongful Act** or **Related Wrongful Act** underlying or alleged in such written demand, action, or other proceeding.

11. PROPERTY DAMAGE

The Insurer will not be liable for **Loss** on account of a **Claim** for damage to, or destruction of, loss of, or loss of use of any tangible property including when resulting from inadequate or insufficient protection from soil or ground water movement, soil subsidence, mould, spores, mildew, fungus, or wet or dry rot.

12. UNFAIR BUSINESS PRACTICES

The Insurer will not be liable for **Loss** on account of a **Third Party Claim** alleging price discrimination or other violation of any antitrust or unfair trade practices law.

13. WAGE AND HOUR

The Insurer will not be liable for **Loss** on account of a **Wage and Hour Claim**; provided, this exclusion will not apply to a **Claim** for **Retaliation**.

B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENCE EXPENSES

1. EMPLOYMENT AGREEMENT

The Insurer will not be liable for **Loss**, other than **Regular Defence Expenses**, on account of a **Claim** seeking:

- a. sums sought solely on the basis of a **Claim** for unpaid services; or
- b. severance pay, termination pay, damages, or penalties: (i) for breach of any common or civil law or statutory right or entitlement to severance pay or compensation in lieu of notice of termination; (ii) under an **Employment Agreement**, except to the extent that the **Insured** would have been liable for such amounts in the absence of such **Employment Agreement**; or (iii) under any policy or procedure providing for payment in the event of separation from employment;

provided, as respects an **Employment Claim** for **Wrongful Termination** brought and maintained in Canada, if:

- (1) the **Insured Organization** paid or offered to pay the **Claimant**, at or following the termination of employment and prior to the **Claim** being first made, in reliance upon legal advice obtained as respects the **Insured Organization's** legal obligations to the **Claimant** as a result of the termination of employment; provided, in the event of an **Employment Agreement**, the **Insured Organization** would have been liable for such amounts paid or offered in the absence of such **Employment Agreement**; and
- (2) such payment or offer to pay was made in good faith;

this exclusion will not apply to that part of **Loss** on account of such **Employment Claim** consisting of amounts that exceed both:

- (a) the minimum amount payable under applicable employment standards law; and
- (b) the amount the **Insured Organization** has paid or offered to pay to the **Claimant** at or following the termination of employment and prior to the **Claim** being first made.

2. EQUITABLE RELIEF

The Insurer will not be liable for **Loss**, other than **Defence Expenses**, on account of a **Claim** seeking injunctive or other equitable relief of any kind.

IV. CONDITIONS

A. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM

1. As a condition precedent to exercising rights under this **Coverage Section**, the **Insured** must give the Insurer written notice of a **Claim** made against an **Insured** as soon as practicable after an **Executive Officer** first becomes aware of such **Claim**, but in no event later than:
 - a. 180 days after the **Expiration Date** of the **Policy Period** as set forth in ITEM 2 of the Declarations, if the **Named Insured** elects to renew this **Coverage Section**; or
 - b. (i) 60 days after the **Expiration Date** of the **Policy Period** as set forth in ITEM 2 of the Declarations; or (ii) the expiration of any applicable Extended Reporting Period.
2. The failure of the **Insured** to give the Insurer timely notice of any **Claim** will not, for purposes of this **Coverage Section**, result in a forfeiture of coverage under this **Coverage Section**, unless and to the extent that the Insurer is materially prejudiced by such delay.
3. If an **Insured**: (i) becomes aware of any **Potential Claim**; and (ii) gives written notice of such **Potential Claim**, including the anticipated **Wrongful Act** and other allegations, the reasons for anticipating such **Claim**, the nature of the alleged or potential damage, and the names of potential claimants and **Insureds** involved, to the Insurer during the **Policy Period** or any applicable Extended Reporting Period; then any **Claim** subsequently arising from such **Potential Claim** will be deemed made during the **Policy Period**.

4. The **Insured** agrees to provide the Insurer with all information, assistance, and cooperation that the Insurer reasonably requests, but failure of an **Insured Person** to provide the Insurer with such information, assistance, or cooperation will not impair the rights of any other **Insured Person** under this **Coverage Section**.
5. The **Insured** will do nothing to prejudice the Insurer's position or its potential or actual rights of subrogation or recovery, and the Insurer may make any investigation it deems necessary.

B. CLAIM DEFENCE AND SETTLEMENT

1. If Duty-to-Defend coverage is provided under this **Coverage Section** as indicated in ITEM 6.B. of the Declarations:
 - a. The Insurer will have the right and duty to defend any **Claim** covered by this **Coverage Section**, even if the allegations are groundless, false, or fraudulent, including the right to select defence counsel as respects such **Claim**; provided, the Insurer will not be obligated to defend or to continue to defend any **Claim** after the applicable **Limit of Insurance** has been exhausted by payment of **Loss**.
 - b. As respects a **Claim**, the **Insured** will not, without the Insurer's prior written consent, settle or offer to settle a **Claim**, or otherwise incur **Defence Expenses**, assume contractual obligations, consent to judgments, or admit liability.
 - c. If the Insurer's duty to defend ceases as respects any **Claim**, the Insurer will notify the **Insured** so that the **Insured** can arrange to take control of the defence. The Insurer agrees to take whatever steps are necessary to avoid a default judgment during a transfer of control of the defence of any such **Claim**. The **Insured** agrees to repay the reasonable expenses incurred by the Insurer in taking any such steps during the transfer and further agrees that, in undertaking any such steps, the Insurer has not waived or otherwise given up any rights under this **Policy**.
 - d. In the event of a **Claim** against an **Insured** or **Foreign Parent Corporation** that resides or is domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, the Insurer will have the right and duty to defend such **Claim** as set forth in this section B. CLAIM DEFENCE AND SETTLEMENT, 1. to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.
If the Insurer is prohibited from defending such **Claim**, then section B. CLAIM DEFENCE AND SETTLEMENT, 2. applies to such **Claim**; provided, any such **Claim** is subject to section IV. CONDITIONS, F. ALLOCATION, 2.
2. If Reimbursement coverage is provided under this **Coverage Section** as indicated in ITEM 6.B. of the Declarations:
 - a. The Insurer has no duty to defend any **Claim** under this **Coverage Section**. The **Insured** has the duty to defend all **Claims** made against it.
 - b. As respects a **Claim**, the **Insured** will not, without the Insurer's prior written consent, settle or offer to settle a **Claim**, or otherwise incur **Defence Expenses**, assume contractual obligations, consent to judgments, or admit liability; provided, if the **Insured** is able to fully and finally settle, or otherwise dispose of, a **Claim**, including **Defence Expenses**, for an amount not exceeding the applicable **Retention** set forth in ITEM 6.A. of the Declarations, and the **Insured** has provided the Insurer with notice of such **Claim** pursuant to section IV. CONDITIONS, A. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR POTENTIAL CLAIM, then the Insurer's consent is not required.
 - c. As respects a **Claim** submitted for coverage under this **Coverage Section**, the Insurer has the right to, and will be given the opportunity to, effectively associate and consult with the **Insured** in advance regarding: (i) the selection of appropriate defence counsel; (ii) settlement negotiations; and (iii) substantive defence strategies, including decisions concerning the filing and content of substantive motions.
 - d. Subject to any applicable **Retention**:
 - (1) The Insurer will advance **Defence Expenses** on behalf of the **Insured** that are covered under this **Coverage Section**.
 - (2) Such **Defence Expenses** will be advanced within 90 days of the date when the Insurer's Claims Department receives: (i) the invoices documenting that such **Defence Expenses** have been incurred; and (ii) any additional information or documentation reasonably requested by the Insurer related to such **Defence Expenses**.
 - e. To the extent it is finally established that any advanced **Defence Expenses** are not covered under this **Coverage Section**, the **Insureds** agree to repay the Insurer such **Defence Expenses** severally according to their interests. As a condition of any payment of **Defence Expenses** under this section B. CLAIM DEFENCE AND SETTLEMENT, 2., the Insurer may require a written undertaking on terms and conditions satisfactory to the Insurer guaranteeing such repayment of **Defence Expenses**.
3. The Insurer is not liable for settlements, **Defence Expenses**, assumed obligations, consent judgments, or admissions to which it has not consented when such consent is required.
4. With the written consent of the **Insured**, the Insurer may settle a **Claim** for a monetary amount it deems reasonable.
5. Neither the Insurer nor the **Insured** will unreasonably withhold any consent referenced in this section B. CLAIM DEFENCE AND SETTLEMENT.

C. LIMIT OF INSURANCE

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, B. LIMITS OF INSURANCE of the General Terms and Conditions.

1. SUBLIMIT OF INSURANCE

Any **Sublimit** set forth in in ITEM 6.A. of the Declarations for this **Coverage Section** is:

- a. the maximum amount the Insurer will pay for all such **Loss**, other than any applicable **Defence Expenses**, if ITEM 6.A. of the Declarations indicates that Defence Outside Limits is applicable; or
- b. the maximum amount the Insurer will pay for all such **Loss**, including any applicable **Defence Expenses**, if ITEM 6.A. of the Declarations does not indicate that Defence Outside Limits is applicable;

during each **Policy Period** under the specified Insuring Agreement or for the specified **Loss**, regardless of the number of **Claims** or **Insureds**, and regardless of when payment is made by the Insurer, or when an **Insured's** legal obligation regarding a **Claim** arises or is established; provided, such **Sublimit** is part of, and not in addition to, the **Limit of Insurance** for the **Employment Practices Liability Coverage** set forth in ITEM 6.A. of the Declarations.

2. ADDITIONAL DEFENCE COVERAGE SUBLIMIT FOR US CLAIMS

If an **Additional Defence Coverage Sublimit** for **US Claims** is set forth in ITEM 6.A. of the Declarations for this **Coverage Section**, such **Additional Defence Coverage Sublimit** for **US Claims** is part of, and not in addition to, the **Additional Defence Coverage** for **Non-US Claims** set forth in ITEM 6.A. of the Declarations.

3. OUTSIDE ENTITY LIMIT OF INSURANCE

If any **Claim** against an **Insured Person** gives rise to an obligation both under this **Coverage Section** and under any other coverage or policy of insurance issued by the Insurer or any of its affiliates to any **Outside Entity**, the Insurer's maximum aggregate limit of insurance under all such policies for any **Loss**, including **Defence Expenses**, for such **Claim** will not exceed the largest single available limit of insurance under such coverage.

D. CLAIM RESOLUTION RETENTION CREDIT

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, C. RETENTION of the General Terms and Conditions.

If the Insurer and the **Insured** fully and finally resolve a **Claim** through voluntary mediation, the **Insured's** retention obligation for such **Claim** will be reduced by 10%, subject to a maximum reduction of \$25,000. Retention payments made prior to the application of such voluntary mediation retention credit will be reimbursed within 30 days of the resolution of the **Claim**.

This section D. CLAIM RESOLUTION RETENTION CREDIT does not apply to any **Claim** resolved through voluntary or involuntary arbitration.

E. INDEMNIFICATION AND ADVANCEMENT OF LOSS WITHIN THE RETENTION

1. If the **Insured Organization** or **Outside Entity**, as applicable, fail to indemnify an **Insured Person** for **Loss** within the applicable **Retention**, the Insurer will advance such amounts on behalf of the **Insured Person** and such **Insured Person** will not be liable for amounts within the applicable **Retention**. Such advancement of **Loss**:
 - a. will reduce, and may exhaust, the **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations; and
 - b. does not relieve the **Insured Organization** or **Outside Entity** of its obligation to provide indemnification to such **Insured Person**, or the **Insured Organization's** obligation to satisfy the applicable **Retention** on behalf of such **Insured Person**.
2. The Insurer will be subrogated to the **Insured Person's** rights of recovery against the **Insured Organization** or **Outside Entity** for any amounts it owes to the **Insured Person** and that the Insurer has advanced under this section E. INDEMNIFICATION AND ADVANCEMENT OF LOSS WITHIN THE RETENTION.
3. The **Insured Organization** or **Outside Entity's** failure to indemnify an **Insured Person** occurs if the **Insured Organization** or **Outside Entity** fails or refuses to pay **Loss** on behalf of the **Insured Person** within 60 days of the **Insured Person's** written demand to the **Insured Organization** or **Outside Entity** for such indemnification.

F. ALLOCATION

1. If Duty-to-Defend coverage is indicated in ITEM 6.B. of the Declarations and if, in any **Claim**, an **Insured**: (i) incurs **Loss** jointly with others; or (ii) incurs an amount consisting of both **Loss** covered by this **Coverage Section** and loss not covered by this **Coverage Section** because the **Claim** includes both covered and uncovered matters; then such **Loss** and uncovered loss will be allocated as follows:
 - a. 100% of **Regular Defence Expenses** will be allocated to **Loss**; and
 - b. all loss other than **Regular Defence Expenses** will be allocated between **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in, the defence and settlement of the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under this **Coverage Section**. In making

such a determination, the **Insured Organization**, the **Insured Persons**, and the Insurer agree to use their best efforts to determine a fair and proper allocation of all such amounts. If an allocation cannot be agreed to, then the Insurer will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Coverage Section** and applicable law.

2. If Reimbursement coverage is indicated in ITEM 6.B. of the Declarations and if, in any **Claim**, an **Insured**: (i) incurs **Loss** jointly with others; or (ii) incurs an amount consisting of both **Loss** covered by this **Coverage Section** and loss not covered by this **Coverage Section** because the **Claim** includes both covered and uncovered matters; the **Insureds** and the Insurer agree to use their best efforts to allocate such amounts between **Loss** and uncovered loss based upon the relative legal and financial exposures of the parties to covered and uncovered matters.
 - a. For that part of **Loss** consisting of **Defence Expenses**, if the parties agree on an allocation of **Defence Expenses**, then the Insurer, on a current basis and prior to disposition of the **Claim**, will advance **Defence Expenses** allocated to **Loss**. If there is no agreement on the allocation of **Defence Expenses**, the Insurer, on a current basis and prior to disposition of the **Claim**, will advance **Defence Expenses** that the Insurer believes are covered under this **Coverage Section** until a different allocation is negotiated, arbitrated, or judicially determined.
 - b. A negotiated, arbitrated, or judicially determined allocation of **Defence Expenses** in connection with a **Claim** will apply retroactively to all **Defence Expenses** in connection with such **Claim**.
 - c. An allocation or advancement of **Defence Expenses** in connection with a **Claim** will not apply to, nor create any presumption as respects the allocation of, other **Loss** in connection with such **Claim** or any other **Claim**.

G. TERRITORY

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, L. TERRITORY of the General Terms and Conditions.

1. This **Coverage Section** does not apply to **Loss** incurred by an **Insured** residing or domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.
2. If an **Insured Person** residing in a country or jurisdiction in which the Insurer is not licensed incurs **Loss** referenced in section G. TERRITORY, 1. above, that is not indemnified by the **Insured Organization**, such **Loss** will be paid in a country or jurisdiction mutually acceptable to such **Insured Person** and the Insurer, to the extent that doing so would not violate any applicable laws or regulations.
3. If an **Insured Organization** incurs **Loss** referenced in section G. TERRITORY, 1. above, to which this insurance would have applied, the Insurer will reimburse the **Named Insured** for its **Loss**, on account of its **Financial Interest** in such **Insured Organization**. As a condition precedent to such reimbursement, or any rights under this **Coverage Section**, the **Named Insured** will cause the **Insured Organization** or its **Insured Persons** to comply with the conditions of this **Coverage Section**.

H. OTHER INSURANCE AND INDEMNIFICATION

1. This **Coverage Section** is primary, except as expressly stated otherwise in this **Coverage Section**.
2. Except for **Claims** against **Insured Persons** for **Wrongful Employment Practices** in their **Outside Positions**, this **Coverage Section** will apply only as excess insurance over, and will not contribute with any valid and collectible insurance that applies to any **Claim**:
 - a. against a leased or temporary worker; or
 - b. for a **Third Party Wrongful Act**.
3. As respects a **Claim** against **Insured Persons** for **Wrongful Employment Practices** in their **Outside Positions**, this **Coverage Section** will apply only as excess insurance over, and will not contribute with:
 - a. any other valid and collectible insurance available to any **Insured**, including any insurance under which there is a duty to defend, unless such other insurance is written as specific excess insurance over the **Limit of Insurance** set forth in ITEM 4 or 6.A. of the Declarations; or
 - b. indemnification to which an **Insured Person** is entitled from an **Outside Entity**.
4. Coverage provided to an **Independent Contractor** is excess of all other valid and collectible indemnity and insurance otherwise available to such **Independent Contractor**.
5. This **Coverage Section** is not subject to the terms, conditions, exclusions, or limitations of any other insurance.

I. RECOVERIES

1. All recoveries from third parties for payments made under this **Coverage Section** will be applied, after the deduction of costs and expenses incurred in obtaining such recovery, in the following order of priority:
 - a. first, to the Insurer to reimburse the Insurer for any **Retention** amount it has paid on behalf of any **Insured**;

- b. second, to the **Insured** to reimburse the **Insured** for **Loss** paid that would have been covered by this **Coverage Section**, but for the fact that such **Loss** is in excess of the applicable **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations;
 - c. third, to the Insurer to reimburse the Insurer for amounts paid under this **Coverage Section**; provided, the Insurer will reinstate the applicable **Limits of Insurance** set forth in ITEM 4 or 6.A. of the Declarations to the extent of such recovery, less any recovery costs incurred by the Insurer;
 - d. fourth, to the **Insured** to satisfy any applicable **Retention**; and
 - e. fifth, to the **Insured** to satisfy any loss not covered under this **Coverage Section**.
2. Pursuant to section I. RECOVERIES, 1.c. above, if the recovery reimburses amounts paid under two or more **Coverage Sections**, the Insurer will reinstate the **Limit of Insurance** for each applicable **Coverage Section** in proportion to how such amounts were allocated among those **Coverage Sections** in the underlying **Claim**.
 3. Recoveries do not include any recovery from insurance, suretyship, reinsurance, security, or indemnity taken for the Insurer's benefit.
 4. The Insurer assumes no duty to seek a recovery of any amounts paid under this **Coverage Section**.

J. FOREIGN PARENT CORPORATE COVERAGE

This **Coverage Section** will be extended to apply coverage for **Defence Expenses** resulting from any **Claim** made against a **Foreign Parent Corporation**, but only if and so long as:

1. such **Claim** results from a **Wrongful Act** actually or allegedly committed solely by any **Insured**;
2. such **Insured** and the **Foreign Parent Corporation** are represented by the same counsel in connection with such **Claim**; and
3. such **Insured** is included as a co-defendant.

No **Foreign Parent Corporation** will, by reason of this section J. FOREIGN PARENT CORPORATE COVERAGE, have any greater right to coverage under this **Coverage Section** than any **Insured**.

The Insurer has no obligation to pay **Loss** on account of a **Claim** against a **Foreign Parent Corporation** for any error, misstatement, misleading statement, act, omission, neglect, or breach of duty by: (i) such **Foreign Parent Corporation**; (ii) any member of its board of directors; (iii) its officers or employees; or (iv) any functional equivalent position.

K. REPRESENTATIONS AND SEVERABILITY

1. In consideration of issuing this **Coverage Section**, the Insurer has relied upon the statements and representations in the **Application**.
2. The **Insured** represents and agrees that all statements and representations in the **Application** are true and accurate, and are the basis of this **Coverage Section**, which is issued in reliance upon the truth of all such statements and representations. The **Application** is deemed attached to, and incorporated into, this **Coverage Section**.
3. As respects all statements and representations contained in the **Application**, knowledge possessed by an **Insured Person** will not be imputed to another **Insured Person**.
4. The **Insured** agrees that if statements or representations in the **Application** are: (i) untrue or inaccurate; and (ii) made with the intent to deceive or materially affect either the acceptance of the risk or the hazard assumed by the Insurer; no coverage will be afforded under this **Coverage Section** for a **Claim** arising out of such statements or representations as respects:
 - a. an **Insured Person** who, as of the **Inception Date** set forth in ITEM 2 of the Declarations, had knowledge of the information that was not truthfully or accurately disclosed in the **Application**;
 - b. the **Insured Organization** to the extent it indemnifies an **Insured Person** referenced in section K. REPRESENTATIONS AND SEVERABILITY, 4.a. above; or
 - c. the **Insured Organization**, if any **Executive Officer** had knowledge of the information that was not truthfully or accurately disclosed in the **Application**;

whether or not the **Insured** knew of such untruthful or inaccurate disclosure in the **Application**.

L. NON-RESCINDABILITY

The Insurer will not, under any circumstance, rescind this **Coverage Section** as respects an **Insured**.

IDENTITY FRAUD EXPENSE REIMBURSEMENT

PLEASE READ ALL TERMS CAREFULLY

I. INSURING AGREEMENT

The Insurer will reimburse any **Insured Person** for **Expenses** incurred by the **Insured Person** as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

The **Insured Person** will have access to **Resolution Services**, to assist in the restoration of the **Insured Person's** identity, as respects any **Identity Fraud Discovered** during the **Policy Period**.

Only **Insured Persons** will be entitled to coverage under this Insuring Agreement.

II. DEFINITIONS

Where appearing in this **Coverage Section**, either in the singular or the plural, the following words and phrases appearing in bold type have the meaning set forth in this section II. DEFINITIONS:

Discover, Discovered, or Discovery means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Coverage Section** has been or will be incurred, even though the exact details of loss may not then be known.

Expenses

means:

1. costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, merchants, or other credit grantors that have required such affidavits to be notarized;
2. costs for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants, or other credit grantors;
3. costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants, or other credit grantors to report or discuss any actual **Identity Fraud**;
4. lost wages, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, as a result of absence from employment:
 - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants, or other credit grantors;
 - b. to complete fraud affidavits or similar documents; or
 - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;
5. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
6. reasonable legal fees incurred, with the Insurer's prior written consent, for:
 - a. defence of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors, or their collection agencies;
 - b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**;
 - c. challenging the accuracy or completeness of any information in a consumer credit report;
 - d. pursuing the release of medical records solely to investigate medical-related **Identity Fraud**, upon the exhaustion of the healthcare provider's medical record and personal information request and appeal process;
 - e. contesting wrongfully incurred tax liability; or
 - f. contesting the wrongful transfer of ownership of an **Insured Person's** tangible property;
7. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**;

8. reasonable costs for travel and accommodations incurred by the **Insured Person**, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to:
 - a. participate in the defence of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors, or their collection agencies;
 - b. challenge the accuracy or completeness of any information in a consumer credit report;
 - c. participate in the criminal prosecution of the perpetrators of the **Identity Fraud**; or
 - d. file in person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the **Identity Fraud** occurred, as required by local law;
9. fees for the re-application for and re-issuance of government issued personal identification documentation, including passports, commercial and non-commercial drivers licenses, provincial, territorial, state, and federal personal identification cards, and social insurance or social security cards, compromised as a result of **Identity Fraud**; and
10. fees charged for copies of medical records, including x-rays, obtained solely to investigate medical-related **Identity Fraud**.

Expenses does not include any expense or loss not listed in paragraphs 1. through 10.

Identity Fraud

means the act of knowingly transferring or using, without lawful authority, a means of identification of any **Insured Person** with the intent to commit, aid, or abet any unlawful activity that constitutes a criminal offence or a felony under the applicable laws of any jurisdiction.

Insurance Representative

means the entity named in ITEM 1 of the Declarations.

Insured Person

means any natural person:

1. whose labour and service is engaged by and directed by the **Insurance Representative** or any **Subsidiary** and who is on the payroll of the **Insurance Representative** or any **Subsidiary**;
2. who is a duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of managers, or a functional equivalent thereof, of the **Insurance Representative** or any **Subsidiary**;
3. who is specifically scheduled as an **Insured Person** by endorsement to this **Coverage Section**;
4. who is the **Spouse** of any person that meets the criteria in paragraphs 1., 2., or 3. of this Definition of **Insured Person**;
5. who is a child, stepchild, adopted child, adopted stepchild, or foster child of any person that meets the criteria in paragraphs 1., 2., 3., or 4. of this Definition of **Insured Person** and is under the age of 25 years of age;
6. who is a grandchild of any person that meets the criteria in paragraphs 1., 2., 3., or 4. of this Definition of **Insured Person** and is under the age of 25 years of age and a resident of the same household as such **Insured Person**; or
7. who is a parent, parent-in-law, step-parent, grandparent, or grandparent-in-law of any person that meets the criteria in paragraphs 1., 2., 3., or 4. of this Definition of **Insured Person** and is a resident of the same household of such **Insured Person**.

Resolution Services

means ordering a credit report, alerting credit reporting agencies, providing credit monitoring, and preparing documentation and letters. **Insured Persons** are limited to a maximum of three six-month enrollments with the consumer fraud specialist provided by the Insurer for any one **Identity Fraud**.

Resolution Services are:

1. not available to any **Insured Person** under 18 years old; and
2. not available outside of Canada or the United States of America.

Terms appearing in bold type in this **Coverage Section** but not defined above have the meaning ascribed in the Declarations or set forth in section II. DEFINITIONS, C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS of the General Terms and Conditions.

III. EXCLUSIONS

- A.** This **Coverage Section** will not apply to loss other than **Expenses**.
- B.** This **Coverage Section** will not apply to, and the Insurer will have no obligation to reimburse **Expenses** for:
1. loss due to any fraudulent, dishonest, or criminal act by the **Insured Person** seeking reimbursement of **Expenses** under this **Coverage Section** or any person acting in collusion with such **Insured Person**;
 2. an **Identity Fraud Discovered** during such time that an individual was not an **Insured Person**; or
 3. loss resulting directly or indirectly from: war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval, or usurped power; governmental intervention, expropriation, or nationalization; or any act or condition related to any of the foregoing.

IV. CONDITIONS

A. PERIOD TO REPORT DISCOVERED LOSS

This **Coverage Section** applies only to **Identity Fraud** that is **Discovered** during the **Policy Period** and reported to the Insurer during the **Policy Period** or within 90 days after the **Expiration Date** of the **Policy Period**.

B. INSURED PERSON'S DUTIES IN THE EVENT OF LOSS

Upon knowledge or **Discovery** of a loss or an occurrence that may give rise to a claim under this **Coverage Section** the **Insured Person** will:

1. give the Insurer notice thereof as soon as practicable, but in no event later than 90 days after the end of the **Policy Period**;
2. keep books, receipts, bills, and other records in such manner that the Insurer can accurately determine the amount of any loss;
3. file a detailed proof of loss, duly sworn to, with the Insurer within six months after the **Discovery** of such loss;
4. notify law enforcement authorities;
5. at the request of the Insurer, submit to examination under oath and give the Insurer a signed statement of the answers;
6. at the request of the Insurer, produce for the Insurer's examination all pertinent books, receipts, bills, and other records, at such reasonable times and places as the Insurer will designate; and
7. cooperate with the Insurer in all matters pertaining to loss or claims with respect thereto.

Subsequent to the reporting thereof to the Insurer, the Insurer may examine and audit the **Insured Person's** books and records as they relate to a loss under this **Coverage Section**. Compliance with all terms and conditions of this **Coverage Section** is a condition precedent to recovery under this **Coverage Section**.

C. LIMIT OF INSURANCE

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, B. LIMITS OF INSURANCE of the General Terms and Conditions.

1. The maximum **Limit of Insurance** per **Insured Person** for each **Identity Fraud** covered under this **Coverage Section** will not exceed the applicable **Limit of Insurance** stated in ITEM 6 of the Declarations.
2. All acts incidental to an **Identity Fraud**, any series of related **Identity Frauds**, and all **Identity Frauds** arising from the same method of operation or a common scheme or plan, whether committed by one or more persons, will be deemed to arise out of one act and will be treated as one **Identity Fraud**.
3. If an act causes a covered loss to more than one **Insured Person**, the applicable **Limit of Insurance** under this **Coverage Section** and the applicable **Retention** amount will apply to each **Insured Person** separately.

D. INTERESTS COVERED

This **Coverage Section** will be for the sole use and benefit of the **Insured Persons** and the **Insurance Representative**. It provides no rights or benefits to any other person, entity, or organization.

E. TERRITORY

This section supplements and does not replace section III. CONDITIONS APPLICABLE TO ALL COVERAGE SECTIONS, L. TERRITORY of the General Terms and Conditions.

This **Coverage Section** does not apply to **Expenses** incurred by an **Insured Person** who resides in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

F. OTHER INSURANCE

This **Coverage Section** will apply only as excess insurance over, and will not contribute with any other valid and collectible insurance available to the **Insured Person**. As excess insurance, this **Coverage Section** will not apply or contribute to the payment of any loss or **Expenses** until the amount of such other insurance or indemnity has been exhausted by payment of loss or **Expenses** covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of loss or **Expenses**, this **Coverage Section** will apply to that part of **Expenses** not recoverable or recovered under the other insurance or indemnity. This **Coverage Section** will not be subject to the terms of any other insurance.

G. RECOVERIES

All recoveries for payments made under this **Coverage Section** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the **Insured Person** to reimburse such **Insured Person** for **Expenses** he or she has paid which would have been paid under this **Coverage Section** but for the fact that it is in excess of the applicable **Limit of Insurance**;
2. second, to the Insurer to satisfy amounts paid or to be paid to the **Insured Person** in settlement of any covered claim; and
3. third, to the **Insured Person** to satisfy any applicable **Retention**;

provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security, or indemnity taken for the Insurer's benefit.

H. CONCEALMENT OR MISREPRESENTATION

This **Coverage Section** is void as to any **Insured Person** if, at any time, such **Insured Person** intentionally conceals or misrepresents a material fact about either this insurance or a claim under this **Coverage Section**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER EXCLUSION ENDORSEMENT

Applicable to Specified Directors and Officers Liability Coverage Section

This endorsement changes the following:

General Terms and Conditions

- Private Company Directors and Officers Liability Coverage Section**
 Non-Profit Organization Directors and Officers Liability Coverage Section

It is agreed that:

1. The following is added to section II. **DEFINITIONS, C. TERMS DEFINED IN THESE GENERAL TERMS AND CONDITIONS** of the **General Terms and Conditions**:

- Computer System** means a computer and connected communication, input, output, processing, or storage device, or related network, operating system, website, or application software, that is:
1. under the operational control of, and owned by, licensed to, or leased to:
 - a. the **Insured Organization**; or
 - b. an **Insured Person**, while authorized by, and transacting business on behalf of, the **Insured Organization**; or
 2. operated by an **IT Provider**, but only the portion of such computer system used to provide hosted computer resources to the **Insured Organization**.
- Confidential Information** means a third party's or **Insured Person's** private or confidential information that is in the care, custody, or control of the **Insured Organization** or a service provider acting on behalf of the **Insured Organization**.
- Impacted Parties** means the persons or entities whose **Confidential Information** was, or is suspected to have been, stolen or lost, or accessed or disclosed without authorization.
- IT Provider** means an entity while under a written agreement with the **Insured Organization** to provide it with:
1. cloud services or computing;
 2. co-location services;
 3. electronic data hosting, back-up, storage, and processing;
 4. hosted computer application services;
 5. platform-as-a-service; or
 6. software-as-a-service.
- Notification** means written notice to **Impacted Parties** about a **Privacy Breach** or **Security Breach**. Multiple **Notifications** about the same **Privacy Breach** or **Security Breach** are deemed one **Notification**.
- Privacy and Security Act** means:
1. the failure to prevent a **Privacy Breach**;
 2. the failure to destroy **Confidential Information**;
 3. a violation of law, when alleged in connection with 1 or 2;
 4. the failure to provide **Notification** required by law;
 5. the failure to comply with a **Privacy Policy**;
 6. the unauthorized, unlawful, or wrongful collection of **Confidential Information**; or
 7. the failure to prevent a **Security Breach**, directly resulting in the:

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- a. alteration or deletion of **Confidential Information**;
- b. transmission of a **Virus** into a computer or network system that is not a **Computer System**;
- c. participation in a denial-of-service attack directed against a computer or network system that is not a **Computer System**; or
- d. failure to provide an authorized user with access to a **Computer System**.

Privacy Breach means the loss or theft of, or unauthorized access to or disclosure of, **Confidential Information**.

Privacy Policy means the **Insured Organization's** publicly available written policies or procedures regarding **Confidential Information**.

Security Breach means:

1. the unauthorized access to;
2. the use of authorized access to cause intentional harm to;
3. a denial-of-service attack against; or
4. the introduction of a **Virus** into;

a **Computer System**.

Virus means malicious code that could destroy, or change the integrity or performance of, electronic data, software, or operating systems.

2. The following is added to section **III. EXCLUSIONS, B. EXCLUSIONS APPLICABLE TO LOSS ONLY UNDER INSURING AGREEMENT C** of the **Private Company Directors and Officers Liability Coverage Section** or the **Non-Profit Organization Directors and Officers Liability Coverage Section**, as specified above:

CYBER

The Insurer will not be liable for **Loss** on account of a **Claim**, as respects Insuring Agreement C. ORGANIZATION LIABILITY COVERAGE, for any **Privacy and Security Act**; provided, this exclusion will not apply to any **Claim** brought by one or more security holders of the **Insured Organization** in their capacity as such.

3. The following is added to section **IV. CONDITIONS, ALLOCATION** of the **Private Company Directors and Officers Liability Coverage Section** or the **Non-Profit Organization Directors and Officers Liability Coverage Section**, as specified above:

Provided, as respects any **Claim** for, or which includes allegations of, a **Privacy and Security Act**:

- (1) any pre-set allocation of **Defence Expenses** will not apply as respects such **Claim**; and
- (2) **Defence Expenses** for such **Claim** will be allocated between **Loss** and uncovered loss based upon the relative legal and financial exposures of such **Privacy and Security Act** and other acts alleged, or other portions of **Loss**, in such **Claim**.

All other terms and conditions remain unchanged.