



Zurich Management Liability Insurance

Policy Wording



Important

Statutory Notice – Section 40 Insurance Contracts Act 1984 (Cth)

This notice is provided in connection with but does not form part of the policy. Cover sections 1, 2, 3 and 4 are a 'claims made' liability insurance policy. They only provides cover if:

1. a claim is made against the insured, by some other person, during the period of insurance; and
2. the claim arises out of a wrongful act committed, attempted or alleged to have been committed or attempted after the retroactive date stipulated in the schedule.

Section 40(3) of the Insurance Contracts Act 1984 (Cth) applies to this type of policy. That sub-section provides that if the insured becomes aware, during the period of insurance, of any occurrence or fact which might give rise to a claim against them by some other person, then provided that the insured notifies the insurer of the matter as soon as reasonably practicable after the insured becomes aware of the occurrence or fact and before this policy expires, the insurer may not refuse to indemnify merely because a claim resulting from the matter is not made against the insured prior to the end of the period of insurance.

If the insured, inadvertently or otherwise, does not notify the relevant occurrence or facts to Zurich before the expiry of the policy, the insured will not have the benefit of Section 40(3) of the Insurance Contracts Act 1984 (Cth) and Zurich may refuse to pay any subsequent claim, notwithstanding that the events giving rise to it or the wrongful acts alleged in it may have taken place during the period of insurance.

If a claim is actually made against the insured by some other person during the period of insurance but is not notified to Zurich until after the policy has expired, Zurich may refuse to pay or may reduce its payment under the policy if it has suffered any financial prejudice as a result of the late notification.

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Welcome to Zurich

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, mid-sized and large companies, including multinational corporations.

Duty of Disclosure

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

You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

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

If you do not tell us something

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

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

Our contract with you

Your policy is a contract of insurance between the *policyholder* and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording. It tells you what is covered, sets out the claims procedure, Exclusions and other terms and conditions of cover;
- the *submission*, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule* issued by us. The policy *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, Exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

Please note, only those covers shown in your policy *schedule* are insured.

This document is used for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

Privacy

Zurich is bound by the Privacy Act 1988 (Cth). We collect, disclose and handle information, and in some cases personal or sensitive (eg health) information, about you ('your details') to assess applications, administer policies, contact you, enhance our products and services and manage claims ('Purposes'). If you do not provide your information, we may not be able to do those things. By providing us, our representatives or your intermediary with information, you consent to us using, disclosing to third parties and collecting from third parties your details for the Purposes.

We may disclose your details, including your sensitive information, to relevant third parties including your intermediary, affiliates of Zurich Insurance Group Ltd, other insurers and reinsurers, our banking gateway providers and credit card transactions processors, our service providers, our business partners, health practitioners, your employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain your details from relevant third parties, including those listed above. Before giving us information about another person, please give them a copy of this document. Laws authorising or requiring us to collect information include the Insurance Contracts Act 1984 (Cth), Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Corporations Act 2001 (Cth), Autonomous Sanctions Act 2011 (Cth), A New Tax System (Goods and Services Tax) Act 1999 (Cth) and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at www.zurich.com.au or by telephoning us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of your details are likely to be located. It also sets out how we handle complaints and how you can access or correct your details or make a complaint.

General Insurance Code of Practice

We are signatories to the General Insurance Code of Practice (the Code) and support the Code. The objectives of the Code are:

- to commit us to high standards of service;
- to promote better, more informed relations between us and you;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes you make about us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers compliance with the Code.

Further information about the Code or the Code Governance Committee and your rights under it is available at <https://insurancecouncil.com.au/cop/> or by contacting us.

Complaints and Disputes Resolution process

If you have a complaint about an insurance product we have issued or the service you have received from us, please contact your intermediary to initiate your complaint with us. If you are unable to contact your intermediary, you can contact us directly on 132 687. We will acknowledge receipt of your complaint within 24 hours or as soon as practicable.

If you are not satisfied with our initial response, you may access our internal dispute resolution process. Please refer to the general insurance fact sheet available on our website for details of our internal dispute resolution process.

We expect that our internal dispute resolution process will deal fairly and promptly with your complaint, however, you may take your complaint to the Australian Financial Complaints Authority (AFCA) at any time.

AFCA is an independent external dispute resolution scheme. We are a member of this scheme and we agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to you.

Their contact details are:

Website: www.afca.org.au Email: info@afca.org.au Freecall: 1800 931 678

In writing to: The Australian Financial Complaints Authority, GPO Box 3, Melbourne, Victoria 3001.

If your complaint or dispute falls outside the AFCA Rules, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

Subject to payment of the premium set out in the *schedule*, we agree with the *insured* to provide insurance in accordance with the terms, conditions and exclusions of this policy for those *cover sections* specified in the *schedule*.

Zurich Management Liability Insurance Policy

1. Introduction

The policy cover is made up by various *cover sections*. The *cover sections* are:

Section 1 – Insured Persons Liability

Section 2 – Company Liability

Section 3 – Employment Practices Liability

Section 4 – Statutory Liability

Section 5 – Crime

These *cover sections* only form part of your policy when the relevant *cover section* has been specified in the *schedule*.

Within the policy, we have included General Definitions, General Extensions of Cover and General Conditions which are applicable to all *cover sections*. Within each *cover section*, we have included additional Definitions, Extensions of Cover, Exclusions and Special Conditions that are applicable only for that individual *cover section*.

2. General Definitions

For the purposes of this policy:

2.1 Act of terrorism

act of terrorism means an act including, but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

2.2 Associated company

associated company means a company or legal entity in respect of which, at the inception of the *period of insurance*, the named *policyholder* owns, directly or indirectly, greater than 20% of the issued share capital or voting rights representing the present right to vote for the election of directors, but is not a *subsidiary*.

2.3 Bodily injury

bodily injury means bodily injury, sickness, disease or death of any person and includes mental or emotional distress.

2.4 Change in control

change in control means an event or events occur, with the result that:

- (a) any person, entity or group:
 - (i) acquires more than 50% of the *policyholder's* share capital;
 - (ii) acquires the majority of the voting rights in the *policyholder*;
 - (iii) assumes the right to appoint or remove the majority of the board of directors (or equivalent position) of the *policyholder*;
 - (iv) assumes control pursuant to written agreement with other shareholders over the majority of the voting rights in the *policyholder*; or
 - (v) merges with the *policyholder*, such that the *policyholder* is not the surviving entity; or
- (b) a trustee in bankruptcy, receiver, liquidator, conservator, rehabilitator, administrator or deed administrator (or similar official or person) is appointed for the *policyholder*.

2.5 Claim

claim means:

- (a) a written demand for monetary damages or non-monetary relief;
- (b) a civil proceeding, suit or counter-claim commenced by the service of a statement of claim, summons or similar pleading;
- (c) a criminal proceeding; or
- (d) an arbitration, mediation proceeding or alternative dispute resolution proceeding; which alleges a *wrongful act* or *wrongful breach* (for the purposes of Section 4 only); and
- (e) any written request to extend the operation of or waive any statute of limitations or contractual time-bar in respect of a *claim* as defined above.

The term '*claim*' includes, where the relevant *cover section* has been specified in the *schedule*:

- (i) for the purposes of Section 1, an *extradition claim* and *employment practices claim*;
- (ii) for the purposes of Section 2, an *electronic publishing wrongful act*;
- (iii) for the purposes of Section 3, an *employment practices claim*;
- (iv) for the purposes of Section 4, a *statutory liability claim*; or
- (v) for the purposes of General Extensions of Cover 3.4, an *environmental mismanagement claim*.

2.6 Clean up costs

clean up costs mean expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralising, detoxifying or assessing the effects of *pollutants*.

2.7 Client

client means a customer of an *insured* to whom such *insured* provides goods or services under an implied contract or a written contract, for a fee or other monetary consideration.

2.8 Company

company means:

- (a) the *policyholder*;
- (b) any past, present and future *subsidiary* of the *policyholder* (subject to the terms and conditions of the policy);
- (c) any foundation or charitable trust solely controlled or sponsored by the *policyholder* or any *subsidiary* of the *policyholder*, provided that this definition does not include any pension or superannuation fund, trust or scheme; and
- (d) in the event a bankruptcy proceeding is instituted by or against the foregoing entities, the resulting debtor-in-possession (or equivalent status in any applicable jurisdiction), if any.

2.9 Cover section

cover section means the individual coverage Section that attaches to and forms part of the policy when specified in the *schedule*.

2.10 Crime claim

crime claim means a written demand by or on behalf of the *policyholder* to us for payment of *crime loss* under *cover section* 5 of the policy.

2.11 Cyber event

cyber event means a *security event* or a *privacy event*.

2.12 Date of continuous cover

date of continuous cover means the date the *insured* has maintained without interruption, Management Liability Insurance with Zurich Australian Insurance Limited (ZAIL).

2.13 Deductible

deductible means the amount stated in the *schedule* that is the responsibility of the *company*.

2.14 Defence costs

defence costs mean reasonable legal and other professional fees, costs, charges and expenses (other than remuneration payable to any *insured persons* or *employees* of any *company* or *outside entity*, cost of their time or costs or overhead of any *company* or any *outside entity*) incurred with our prior written consent (such consent not to be unreasonably withheld or delayed), in the investigation, defence, settlement or appeal of any *claim* made or brought against an *insured*.

Defence costs also include reasonable fees, costs, charges and expenses of any accredited expert retained through defence lawyers approved with our prior written consent to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a *claim*.

Defence costs do not include *investigation costs* or *representation costs*.

2.15 Director or officer

director or officer means:

- (a) any natural person who is a past, present or future director, officer, management committee member, member of the board of managers, supervisory board member, management board member, trustee or governor of the *company* and includes any equivalent position in any other country;
- (b) any natural person who is a past, present or future *shadow director* of the *company*;
- (c) any *director or officer* defined in (a) to (c) above, who is or was or becomes a member of the *company's* internal audit committee, or any other internal committee of the *company*; and
- (d) any *employee* of the *company* who is a past, present or future corporate general counsel (or equivalent position) of the *policyholder* or any *employee* acting in a management or supervisory capacity at the direction or request of a *director or officer* of the *company*.

2.16 Discrimination

discrimination means violation of a person's civil rights with respect to, or any discrimination on the basis of, such person's race, national origin, religion, gender, marital status, age, sexual orientation or preference, disability, genetic predisposition, political affiliation or any other protected class or characteristic established by any jurisdiction's federal, state or local statutes, rules or regulations, or under any constitutional law or case law authority.

2.17 Electronic data

electronic data means information that exists in electronic form, including *personal information*. *Electronic data* does not include software.

2.18 Employee

employee means a natural person, including a past, present or future employee, while in the regular service or seasonal or casual or temporary service or under a contract of service or apprenticeship of the *company* in the ordinary course of the *company's* business and whom the *company* compensates by salary, wages and/or commissions and has the right to govern, instruct and direct in the performance of such service.

The definition of *employee* does not include independent contractors or agents.

2.19 Employment practices claim

employment practices claim means:

- (a) a *claim* in respect of an *employment wrongful act* which is brought and maintained by or on behalf of any past, present, future or prospective *employee* of the *company* or *employee* of an *outside entity* against an *insured person*; or
- (b) a *claim* brought by any natural person who is not an *employee* alleging harassment or *discrimination*.

2.20 Employment wrongful act

employment wrongful act means:

- (a) wrongful or unfair dismissal, discharge or termination of employment;
- (b) breach of any oral or implied employment contract or quasi-employment contract;
- (c) employment related misrepresentation;
- (d) violation of employment discrimination laws;
- (e) illegal workplace harassment including *sexual harassment*;
- (f) wrongful failure to promote;
- (g) wrongful discipline;
- (h) wrongful deprivation of a career opportunity;
- (i) wrongful demotion;
- (j) negligent evaluation;
- (k) negligent retention;
- (l) employment related invasion of privacy;
- (m) employment related defamation, humiliation, libel or slander;
- (n) failure to adopt workplace or employment practices, policies and procedures;
- (o) illegal retaliatory treatment or victimisation of *employees* including retaliation in violation of whistleblower statutes; or
- (p) employment related infliction of emotional distress in connection with a violation listed above in this definition.

2.21 Environmental event

environmental event means:

- (a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of *pollutants* or *greenhouse gases* into or on real or personal property, water or the atmosphere; or
- (b) any direction or request that the *company* or *insured persons* test for, monitor, clean up, remove, contain, treat, detoxify or neutralise *pollutants* or *greenhouse gases*, or any voluntary decision to do so,

whether or not such *greenhouse gases* are *pollutants*.

2.22 Environmental mismanagement claim

environmental mismanagement claim means any *claim* based upon, arising out of or attributable to an *environmental event* if and to the extent such *claim*:

- (a) is a *claim* against the *company*;
- (b) is an *employment practices claim* against an *insured person* or the *company*, including any such *claim* for retaliatory treatment;
- (c) is against an *insured person* for *wrongful acts* from an *environmental event* and/or in connection with misrepresenting or failing to disclose information related to *greenhouse gases* or actual or alleged global warming or climate changes; or
- (d) results in *financial loss* incurred by *insured persons* for which the *company* does not indemnify the *insured persons* either because the *company* is neither permitted nor required to grant such indemnification or because of *financial impairment*.

2.23 Extended reporting period

extended reporting period means the relevant period of cover arising or offered under General Extensions of Cover 3.6 'Extended reporting period', 3.9 'Retired directors and officers' and/or 3.11 'Runoff cover for past subsidiaries'.

2.24 External administrator

external administrator means any liquidator, receiver, receiver and manager, administrator, controller or holder of similar office or position in any jurisdiction whether appointed under the provisions of Part 5 of the Corporations Act 2001 (Cth) or any other law in any jurisdiction other than Australia.

2.25 Financial impairment

financial impairment means in relation to any *insured*:

- (a) being under administration or insolvent, each as defined in the Corporations Act 2001 (Cth);
- (b) having a controller (as defined in the Corporations Act 2001 (Cth)) appointed;
- (c) being in receivership, in receivership and management, in statutory management, in liquidation, in provisional liquidation, wound up, subject to any scheme of arrangement, assignment, composition or other form of moratorium or protection from creditors or in bankruptcy;
- (d) being otherwise unable to pay any debts or obligations as and when they fall due; or
- (e) having anything with the same or similar effect happen under the laws of any jurisdiction outside of Australia.

2.26 Financial institution

financial institution means any bank including any merchant or investment bank, finance company, hedge fund, insurance or reinsurance company (other than a captive owned by the *policyholder*), mortgage bank, savings and loan association, building society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally for the purpose of carrying on commodities, futures or foreign exchange trading or any other similar entity.

2.27 Financial loss

financial loss means:

- (a) damages and judgments (including pre and post judgment interest awarded on a covered judgment and plaintiff's legal fees awarded on a covered judgment and any statutory compensation orders whether made under Part 9.4B of the Corporations Act 2001 (Cth) or otherwise) that any *insured* becomes legally liable to pay;
- (b) sums payable for any settlement to which we have consented;
- (c) *defence costs*;
- (d) under the extensions of cover in Section 1 only, *civil or bail bond expenses, investigation costs, court attendance costs, deprivation of assets expenses, extradition costs and prosecution costs*;

- (e) under the extensions of cover in Section 2 only, *representation costs and tax audit costs*;
- (f) under General Extensions of Cover 3.3 'Crisis containment' only, *public relations expenses*;
- (g) fines and pecuniary penalties which the *insured* is legally obligated to pay, provided we are not legally prohibited from paying such fine or penalty and excepting fines and pecuniary penalties referred to in paragraph (iii) below of this definition of *financial loss*; and
- (h) punitive, exemplary, aggravated and multiple damages unless uninsurable by law.

Financial loss (other than *defence costs*) does not include:

- (i) taxes (other than those covered by Section 1 – Extension of Cover 4.10 'Tax liability' and General Condition 4.11 'Goods and Services Tax');
- (ii) social security contributions;
- (iii) fines and pecuniary penalties imposed by law for a deliberate or intentional breach of law or any matter deemed uninsurable or prohibited under the law applicable to this policy;
- (iv) payments that are uninsurable by law;
- (v) *clean up costs*; or
- (vi) any sum payable pursuant to a financial support direction or contribution notice issued by a superannuation or pension regulator such as the Australian Prudential Regulation Authority or similar.

The question of whether any *financial loss* is uninsurable by law pursuant to clauses 2.27 (g), (h), (iii) and (iv) above will be governed by such applicable law that most favours coverage for such *financial loss*, provided that such applicable law has a substantial connection or relationship to the relevant *insured* or to the *claim* giving rise to such liability.

2.28 Greenhouse gases

greenhouse gases mean carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆), or any other emission or substance defined by applicable law as a Greenhouse gas.

2.29 Insured

insured means:

- (a) any *insured person(s)*; and
- (b) the *company*.

2.30 Insured person(s)

insured person(s) means:

- (a) *director or officer*;
- (b) *outside entity executive*;
- (c) *employee* of the *company* who is the risk manager (or equivalent position) of the *policyholder*;
- (d) *employee* of the *company* while acting in a managerial or supervisory capacity within the *company*;
- (e) *employee* of the *company*, other than a *director or officer*, in relation to all other *claims*;
- (f) for the purpose of General Extension of Cover 3.7 'Marital estates' only and no other, any lawful spouse or domestic partner of a person as defined in 2.30 (a) to 2.30 (e) above; and
- (g) for the purpose of General Extension of Cover 3.5 'Estates, heirs, legal representatives' only and no other, any estate, heir or legal representative of a person as defined in 2.30 (a) to 2.30 (e) above.

Insured person(s) does not include any agent, contractor, consultant, external auditor, trustee in bankruptcy, liquidator, conservator, rehabilitator, deed administrator, administrator or receiver and manager (or similar official or person appointed to the *policyholder* or the equivalent in any other jurisdiction) of the *company*.

2.31 Interrelated wrongful acts

interrelated wrongful acts means all *wrongful acts, wrongful breaches or electronic publishing wrongful acts* which are in any way connected causally with another or which are by any means related or connected.

2.32 Investigation

investigation means a formal criminal, administrative or regulatory investigation, examination, hearing or enquiry, commenced by an *official body*.

2.33 Limit of Liability

limit of liability means the amount specified in the *schedule* as the policy aggregate limit of liability, each *cover section* limit of liability, the Director or Officer Excess Limit of Liability or the Director or Officer Excess Aggregate Limit of Liability.

2.34 Non-profit organisation

non-profit organisation means any company or legal entity established for any charitable, community, social or industry purpose or for the provision of services or benefits to its members and not for the purpose of making profits.

2.35 Official body

official body means any regulator, government, disciplinary body or administrative body or agency, official trade body or self-regulatory body or *external administrator* legally empowered to investigate the affairs of the *company* or *outside entity* or the conduct of an *insured person* in such capacity.

For clarity, this includes a Royal Commission, judicial body, commission of inquiry or stock exchange.

2.36 Outside entity

outside entity means:

- (a) any *non-profit organisation*; or
- (b) any for-profit entity,

but excluding any *company* and any:

- (i) *financial institution*;
- (ii) entity whose *securities* are traded on a primary, secondary or other market in the United States of America or its territories and/or possessions; or
- (iii) other entity that had negative net assets or negative net worth at the inception date of this policy.

2.37 Outside entity executive

outside entity executive means any *director, officer or employee* of the *company* who:

- (a) did or will serve or act; or
- (b) during the *period of insurance* is serving or acting,

in his or her capacity as a *director or officer* (or equivalent executive or management position in any other country) of an *outside entity* at the *company's* specific direction and request.

2.38 Period of insurance

period of insurance means the Period of Insurance specified in the *schedule*.

2.39 Personal information

personal information means any information from which an individual may be uniquely and reliably identified or contacted, including an individual's name, telephone number, social security number, medical or healthcare data or other protected health information, driver's license number or state identification number, account number, credit card number, debit card number, access code or password that would permit access to that individual's financial account or any other non public personal information as defined in Privacy Act 1988 (Cth).

Personal information does not include information lawfully available to the general public for any reason, including information from federal, state, or local government records.

2.40 Policyholder

policyholder means the legal entity as specified in the *schedule*.

2.41 Pollutants

pollutants mean any solid, liquid, gaseous irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, toxic mould or any thermal irritant or contaminant, ionising radiation or radioactivity from any nuclear fuel and waste (waste includes, but is not limited to, nuclear waste or materials which are intended to be or have been recycled, reconditioned or *reclaimed*) and any other similar substance of any kind or nature whatsoever including electromagnetic fields, asbestos, asbestos products and any noise.

2.42 Prior known fact

prior known fact means any fact or matter which:

- (a) the *insured person* first became aware of, after the *date of continuous cover*, but prior to the commencement of the *period of insurance*; and
- (b) the *insured person* knew, or a reasonable *insured person* would have considered, at any time after the *date of continuous cover* but prior to the commencement of the *period of insurance*, may result in an allegation against the *insured* of a *wrongful act*, *wrongful breach* or *electronic publishing wrongful act*.

2.43 Privacy event

privacy event means:

- (a) an unauthorised modification, disclosure, loss or theft of:
 - (i) *personal information* in the care, custody or control of any *insured*; or
 - (ii) corporate information in the care, custody or control of any *insured* that is not available or known to the general public;
- (b) a violation of any *privacy regulation*;
- (c) the unauthorised or wrongful collection of *personal information*.

2.44 Privacy regulation

privacy regulation means any legislation, regulation or by-law, including any amendments thereto, associated with the control and use of *personal information*, or any other legislation, regulation or by-law associated with identity theft or privacy.

2.45 Property

property means tangible property of an *insured* other than money or *securities*. However, for the purposes of Extension 4.1 'Care, Custody and Control' in Section 5 'Crime', *property* means any tangible property other than money or *securities*.

2.46 Property damage

property damage means any damage to or destruction of any property or loss of use of such property, and any consequential loss resulting therefrom. *Property damage* does not mean physical injury to, loss or destruction of *electronic data*.

2.47 Public relations expenses

public relations expenses mean the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which an *insured person* or the *company* in the reasonable exercise of their discretion may engage with our written consent to prevent or limit adverse effects or negative publicity in respect of a *claim*.

2.48 Schedule

schedule means the Schedule document that we give you that attaches to and forms part of your policy.

2.49 Securities

securities mean any bond, debenture, note, share, stock or other equity, hybrid security or security for debt, and will include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, or other interest in any of the foregoing items representing money or *property*. *Securities* do not include money or *property*.

2.50 Security event

security event means any unauthorised access to, introduction of malware or malicious software into or denial of service attack upon the *company's computer system* resulting in:

- (a) an actual or measurable interruption, suspension, failure, degradation or delay in the performance of the *company's computer system*; or
- (b) the theft, alteration, modification, corruption or destruction of corporate information in the care, custody or control of any *insured* that is not available or known to the public.

2.51 Sub-limit

sub-limit means a limit of our liability under this policy, which is part of and not in addition to, the *limit of liability*, unless expressly stated otherwise within an extension of cover.

2.52 Submission

submission means:

- (a) any information and/or statements or materials;
- (b) any proposal form completed and signed by any *insured* (including any attachments thereto, information included therewith or incorporated therein); and/or
- (c) the financial statements and annual reports of any *insured*,

requested by or supplied to us by or on behalf of the *policyholder* in connection with this policy.

2.53 Subsidiary

subsidiary means any entity in which the *policyholder*:

- (a) holds directly or indirectly more than 50% of the voting rights;
- (b) appoints a majority of the board of directors (or equivalent in any other country); or
- (c) has the right, pursuant to a written agreement with other shareholders, to appoint a majority of the board of directors (or equivalent in any other country),

and in any event includes any *company* or legal entity whose financial accounts are required to be consolidated with those of the named *policyholder* pursuant to the Corporations Act 2001 (Cth) or the applicable Australian accounting standard.

2.54 Third party

third party means any natural person or entity other than an *insured*, an *employee* or an *outside entity*.

2.55 Wrongful act

wrongful act means any actual, alleged or attempted act or omission, including but not limited to (or with respect to a shareholder 'derivative action', any proposed) breach of duty, breach of statutory duty, breach of trust, breach of warranty of authority, neglect, error, misstatement, misleading statement, libel, slander or defamation or any other act or omission committed or attempted by or allegedly committed or attempted by:

- (a) any *insured person* whilst acting in his or her capacity as an *insured person* on behalf of the *company* or any matter *claimed* against such *insured person* solely by reason of his/her status as such;
- (b) any *insured person* whilst acting in the capacity as a *director or officer* (or in an equivalent executive or management position in any other country) of an *outside entity* at the *company's* specific direction and request; or
- (c) the *company*, other than such conduct in connection with the professional services provided by the *insured*.

3. General Extensions of Cover

Cover is automatically provided for the General Extensions of Cover, unless specified in the *schedule* as not insured. These Extensions of Cover apply to all *cover sections*, unless otherwise specified in the General Extension of Cover. Each General Extension of Cover is subject to the terms, conditions and limitations of this policy and does not increase our *limit of liability*, unless expressly stated otherwise.

3.1 Advancement of defence costs and other financial loss (including emergencies)

We agree, in respect of a *claim* or *investigation* and prior to final adjudication of the *claim* or finalisation of the *investigation*, to advance the following payments as they are incurred by an *insured*:

- (a) *defence costs*;
- (b) *investigation costs*;
- (c) *representation costs*;
- (d) *prosecution costs*;
- (e) *civil or bail bond expenses*;
- (f) *public relations expenses*; and
- (g) *extradition costs*.

We will not rely on any Exclusion for 'Conduct' within each *cover section* or Exclusion 5.16 'Wilful and intentional breaches' under Section 4, to deny indemnity or to refuse to advance *financial loss* in (a) - (g) above under this extension of cover until the conduct in question has been finally established, by court judgment or other final adjudication (including by available appeals).

If, in the event of an emergency our written consent cannot be reasonably obtained by the applicable *insured* before any of the above heads of *financial loss* are incurred, the *insureds* have the right to incur such amounts without that consent for a period of 30 days immediately following the date on which the relevant costs or expenses were first incurred.

In the event of an emergency referred to above, the *sub-limit* for costs so incurred is 10% of the *limit of liability* of the *cover section* concerned (or in the event that *claims* are made under more than one *cover section*, 10% of the *limit of liability* of the *cover section* that has the highest *limit of liability*) for all *claims* by all *insureds* in the aggregate.

Any advance payments to an *insured* that have been made by us must be repaid by that *insured* in the event that the *insured* is not entitled under this policy to the payment of such costs and expenses.

3.2 Continuous cover

Notwithstanding the Exclusion 'Prior notice' in respect to '*prior known facts*', we agree to pay *financial loss* or *statutory liability loss* arising from any *claim* first made against an *insured* or *investigation* into the affairs of the *insured* during the *period of insurance* arising from a *prior known fact*.

Provided that:

- (a) the *insured* has maintained without interruption, the relevant sections taken within Management Liability, Directors and Officers Liability, Employment Practices Liability, Statutory Liability or Crime from the *date of continuous cover* until the commencement of the *period of insurance*;
- (b) neither the *claim* nor the *prior known fact* has earlier been notified to us or at any time to any insurer under any policy; and
- (c) cover under this extension of cover will be pursuant to the terms, conditions, exclusions and limitations of the policy in force at the time the *insured* first became aware of the *prior known fact*, but only where such earlier policy affords no broader, greater or wider cover in respect of the *claim* than the provisions of this policy.

3.3 Crisis containment

We agree to pay *public relations expenses* to or on behalf of the *insured* for the sole purpose of protecting the reputation of same, which has been brought into question as a direct result of:

- (a) any *claim* covered under a *cover section* specified in the *schedule*;
- (b) any *investigation* for which the *company* is entitled to cover for *representation costs*;
- (c) any *investigation* for which the *insured person* is entitled to cover for *investigation costs*; or
- (d) any *crime loss* covered under Section 5 'Crime', where that *cover section* is specified in the *schedule*.

However:

- (i) the *company* must notify us within 30 days of first becoming aware that the reputation of the parties noted at (a) to (d) above, as applicable, are being brought into question and provide to the best of its knowledge at that time full written details outlining the circumstances surrounding the event; and
- (ii) we must have given prior written consent, such consent not to be unreasonably withheld or delayed, to retain the services of such public relations firm or consultant or crisis management firm; and
- (iii) the *sub-limit* for this Extension of Cover is \$150,000 for all *public relations expenses* payable and in the aggregate for any one *period of insurance*.

3.4 Environmental mismanagement coverage

We will pay *defence costs* and *investigation costs* arising from any *claim* made:

- (a) against any *insured person*; and
- (b) against the *company*;

that is an *environmental mismanagement claim*.

This extension of cover does not cover any loss based upon, arising out of or attributable to asbestos.

Our total aggregate liability under this extension of cover in any one *period of insurance* in respect of all *claims* made against the *company* and any *insured person(s)* is \$250,000. This aggregate *sub-limit* applies across all applicable *cover sections* of the policy.

3.5 Estates, heirs, legal representatives

This policy extends to cover *financial loss* or *statutory liability loss* arising from any *claim* made against the estates, heirs or legal representatives of any *insured person* with respect to *wrongful acts* by such *insured person* committed prior to the death, incapacity, insolvency or bankruptcy of the *insured person*; provided that such estates, heirs or legal representatives observe and are subject to the terms, conditions and limitations of this policy in so far as they can apply.

This extension of cover does not cover any *claim* arising out of any actual or alleged act or omission of the estates, heirs or legal representatives.

3.6 Extended reporting period

- (a) In the event of a non renewal of this policy, other than for non-payment of premium, and provided that a *change in control* has not occurred during the *period of insurance*, the *policyholder* has the right without payment of any additional premium, to a single coverage extension under this policy for a period of 90 days from expiry of the *period of insurance* for:
 - (i) any *claim* made against any *insured* during such 90 day period;
 - (ii) any *investigations* where the legal requirement on the *insured person* to attend first arises during such 90 day period; and
 - (iii) any *investigations* where the legal requirement on the *company* to attend first arises during such 90 day period, but only with respect to any *wrongful act* or conduct allegedly committed prior to

the expiry date of the *period of insurance*.

- (b) In the event of a non-renewal, other than for non-payment of premium, or if a *change in control* during the *period of insurance* occurs, the *policyholder* has the right to purchase a single coverage extension under this policy for a period of:
- (i) 12 months at an additional premium of 100% of the annual premium and any terms and conditions as we may require; or
 - (ii) up to 84 months subject to such terms, conditions and limitations as we may reasonably impose, including additional premium required,

after the expiry date of the *period of insurance* for:

- (i) any *claim* made against any *insured* during the selected *extended reporting period*; or
- (ii) any *investigation* where the legal requirement on the *insured person* to attend first arises during such selected *extended reporting period*; or
- (iii) any *investigation* where the legal requirement on the *company* to attend first arises during such selected *extended reporting period*,

but only with respect to any *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act* or conduct allegedly committed prior to the expiry date of the *period of insurance* or (if applicable) the effective date of the *change in control* (whichever is the earlier).

Further, and subject to General Extension of Cover 3.6 (c) 'Extended reporting period' below, cover is only available under this extension of cover if the applicable additional premium has been paid by the *policyholder*, as required by us.

If the *policyholder* selects an *extended reporting period* as described above, the *policyholder* and the *insured* do not have a right to cover under General Extension of Cover 3.6 (a) 'Extended reporting period' above.

- (c) The rights contained in General Extension of Cover 3.6 (b) 'Extended reporting period' will terminate:
- (i) unless written notice is given to us by the *policyholder* no later than 30 days after the effective date of the non-renewal of this policy or (if applicable) *change in control* (whichever is the earlier), of its intention to elect an *extended reporting period* described above; and
 - (ii) unless as a condition precedent to the extended cover under General Extension of Cover 3.6(b) 'Extended reporting period' above, the additional premium is paid promptly as required by us. Once elected, the entire premium for the *extended reporting period* will be deemed fully earned at its commencement and non-refundable; and
 - (iii) immediately upon the effective date of any insurance or indemnity issued by Zurich or any other insurer, which effectively replaces or renews the coverage afforded by this policy, either in whole or in part, or otherwise affords such coverage. This clause also applies to the cover under General Extension of Cover 3.6 (a) 'Extended reporting period'.
- (a) The *insured* agrees that if we offer renewal terms that are different to this policy (including but not limited to premium, *limit of liability* or other terms, conditions or limitations) this does not constitute a refusal by us to renew.
- (b) Nothing in this extension of cover increases the *limit of liability*.
- (c) There is no entitlement under this extension of cover in respect of Section 5 'Crime'.

3.7 Marital estates

This policy will cover such *financial loss* or *statutory liability loss* arising from any *claim* made against the lawful spouse or domestic partner of any *insured person* arising solely out of a *wrongful act* or *wrongful breach* or *wrongful electronic publishing act* by such *insured person* that is covered under this policy and made solely against such persons or the estate in his or her respective capacity as the spouse or domestic partner of any

such *insured person*.

The cover provided by this extension of cover is limited to *financial loss* or *statutory liability loss* arising from actions or proceedings for the enforcement of judgments or damages against an *insured person* which relate to the ownership of property (including marital community property) jointly held by the *insured person* and his or her spouse or domestic partner. All cover provided by this extension is subject to such lawful spouse or domestic partner, or the estate in his or her respective capacity as the spouse or domestic partner, observing and being subject to the terms, conditions and limitations of this policy in so far as they can apply.

This extension of cover does not cover any *claim* arising out of any actual or alleged act or omission of the spouse or domestic partner.

3.8 Panel counsel

The *insured* is entitled to one (1) hour of free advice per enquiry from any one firm listed on our panel of solicitors for each matter relevant to the risks insured by this policy. We consent to that firm listed on our panel of solicitors being retained to act for an *insured* in respect of any *claim* covered by this policy.

3.9 Retired directors and officers

On the basis that:

- (a) this policy is neither renewed nor replaced with a Management Liability or Directors and Officers Liability or similar contract of insurance; or
- (b) no *extended reporting period* arises or is effected under General Extension of Cover 3.6 'Extended reporting period',

then those *directors or officers* who resigned or retired from their position(s) as *director or officer* with the *company* as a result of them being required to retire on account of any age limit or limit on length of service in any applicable service contract or policy of the *company* during the *period of insurance*, will automatically be entitled to a single *extended reporting period* under this policy of 84 months (being the maximum period for all *directors or officers* in the aggregate) from expiry of the *period of insurance* at no additional premium, however, always subject to the terms, conditions and limitations of this policy.

For the avoidance of doubt, Extension 3.9 'Retired Directors and Officers' does not apply in respect to any *director or officer* who resigned or retired from their positions with the *company* by reason of or in connection with or after a *change in control*.

3.10 Runoff cover for outside entity executives

In the event that an *insured person* ceases to act as an *outside entity executive* of an *outside entity* (as defined within this policy) at any time prior to or during the *period of insurance*, then this policy will continue to apply with respect to any *claim* first made against such *insured person* during the *period of insurance* or the *extended reporting period* (if applicable), but only with respect to *wrongful acts* committed prior to the date such person ceased to be an *outside entity executive* of such *outside entity* and committed during the time such person was an *outside entity executive* of such *outside entity* and otherwise covered under the terms, conditions, exclusions and limitations of this policy.

3.11 Runoff cover for past subsidiaries

In the event that an entity ceases to be a *subsidiary* (as defined within this policy) at any time prior to or during the *period of insurance*, then this policy will continue to apply with respect to any *claim* made against such *subsidiary* and any *insured person* thereof first brought during the *period of insurance* or the *extended reporting period* (if applicable), but only with respect to *wrongful acts*, *wrongful breaches* or *electronic publishing wrongful acts*, *employment wrongful acts* (as applicable), committed prior to the date such entity ceased to be a *subsidiary* and committed during the time such entity was a *subsidiary*, and otherwise covered under the terms, conditions, exclusions and limitations of this policy.

4. General Conditions

4.1 Allocation

Our liability under this policy is limited to the proportion of *financial loss* or *statutory liability loss* which is a fair and equitable allocation:

- (a) between the *insured* and any other uninsured person or entity (including the *company*) where the *financial loss* or *statutory liability loss* has been or will be jointly or jointly and severally incurred by them. Such allocation will be determined having regard to the relative legal and financial exposures of, and relative benefits obtained by, the *insured* and those other persons or entities; and/or
- (b) between the *insured persons*, the *company* and us, having regard to the covered and uncovered matters and the relative legal and financial exposures attributable to those matters.

Where we and the *insured* are unable to agree upon a fair and equitable allocation then such allocation will be determined by Senior Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the Bar Association, or equivalent organisation, for the State or Territory out of which the policy was issued).

The parties will be bound by Senior Counsel's determination as to the fair and equitable allocation. The costs of obtaining this determination will be paid by us and will not form part of the *limit of liability*.

While no fair and equitable allocation has been agreed or determined, we will advance *defence costs*, *investigation costs* or *representation costs* in the proportion which we contend should be allocated to *financial loss* or *statutory liability loss* under this condition. Any such allocation negotiated or determined will be applied retrospectively to all *defence costs*, *investigation costs* and *representation costs* incurred prior to the date of such negotiation or determination.

4.2 Applicable law

This policy is governed by the law of the State or Territory within the Commonwealth of Australia in which the *policyholder* is domiciled, and the parties agree to submit to the exclusive jurisdiction of the courts in that State or Territory within the Commonwealth of Australia.

A reference to any statute, regulation or subordinate legislation in this policy includes any amendment, replacement, successor or subsequently enacted equivalent statute, regulation or subordinate legislation.

4.3 Assignment

This policy and any rights thereunder must not be assigned without our written consent.

4.4 Cancellation

Without derogating from our rights in General Condition 4.13 'Non-Disclosure and Misrepresentation waiver', this policy may not be cancelled by us, except in accordance with section 60 of the Insurance Contracts Act 1984 (Cth) including for non-payment of premium.

Provided there has been no notification of *financial loss*, *statutory liability loss* or *claims* paid under this policy, upon cancellation by the *policyholder* a pro rata premium for the unexpired *period of insurance* will be refunded to the *insured*, subject to retention by us of reasonable reinsurance, administration and cancellation costs incurred by us as well any tax or duty paid or governmental charges paid or owing for which we are unable to obtain a refund.

This policy may not be cancelled by the *policyholder*:

- (a) during the *extended reporting period*, once elected;
- (b) after the *policyholder* undergoes a *change in control*.

4.5 Change in control

If during the *period of insurance* the *policyholder* undergoes a *change in control*, then the cover provided by this policy will be amended to apply only in respect of *wrongful acts, wrongful breaches, electronic publishing wrongful acts, employment wrongful acts* or other conduct occurring prior to the effective date of such *change in control*. The *policyholder* must give us written notice of such *change in control* as soon as reasonably practicable.

4.6 Co-ordination of coverage

Any *claim* or *investigation costs* covered under this policy which is covered under various *cover sections*, will be first covered under Section 1 'Insured Persons Liability', before any other *cover sections* applying, subject to its terms, conditions and limitations.

4.7 Confidentiality

The existence and terms of this policy are confidential as between the *insured* and Zurich must not be published, disclosed or otherwise communicated except where:

- (a) the law requires disclosure in the financial statements or annual reports of payment by the *policyholder* of a premium in respect of a contract insuring persons against a liability;
- (b) we consent in writing to disclosure of the existence and/or terms of this policy; or
- (c) the *insured* is compelled by order of a court to do so.

4.8 Creation and acquisition of subsidiaries

- (a) Subject to 'Creation and acquisition of subsidiaries' 4.8 (b) below, any entity, whether created or acquired, that becomes a *subsidiary* during the *period of insurance* of this policy and any *directors* or *officers* thereof, will be *insureds* under this policy with respect to the coverage provided:
 - (i) for *claims* for *wrongful acts, wrongful breaches* or *electronic publishing wrongful acts*; and
 - (ii) for *investigations* in relation to conduct; and
 - (iii) to the *company* under Sections 2, 3, 4, and 5,

occurring after the date such entity became a *subsidiary* and while such entity remains a *subsidiary*, provided that the *wrongful acts, wrongful breaches* or *electronic publishing wrongful acts, employment wrongful acts* or conduct occurred after the date such entity became a *subsidiary* and while such entity remains a *subsidiary*.

- (b) There is no cover under this policy for any newly acquired *subsidiary* (or any *insured person* thereof) described in 'Creation and acquisition of subsidiaries' 4.8 (a) above:
 - (i) whose total consolidated assets are greater than 25% of the total consolidated assets of the *policyholder* (determined as of the date of the acquisition);
 - (ii) that such entity is a public listed entity;
 - (iii) an entity registered outside of Australia or New Zealand; or
 - (iv) that is a *financial institution*.

If cover is required for any of the above, further information may be required and potential changes in terms and conditions, including additional premium.

4.9 Deductible

- (a) The *deductible* applicable to each *cover section* are set out in the *schedule*.
- (b) We will be liable only for the amount of *financial loss* or *statutory liability loss* that exceeds the applicable *deductible*. The *deductible* is not part of our liability for *financial loss* or *statutory liability loss*. The *deductible* is to be borne by the *company* and will remain uninsured.

- (c) Irrespective of the number of *insureds* claimed against, a single *deductible*, being the highest applicable *deductible*, will apply to all *financial loss* or *statutory liability loss* in respect of any one *claim*, or two or more *claims* arising from one *wrongful act*, *wrongful breach*, *electronic publishing wrongful act*, *employment wrongful act* or from a series of *interrelated wrongful acts*.
- All *crime claims* for *crime loss* of any kind sustained as a result of the same or causally related acts, causes or events will be deemed to be one *crime claim* for *crime loss* regardless of when during the *period of insurance* or prior thereto such acts occurred.
- (d) No *deductible* will apply to any *claim*, and if the *claim* is covered, we will reimburse those *defence costs* incurred by the *insured* to the extent not already paid by us, if:
- (i) the *claim* is dismissed and without any payment by or on behalf of the *insured*;
 - (ii) there is a final judgment of no liability in favour of the *insured*, whether by settlement to which we have consented or by summary judgment, and without any payment by or on behalf of the *insured*; or
 - (iii) there is a final judgment of no liability obtained after trial, in favour of the *insured*, after the exhaustion of all appeals.

Any reimbursement under this clause will only occur if, 60 days after the date of dismissal or final judgment of no liability is obtained, there is no further *claim* brought based on the same or related *wrongful acts*, *wrongful breach*, *electronic publishing wrongful act*, *employment wrongful act* or any matters relating to the facts and matters alleged in the relevant *claim*.

4.10 Defence costs and Settlements

- (a) It will be the duty of Zurich and not the *insured* to take all reasonable steps to defend any *claim* or *investigation* and the *insured* must not do anything to prejudice its and/or our position.
- (b) With respect to any *claim* or *investigation* as may potentially be covered by this policy, we have the right to:
- (i) be provided with all such information as we reasonably require;
 - (ii) be kept fully informed as we reasonably require as to all matters relating to or concerning the *investigation*, defence, settlement or appeal and have the right to receive copies of all relevant documentation relating thereto; and
 - (iii) associate effectively with the *insureds* in the defence, investigation and the negotiation of any settlement of any *claim* or *investigation*.
- (c) The *insured* must not admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any *defence costs*, *investigation costs* or *representation costs* or any other costs, expenses or disbursements for which the *insured* may seek indemnity under this policy, and no legal representative will be retained to defend any *insured*, without our prior written consent, such consent not to be unreasonably withheld or delayed.

Only those settlements, consent judgments, *defence costs*, *investigation costs* and *representation costs* that have been consented to by us in writing will be recoverable as *financial loss* or loss (as applicable) under the terms of this policy (other than as covered under General Extension of Cover 3.1 'Advancement of defence costs and other financial loss').

We will not settle any *claim* against any *insured* without the consent of the relevant *insured*, such consent not to be unreasonably withheld or delayed.

In addition and notwithstanding any of the foregoing paragraphs in this condition, if all *insured* defendants are able to dispose of all *claims* which are subject to one *deductible* (inclusive of all *financial loss* and *statutory liability loss*) for an amount not exceeding the applicable *deductible*, then our consent is not required for such disposition.

- (d) In the event of any dispute regarding whether or not to contest any *claim* against any *insured*, the matter will be referred for determination by a Counsel (to be mutually agreed or in default of agreement, to be selected by the then President of the Bar Association, or equivalent organisation, for the State or Territory in which the *policyholder* is domiciled). The costs of such determination by Counsel are to be paid by us and will not form part of the *limit of liability*.
- (e) If the *insured* withholds consent to any settlement acceptable to the claimant and in accordance with our recommendation, then our liability for all *financial loss* or *statutory liability loss* on account of such *claim* will not exceed the amount for which we could have settled such *claim* including *defence costs* accrued as at the date such settlement was proposed in writing from us to such *insured*.

4.11 Goods and Services Tax

When we make a payment to the *insured*, or on behalf of the *insured*, under this policy for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that the *insured* is, or will be, or would have been entitled to under A New Tax System (Goods & Services Tax) Act 1999 (Cth), in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to the *insured*, or on behalf of the *insured*, under this policy as compensation instead of payment for the acquisition of goods, services or other supplies, we will reduce the amount of the payment by the amount of any input tax credit that the *insured* is, or will be, or would have been entitled to under A New Tax System (Goods & Services Tax) Act 1999 (Cth) had the payment been applied to acquire such goods, services or supply.

4.12 Limit of Liability

- (a) Subject to the Insuring Clauses within the *cover sections* and the Extensions of Cover:
 - (i) the *limit of liability* specified in the *schedule* as the policy aggregate limit of liability will be our maximum liability, in the aggregate, payable under this policy; and
 - (ii) the *limit of liability* specified in the *schedule* for a *cover section* will be our maximum liability, in the aggregate, payable under that *cover section*, as applicable,
 for all covered:
 1. *financial loss* or *statutory liability loss* (including but not limited to *defence costs*) arising from all *claims* made against all *insureds* during the *period of insurance* and any *extended reporting period* (if applicable);
 2. *investigation costs* incurred by all *insured persons* in connection with all *investigations* the *insured persons* are required to attend during the *period of insurance* and any *extended reporting period* (if applicable);
 3. *representation costs* incurred by the *company* in connection with all *investigations* made during the *period of insurance* and any *extended reporting period* (if applicable);
 4. *crime loss* sustained by all *insureds* as a direct result of a *criminal act*, discovered during the *period of insurance*; and
 5. sums payable under any of the Extensions of Cover, insofar as not described in 1, 2, 3, 4 or 5 above.
- (b) The *limit of liability* will apply over and above the applicable *deductible*.
- (c) Any applicable *extended reporting period*, does not increase the *limit of liability*.
- (d) All *sub-limits* that apply to a particular *cover section* are part of and not in addition to the *limit of liability* for that *cover section*, unless expressly stated otherwise within an extension of cover.

- (e) Where more than one *claim* arises from a *wrongful act, wrongful breach or electronic publishing wrongful act, employment wrongful act* or arises from a series of *interrelated wrongful acts*, or in the case of one or more *investigations* (whether linked to a *claim* or otherwise) which have a common or related cause or source they will be deemed to be a single *claim* or a single *investigation* and such single *claim* or single *investigation* will (irrespective of the *period of insurance* in which it in fact arises) be attributed solely to the *period of insurance* or the *extended reporting period* (if applicable) during which the first *claim* of such *claims* was first made or the first *investigation* of such *investigation* series was first commenced.
- (f) Where more than one *crime claim for crime loss* arises from an act or from a series of acts which are in any way connected causally with another or which are by any means related or connected, they will be deemed to be a single *crime claim* and such single *crime claim* will (irrespective of the *period of insurance* in which it in fact arises) be attributed solely to the *period of insurance* or the *extended reporting periods* (if applicable) during which the first *crime claim* of such *crime claims* was first made.
- (g) Our aggregate liability for *financial loss* or *statutory liability loss* sustained by any or all persons, companies or other entities forming part of the *insured* will not exceed the amount for which we would be liable if all *financial loss* or *statutory liability loss* were sustained by any one of the persons, companies or other entities forming part of the *insured*.

4.13 Non-Disclosure and Misrepresentation waiver

Where we have any rights in respect of non-disclosure or misrepresentation we agree not to rescind or avoid this policy. In respect of any non-disclosure or misrepresentation, we will be entitled to reduce our liability to pay for *financial loss* or *statutory liability loss* in respect of a *claim* or *investigation* by an amount equivalent to the financial prejudice we have suffered as a result of the non-disclosure or misrepresentation. Any such rights will only be exercised:

- (a) against an *insured person* who, before inception of this policy, knew the facts or matters not disclosed or misrepresented, and any *company* to the extent that it may indemnify such *insured person*; and
- (b) against a *company* where any past, present or future Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel (or equivalent position) of the *company* or the holder of any equivalent position in a jurisdiction, knew the facts or matters not disclosed or misrepresented,

and only where the *claim* or *investigation* is based upon or arises from the facts or matters not disclosed or misrepresented.

For clarity, this General Condition does not apply to any right we may have to cancel the policy. We are entitled to cancel the policy for non-payment of premium.

Nothing in this General Condition derogates from General Condition 4.20 'Severability and Non-Imputation'.

4.14 Notification

- (a) With respect to all *cover sections* other than Section 5, the *insured* must, as a condition precedent to our liability under this policy, notify us in writing of:
 - (i) any *claim* made against an *insured*; or
 - (ii) any written requirements that an *insured person* or the *company* attend an *investigation*, as soon as is reasonably practicable after the *company's* risk manager, General Counsel, Company Secretary, Chief Legal Counsel or equivalent position first becomes aware of such *claim* or *investigation*, but in all events no later than 90 days after the expiry of the *period of insurance* or the *extended reporting period* (if applicable).
- (b) Written notice must include but not be limited to a description of the:
 - (i) *claim*, the nature of the alleged or potential damage, the names of the actual or potential *claimants* and the date and manner in which the *company* or *insured persons*, as the case may be, first became aware of the *claim*; or

- (ii) *investigation*, the nature of the *investigation*, the name of the *official body* conducting the *investigation* and the date and manner in which the *company* or *insured persons*, as the case may be, first become aware of the *investigation*.
- (c) With respect to written notice of *crime loss* under Section 5 'Crime' refer to Special Condition 6.1 'Discovery' in that *cover section*.
- (d) Written notice under this General Condition or under a Special Condition referred to in (c) above must be provided in writing to:

The Financial Lines Claims Manager
Zurich Australian Insurance Limited
PO Box 677 North Sydney 2059

Or by email to:

The Financial Lines Claims Manager
fl.claims@zurich.com.au

Any notification, sent by post or email, will be effective from the date received by Zurich.

4.15 Order of payments

In the event of *financial loss* or *statutory liability loss* arising from a *claim* or an *investigation* for which payment is due under the provisions of this policy, then we will in all events:

- (a) first, pay *financial loss* for which coverage is provided under Section 1, Insuring Clause 2.1 'Directors and officers liability' and Section 1, Extension of Cover 4.7 'Investigations'; then
- (b) only after payment of *financial loss* has been made pursuant to General Condition 4.15 (a) above, with respect to whatever remaining amount of the *limit of liability* is available after such payment, pay such other *financial loss* for which coverage is provided under Section 1, Insuring Clause 2.2 and *financial loss, crime loss or statutory liability loss* under all other *cover sections* of this policy.
- (c) require that the right to claim insurance payments can only be granted to the Policyholder. Subsidiaries or affiliated companies registered in restricted (for the purposes of insurance) countries cannot under any circumstances be granted any right to claim or obtain any payment which may breach such restriction.

The *company* agrees that we are entitled to withhold payment under Section 1, Insuring Clause 2.2 'Company reimbursement' and all other *cover sections* (where applicable) until our obligations under Section 1, Insuring Clause 2.1 and Section 1 – Extension of Cover 4.7 'Investigations' are met.

The bankruptcy or insolvency of any *company* will not relieve us of our obligations to prioritise payment of covered *financial loss* under this policy pursuant to this condition.

4.16 Other insurance and Non-Accumulation

- (a) To the extent permitted by the Insurance Contracts Act 1984 (Cth), this policy will only cover *financial loss, crime loss or statutory liability loss* to the extent that the amount of such *financial loss, crime loss or statutory liability loss* is in excess of any indemnity or cover available to the *insured* in respect of that *financial loss, crime loss or statutory liability loss* under any other policy of insurance entered into by the *insured persons* or the *company*.
- (b) To the extent permitted by the Insurance Contracts Act 1984 (Cth), this policy will only cover *financial loss or loss* to the extent that the amount of such *financial loss, crime loss or statutory liability loss* is in excess of any indemnity or cover available to the *insured* in respect of that *financial loss or loss* under any other policy of insurance effected on behalf of the *insured* or under which any *insured person* or the *company* is a beneficiary (but not a policy to which the preceding paragraph applies).
- (c) Neither General Condition 4.16 (a) or 4.16 (b) above, applies to such other insurance that is written only as specific excess insurance over the *limit of liability* provided in this policy.

- (d) If the other insurance referred to in General Condition 4.16 (a) or 4.16 (b) above, is provided by us, or any other member company, associate or affiliate of the Zurich Financial Services Group of companies, and it covers *financial loss, crime loss or statutory liability loss* covered by this policy in respect of a *claim* or *investigation*, the *limit of liability* under this policy in respect of that *claim* or *investigation* will be reduced by any amount paid by us (or member company, associate or affiliate of the Zurich Financial Services Group of companies) under such other insurance.

4.17 Plurals and titles

The *submission*, this policy, its *schedule* and any endorsements are one contract in which, unless the context otherwise requires:

- (a) headings are descriptive only, not an aid to interpretation;
- (b) singular includes the plural, and vice versa;
- (c) the male includes the female and neuter;
- (d) all references to specific legislation include amendments to and re-enactments of such legislation and similar legislation in any jurisdiction in respect of which a *claim* is made or an *investigation* is commenced; and
- (e) references to positions, offices or titles include their equivalents in any jurisdiction in which a *claim* is made or an *investigation* is commenced.

4.18 Recoveries

Any sums recovered following a payment or payments under this policy will be distributed in the following order:

- (a) the costs incurred in the course of such recovery, whether to the *policyholder* or to us;
- (b) to the *policyholder* in respect of any amount of covered *financial loss, crime loss or statutory liability loss* which exceeds the *limit of liability*;
- (c) to us to the extent of the *financial loss, crime loss or statutory liability loss* paid or payable; and
- (d) to the *policyholder* for the amount of any *deductible* applicable.

4.19 Sanctions regulation

Notwithstanding any other terms or conditions under this policy, Zurich will not be deemed to provide coverage and will not make any payments nor provide any service or benefit to any *insured* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the *insured* would violate any applicable trade or economic sanctions, law or regulation.

4.20 Severability and Non-Imputation

In respect of the declarations, statements and financial information of the *submission*:

- (a) no statement in the *submission* made by any *insured* or knowledge (including knowledge of any misrepresentation or non-disclosure with regard to the *submission*) possessed by any *insured person* will be imputed to any other *insured persons* for the purpose of determining the availability of cover under this policy;
- (b) the statements in the *submission* made by and the knowledge (including knowledge of any misrepresentation or non-disclosure with regard to the *submission*) possessed by an *insured person* will be imputed to the *company* for the sole purpose of determining if coverage is available under Section 1, Insuring Clause 2.2 'Company reimbursement' of this policy with respect to *claims* against such *insured person*, but will not be imputed to the *company* with respect to *claims* against other *insured persons* for the purpose of coverage under Section 1, Insuring Clause 2.2 'Company reimbursement' in relation to the *financial loss* of that other *insured person*; and

- (c) only the statements in the *submission* made by, and the knowledge (including knowledge of any misrepresentation or non-disclosure with regard to the *submission*), possessed by any past, present or future Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel (or equivalent position) of the *company* will be imputed to the *company* for the purposes of indemnity under Section 2, 3, 4 or 5 in relation to the *financial loss, crime loss or statutory liability loss* of any *subsidiary*.

4.21 Subrogation

In respect of Sections 1, 2, 3, and 4 upon any payment of or towards any *claim* we will be entitled to assume conduct of all rights of recovery available to any *insured* and all reasonable assistance must be rendered to us in the prosecution of such rights by such *insured persons* or the *company*, at their own cost.

Except in respect of Section 5 'Crime', in no event, however, will we exercise our rights of subrogation against an *insured person* under this policy unless it is determined by a written admission, a final judgment or other adjudication in the underlying action or in a separate action or proceeding that such *insured person* had obtained an illegal profit or advantage or committed an intentionally dishonest act or omission or intentional fraudulent act or a *criminal act*.

With respect to Section 5, we may at any time at our own expense take such steps as we may deem necessary to obtain reimbursement from any person (or that person's estate) committing a *criminal act* against the *insured* resulting in a *loss* which we have paid or will become liable to pay under this policy and for this purpose use the name of the *insured*. In determining to take any such steps, we shall consult with the *policyholder* in advance and consider your interests. Subject to the foregoing, the *company* must as and when required give all necessary information and assistance to us.

4.22 Valuation and foreign currency

All premiums, *limits of liability, sub limits, deductibles, retentions, financial loss, crime loss or statutory liability loss* and other amounts under this policy are expressed and payable in Australian currency. Except as otherwise provided, if judgment is rendered, settlement is denominated or another element of loss or *financial loss, crime loss or statutory liability loss* under this policy is stated in a currency other than Australian dollars, payment under this policy will be made in Australian dollars at the cash rate of exchange for the purchase of Australian dollars in accordance with the Reserve Bank of Australia on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of loss under this policy is due, respectively.

4.23 Waiver of contribution

We will be entitled to reduce our liability to pay for *financial loss, crime loss or statutory liability loss* by an amount equivalent to the financial prejudice we have suffered as a result of the *insured* giving up any right or contribution or indemnity without our prior written consent.

Section 1 – Insured Persons Liability

1. Introduction

This *cover section* only forms part of your policy when Section 1 – ‘Insured Persons Liability’ is specified with a *limit of liability* in the *schedule*.

2. Insuring Clauses

2.1 Directors and officers liability

We agree to pay to or on behalf of any *insured person* the *financial loss* of such *insured person* arising from any *claim* first made against such *insured person* during the *period of insurance* or the *extended reporting period* (if applicable) except where such *insured person* has been indemnified by the *company*.

2.2 Company reimbursement

We agree to pay on behalf of the *company* the *financial loss* of an *insured person* arising from any *claim* first made against such *insured person* during the *period of insurance* or the *extended reporting period* (if applicable) but only to the extent the *company* has indemnified the *insured person*.

3. Definitions

The following Definitions apply to the words used in this *cover section*. Please refer to the additional General Definitions applicable to all *cover sections*.

3.1 Civil or bail bond expenses

civil or bail bond expenses mean a fee or premium charged at reasonable commercial rates necessary to obtain a bond or other similar form of financial guarantee, in respect of obligations as to a specific security or collateral placed upon the *insured person* by a civil or criminal court in connection with any covered *claim*, and excluding any form of actual security or collateral itself.

3.2 Corporate manslaughter proceeding

corporate manslaughter proceeding means a formal criminal proceeding against an *insured person* for involuntary manslaughter (including constructive manslaughter or gross negligence manslaughter) in their capacity as such for the *company* and directly related to the business of the *company*.

3.3 Deprivation of assets expenses

deprivation of assets expenses means the payment of the following services, directly to the provider of such services, in the event of an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of *real property* or personal assets of an *insured person* or creating a charge over real property or personal assets of the *insured person* during the *period of insurance*:

- (a) housing;
- (b) utilities;
- (c) personal insurances; and
- (d) schooling.

Such expenses will only be payable provided that a personal allowance has been directed by the court to meet such payments and such personal allowance has been exhausted. Expenses will be payable after 30 days following the event above for a period of up to 12 months.

3.4 Extradition claim

extradition claim mean a formal request, claim, warrant for arrest or other proceedings pursuant to the provisions of the Extradition Act 1988 (Cth) or any replacement legislation in Australia or similar legislation in any other jurisdiction.

3.5 Extradition costs

extradition costs means reasonable legal fees, costs and expenses incurred by an *insured person* with our prior written consent, which will not be unreasonably delayed or withheld, to obtain legal advice or to bring or defend an *extradition claim* or any other proceedings including by way of judicial review or other challenge to the political executive's decision to order an *insured person's* extradition and to pursue appeals.

3.6 Investigation costs

investigation costs for the purpose of this *cover section* mean reasonable fees, costs, charges and expenses (other than remuneration payable to any *insured persons* or *employees* of any *company*, cost of their time or costs or overhead of any *company*) incurred with our written consent, such consent not to be unreasonably withheld or delayed, by or on behalf of an *insured person* directly in connection with such *insured person* preparing for and attending an *investigation*.

Investigation costs do not include any *prosecution costs*, fines or penalties, or the equivalent, levied or imposed in connection with the *investigation*.

3.7 Judicial order

judicial order means:

- (a) an interim or interlocutory judicial order; or
- (b) a judicial order with respect to any proceeding concerning the deportation of any *insured person*, provided that any judicial order against an *insured person* must be in connection with a *claim* against such *insured person* or an *investigation* that is covered under this *cover section*.

3.8 Prosecution costs

prosecution costs mean the reasonable fees, costs, charges and expenses (other than remuneration payable to any *insured persons* or *employee* of any *company*, costs of their time or overhead of any *company*) incurred with our prior written consent, such consent not to be unreasonably withheld or delayed, incurred pursuant to Extension of Cover 4.8 'Prosecution costs'. *Prosecution costs* does not mean *defence costs* or *investigation costs* or similar.

3.9 Shadow director

shadow director means, unless the contrary intention appears, any person who has not been validly appointed as a director, if:

- (a) they act in the position of a director; or
- (b) the directors of the *company* or body are accustomed to act in accordance with the person's instructions or wishes.

However a person is not a shadow director pursuant to 3.9 (b) above, merely because the directors act on advice given by the person in the proper performance of functions attaching to the person's professional capacity, or the person's business relationship with the directors or the *company* or body.

4. Extensions of Cover

Cover is automatically provided for the Extensions of Cover described below for this *cover section*, unless specified in the *schedule* as not insured. Each Extension of Cover does not increase our *limit of liability*, unless expressly stated otherwise. Please refer to the additional General Extensions of Cover applicable to all *cover sections*.

4.1 Civil or bail bond expenses

We agree to pay to or on behalf of an *insured person* *civil or bail bond expenses* incurred in respect of a *claim* covered under this *cover section* including but not limited to an extradition proceeding.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.2 Court attendance costs

We agree to provide up to \$1,000 per day for court attendance costs incurred by the *insured person*, if the *insured person* is legally compelled to attend a civil proceeding as a witness in a *claim* which is covered under this *cover section*, whether or not a *wrongful act* is alleged against such *insured person*. Our total aggregate liability during any one *period of insurance* for all court attendance costs will not exceed \$150,000.

4.3 Deprivation of assets expenses

This *cover section* extends to include *deprivation of assets expenses* arising from any *claim* covered under this *cover section* or *investigation* for which an *insured* is entitled to cover under this *cover section* for *investigation costs*.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.4 Employment practices claims

This *cover section* extends to cover *employment practices claims* against *insured persons* including in their capacity as *outside entity executives*.

4.5 Extradition costs

We agree to pay to or on behalf of:

- (a) an *insured person* *extradition costs* (to the extent permitted by law) in respect of an *extradition claim* covered under this *cover section*;
- (b) an *insured person* the reasonable fees incurred by such *insured person*, with our prior written consent, which will not be unreasonably withheld, of a counsellor or tax adviser in respect of a covered *extradition claim*; and
- (c) the lawful spouse or domestic partner of an *insured person* described in 4.6 (a) above for the reasonable travel, accommodation and living-away-from-home expenses in attending any hearing of such *extradition claim* against that *insured person*.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.6 Investigations

We agree to pay *investigation costs* to or on behalf of any *insured person*, whether incurred directly by the *insured person*, or by the *company* or *outside entity* pursuant to an indemnity provided to the *insured person*, in respect of any *investigation*:

- (a) into the conduct of such *insured person*, whether or not a *wrongful act* is alleged against such *insured person*;
- (b) into the affairs of the *company* or *outside entity* whether or not a *wrongful act* is alleged.

Provided such coverage will not be afforded under 4.6 (a) or 4.6 (b) for any *investigation* which is in whole or in part:

- (i) within the jurisdiction of; or
- (ii) pursuant to the laws of,

the United States of America, or its territories or possessions, including but not limited to one conducted by the United States Securities and Exchange Commission (SEC).

Indemnity under this extension of cover arises only when, and is in relation only to *investigation costs* incurred after, such *insured person* is requested in writing by such *official body* to attend such *investigation*, provided that such request to attend first arises during the *period of insurance* or within the *extended reporting period* and the *insured* notifies us in accordance with General Condition 4.14 'Notification'. This extension of cover does not apply to general industry investigations or inquiries or routine regulatory inspections or inquiries.

This extension of cover does not apply to a *claim* as defined in the definition of 'claim', but the terms, conditions and exclusions of this policy apply to this extension of cover as if an *investigation* were a *claim* including but not limited to the payment of the *deductible* applicable when the *company* is permitted or required to indemnify the *insured person*.

4.7 Outside entity executive

We agree to pay on behalf of any *outside entity executive* subject to the terms and conditions of this *cover section*, *financial loss* arising from any *claim* first made against him or her during the *period of insurance* for a *wrongful act* committed or attempted by or allegedly committed or attempted whilst serving or acting in his or her capacity as an *outside entity executive*.

This cover:

- (a) automatically applies from the date of an *outside entity executive's* appointment to:
 - (i) any *non-profit organisation*; or
 - (ii) any *associated company*.
- (b) automatically applies for a period of 90 days from the date of an *outside entity executive's* appointment to any for profit company, unless we agree to continue to cover any such *outside entity executive* and such for profit company is specifically listed as an *outside entity* in an endorsement attached to this *cover section*.
- (c) does not apply to an *outside entity executive's* appointment to:
 - (i) any *financial institution*;
 - (ii) any entity whose *securities* are traded on a primary, secondary or other market in the United States of America or its territories and/or possessions; or
 - (iii) any other entity that had negative net assets or negative net worth at the inception date of this *cover section*.

Without detracting from the operation of General Condition 4.16 'Other insurance and Non-Accumulation', this extension of cover is available only as specific excess cover over and after exhaustion of any other applicable, valid and collectible Directors and Officers or Management Liability policy of insurance and also any indemnification permitted or required to be paid by such *outside entity*.

4.8 Prosecution costs

We agree to pay for or on behalf of an *insured person* *prosecution costs* of the *insured person* in bringing or defending proceedings, including appealing the decision of such proceeding:

- (a) against an *official body* conducting an *investigation* wherein the *insured person* alleges that the *official body* is acting beyond power or in breach of the rules of natural justice directly in relation to matters affecting, or potentially affecting, the *insured person* in such *investigation*;
- (b) to obtain the discharge or revocation of:
 - (i) a temporary or permanent disqualification of such *insured person* from managing a corporation (including as a senior manager or responsible officer) during the *period of insurance*; or
 - (ii) a *judicial order* entered during the *period of insurance* imposing:
 1. confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of such *insured person*;
 2. a charge over real property or personal assets of such *insured person*;
 3. a restriction of such *insured person's* liberty to a specified domestic residence or detention facility; or
 4. deportation of an *insured person* following revocation of otherwise current and valid immigration status for any reason, other than such *insured person's* conviction of a crime.

For the avoidance of doubt, *prosecutions costs* are only available in the event that a *claim* has been made against an *insured person* that is covered by this *cover section*.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.9 Tax liability

We agree to pay the liability which an *insured person* incurs personally for the unpaid taxes of the *company* due to the *company's financial impairment*. Provided that we will not cover any liability that arises due to an *insured person's* criminal, fraudulent, dishonest or malicious act or omission or any intentional violation or breach of any law or regulation.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.10 Workplace health and safety

We agree to pay *defence costs* to or on behalf of an *insured person* in respect of a *claim* by an *official body* against the *insured person*, and *investigation costs* in respect of an *investigation*, in relation to any alleged breach of workplace health and safety law.

This extension of cover includes *defence costs* in relation to any *corporate manslaughter proceedings*.

5. Exclusions

The following Exclusions apply to this *cover section* and we will not be liable under this *cover section* to make any payment for *financial loss* including *defence costs* (unless otherwise stated) in connection with any *claim* made against the *insured person*:

5.1 Bodily injury / Property damage

for actual or alleged *bodily injury* and/or *property damage*, except that this exclusion does not apply to *defence costs* and *investigation costs* incurred under Extension 4.10 'Workplace health and safety'.

5.2 Conduct

arising from, based upon, attributable to or as a consequence of:

- (a) any *insured* having gained in fact any profit or advantage to which he, she or the *company* had or has no legal entitlement; or
- (b) any criminal, fraudulent, dishonest or malicious act or omission or any intentional violation or breach of any law or regulation committed by any *insured*;

provided that this exclusion will not apply to *defence costs* incurred by an *insured person* or by the *company* (as applicable) for a *corporate manslaughter proceeding* or a proceeding under Extension 4.11 'Workplace health and safety'.

For the avoidance of doubt, this exclusion includes any conduct or contravention in respect of which a prohibition in section 199B of the Corporations Act 2001 (Cth) applies.

This exclusion only applies where the conduct in question has been finally established, by court judgment or other final adjudication (including all available appeals).

For the purpose of determining the applicability of this exclusion:

- (i) no conduct or knowledge of an *insured person* will be imputed to any other *insured person*; and
- (ii) to indemnity only the conduct and knowledge of any past, present or future Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel (or equivalent) of the *company* will be imputed to the *company*.

5.3 Cyber

based upon, arising out of or attributable to, or in consequence of a *cyber event*.

5.4 Employee underpayments

based upon, arising out of or attributable to, or in consequence of *employee* underpayments or *employee* wage theft, including without limitation obligations under the Australian Fair Work Legislation (AFW), (Fair Work Act 2009 and Fair Work Regulations 2009), Victorian Wage Theft Act 2020 or similar legislation anywhere in the world.

5.5 Environmental event

based upon, arising out of or attributable to an *environmental event*; except as provided under General Extension of Cover 3.4 'Environmental mismanagement coverage'.

5.6 Fines, penalties and duties

based upon, directly or indirectly arising from or attributable to any fines and penalties assessed, levied or imposed by law, income tax, customs duties, excise duty, stamp duty, sales tax or any other State, Territory or Federal tax or duty.

5.7 Insolvency

based upon, arising out of or attributable to, or in consequence of *financial impairment*.

5.8 Insured vs insured

any *claim* brought by, or on behalf of, or at the instigation of the *company* or an *outside entity*, provided, however, this exclusion shall not apply to:

- (a) a *claim* brought or maintained by a liquidator, receiver, bankruptcy trustee or administrative receiver, (or the equivalent in any other country), either directly or derivatively on behalf of the *company* or the *outside entity* without the solicitation, voluntary assistance or active participation of any director or officer (or equivalent in any other country) of the *company* or the *outside entity*;
- (b) a *claim* in the form of a derivative action brought or maintained in the name of the *company* or the *outside entity* by one or more persons who are not directors or officers (or equivalent in any other country) of the *company* or the *outside entity* and who bring and maintain the *claim* without the solicitation, voluntary assistance or active participation of any director or officer (or equivalent in any other country) of the *company* or the *outside entity*; or
- (c) *defence costs* incurred by the *insured person*.

5.9 Jurisdiction and territorial scope

for:

- (a) actions (including *claims* and *investigations*) brought in or determined pursuant to the law of, the United States of America or any state or territory incorporated in, or administered by, the United States of America;
- (b) any *claim* or *loss* or *financial loss* arising out of the enforcement or judgments, orders or awards obtained in or determined pursuant to the laws of the United States of America or any state or territory incorporated in, or administered by, the United States of America;
- (c) any *claim* which is pursued by way of arbitration, mediation, conciliation, expert determination or any other form of alternative dispute resolution procedure taking place outside of or in a jurisdiction within the United States of America or any state or territory incorporated in, or administered by, the United States of America, for the recovery of any award or costs issued or incurred in connection with such procedure is; or
- (d) any country where an *insured* is required by the law of that country to have in force a local policy of insurance covering liability arising from any such *wrongful acts*, *wrongful breaches*, *electronic publishing wrongful acts* or *employment wrongful acts*.

5.10 Major Shareholder

where such *claim* is brought by or on behalf of or at the instigation of any individual(s) or entity/ies that own or control (whether legally or beneficially, directly or indirectly) 20% or more of the outstanding voting stock of the *company*.

5.11 Outside entity executive – Prior and pending

in respect of any *outside entity executive* if such *claim* is based upon, arises from or is a consequence of any:

- (a) litigation, suit, *claim*, arbitration or mediation initiated prior to or pending on the date such *outside entity executive* first became *insured* under this policy in such capacity; or litigation, suit, arbitration or mediation which alleges or is derived from the same or essentially the same facts as alleged in such prior or pending litigation, suit, *claim*, arbitration or mediation; or
- (b) circumstances known by such *outside entity executive* or the *company* prior to the date such *outside entity executive* first became *insured* under this policy in such capacity, which could reasonably have given rise to a *claim* under this policy.

5.12 Prior and pending

arising from, based upon, attributable to or as a consequence of:

- (a) an *investigation* or other proceedings ordered or commissioned at the behest of a legally empowered body, initiated prior to the *date of continuous cover*; or
- (b) any litigation, suit, *claim*, arbitration or mediation initiated prior to or pending on the *date of continuous cover* or litigation, suit, arbitration or mediation alleging or deriving from the same or essentially the same facts, circumstances, *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act* as alleged in such prior or pending litigation, suit, *claim*, arbitration or mediation.

5.13 Prior notice

alleging, arising from, based upon, attributable to or as a consequence of any:

- (a) litigation, *claim*, *investigation* or circumstance existing prior to the *period of insurance* that has been reported under any Management Liability or Directors and Officers Liability of which this policy is a renewal or replacement or which it may succeed in time;
- (b) fact, circumstance, act or omission or *claim* disclosed in the *submission* or for which notice has been given to any other insurer before the commencement of the *period of insurance*; or
- (c) *prior known fact* that ought to have, but has not, been reported under any Management Liability or Directors and Officers Liability of which this policy is a renewal or replacement or which it may succeed in time.

5.14 Prior notice for subsidiary

alleging or arising from any act, error, omission or conduct (including any *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act*) of:

- (a) any *insured person* of any *subsidiary*; or
- (b) the *subsidiary*,

committed prior to such entity becoming a *subsidiary* or after such entity ceases to be a *subsidiary*.

This exclusion is subject to any cover granted by us under General Extension of Cover 3.11 'Runoff cover for past subsidiaries' and General Condition 4.8 'Creation and acquisition of subsidiaries'.

5.15 Professional services

based upon, arising out of or attributable to any actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect or breach of duty committed, attempted or allegedly committed or attempted in the rendering of or actual or alleged failure to render any professional service or advice to a *third party*, customer or *client* of the *insured* whether a fee is charged or not.

5.16 Product Liability

arising from, based upon, in connection with, attributable to or as a consequence of the efficiency, inefficiency, performance or lack of performance, health or safety standards of any products, technologies or services manufactured, produced, processed, treated, packaged, supplied, sold, marketed, installed, assembled, distributed, advertised and/or developed by or on behalf of the *company*.

5.17 Prospectus and securities

based upon, arising out of, in connection with attributable to, as a consequence of or relating to any actual or proposed offering or placement of *securities* of the *company*, including any written or oral statement(s) (including but not limited to any offering document, registration statement, prospectus or offering circular), negotiations, discussions, decisions or presentations in connection with such actual or proposed public offering or private placement of such *securities* of the *company*.

5.18 Social Media, Chat Room

based upon, arising out of or attributable to any content of any on-line chat room, blog, encrypted messaging service, social media platform, bulletin board or any other forum for on-line discussion.

5.19 War, Act of terrorism

caused by or arising out of the following regardless of any other cause or event contributing concurrently or in any other sequence by:

- (a) any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to *property* by or under the order of any government or public or local authority;
- (b) any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

6. Special Condition

6.1 Failure of the company to indemnify insured persons

If the *company* or an *outside entity* is not prohibited at law from indemnifying an *insured person*, but for whatever reason fails or refuses to do so, other than by reason of *financial impairment*, they will be presumed to have indemnified such *insured person* for *financial loss* up to the *deductible* applicable to Section 1, Insuring Clause 2.2. In this event, we agree to pay the *insured person financial loss* which should otherwise have been indemnified by the *company* and we will be entitled to recover that loss, up to the amount of the applicable *deductible*, from the *company*.

In the event of the *company* being placed in liquidation (other than voluntary liquidation), no *deductible* amount will apply.

Section 2 – Company Liability

1. Introduction

This *cover section* only forms part of your policy when Section 2 – ‘Company Liability’ is specified with a *limit of liability* in the *schedule*.

2. Insuring Clause

We agree to pay to or on behalf of the *company* any *financial loss* arising from any *claim* first made against the *company* during the *period of insurance* or any *extended reporting period* (if applicable) which alleges a *wrongful act*.

3. Definitions

The following Definitions apply to the words used in this *cover section*. Please refer to the additional General Definitions applicable to all *cover sections*.

3.1 Electronic publishing

electronic publishing means the reproduction, publication, dissemination, transmission or release of information by or on behalf of the *insured*, including *electronic data*, image files, audio files or text, on the *company’s* internet website; provided that such information must have been developed by or for the *company* or acquired by the *company* for its use.

3.2 Electronic publishing wrongful act

electronic publishing wrongful act means any actual or alleged:

- (a) libel, slander, trade libel or disparagement resulting from the *electronic publishing* of material that defames a person or organisation or disparages a person’s or organisation’s goods, products or services;
- (b) plagiarism, false light or false advertising resulting from the *company’s electronic publishing* activities; or
- (c) infringement of a copyright, title, slogan, trademark, trade name, trade dress, mark, service mark or service name including, without limitation, infringement of domain name, deep-linking or framing, resulting from the *company’s electronic publishing* activities.

3.3 Representation costs

representation costs mean reasonable fees, costs, charges and expenses (other than remuneration payable to any *insured persons* or *employees* of the *company*) incurred with our written consent, such consent not to be unreasonably withheld or delayed, by or on behalf of the *company* directly in connection with its preparation for and attendance at an *investigation*.

3.4 Tax audit costs

tax audit costs mean reasonable costs and expenses of a qualified accountant or registered tax agent (other than remuneration payable to any *insured persons* or *employees* of the *company*) incurred by the *company*, with our prior written consent, arising from a *tax audit notice* issued to the *company*.

3.5 Tax audit notice

tax audit notice means a written notification from the Australian Taxation Office or any state or territory department, body or agency, or authority which is duly authorised to conduct such an audit, relating to the *company’s* liability to pay tax.

4. Extensions of Cover

Cover is automatically provided for the Extensions of Cover described below for this *cover section*, unless specified in the *schedule* as not insured. Each Extension of Cover does not increase our *limit of liability*, unless expressly stated otherwise. Please refer to the additional General Extensions of Cover applicable to all *cover sections*.

4.1 Contractual liability

We agree to pay to or on behalf of the *company* the *defence costs* arising from any *claim* in connection with an alleged breach by the *company* of any express contract or agreement only. For the purpose of cover under this extension, Exclusion 5.4 'Contractual liability' does not apply.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.2 Internet Liability

We agree to pay to or on behalf of the *company* any *financial loss* arising from an *electronic publishing wrongful act*, first made against the *insured* during the *period of insurance* or the *extended reporting period* (if applicable).

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.3 Representation costs

We will pay to or on behalf of the *company* any *representation costs* for the *company* to prepare for and attend:

- (a) any *investigation*, in relation to any alleged breach of an *environmental event*;
- (b) any *investigation*, in relation to any alleged breach of workplace health and safety law; and
- (c) any *investigation* brought by an *official body* into the affairs of the *company* whether or not a *wrongful act* is alleged,

first made during the *period of insurance* or within the *extended reporting period* (if applicable).

Provided such coverage will not be afforded under 4.3 (a), 4.3 (b) and 4.3 (c) inclusive for any *investigation* which is in whole or in part:

- (i) within the jurisdiction of; or
- (ii) pursuant to the laws of,

the United States of America, or its territories or possessions, including but not limited to one conducted by the United States Securities and Exchange Commission (SEC).

For the purpose of cover under this extension, Exclusion 5.2 'Bodily injury / Property damage' does not apply to (b) above.

This extension of cover does not apply to general industry investigations or inquiries or routine regulatory inspections or inquiries.

This extension of cover does not apply to a *claim* as defined in the definition of 'claim', but the terms, conditions and exclusions of this policy apply to this extension of cover as if an *investigation* were a *claim* including but not limited to the payment of the *deductible* applicable when the *company* is permitted or required to indemnify the *insured person*.

4.4 Tax Audit

We agree to pay to or on behalf of the *company*, *tax audit costs* incurred by the *company* directly in connection with a *tax audit notice*, provided that the *tax audit notice* was first received by the *company* during the *period of insurance* or within the *extended reporting period* (if applicable).

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

4.5 Workplace health and safety defence costs

We agree to pay *defence costs* to or on behalf of the *company* in respect of a *claim* by an *official body* against the *company* in relation to any alleged breach of workplace health and safety law. For the purpose of cover under this extension, Exclusion 5.2 'Bodily injury / Property damage' does not apply.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$150,000.

5. Exclusions

The following Exclusions apply to this *cover section* and we will not be liable under this *cover section* to make any payment for *financial loss* including *defence costs* (unless otherwise stated) in connection with any *claim* made against the *company*:

5.1 Anti-competitive practices

based upon, arising out of or in connection with any actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing, unfair or restrictive trade practices or tortious interference in another's business or contractual relationships.

5.2 Bodily injury / Property damage

for any actual or alleged *bodily injury* and/or *property damage* except that this exclusion does not apply to:

- (a) *defence costs* under Extension 4.5 'Workplace health and safety defence costs';
- (b) *representation costs* under clause 4.3 (b) of Extension 4.3 'Representation costs'.

5.3 Conduct

arising from, based upon, attributable to or as a consequence of:

- (a) any *insured* having gained in fact any profit or advantage to which he, she or the *company* had or has no legal entitlement; or
- (b) any criminal, fraudulent, dishonest or malicious act or omission or any intentional violation or breach of any law or regulation committed by any *insured*;

provided that this exclusion will not apply to *defence costs* incurred by an *insured person* or by the *company* (as applicable) for a proceeding under Extension 4.5 'Workplace health and safety defence costs'.

For the avoidance of doubt, this exclusion includes any conduct or contravention in respect of which a prohibition in section 199B of the Corporations Act 2001 (Cth) applies.

This exclusion only applies where the conduct in question has been finally established, by court judgment or other final adjudication (including all available appeals).

For the purpose of determining the applicability of this exclusion:

- (i) no conduct or knowledge of an *insured person* will be imputed to any other *insured person*; and
- (ii) to indemnity only the conduct and knowledge of any past, present or future Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel (or equivalent) of the *company* will be imputed to the *company*.

5.4 Contractual liability

based upon, arising out of, or attributable to or in any way connected with any liability of the *company* under any contract or agreement, provided that this exclusion does not apply to any *company* liability that would have attached in the absence of such contract or agreement.

5.5 Cyber

based upon, arising out of or attributable to, or in consequence of a *cyber event*.

5.6 Debts

based upon, arising out of, or attributable to any trading or business debt incurred by the *company*.

5.7 Employee underpayments

based upon, arising out of or attributable to, or in consequence of *employee* underpayments or *employee* wage theft, including without limitation obligations under the Australian Fair Work Legislation (AFW), (Fair Work Act 2009 and Fair Work Regulations 2009), Victorian Wage Theft Act 2020 or similar legislation anywhere in the world.

5.8 Environmental event

based upon, arising out of or attributable to an *environmental event*; except as provided under General Extension of Cover 3.4 'Environmental mismanagement coverage' and Extension 4.3 'Representation Costs'.

5.9 Fines, penalties and duties

based upon, directly or indirectly arising from or attributable to any fines and penalties assessed, levied or imposed by law, income tax, customs duties, excise duty, stamp duty, sales tax or any other State, Territory or Federal tax or duty.

5.10 Fitness for purpose

based upon, arising out of or attributable to any actual or alleged inaccurate or misleading description of the price or quality or fitness for purpose of any product or service, including the failure of any product to conform with any advertised standard of quality, performance or fitness for purpose or otherwise to satisfy any standard of quality, performance or fitness for purpose.

5.11 Insolvency

based upon, arising out of or attributable to, or in consequence of *financial impairment*.

5.12 Insured v Insured

brought by, or on behalf of, or at the instigation of the *company* or an *outside entity*; provided, however, this exclusion shall not apply to,

- (a) a *claim* brought or maintained by a liquidator, receiver, bankruptcy trustee or administrative receiver, (or the equivalent in any other country), either directly or derivatively on behalf of the *company* or the *outside entity* without the solicitation, voluntary assistance or active participation of any director or officer (or equivalent in any other country) of the *company* or the *outside entity*;
- (b) a *claim* in the form of a derivative action brought or maintained in the name of the *company* or the *outside entity* by one or more persons who are not directors or officers (or equivalent in any other country) of the *company* or the *outside entity* and who bring and maintain the *claim* without the solicitation, voluntary assistance or active participation of any director or officer (or equivalent in any other country) of the *company* or the *outside entity*; or
- (c) *defence costs* incurred by the *insured person*.

5.13 Jurisdiction and territorial scope

for:

- (a) actions (including *claims* and *investigations*) brought in or determined pursuant to the law of, the United States of America or any state or territory incorporated in, or administered by, the United States of America;
- (b) any *claim* or *financial loss* arising out of the enforcement or judgments, orders or awards obtained in or determined pursuant to the laws of the United States of America or any state or territory incorporated in, or administered by, the United States of America;
- (c) any *claim* which is pursued by way of arbitration, mediation, conciliation, expert determination or any other form of alternative dispute resolution procedure taking place outside of or in a jurisdiction within the United States of America or any state or territory incorporated in, or administered by, the United States of America, for the recovery of any award or costs issued or incurred in connection with such procedure; or
- (d) any country where an *insured* is required by the law of that country to have in force a local policy of insurance covering liability arising from any such *wrongful acts*, *wrongful breaches*, *electronic publishing wrongful acts* or *employment wrongful acts*.

5.14 Major Shareholder

where such *claim* is brought by or on behalf of or at the instigation of any individual(s) or entity/ies that own or control (whether legally or beneficially, directly or indirectly) 20% or more of the outstanding voting stock of the *company*.

5.15 Other cover sections

covered under Sections 3 and 4 or excluded under an exclusion applicable to Sections 3 and 4, whether or not those *cover sections* have been taken.

5.16 Prior and pending

arising from, based upon, attributable to or as a consequence of:

- (a) an *investigation* or other proceedings ordered or commissioned at the behest of a legally empowered body, initiated prior to the *date of continuous cover*; or
- (b) any litigation, suit, *claim*, arbitration or mediation initiated prior to or pending on the *date of continuous cover* or litigation, suit, arbitration or mediation alleging or deriving from the same or essentially the same facts, circumstances, *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act* as alleged in such prior or pending litigation, suit, *claim*, arbitration or mediation.

5.17 Prior notice

alleging, arising from, based upon, attributable to or as a consequence of any:

- (a) litigation, *claim*, *investigation* or circumstance existing prior to the *period of insurance* that has been reported under any Management Liability or Company Liability of which this policy is a renewal or replacement or which it may succeed in time;
- (b) fact, circumstance, act or omission or *claim* disclosed in the *submission* or for which notice has been given to any other insurer before the commencement of the *period of insurance*; or
- (c) *prior known fact* that ought to have, but has not, been reported under any Management Liability or Directors and Officers Liability of which this policy is a renewal or replacement or which it may succeed in time.

5.18 Professional services and Workmanship

for any actual or alleged act or omission:

- (a) including but not limited to any error, misstatement, misleading statement, neglect or breach of duty committed, attempted or allegedly committed or attempted in the rendering of or actual or alleged failure to render any professional service or advice to a *third party*, customer or client of the *insured* whether a fee is charged or not.
- (b) with respect to performing, completing, correcting, improving, repairing or redoing any work by the *insured* or any entity working on behalf of the *insured*, including but not limited to contractual, regulatory or compliance matters.

5.19 Product Liability

arising from, based upon, in connection with, attributable to or as a consequence of the efficiency, inefficiency, performance or lack of performance, health or safety standards of any products, technologies or services manufactured, produced, processed, treated, packaged, supplied, sold, marketed, installed, assembled, distributed, advertised and/or developed by or on behalf of the *company*.

5.20 Prospectus and securities

based upon, arising out of, in connection with attributable to, as a consequence of or relating to any actual or proposed offering or placement of *securities* of the *company*, including any written or oral statement(s) (including but not limited to any offering document, registration statement, prospectus or offering circular), negotiations, discussions, decisions or presentations in connection with such actual or proposed public offering or private placement of such *securities* of the *company*.

5.21 Restrictive trade practices

based upon, arising out of or attributable to any actual or alleged unfair competition, deceptive or unfair trade practice, consumer fraud, price fixing, restraint of trade, monopolization, consumer fraud or other violation of the Competition and Consumer Act 2010 (Cth), or any other federal, state, local, foreign or common law or rules or regulations involving antitrust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade.

5.22 Royalties and Fees

based upon, arising out of or attributable to licensing fees or royalties ordered, directed or agreed to be paid by the *insured* pursuant to a judgment, arbitration award, settlement agreement or similar order or agreement, for the continued use of a person or entity's copyright, slogan, trademark, trade name, trade dress, service mark, service name, or other protected intellectual property.

5.23 Social Media, Chat Room

based upon, arising out of or attributable to any content of any on-line chat room, blog, encrypted messaging service, social media platform, bulletin board or any other forum for on-line discussion.

5.24 Subsidiary

alleging or arising from any act, error, omission or conduct (including any *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act* of:

- (a) any *insured person* of any *subsidiary*; or
- (b) the *subsidiary*,

committed prior to such entity becoming a *subsidiary* or after such entity ceases to be a *subsidiary*.

This exclusion is subject to any cover granted by us under General Extension of Cover 3.11 'Runoff cover for past subsidiaries' and General Condition 4.8 'Creation and acquisition of subsidiaries'.

5.25 Trade secrets

based upon, arising out of or attributable to any patent infringement or theft, copying, misappropriation, display or publication of any trade secret, or any infringement of copyright, trademark or service mark of software or software technology, or upon data, sounds, images or similar matter incorporated into or otherwise part of the *company's* products.

5.26 Tax audit costs

for *tax audit costs* in connection with any *tax audit notice* made against the *company* in connection with:

- (a) any refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office for the provision of documents or information from the *company*;
- (b) any matter in respect to customs legislation;
- (c) any tax audit conducted or related to income derived outside of Australia and/or New Zealand; or
- (d) *tax audit costs* incurred after the completion of the tax audit.

5.27 War, Act of terrorism

caused by or arising out of the following regardless of any other cause or event contributing concurrently or in any other sequence by:

- (a) any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to *property* by or under the order of any government or public or local authority;
- (b) any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

Section 3 – Employment Practices Liability

1. Introduction

This *cover section* only forms part of your policy when Section 3 – ‘Employment Practices Liability’ is specified with a *limit of liability* in the *schedule*.

2. Insuring Clauses

2.1 Employment Practices Liability

We agree to pay to or on behalf of the *company* any *financial loss* arising from any *employment practices claim* first made against the *company* during the *period of insurance* or any *extended reporting period* (if applicable).

2.2 Third Party Liability

We agree to pay to or on behalf of the *company* any *financial loss* arising from any *claim* by a *third party* based on *sexual harassment* or *discrimination*, first made against the *company*, during the *period of insurance* or any *extended reporting period* (if applicable).

3. Definitions

The following Definitions apply to the words used in this *cover section*. Please refer to the additional General Definitions applicable to all *cover sections*.

3.1 Employee entitlements

employee entitlements mean employee benefits arrangements of any kind (whether during or post employment) including:

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

3.2 Industrial instrument

industrial instrument means any award, agreement, arrangement or other instrument which is certified or registered by an industrial tribunal in Australia, including without limitation the Fair Work Commission and the Industrial Relations Commissions of the States or Territories of Australia, or similar provisions of any law in any other jurisdiction.

3.3 Sexual harassment

sexual harassment means any unwelcome sexual conduct, advances, contact or communications including requests for sexual favours.

4. Exclusions

The following Exclusions apply to this *cover section* and we will not be liable under this *cover section* to make any payment for *financial loss* including *defence costs* (unless otherwise stated) in connection with any *employment practices claim* made against the *company*.

4.1 Bodily injury / Property damage

for any actual or alleged *bodily injury* and/or *property damage* except that this exclusion does not apply to mental anguish or emotional distress in connection with any *employment practices claim* or *claim* under Insuring Clause 2.2 ‘Third Party Liability’.

4.2 Conduct

arising from, based upon, attributable to or as a consequence of:

- (a) any *insured* having gained in fact any profit or advantage to which he, she or the *company* had or has no legal entitlement; or
- (b) any criminal, fraudulent, dishonest or malicious act or omission or any intentional violation or breach of any law or regulation committed by any *insured*.

This exclusion only applies where the conduct in question has been finally established, by court judgment or other final adjudication (including all available appeals).

For the purpose of determining the applicability of this exclusion:

- (i) no conduct or knowledge of an *insured person* will be imputed to any other *insured person*; and
- (ii) to indemnity only the conduct and knowledge of any past, present or future Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel (or equivalent) of the *company* will be imputed to the *company*.

4.3 Cyber

based upon, arising out of or attributable to, or in consequence of a *cyber event*.

4.4 Employee entitlements

for breach of duties, obligations or responsibilities in respect of *employee entitlements*:

- (a) pursuant to any contract; or
- (b) provided by any law, regulation, by-law, determination made under or pursuant to any statute, ordinance or *industrial instrument*, howsoever promulgated, regulating *employee entitlements*.

However, this exclusion does not apply to any *defence costs* incurred by the *company* with respect to an *employment practices claim*.

4.5 Employee reinstatement

based upon, arising out of, or attributable to any judgment or court order for the reinstatement of an *employee* including any future *employee entitlements* if the *company* fails to hire, promote or reinstate the claimant as an *employee*.

However, this exclusion does not apply to any *defence costs* incurred by the *company* with respect to an *employment practices claim*.

4.6 Employee underpayments

based upon, arising out of or attributable to, or in consequence of *employee underpayments* or *employee wage theft*, including without limitation obligations under the Australian Fair Work Legislation (AFW), (Fair Work Act 2009 and Fair Work Regulations 2009), Victorian Wage Theft Act 2020 or similar legislation anywhere in the world.

4.7 Fines, penalties and duties

based upon, directly or indirectly arising from or attributable to any fines and penalties assessed, levied or imposed by law, income tax, customs duties, excise duty, stamp duty, sales tax or any other State, Territory or Federal tax or duty.

4.8 Industrial relations

based upon, arising out of, or attributable to:

- (a) any collective industrial or labour relations disputes or actions, including but not limited to: strikes; lock-outs; demarcation disputes; negotiating awards or enterprise agreements; collective redundancies; obligations to consult representatives and *employees* in relation to redundancies and other actions that arise; other than *claims* based on an individual employment relationship; or
- (b) any collective redundancies or mass-layoffs.

4.9 Insolvency

based upon, arising out of or attributable to, or in consequence of *financial impairment*.

4.10 Jurisdiction and territorial scope

for:

- (a) actions (including *claims* and *investigations*) brought in or determined pursuant to the law of, the United States of America or any state or territory incorporated in, or administered by, the United States of America;
- (b) any *claim* or *financial loss* arising out of the enforcement or judgments, orders or awards obtained in or determined pursuant to the laws of the United States of America or any state or territory incorporated in, or administered by, the United States of America;
- (c) any *claim* which is pursued by way of arbitration, mediation, conciliation, expert determination or any other form of alternative dispute resolution procedure taking place outside of or in a jurisdiction within the United States of America or any state or territory incorporated in, or administered by, the United States of America, for the recovery of any award or costs issued or incurred in connection with such procedure is; or
- (d) any country where an *insured* is required by the law of that country to have in force a local policy of insurance covering liability arising from any such *wrongful acts*, *wrongful breaches*, *electronic publishing wrongful acts* or *employment wrongful acts*.

4.11 Modifications

in respect of or for modifications to any premises in order to make them more accessible or accommodating to persons with disabilities, or for the provision of any special facilities, arrangements, variations or alterations to the work place, working hours, work systems or procedures, for the benefit of disabled persons, persons in special circumstances or persons requiring any form of special accommodation due to family or carer responsibilities, cultural, religious, social or political considerations.

However, this exclusion does not apply to any *defence costs* incurred by the *company* with respect to an *employment practices claim*.

4.12 Prior and pending

arising from, based upon, attributable to or as a consequence of:

- (a) an *investigation* or other proceedings ordered or commissioned at the behest of a legally empowered body, initiated prior to the *date of continuous cover*; or
- (b) any litigation, suit, *claim*, arbitration or mediation initiated prior to or pending on the *date of continuous cover* or litigation, suit, arbitration or mediation alleging or deriving from the same or essentially the same facts, circumstances, *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act* as alleged in such prior or pending litigation, suit, *claim*, arbitration or mediation.

4.13 Prior notice

alleging, arising from, based upon, attributable to or as a consequence of any:

- (a) litigation, *claim*, *investigation* or circumstance existing prior to the *period of insurance* that has been reported under any Management Liability or Employment Practices Liability of which this policy is a renewal or replacement or which it may succeed in time;
- (b) fact, circumstance, act or omission or *claim* disclosed in the *submission* or for which notice has been given to any other insurer before the commencement of the *period of insurance*; or
- (c) *prior known fact* that ought to have, but has not, been reported under any Management Liability or Employment Practices Liability of which this policy is a renewal or replacement or which it may succeed in time.

4.14 Specified sums under contract

for any sum of money:

- (a) in respect of or in lieu of a notice period; or
- (b) pursuant to an express written obligation to make payments in the event of the termination of employment.

However, this exclusion does not apply to any *defence costs* incurred by the *company* with respect to an *employment practices claim*.

4.15 Worker compensation

based upon, arising from or as a consequence of any actual or alleged obligation of any *insured* pursuant to any workers compensation, unemployment insurance, social security, disability benefits or similar law, regulation or by-law.

4.16 War, Act of terrorism

caused by or arising out of the following regardless of any other cause or event contributing concurrently or in any other sequence by:

- (a) any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to *property* by or under the order of any government or public or local authority;
- (b) any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

Section 4 – Statutory Liability

1. Introduction

This *cover section* only forms part of your policy when Section 4 – ‘Statutory Liability’ is specified with a *limit of liability* in the *schedule*.

2. Insuring Clause

We agree to pay to or on behalf of the *insured* or *employee* any *statutory liability loss* arising from any *statutory liability claim* first received by the *company* during the *period of insurance* or any *extended reporting period* (if applicable) and provided we are not prohibited from paying such loss.

3. Definitions

The following definitions apply to the words used in this *cover section*. Please refer to the additional General Definitions applicable to all *cover sections*.

3.1 Act

Act means:

- (a) any Act of the Parliament of the Commonwealth of Australia and any Act of a Parliament of a State or Territory of the Commonwealth of Australia, including any subordinate or delegated legislation made under those Acts; or
- (b) any Act of the Parliament of New Zealand, including any subordinate or delegated legislation made under those Acts; and
- (c) any amendment, consolidation or re-enactment of any of the above Acts or subordinate or delegated legislation.

3.2 Consumer protection act

consumer protection act means:

- (a) any of the following:
 - (i) Fair Trading Act 1999 (Vic);
 - (ii) Fair Trading Act 1987 (NSW);
 - (iii) Fair Trading Act 1987 (SA);
 - (iv) Fair Trading Act 1987 (WA);
 - (v) Fair Trading (Australian Consumer Law) Amendment Act 2010;
 - (vi) Australian Consumer Law (Tasmania) Act 2010;
 - (vii) Fair Trading (Australian Consumer Law) Act 1992 (ACT);
 - (viii) Consumer Affairs and Fair Trading Act 1990 (NT);
 - (ix) Competition and Consumer Act 2010 (Cth); and
- (b) any amendment, consolidation or re-enactment of any of those *Acts*.

3.3 Statutory liability loss

statutory liability loss means any *penalty* and *defence costs*.

3.4 Penalty

penalty means any monetary sum (provided we are not prohibited from paying such sum) payable by the *insured* or *employee* to any *regulatory authority* pursuant to any *Act* for a *wrongful breach* by the *insured* or *employee* but excluding any:

- (a) amounts payable as compensation;
- (b) compliance, remedial, reparation or restitution costs;
- (c) damages, including any exemplary or punitive damages;
- (d) consequential economic loss;
- (e) legal costs and associated expenses; or
- (f) penalty the insurance of which is prohibited at law.

Notwithstanding clause 3.4 (e), we will pay any reasonable legal costs and associated expenses payable by the *insured* or *employee* to any *regulatory authority* upon the imposition of a *penalty* covered by this *cover section*.

Provided that where the proceedings that lead to the imposition of the *penalty* also include proceedings in respect of any of the matters set out in clauses 3.4 (a) to 3.4 (d), we will not be liable for that proportion of the legal costs and associated expenses that may be reasonably attributed to the proceedings in respect of those matters set out in 3.4 (a) to 3.4 (d).

3.5 Regulatory authority

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

3.6 Statutory liability claim

statutory liability claim means any written notice from a *regulatory authority*, received by the *company* that alleges a *wrongful breach* and/or that the *insured* or an *employee* is liable to pay a *penalty*.

3.7 Workplace audit

workplace audit means those audits undertaken by a *workplace regulatory authority*.

3.8 Workplace regulatory authority

workplace regulatory authority means a person or entity appointed, constituted or acting under a delegation pursuant to any Commonwealth, State or Territory workplace health and safety legislation or equivalent *Act* for the purposes of enforcement of such *Act* or another *Act*.

3.9 Wrongful breach

wrongful breach means any act, error or omission which occurs after the *date of continuous cover* whereby:

- (a) the *insured* or *employee* contravenes an *Act* or is involved in the contravention of an *Act*; or
- (b) the *insured* or *employee* commits an offence pursuant to an *Act*.

4. Extension of Cover

Cover is automatically provided for the Extensions of Cover described below for this *cover section*. The Extension of Cover does not increase our *limit of liability*, unless expressly stated otherwise. Please refer to the additional General Extensions of Cover applicable to all *cover sections*.

4.1 Workplace audits

We will pay for the costs necessarily and reasonably incurred by the *insured* in connection with a *workplace audit* which commenced and was notified to us during the *period of insurance*.

Provided that:

- (a) the *insured* gives us written notice that a *workplace audit* is to be conducted by a *workplace regulatory authority* within 30 days of the *insured* being advised. The written notice to us must include a copy of the *workplace audit* notice from the *workplace regulatory authority* that clearly identifies the type of *workplace audit* to be conducted; or

- (b) where a *workplace audit* has commenced in the absence of any notification document being issued by the *workplace regulatory authority*, the *insured* must provide us with details of the date of the first visit by the officer of the *workplace regulatory authority* together with the officer's contact details within 30 days of the first visit; and
- (c) we will only pay the *insured* once we receive final written confirmation to the *insured* from the *workplace regulatory authority* that the workplace audit has been completed; and
- (d) the *sub-limit* for this extension of cover is \$25,000, for all *workplace audit* costs payable and in the aggregate for any one *period of insurance*.

4.2 Workplace health and safety

We agree to pay any *penalty*, provided we are not legally prohibited from paying, on behalf of the *company* in respect of a *claim* by an *official body* against the *company* in relation to any alleged breach of workplace health and safety law. For the purpose of cover under this extension, Exclusion 5.2 'Bodily injury / Property damage' does not apply.

Our total aggregate liability for any one *period of insurance* provided under this extension of cover will not exceed \$250,000.

5. Exclusions

The following Exclusions apply to this *cover section* and we will not be liable under this *cover section* to make any payment for *statutory liability loss* including *defence costs* (unless otherwise stated) in connection with any *statutory liability claim*:

5.1 Anti-competitive practices

based upon, arising out of or in connection with any actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing, unfair or restrictive trade practices or tortious interference in another's business or contractual relationships.

5.2 Bodily injury / Property damage

for any actual or alleged *bodily injury* and/or *property damage*.

5.3 Conduct

arising from, based upon, attributable to or as a consequence of:

- (a) any *insured* having gained in fact any profit or advantage to which he, she or the *company* had or has no legal entitlement; or
- (b) any criminal, fraudulent, dishonest or malicious act or omission or any intentional violation or breach of any law or regulation committed by any *insured*;

This exclusion only applies where the conduct in question has been finally established, by court judgment or other final adjudication (including all available appeals).

For the purpose of determining the applicability of this exclusion:

- (i) no conduct or knowledge of an *insured person* will be imputed to any other *insured person*; and
- (ii) to indemnity under the conduct and knowledge of any past, present or future Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Chief Legal Counsel (or equivalent) of the *company* will be imputed to the *company*.

5.4 Corporations / Commerce Acts

based upon, attributable to or in consequence of:

- (a) a *wrongful breach* of any *consumer protection act*. Exclusion 5.4 (a) does not apply to *directors or officers or employees* for *claims* arising in the performance of their duties as *directors or officers and employees*;

- (b) for any *statutory liability loss* or part of any *statutory liability loss* which is attributable to the period after the *insured or employee* knew (or ought reasonably to have known) that its conduct was a *wrongful breach*;
- (c) any contravention of sections 182, 183, 588G, 601FD, 601FE or 601JD of the Corporations Act 2001 (Cth) and any amendment, consolidation or re-enactment of any of those sections; or
- (d) any contravention of sections 78, 80, 83 or 89 (3) (b) of the New Zealand Commerce Act 1986 and any amendment, consolidation or re-enactment of any of those sections.

However this exclusion will only apply where the subject conduct has been established by a judgment or other final adjudication adverse to the *insured or employee*.

5.5 Cyber

based upon, arising out of or attributable to, or in consequence of a *cyber event*.

5.6 Employee underpayments

based upon, arising out of or attributable to, or in consequence of *employee* underpayments or *employee* wage theft, including without limitation obligations under the Australian Fair Work Legislation (AFW), (Fair Work Act 2009 and Fair Work Regulations 2009), Victorian Wage Theft Act 2020 or similar legislation anywhere in the world.

5.7 Environmental event

based upon, arising out of or attributable to an *environmental event*; except as provided under General Extension of Cover 3.4 'Environmental mismanagement coverage'.

5.8 Insolvency

based upon, arising out of or attributable to, or in consequence of *financial impairment*.

5.9 Outside entity executive – Prior and pending

in respect of any *outside entity executive* if such *claim* is based upon, arises from or is a consequence of any:

- (a) litigation, suit, *claim*, arbitration or mediation initiated prior to or pending on the date such *outside entity executive* first became insured under this policy in such capacity; or litigation, suit, arbitration or mediation which alleges or is derived from the same or essentially the same facts as alleged in such prior or pending litigation, suit, *claim*, arbitration or mediation; or
- (b) circumstances known by such *outside entity executive* or the *company* prior to the date such *outside entity executive* first became insured under this policy in such capacity, which could reasonably have given rise to a *claim* under this policy.

5.10 Prior and pending

arising from, based upon, attributable to or as a consequence of:

- (a) an *investigation* or other proceedings ordered or commissioned at the behest of a legally empowered body, initiated prior to the *date of continuous cover*; or
- (b) any litigation, suit, *claim*, arbitration or mediation initiated prior to or pending on the *date of continuous cover* or litigation, suit, arbitration or mediation alleging or deriving from the same or essentially the same facts, circumstances, *wrongful act*, *wrongful breach*, *electronic publishing wrongful act* or *employment wrongful act* as alleged in such prior or pending litigation, suit, *claim*, arbitration or mediation.

5.11 Prior notice

alleging, arising from, based upon, attributable to or as a consequence of any:

- (a) litigation, *claim*, *investigation* or circumstance existing prior to the *period of insurance* that has been reported under any Management Liability or Statutory Liability of which this policy is a renewal or replacement or which it may succeed in time;
- (b) fact, circumstance, act or omission or *claim* disclosed in the *submission* or for which notice has been given to any other insurer before the commencement of the *period of insurance*; or
- (c) *prior known fact* that ought to have, but has not, been reported under any Management Liability or Statutory Liability of which this policy is a renewal or replacement or which it may succeed in time.

5.12 Professional services

for any actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect or breach of duty committed, attempted or allegedly committed or attempted in the rendering of or actual or alleged failure to render any professional service or advice to a *third party*, customer or *client* of the *insured* whether a fee is charged or not.

5.13 Taxes

based upon, attributable to or in consequence of a *wrongful breach* by the *insured* in connection with a requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost.

5.14 Territorial scope

for any *statutory liability claims* and *statutory liability loss* occurring outside of Australia and/or New Zealand.

5.15 Vehicle operation

based upon, attributable to or in consequence of:

- (a) a *wrongful breach* relating to the regulation of road rules for drivers of vehicle including road vehicle maintenance, licencing and operations; or
- (b) a *wrongful breach* relating to the regulation of air or marine traffic, including aircraft and marine maintenance, licencing and operations.

5.16 Wilful and intentional breaches

based upon, attributable to or in consequence of:

- (a) any wilful, intentional or deliberate *wrongful breach*;
- (b) a wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any *Act*;
- (c) any *wrongful breach* caused by gross negligence or recklessness by the *insured*; or
- (d) a dishonest, fraudulent, malicious act or omission of the *insured*.

However this exclusion will only apply where the subject conduct has been established by a judgment or other final adjudication adverse to the *insured*.

5.17 War, Act of terrorism

caused by or arising out of the following regardless of any other cause or event contributing concurrently or in any other sequence by:

- (a) any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to *property* by or under the order of any government or public or local authority;
- (b) any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

6. Special Condition

The following Special Condition applies to this *cover section*. Please refer to the additional General Conditions applicable to all *cover sections*.

6.1 Notices under Acts

The *insured* must comply with any lawful notice or direction received from, or any enforcement action taken by, any appropriate *regulatory authority* under any *Act* within the time specified or if no time is specified, within a reasonable time.

Section 5 – Crime

1. Introduction

This *cover section* only forms part of your policy when Section 5 - 'Crime' is specified with a *limit of liability* in the *schedule*.

2. Insuring Clause

We agree to pay to or on behalf of the *company* any *crime loss* sustained by a *company* as a direct result of a *criminal act* provided the *crime loss* is first *discovered* during the *period of insurance*.

3. Definitions

The following Definitions apply to the words used in this *cover section*. Please refer to the additional General Definitions applicable to all *cover sections*.

3.1 Computer fraud

computer fraud means *crime loss* of the *company's* money, *securities* or *property* due to any fraudulent or dishonest misuse or manipulation by a *third party* of the computer systems, programs or funds transfer systems owned or operated by the *insured*.

3.2 Corporate transaction

corporate transaction means any transaction involving the purchase or sale of shares, equity, debt or assets of any entity.

3.3 Counterfeit or counterfeiting

counterfeit or *counterfeiting* means the intentional imitation of any currency notes or coins such that an *insured* is deceived on the basis of the quality of the imitation to believe that the imitation is the authentic original currency.

3.4 Crime investigation costs

crime investigation costs for the purpose of this *cover section* means all reasonable and necessary costs incurred by the *insured* to establish the amount of a *crime loss* (other than remuneration payable to any *employee*, partner, *director* or *officer* of any *insured*, cost of their time or costs or overhead of any *insured*) with our written consent, such consent not to be unreasonably withheld or delayed, in connection with a covered *crime loss* to be paid under this *cover section* where the *crime loss* is excess of the applicable *deductible*.

3.5 Crime loss

crime loss means the direct financial *loss* of any *property*, money or *securities* sustained by an *insured* as a direct result of a *criminal act* and will include *crime investigation costs* and *data reconstitution costs*.

3.6 Criminal act

criminal act means any *internal crime* or *external crime*.

3.7 Discovered or discovery

discovered or *discovery* means the moment on which the *insured* or any partner, *director* or *officer*, departmental head or other senior manager or the equivalent thereof, not in collusion with any person(s) committing the *criminal act*, becomes aware of any fact or facts that give reasonable grounds to believe that *crime loss* as insured under this *cover section* has been or may be incurred even though the exact amount or details of the *crime loss* may not then be known.

3.8 External crime

external crime means any fraudulent or dishonest single, continuous or repeated act(s) or a series of acts committed by a *third party* of:

- (a) *theft*;
- (b) *forgery*;

- (c) *fraudulent alteration*;
- (d) *counterfeiting*;
- (e) *computer fraud*;
- (f) fraudulent induced transfer only if Extension of Cover 4.4 'Fraudulent impersonation' of this policy is covered; or
- (g) crime not otherwise insured or excluded under this definition where the *third party* obtained *improper financial gain* and intended to cause the *insured a crime loss*.

External crime in no event means:

- (i) *corporate transaction*; or
- (ii) *voluntary exchange* or *purchase* unless covered under *forgery*, *fraudulent alteration*, *counterfeiting* or *computer fraud*.

3.9 Extortion

extortion means any threat to personally injure *employees* or *directors* or *officers* or their family members, or to damage or destroy any tangible property (including computer systems, software or programs) owned by the *insured* or for which the *insured* is legally liable.

3.10 Financial instrument

financial instrument means cheques, drafts or similar written promises, orders or directions to pay a certain sum of money that are made, drawn by or drawn upon an *insured* or by anyone acting or purporting to be acting as the *insured's* agent.

3.11 Forgery

forgery means:

- (a) the signing by hand of another natural person's name; or
- (b) the endorsing or amending by hand without authority,

of any cheque, draft, promissory note or bill of exchange received by an *insured* with the intent to deceive in consequence of which the *insured* has acted or transferred funds or goods.

Mechanically or electronically produced or reproduced signatures will be treated as hand written signatures.

3.12 Fraudulent alteration

fraudulent alteration means a material alteration to any *financial instrument* for a fraudulent or dishonest purpose by a person other than the person who was authorised to sign such *financial instrument*.

3.13 Fraudulent induced transfer

fraudulent induced transfer means loss of money, *securities* or *property*, held by the *insured*, resulting directly from a transfer resulting from the good faith reliance upon a fraudulent *transfer instruction*:

- (a) transmitted to the *insured* or *employee* of the *insured* via an electronic mail, telefacsimile, telephone or other written instruction received by the *insured* or *employee* of the *insured* that is not in collusion with the sender of the fraudulent instruction; and
- (b) that purports, and reasonably appears, to have originated from:
 - (i) an *employee* of the *insured* specifically authorised by the *insured* to make such instruction; or
 - (ii) a *vendor* authorised by the *insured*,
 but the sender of the fraudulent *transfer instruction* was not, in fact, such *employee* or *vendor* but someone impersonating such and the impersonated *employee* or *vendor* had no knowledge or consent of such fraudulent *transfer instruction* received by the *insured*; and
- (c) containing a misrepresentation of material fact reasonably relied upon that directs the *insured* or *employee* of the *insured* to transfer, pay, or to change the method, destination or account for *employee* or *vendor* referenced in item 3.13 (b) above.

3.14 Improper financial gain

improper financial gain means any person gaining any *property*, money or *securities* from the *insured* to which that person was not legally entitled. *Improper financial gain* will in no event include salaries, bonuses, fees, commissions, promotion, emoluments or other remuneration.

3.15 Internal crime

internal crime means any fraudulent or dishonest single, continuous or repeated act(s) or series of acts committed by an *employee* acting alone or in collusion with others to cause a *crime loss* to the *insured* or to obtain an *improper financial gain* from the *insured*.

In respect of any *internal crime* committed by any *employee* who is engaged in trading or dealing in stocks, shares, equities, bonds, *securities*, valuable papers, commodities, foreign exchange, derivatives, loans, transactions in the nature of a loan or other extension of credit and the like, the *insured* must prove that such *internal crime* was committed by the *employee* causing the *insured* to suffer such *crime loss* or to obtain an *improper financial gain* for that *employee* or for any other individual or organisation.

3.16 Loss investigator

loss investigator means a Zurich appointed investigator and/or forensic expert.

3.17 Preliminary expenses

preliminary expenses mean up to 8 hours of time spent by a *loss investigator* assisting the *insured* with the *investigation* of its *crime loss* and the production of its proof of loss.

3.18 Theft

theft means the unlawful permanent deprivation of money, *securities* or *property*, whether from the *insured's* premises or in transit or otherwise. For the avoidance of doubt, *theft* includes robbery.

3.19 Transfer instruction

transfer instruction means an instruction directing the *insured* to transfer money, *securities* or *property*.

3.20 Vendor

vendor means any entity or natural person from whom the *insured* purchases goods or services under a written contract, for a fee or other monetary consideration. However, *vendor* does not include any *financial institution*, asset manager, broker-dealer, armoured motor vehicle company, or any similar entity.

3.21 Voluntary exchange or purchase

voluntary exchange or *purchase* means the voluntary giving or surrendering (whether or not such giving or surrendering is induced by deception) of money, *securities* or *property* in any exchange or purchase.

4. Extensions of Cover

Cover is automatically provided for the Extensions of Cover described below for this *cover section*, unless specified in the *schedule* as not insured. Each Extension of Cover does not increase our *limit of liability*, unless expressly stated otherwise. Please refer to the additional General Extensions of Cover applicable to all *cover sections*.

4.1 Care, Custody and Control

We agree to indemnify the *company* for the *crime loss* of *property*, money or *securities* under the care, control and custody of an *insured* and for which such *insured* is legally liable.

For the purposes of this extension only, the definition of *property* is amended as follows:

'*property*' means any tangible property other than money or *securities*.

4.2 Client liability

We agree to indemnify the *company* for the *crime loss* sustained by a *client* as a direct result of an *internal crime* committed by an *employee* not in collusion with such *client's* directors or employees and where the said *employee* obtained an improper financial gain, where such *crime loss* is *discovered* during the *period of insurance*.

4.3 Crime investigations costs

We agree to indemnify the *company* for *crime investigation costs* incurred by an *insured*, which are directly related to a *crime loss* covered under this *cover section*.

Our total aggregate liability provided under this Extension of Cover \$150,000, which is in addition to the *limit of liability* for this *cover section*.

4.4 Fraudulent impersonation

We shall indemnify the *company* for *crime loss* caused by *fraudulent induced transfer* first sustained by the *company* and *discovered* during the *period of insurance*.

Our total aggregate liability provided under this extension will not exceed \$250,000.

4.5 Loss investigator

We agree to pay the *preliminary expenses* of a *loss investigator* on behalf of the *company*, following notification by an *insured* of its discovery of a *crime loss* in accordance with Special Condition 6.1 'Discovery' of this *cover section*. The *insured* may request the appointment of a *loss investigator* to assist with the investigation of its *crime loss* and production of its proof of loss. It is the right and duty of Zurich and not of the *insured* to appoint the *loss investigator*.

Following the exhaustion of the *preliminary expenses* of the *loss investigator*, if the *insured* continues the retainer of the *loss investigator*, the costs of the *loss investigator* may be considered under Extensions of Cover 4.3 'Crime investigation costs' subject to all terms, conditions and limitations noted therein.

5. Exclusions

The following Exclusions apply to this *cover section* and we will not be liable under this *cover section* to make any payment for *crime loss* in respect of any:

5.1 Bodily injury / Property damage

crime loss based upon, arising out of or in connection with any actual or alleged *bodily injury* and/or *property damage*.

5.2 Consequential loss

consequential loss directly or indirectly arising from or in connection with any *crime loss*, unless covered under Extension of Covers 4.3 'Crime investigation costs'.

5.3 Cyber

crime loss based upon, arising out of or attributable to, or in consequence of a *cyber event*.

5.4 Extortion

crime loss arising from or in connection with an *extortion*.

5.5 Finance and loans

crime loss resulting from the full or partial non-payment of or default under any:

- (a) credit agreement, extension of credit or hire purchase agreement;
- (b) loan or transaction of the nature of a loan;
- (c) lease or rental agreement; or
- (d) invoice, account, agreement or any other evidence of debt.

5.6 Fraudulent induced transfer

crime loss caused by, arising out of directly or indirectly from fraudulent induced transfer, unless such loss is covered under Extension 4.6 'Fraudulent impersonation'.

5.7 Insolvency

crime loss based upon, arising out of or attributable to, or in consequence of *financial impairment*.

5.8 Intellectual property rights and trade secrets

crime loss of or arising from the accessing of any confidential information including but not limited to trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods, except to the extent that any such information is used to support or facilitate the committing of a *criminal act* covered by this *cover section*.

5.9 Kidnap and Ransom

crime loss arising from or in connection with kidnap, ransom or any threat thereof.

5.10 Known criminal acts

crime loss caused by any *employee* whom the *insured* was aware had previously committed a *criminal act* before or after the date of commencement of employment by the *insured*, provided the act or acts involved *property*, money or *securities* or valued at \$10,000 or more.

5.11 Specific documents

crime loss in connection with the *forgery*, *counterfeit* or *fraudulent alteration* of, on or in, any account receivable, or assignments thereof, bills of lading, warehouse or trust receipts, or receipts serving a similar purpose.

However, this exclusion only applies to *external crime*.

5.12 Territorial scope

crime loss occurring and/or committed outside of Australia and/or New Zealand.

5.13 Virtual currency

Crime loss arising out of, based upon or attributable to virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital token, digital currency, decentralised ledger, non Fiat currency or crypto currency.

5.14 War, Act of terrorism

crime loss caused by or arising out of the following regardless of any other cause or event contributing concurrently or in any other sequence by:

- (a) any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to *property* by or under the order of any government or public or local authority;
- (b) any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

6. Special Conditions

The following Special Conditions apply to this *cover section*. Please refer to the additional General Conditions applicable to all *cover sections*.

6.1 Discovery

The *insured* as a condition of coverage must, upon the *discovery* of *crime loss*, provide written notice to us as soon as reasonably practicable following *discovery* but in any event prior to the termination date of the policy.

Written notice must include but not be limited to full particulars as to dates and persons involved, the date and manner in which the *insured* first became aware of the matters underlying the *crime loss*. All notices under any provision of the policy must be put in writing and supplied as per the General Condition 4.14 'Notification'.

6.2 Knowledge

Knowledge possessed or *discovery* made by any person, *company* or entity forming part of the *insured* or by any partner, *director* or *officer*, departmental head or other senior manager or the equivalent thereof will be deemed to constitute knowledge possessed or *discovery* made by all other persons, companies or entities forming part of the *insured*.

6.3 Proof of loss

The *insured* must furnish a proof of loss with full particulars of the *crime loss* to Zurich as soon as reasonably possible in support of its *crime claim* under this *cover section*. A reasonable time frame will be deemed to be 12 months from the date of *discovery* unless the *insured* indicates to Zurich the reason(s) why it is not possible to provide such proof of loss within 12 months and an extension of time is agreed between Zurich and the *insured*.

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

6.4 Valuation of losses

6.4.1 Securities

In no event will we be liable in respect of *securities* for more than the actual cash value thereof at the close of business on the business day on which the *crime loss* was *discovered*.

6.4.2 Books of accounts and Records

In the case of *crime loss* of or damage to *property* consisting of books of accounts or other records used by the *insured* in the conduct of their business, we will be liable under this *cover section* only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which has been furnished by the *insured* in order to reproduce such books and other records.

6.4.3 Electronic data

In the event that a *crime loss* covered under this *cover section* results in the destruction, erasure or *theft* of *electronic data* used by the *insured* while such data is stored within the *insured's* computer systems, we will be liable under this *cover section* if such data is actually reproduced and cover hereunder will only apply to the cost of labour for the actual transcription or copying of data, which will have been furnished by the *insured* in order to reproduce such *electronic data*.

6.4.4 Damage to premises

In the case of damage to the premises, we will not be liable for more than the actual diminution in value of the *property*.

6.4.5 Foreign currency

If a foreign currency (being a currency other than the currency in which this *cover section* is written) is involved in a *crime loss* sustained by the *insured* under this *cover section*, then for the purpose of any calculation required in the settlement of a *crime loss*, the rate of exchange will be the published rate in the Australian Financial Review on the date of such *discovery*.

6.4.6 Clarification

Following Exclusion 5.2 Consequential loss, any valuation of loss shall not include any element of profit, margin, commission (or similar), tax (or similar), opportunity cost or intangible value or other business cost, such that any inventory will be valued at "cost" value, not a "retail" value.

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