

SPECIMEN **ExecPro[®]**
Canadian Nonprofit Solution

Canadian Nonprofit Solution

Great American Insurance Group – ELD CANADA
1515 Woodfield Road, Suite 500, Schaumburg, IL 60173

Table of Contents

I.	Insuring Agreement.....	Page 1
II.	Discovery Period.....	Page 1
III.	Definitions.....	Page 1
IV.	Exclusions.....	Page 4
V.	Limit of Liability.....	Page 5
VI.	Costs of Defence and Settlements.....	Page 6
VII.	Notice of Claim.....	Page 6
VIII.	General Conditions.....	Page 7
	(A) Cancellation or Non-Renewal.....	Page 7
	(B) Proposal Form.....	Page 7
	(C) Action Against the Insurer.....	Page 7
	(D) Amalgamation, Merger or Acquisition.....	Page 7
	(E) Conversion to Run-Off Coverage.....	Page 7
	(F) Subrogation.....	Page 8
	(G) Assignment.....	Page 8
	(H) Conformity to Law.....	Page 8
	(I) Entire Agreement.....	Page 8
	(J) Organization Represents Insured.....	Page 8
	(K) Representative of the Insurer.....	Page 8
	(L) Valuation and Currency.....	Page 8
	(M) Other Insurance.....	Page 8
IX.	Coverage Extensions.....	Page 9
	(A) Spousal Provision.....	Page 9
	(B) Worldwide Provision.....	Page 9
	(C) Estates and Legal Representatives.....	Page 9
	(D) Supplemental Payments for Insured Persons.....	Page 9
	(1) Inquiry Costs.....	Page 9
	(2) Investigation Costs for Canadian Occupational Health and Safety Violations.....	Page 9
	(3) Public Relations Costs.....	Page 10
	(4) Assets and Liberty Costs.....	Page 10
	(5) Civil Fines and Civil Penalties.....	Page 10

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the Proposal Form and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreement

If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against an **Insured** for a **Wrongful Act**, including an **Employment Practices Wrongful Act**, the **Insurer** shall pay on their behalf **Loss** and **Costs of Defence** resulting from such **Claim**. The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.

Section II. Discovery Period

- A.** If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without any additional premium being required, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve months from the end of the **Automatic Discovery Period** for **Claims** first made against an **Insured**, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This additional reporting period shall be referred to as the **Discovery Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date.
- B.** If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12) months from the end of the **Policy Period**. The **Organization** has no right to purchase this **Discovery Period** at any later date.
- C.** A renewal quotation by the **Insurer** incorporating materially different terms, conditions, Retention, Limit of Liability or premium with respect to the coverage afforded by this Policy shall be deemed to constitute a refusal to renew by the **Insurer** for the purpose of determining the right to the **Automatic Discovery Period**.
- D.** The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

Section III. Definitions

- A.** "**Organization**" shall mean the entity named in Item 1 of the Declarations.
- B.** "**Insured**" shall mean the **Organization** and any **Subsidiary** and all **Insured Persons**.

- C. **"Insured Persons"** shall mean all persons who were, now are, or shall be directors, trustees, officers, employees, volunteers or staff members of the **Organization** or its **Subsidiaries**, including any executive board members and committee members, whether salaried or not.
- D. **"Subsidiary"** shall mean: (1) any entity which qualifies as a not-for-profit organization under section 149(1)(j) and 149(1)(l) of the Income Tax Act, R.S.C. 1985, c.1, as revised, the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy; (2) any similar not-for-profit organization which was subsequently created or acquired by the **Organization** after the inception date of this Policy, if such organization's total assets do not exceed thirty percent (30%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or (3) any other entity added as a **Subsidiary** by written endorsement to this Policy. Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** committed during the time such entity so qualified as a **Subsidiary**.
- E. **"Wrongful Act"** shall mean any actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty, or **Employment Practices Wrongful Act** by the **Organization**, a **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**. **Wrongful Act** shall also mean any matter claimed against any **Insured Person** solely by reason of their status with the **Organization** or a **Subsidiary**.
- F. **"Employment Practices Wrongful Act"** shall mean any of the following acts related to employment:
- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive or breach of an implied employment contract;
 - (2) misrepresentation;
 - (3) violation of employment laws;
 - (4) sexual or workplace harassment;
 - (5) discrimination;
 - (6) wrongful failure to employ or promote;
 - (7) wrongful discipline;
 - (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
 - (9) failure to grant tenure;
 - (10) negligent employee evaluation;
 - (11) retaliation;
 - (12) failure to provide adequate workplace or employment policies or procedures;
 - (13) defamation (including libel and slander);
 - (14) invasion of privacy;
 - (15) wrongful demotion;
 - (16) negligent reassignment;
 - (17) violation of any provincial, territorial, federal, state or local civil rights laws;
 - (18) negligent hiring;
 - (19) negligent supervision;
 - (20) negligent training;
 - (21) negligent retention; or
 - (22) acts described in (1) through (21) above, arising from the use of the **Organization** or **Subsidiary's** internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization** or **Subsidiary's** internet, e-mail, telecommunication or similar systems.

G. "**Loss**" shall mean settlements and judgments, including pre-judgment and post-judgment interest, compensatory damages, punitive, aggravated or exemplary damages or the multiple portion of any multiplied damage award, and subject to the provisions of Section V. and Section VI., **Costs of Defence** incurred by the **Insured**, provided always, however, **Loss** shall not include taxes, criminal or civil fines or penalties imposed by law, except as provided pursuant to Section IX.D(5), or any matter which may be deemed uninsurable under the law pursuant to which this Policy shall be construed. **Loss** shall not include costs incurred in connection with cleaning up, removing, eliminating, abating, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**.

Notwithstanding the foregoing, it is further understood and agreed that **Loss** shall also mean:

- (1) taxes and related penalties and interest assessed against a director based upon, arising out of or attributable to the failure to deduct, withhold or remit tax from a payment of salary or wages of an employee pursuant to the Income Tax Act R.S.C. 1985 (5th Supp.), the Employment Insurance Act, S.C. 1996, c. 23, and the Canada Pension Plan, R.S.C. c. C-8, the regulations promulgated thereunder and amendments thereto or any similar provisions of any provincial law;
- (2) any amount constituting wages pursuant to the Canada Business Corporations Act R.S.C. 1985, c. C-44, s.119 and the Business Corporations Act, R.S.O. 1990, c.B.16, s.131, the regulations promulgated thereunder and the amendments thereto or any similar provisions of any other provincial law; or
- (3) unpaid tax liabilities of the **Insured** arising from the laws of Canada, the laws of any province of Canada, or any municipality therein, which the **Insured** is unable to pay due to **Financial Insolvency** and which the directors of the **Organization** or any **Subsidiary** become legally obligated to pay.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.

- H. "**Costs of Defence**" shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation, defence or appeal of any **Claim** including the costs directly attributable to witness attendance and any premiums paid for insurance instruments or an appeal bond, attachment bond or similar bond (but without obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defence** shall not include salaries, wages, overhead or benefit expenses associated with any **Insured Persons**.
- I. "**Policy Year**" shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.
- J. "**Policy Period**" shall mean the period from the inception of this Policy to the Policy expiration date stated in Item 2 of the Declarations or its earlier termination, if any.
- K. "**Claim**" shall mean: (1) any proceeding initiated against an **Insured**, including any appeals therefrom, before (a) any governmental body which is legally authorized to render an enforceable judgment or order for money damages or other relief against such **Insured**, or (b) any provincial or federal human rights commission or tribunal, the Equal Employment Opportunity Commission, or any similar governmental body whose purpose is to address employment practices; or (2) any written demand seeking monetary or non-monetary relief or injunctive relief for a **Wrongful Act**.

- L. "**Related Wrongful Acts**" shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.
- M. "**Original Policy**" shall mean the first policy purchased by the **Organization** providing coverage of a similar nature to this Policy and which has continued through renewal or reinstatement on an uninterrupted basis since its inception.
- N. "**Pollutants**" shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, including any materials to be recycled, reconditioned or reclaimed.
- O. "**Financial Insolvency**" shall mean the **Organization** or any **Subsidiary** becoming a debtor in possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization** or any **Subsidiary**.
- P. "**Supplemental Payments**" shall mean any payments made by the **Insurer** pursuant to Section IX.D. of the Policy.

Section IV. Exclusions

This Policy does not apply to any **Claim** made against any **Insured**:

- A. brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which the **Insured** was not legally entitled; or (2) the deliberate fraudulent, dishonest or criminal acts of any **Insured**; provided, however, this exclusion shall not apply unless and until there is a final, non-appealable adjudication as to such conduct in an underlying proceeding. The **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person** for the purpose of determining the applicability of this exclusion;
- B. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) any **Wrongful Act** or any fact, circumstance or situation which is the subject of any notice given by any **Insured** during the **Policy Period** or any extension thereof of any prior policy providing coverage similar to that provided herein, or which has been the subject of any **Claim** made prior to the effective date of this Policy; or
 - (2) any prior and/or pending civil, criminal, administrative or investigative proceeding involving the **Organization**, **Subsidiary** and/or any **Insured Persons** and known to the **Organization**, **Subsidiary** or the **Insured Person** as of the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such prior or pending proceeding;
- C. for (1) bodily injury, sickness, disease or death of any person, assault, or battery; or (2) damage to or destruction of any tangible property or the loss of use thereof; or (3) mental anguish, emotional distress, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel or slander; provided, however, part (1) of this exclusion shall not apply to **Costs of Defence** incurred by any **Insured Persons** resulting from any **Claim** for alleged violations of Section 217.1 of the Criminal Code, as amended by Bill C-45, and part (3) of this exclusion shall not apply to any **Claim** brought by or on behalf of any past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;
- D. for any actual or alleged violation of the Pension Benefit Standards Act, R.S.C. 1985, c32 (2nd Supp.), the Ontario Pension Benefits Act, R.S.O. 1990, c.P.8 and any equivalent provincial legislation (or any regulations promulgated thereunder), except as provided pursuant to Section IX.E, the Occupational Health and Safety Act, R.S.O. 1990, c.O.1 (or any regulations promulgated thereunder), all as amended, the Employment Retirement Income Security Act of 1974 (or any regulations promulgated thereunder) or similar provisions of any statutory or common law;

- E. for any wrongful act of an **Insured Person** in their capacity as a director, officer or employee of an entity other than the **Organization** or a **Subsidiary**, even if directed or requested to serve such other entity, except where this Policy has been specifically endorsed to provide such extension of coverage;
- F. for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral, except if such liability would have attached absent such contract or agreement;
- G. other than **Costs of Defence**, for any obligation of the **Organization** or a **Subsidiary** as a result of a **Claim** seeking relief or redress in any form other than money damages, including but not limited to any obligation of the **Organization** or **Subsidiary**, to modify any building or property in order to affect compliance with any provincial, territorial, federal, state or other local law;
- H. other than **Costs of Defence**, for the failure to afford an employee with reasonable notice of termination, except this exclusion shall not apply to that portion of **Loss** that is increased by reason of an **Insured** engaging in an **Employment Practices Wrongful Act**.

With respect to Section IV. of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

Section V. Limit of Liability

- A. The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be the amount shown in Item 3 of the Declarations.
- B. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim** shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.
- C. **Costs of Defence** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defence** shall not be subject to the Retention amount. If **Costs of Defence** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defence** shall be considered **Loss** and thus shall be subject to the Limit of Liability and Retention.
- D. With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations hereunder of any kind or nature.
- E. **Supplemental Payments** made pursuant to Section IX.D. of this Policy are subject to the following aggregate sub-limits which are part of and not in addition to the Limit of Liability stated in Item 3 of the Declarations:
 - (1) Inquiry Costs shall be subject to an aggregate sub-limit of \$250,000;
 - (2) Investigation Costs for Canadian Occupational Health and Safety Violations shall be subject to an aggregate sub-limit of \$50,000;
 - (3) Public Relations Costs shall be subject to an aggregate sub-limit of \$100,000;
 - (4) Assets and Liberty Costs shall be subject to an aggregate sub-limit of \$50,000; and
 - (5) Civil Fines and Penalties shall be subject to an aggregate sub-limit of \$50,000.

Section VI. Costs of Defence and Settlements

- A. The **Insureds** shall not incur **Costs of Defence**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defence** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B. The **Insurer** has the right to investigate and settle any **Claim**, as it deems expedient. In the event the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the Retention which the **Insurer** would have contributed to the settlement had the **Insured** consented to settlement, the **Costs of Defence** covered by the Policy and incurred prior to the date of such refusal to settle, and seventy percent (70%) of any additional covered **Loss**, including **Costs of Defence**, incurred subsequent to such refusal and subject to the Limit of Liability.

If the **Insured** refuses to consent to a settlement as contemplated above, **Costs of Defence** shall be subject to the Retention.

Section VII. Notice of Claim

- A. The **Insureds** shall, as a condition precedent of their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made, as soon as practicable from the date the Chairman, President, Executive Director, Chief Financial Officer, General Counsel or equivalent has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.
- B. If during the **Policy Period** or **Discovery Period** the **Insured** first becomes aware of a specific **Wrongful Act**, and if the **Insured** gives written notice to the **Insurer** as soon as practicable of (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** and not otherwise excluded by the terms of the Policy shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C. In addition to furnishing the notice pursuant to this section of the Policy, the **Insured** shall, as soon as practicable, furnish the **Insurer** with copies of reports, investigations, pleadings and other papers in connection therewith.
- D. Notice to the **Insurer** pursuant to Sections VII.A. and VII.B. shall be given to:

ELDClaims@GAIC.com or

**GREAT AMERICAN INSURANCE GROUP
ELD CANADA, CLAIMS DEPARTMENT
1515 Woodfield Road, Suite 500
Schaumburg, IL 60173.**

Section VIII. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. Upon cancellation, the Insurer shall retain the pro rata portion of the premium.
- (2) This Policy may be cancelled by the **Insurer** only if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with not less than ninety (90) days advance notice thereof.

B. Proposal Form

It is agreed that the particulars and statements contained in Proposal Forms submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured**, and it is understood that such representations are material and that this Policy is issued in reliance upon such representations, which are to be considered as incorporated in and constituting part of this Policy. However, this Policy shall not be voided or rescinded and coverage shall not be excluded as a result of any untrue statement in the Proposal Form, except as to the **Organization**, its **Subsidiaries** and those **Insured Persons** making such statement or having knowledge of its untruth.

C. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, claimant and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded or made a third party by any **Insured** or their legal representative in any such **Claim**.

D. Amalgamation, Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by amalgamation, merger or otherwise, and the acquired assets of such other entity exceed fifty percent (50%) of the assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

E. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, another organization acquires substantially all of the assets of the **Organization**, or the **Organization** merges into another organization, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

F. Subrogation

In the event of any payment under this Policy, the **Insurer** shall be subrogated to all of the rights to recovery of the **Insured** and the **Insured** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**.

G. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

H. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

I. Entire Agreement

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the Proposal Forms submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

J. Organization Represents Insured

By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

K. Representative of the Insurer

Great American Insurance Group, ELD CANADA, 1515 Woodfield Road, Suite 500, Schaumburg, IL, 60173 shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence.

L. Valuation and Currency

All amounts referenced under this Policy are expressed and payable in the currency of Canada. If any element of **Loss** under this Policy is stated in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange published in the The Globe and Mail on the date the element of **Loss** becomes due and payable by the **Insurer**.

M. Other Insurance

This Policy shall apply only as excess over, and shall not contribute with, any other valid and collectible insurance available to any **Insured**, unless such insurance is written specifically excess of this Policy by reference in such other policy to this Policy. This Policy is specifically excess of, and shall not contribute with, any insurance policy for pollution liability or environmental liability, including any general liability policy providing pollution coverage. This Policy will not be subject to the terms of any other insurance.

Section IX. Coverage Extensions

A. Spousal Provision

The coverage provided by this Policy shall also apply to the lawful spouse or common law partner of an **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of an **Insured Person** and seeking to recover damages from marital community property, property jointly held by such lawful spouse or common law partner and an **Insured Person** or property transferred from an **Insured Person** to such lawful spouse or common law partner.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide except in those jurisdictions where prohibited by law. The terms directors and officers are deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

D. Supplemental Payments for Insured Persons

Any **Supplemental Payments** made pursuant to this section of the Policy are part of and not in addition to the aggregate Limit of Liability stated in Item 3 of the Declarations and are also subject to the respective Sub-limit of Liability stated in Section V.E. No Retention shall apply to the coverage extensions set forth below. Further, **Supplemental Payments** are limited to those reasonable and necessary fees, costs and expenses incurred by an **Insured Person** during the **Policy Period** stated in Item 2 of the Declarations and with the express prior consent of the **Insurer**.

(1) Inquiry Costs

The **Insurer** shall pay on behalf of an **Insured Person** reasonable and necessary costs and expenses incurred in connection with the investigation or evaluation of any **Inquiry**, provided, however, the **Insurer** shall have no duty to defend such **Insured Persons** and such costs and expenses shall not include any compensation or fees of **Insured Persons**.

"**Inquiry**" shall mean a request or demand for an **Insured Person** either to appear at a meeting, deposition or interview or to produce documents relating to the activities of the **Organization** or such **Insured Person's** capacity with the **Organization**, where such request or demand is by any provincial, territorial, federal, state, local or foreign law enforcement authority or other governmental investigative authority; provided, however, **Inquiry** shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in the normal review or compliance process of the **Organization** by a law enforcement authority, governmental investigative authority or enforcement organization of a securities or commodities exchange or other self-regulatory entity.

(2) Investigation Costs for Canadian Occupational Health and Safety Violations

The **Insurer** shall pay on behalf of an **Insured Person** reasonable and necessary costs and expenses incurred in response to any investigation of any actual or alleged violations of any Canadian occupational health and safety laws or regulations, provided such investigation does not otherwise qualify as a **Claim** under this Policy. This coverage shall not include any salary, wages, overhead or benefit expenses associated with such **Insured Person**.

(3) Public Relations Costs

The **Insurer** shall pay on behalf of an **Insured Person** the reasonable and necessary costs and expenses incurred to reduce damage to reputation suffered by the **Insured Person** provided the actual or alleged damage to the **Insured Person's** reputation is caused by any information disclosed to any third party and is the direct result of a **Claim** which is covered under this Policy.

(4) Assets and Liberty Costs

The **Insurer** shall pay on behalf of an **Insured Person** the reasonable and necessary costs and expenses incurred to obtain the discharge or revocation of a judicial order entered during the **Policy Period** imposing:

- (a) a confiscation or suspension or freezing of rights of ownership of real property or personal assets of such **Insured Person**;
- (b) a charge over real property or personal assets of such **Insured Person**;
- (c) a temporary or permanent prohibition on such **Insured Person** from holding the office or performing the function of an **Insured Person**;
- (d) the restriction of the liberty of such **Insured Person** to a specified domestic residence or an official detention;
- (e) the deportation of any **Insured Person** following the revocation of the otherwise proper, current and valid immigration status for any reason other than the conviction of such **Insured Person** of a crime; or
- (f) the "**Extradition**" of any **Insured Person**.

"**Extradition**" shall mean any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

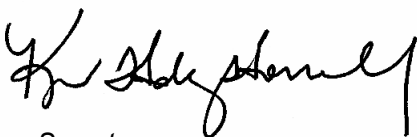
(5) Civil Fines and Civil Penalties

The **Insurer** shall pay on behalf of an **Insured Person** civil fines and penalties which the **Insured Person** is ordered to pay as a result of any **Wrongful Act** giving rise to a **Claim**, provided, however, this coverage extension does not apply to such civil fines and penalties:

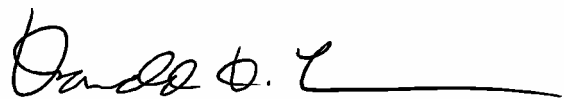
- (a) otherwise covered under the Policy;
- (b) otherwise recoverable from or payable by the **Organization** or any **Subsidiary**; or
- (c) where payment by the **Insurer** is proven to be against public policy or in violation of any law, rule or regulation to which the **Insurer**, the **Insured Persons**, the **Organization** or any **Subsidiary** are subject.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.

GREAT AMERICAN INSURANCE COMPANY®



Secretary



President