



Travelers Insurance Company of Canada
650 West Georgia Street, Suite 2500
PO Box 11542
Vancouver, British Columbia
V6B 4N7

Invoice

7 April 2017

Klondike Insurance Agencies Ltd.

6001508

10140 – 81 Avenue
Edmonton, AB
T6E 1X1

Attention: Larry Juszczynski

For purposes of the *Insurance Companies Act* (Canada), this document was issued in the course of Travelers Insurance Company Of Canada's insurance business in Canada.

The net premium amount shown below for the described transaction is due and payable within 60 days of the transaction effective date. All amounts shown in this invoice are expressed in Canadian currency.
Thank you - we appreciate your business.

Client:	The Rainbow Society of Alberta Unit 1, 6604 82 Avenue NW Edmonton, AB T6W 0J8
Policy No:	75406564
Transaction Effective Date:	April 09, 2017
Transaction Type:	New Business
Purpose:	
Gross Premium:	\$ 1,100.00

Line of Business

WRAP+

Your satisfaction is important to us. If you have any comments regarding our services, please contact your relationship manager or E-mail us via our website at <http://www.travelerscanada.ca/>. We value your feedback.

Insured Copy



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Client:	The Rainbow Society of Alberta Unit 1, 6604 82 Avenue NW Edmonton, AB T6W 0J8
Policy No:	75406564
Transaction Effective Date:	April 09, 2018
Transaction Type:	Renewal
Purpose:	
Gross Premium:	\$ 2,200.00

Line of Business

WRAP+

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Insured Copy

Travelers Insurance Company of Canada (herein called the Insurer)

THE LIABILITY COVERAGES ARE WRITTEN ON A CLAIMS-MADE BASIS. THE LIABILITY COVERAGES COVER ONLY CLAIMS FIRST MADE AND REPORTED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENCE EXPENSES, AND DEFENCE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE INSURER HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

ITEM 1	<p>NAMED INSURED OR INSURANCE REPRESENTATIVE:</p> <p>THE RAINBOW SOCIETY OF ALBERTA</p> <p>Principal Address:</p> <p>Unit 1, 6604 82 Avenue NW Edmonton, Alberta T6W 0J8</p>
ITEM 2	<p>POLICY PERIOD: Inception Date: April 09, 2017 Expiration Date: April 09, 2020 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.</p>
ITEM 3	<p>ALL NOTICES OF CLAIMS OR LOSS TO THE INSURER MUST BE ADDRESSED TO:</p> <p>Specialty Insurance Travelers Insurance Company of Canada 650 West Georgia Street, Suite 2500 PO Box 11542 Vancouver, British Columbia V6B 4N7 Email: newclaims@travelers.com Phone: 800.661.5522</p>
ITEM 4	<p>COVERAGES INCLUDED AS OF THE INCEPTION DATE IN ITEM 2: Only those coverages marked "☒" are included in this policy.</p> <p><u>Liability Coverages</u></p> <p><input checked="" type="checkbox"/> Non-Profit Organization Directors and Officers Liability</p> <p><input checked="" type="checkbox"/> Employment Practices Liability</p> <p><input type="checkbox"/> Fiduciary Liability</p> <p><input type="checkbox"/> Miscellaneous Professional Liability</p> <p><u>Crime Coverages</u></p> <p><input type="checkbox"/> Crime</p> <p><input type="checkbox"/> Kidnap and Ransom</p> <p><u>Other Coverages</u></p> <p><input type="checkbox"/> Identity Fraud Expense Reimbursement</p>

ITEM 5

COVERAGE FEATURES:

Only those coverage features marked " Applicable" are included in this policy.

Non-Profit Organization Directors and Officers Liability

Limit of Liability: \$2,000,000 for all **Claims**

Additional Defense Coverage: Applicable Not Applicable

Additional Defense Limit of Liability: Not Covered for all **Claims**

Retention: \$0 for each **Claim** under Insuring Agreement A.
\$0 for each **Claim** under Insuring Agreement B.
\$0 for each **Claim** under Insuring Agreement C.

Prior and Pending Proceeding Date: April 09, 2017

Continuity Date: April 09, 2017

Employment Practices Liability

Limit of Liability: \$2,000,000 for all **Claims**

Third Party Wrongful Act Coverage: Applicable Not Applicable

Additional Defence Coverage: Applicable Not Applicable

Additional Defence Limit of Liability: Not Covered for all **Claims**

Retention: \$0 for each **Claim** under Insuring Agreement A.
\$0 for each **Claim** under Insuring Agreement B., if applicable.

Prior and Pending Proceeding Date

Claims for Wrongful Employment Practices: April 09, 2017

Claims for Third Party Wrongful Acts:

Continuity Date

Claims for Wrongful Employment Practices: April 09, 2017

Claims for Third Party Wrongful Acts:

ITEM 5
(Continued)

COVERAGE FEATURES (Continued):

Only those coverage features marked " Applicable" are included in this policy.

Fiduciary Liability

Limit of Liability: Not Covered for all **Claims**

Additional Defence Coverage: Applicable Not Applicable

Additional Defence Limit of Liability: Not Covered for all **Claims**

Retention: \$0 for each **Claim**
(Not Applicable for Additional Defence Limit of Liability)

Prior and Pending Proceeding Date:

Continuity Date:

Miscellaneous Professional Liability

Limits of Liability: Not Covered for each **Claim**; not to exceed
Not Covered for all **Claims**

Additional Defence Coverage: Applicable Not Applicable

Additional Defence Limit of Liability: Not Covered for all **Claims**

Retention: \$0 for each **Claim**
(Not Applicable for Additional Defence Limit of Liability)

Prior and Pending Proceeding Date:

Retroactive Date:

Professional Services:

ITEM 5
(Continued)

COVERAGE FEATURES (Continued):

Insuring Agreement	Crime	
	Single Loss Limit of Insurance	Single Loss Retention
A. Fidelity		
1. Employee Theft	Not Covered	Not Covered
2. Employee Benefit Plan Coverage	Not Covered	Not Covered
3. Employee Theft of Client Property	Not Covered	Not Covered
B. On Premises	Not Covered	Not Covered
C. In Transit	Not Covered	Not Covered
D. Money Orders and Counterfeit Money	Not Covered	Not Covered
E. Forgery or Alteration	Not Covered	Not Covered
F. Computer Crime		
1. Computer Fraud	Not Covered	Not Covered
2. Computer Program and Electronic Data Restoration Expense	Not Covered	Not Covered
G. Funds Transfer Fraud	Not Covered	Not Covered
H. Claim Expense	Not Covered	Not Covered

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

Cancellation of Prior Insurance:

By acceptance of this **Crime Policy**, you give us notice canceling prior policies or bonds issued by us that are designated by policy or bond numbers N/A, such cancellation to be effective at the time this **Crime Policy** becomes effective.

ITEM 5
(Continued)

COVERAGE FEATURES (Continued):

Kidnap and Ransom

Insuring Agreement	Limit of Insurance	Retention
A. Kidnap and Ransom	Not Covered for each Insured Event	Not Covered for each Insured Event
B. Extortion for Ransom	Not Covered for each Insured Event	Not Covered for each Insured Event
C. Detention and Hijack	Not Covered for each Insured Event	Not Covered for each Insured Event
D. In Transit/Delivery	Not Covered for each Insured Event	Not Covered for each Insured Event
E. Rest and Rehabilitation Expenses	Not Covered for each Insured Event	Not Covered for each Insured Event
F. Personal Accident	Not Covered per Insured Person , subject to the BENEFIT SCHEDULE found in Section III. DEFINITIONS W. , not to exceed Not Covered in the aggregate for the Policy Period	Not Covered for each Insured Event
G. Additional Expenses	Not Covered for each Insured Event	Not Covered for each Insured Event
H. Legal Liability	Not Covered for each Insured Event	Not Covered for each Insured Event

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

Policy Aggregate Limit of Insurance: Applicable Not Applicable

If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each **Policy Period** is: \$0. If a Policy Aggregate Limit of Insurance is not included, then this **Kidnap and Ransom Policy** is not subject to a Policy Aggregate Limit of Insurance as set forth in Section V. **CONDITIONS C. LIMIT OF INSURANCE 1. Policy Aggregate Limit of Insurance.**

Crisis Response Firm:

Olive Group
US Tel: 713.918.6401
UK Tel: 44 (0) 207 240 3237
 info@olivegroupresponse.com

Cancellation of Prior Insurance:

By acceptance of this **Kidnap and Ransom Policy**, the **Named Insured** gives the Insurer notice canceling prior policies or bonds issued by the Insurer that are designated by policy or bond numbers N/A, such cancellation to be effective at the time this **Kidnap and Ransom Policy** becomes effective.

ITEM 5 (Continued)	<p>COVERAGE FEATURES (Continued):</p> <p style="text-align: center;">Identity Fraud Expense Reimbursement</p> <p>Limit of Insurance: Not Covered per Insured Person for each Identity Fraud</p> <p>Retention: Not Covered per Insured Person for each Identity Fraud</p>
ITEM 6	<p>PREMIUM FOR THE POLICY:</p> <p>\$3,300.00 Total Premium</p> <p>\$1,100.00 Annual Installment Premium if ITEM 10 below is applicable</p>
ITEM 7	<p>TYPE OF LIABILITY COVERAGE:</p> <p><input type="checkbox"/> Reimbursement</p> <p><input checked="" type="checkbox"/> Duty-to-Defend</p> <p>Only the type of liability coverage marked "<input checked="" type="checkbox"/>" is included in this policy.</p>
ITEM 8	<p>LIABILITY COVERAGE EXTENDED REPORTING PERIOD:</p> <p>Additional Premium Percentage: 75.00%</p> <p>Additional Months: 12</p> <p>(If exercised in accordance with Section III. CONDITIONS O. EXTENDED REPORTING PERIOD of the Liability Coverage Terms and Conditions)</p>
ITEM 9	<p>LIABILITY COVERAGE RUN-OFF EXTENDED REPORTING PERIOD:</p> <p>Additional Premium Percentage: 175.00%</p> <p>Additional Months: 72</p> <p>(If exercised in accordance with Section III. CONDITIONS K. CHANGE OF CONTROL of the Liability Coverage Terms and Conditions)</p>
ITEM 10	<p>ANNUAL REINSTATEMENT OF THE LIABILITY COVERAGE LIMIT OF LIABILITY:</p> <p><input checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Not Applicable</p> <p>Only those coverage features marked "<input checked="" type="checkbox"/> Applicable" are included in this policy.</p>
ITEM 11	<p>FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:</p> <p>CNDO – 2008 Non Profit D&O Wording</p> <p>CEPL – 2008 Employment Practices Liability Wording</p> <p>CLIA – 2008 Liability Coverage Terms and Condition</p> <p>CLIA.55 - Statements and Representations</p> <p>CLIA.64 - Amended Sections Endorsement For Wrap+ Non-Profit Organization Directors And Officers Liability, Employment Practices Liability & Fiduciary Liability Coverages (Settlement Clause Not Amended)</p> <p>CMEL0525 - Sexual Abuse Exclusion</p> <p>CMEL1640 - Workplace Violence Coverage</p>

ITEM 12	<p>LIABILITY COVERAGE SHARED LIMIT OF LIABILITY:</p> <p>\$2,000,000 for all Claims under the following Liability Coverages: Directors and Officers Liability Employment Practices Liability</p>
ITEM 13	<p>WRAP+ AGGREGATE LIMIT OF LIABILITY:</p> <p>\$0</p> <p><input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable</p> <p>If marked "<input checked="" type="checkbox"/> Applicable" above, the Insurer's maximum limit of liability in a single Policy Period for all Claims under each purchased Liability Coverage and all loss under each purchased Crime Coverage, as set forth in ITEM 4 of these Declarations, shall not exceed the WRAP+ AGGREGATE LIMIT OF LIABILITY set forth above.</p>

The Declarations, the Application, the Liability Coverage Terms and Conditions, each purchased Liability Coverage, each purchased Crime Coverage, and each purchased Other Coverage, as set forth in ITEM 4 of the Declarations, and any endorsements attached thereto, constitute the entire agreement between the Insurer, the entity named in ITEM 1 of the Declarations, and any **Insured**.

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

TRAVELERS INSURANCE COMPANY OF CANADA



President and Chief Executive Officer

Liability Coverage Terms and Conditions

**THIS IS A CLAIMS MADE POLICY WITH DEFENCE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ ALL TERMS CAREFULLY.**

CONSIDERATION CLAUSE

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

I. GENERAL

These Liability Coverage Terms and Conditions apply to all **Liability Coverages**. Unless otherwise stated to the contrary, the terms and conditions of each **Liability Coverage** apply only to that particular **Liability Coverage**. If any provision in these Liability Coverage Terms and Conditions is inconsistent or in conflict with the terms and conditions of any particular **Liability Coverage**, such **Liability Coverage's** terms, conditions, and limitations shall control for purposes of that **Liability Coverage**.

II. DEFINITIONS

Wherever appearing in this **Liability Policy**, either in the singular or plural, the following words and phrases appearing in bold type shall have the meanings set forth in this Section II. DEFINITIONS:

- A. "**Additional Defence Limit of Liability**" means the amount set forth in ITEM 5 of the Declarations for each applicable **Liability Coverage**. If "*Not Applicable*" is shown as the amount of any **Liability Coverage's Additional Defence Limit of Liability**, then any reference to the **Additional Defence Limit of Liability** shall be deemed to be deleted from such **Liability Coverage**.
- B. "**Annual Reinstatement of the Liability Coverage Limit of Liability**" means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable **Liability Coverage Limit of Liability** or, if applicable, the **Liability Coverage Shared Limit of Liability** for each applicable **Liability Coverage** for each **Policy Year** during the **Policy Period**.
- C. "**Application**" means the Application deemed to be attached to and forming a part of this **Liability Policy**, including any attachments, materials requested or submitted and statements made in connection therewith. If the **Application** uses terms or phrases that differ from the terms defined in this **Liability Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Liability Policy** will waive or change any of the terms, conditions and limitations of this **Liability Policy**.
- D. "**Change of Control**" means:
1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity;
 2. the appointment of a trustee, including an interim trustee, a receiver, conservator, liquidator or rehabilitator, or any similar official to take control of, supervise, manage or liquidate the **Named Insured**, provided, that, the **Named Insured** operating as a "debtor in possession", as such term is used in Chapter 11 of the United States of America Bankruptcy Code, does not in and of itself constitute a **Change of Control** as defined in this section; or

3. the obtaining by any person, entity or affiliated group of persons or entities the right to elect, appoint or designate more than fifty percent (50%) of the board of directors, board of trustees, board of managers, or functional equivalent thereof or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Named Insured**.
- E. "**Claim**" shall have the meaning set forth in the applicable **Liability Coverage**.
- F. "**Defence Expenses**" means reasonable and necessary legal fees and expenses incurred by the Insurer or the **Insured**, with the Insurer's consent, in the investigation, defence, settlement and appeal of a **Claim**, including but not limited to, cost of lawyers' fees and experts' fees, the premium for appeal, attachment or similar bonds regarding such **Claim**; provided, that **Defence Expenses** shall not include the salaries, wages, benefits or overhead of, or paid to, any **Insured** or any employee thereof.
- G. "**Domestic Partner**" means any natural person who qualifies as a domestic partner under the provisions of any applicable federal, provincial, territorial, state or local law, or under the provisions of any formal program established by the **Insured**.
- H. "**Executive Officer**" shall have the meaning set forth in the applicable **Liability Coverage**.
- I. "**Financial Insolvency**" means, with respect to the **Insured Organization**, the appointment of a receiver, conservator, liquidator, trustee, or similar official and as a direct result, the **Insured Persons** are not being indemnified on a current basis by the **Insured Organization**.
- J. "**Foreign Parent Corporation**" means any entity incorporated outside Canada which owns more than fifty percent (50%) of the outstanding securities or voting rights representing the right to vote for the election of, or to appoint the **Named Insured's** board of directors, board of trustees or board of managers, or to exercise a majority control of the board of directors, board of trustees or board of managers of the **Named Insured**.
- K. "**Insured**" shall have the meaning set forth in the applicable **Liability Coverage**.
- L. "**Insured Organization**" shall have the meaning set forth in the applicable **Liability Coverage**.
- M. "**Insured Person**" shall have the meaning set forth in the applicable **Liability Coverage**.
- N. "**Liability Coverage**" means, individually or collectively, the **Liability Coverages** that have been purchased, as indicated in ITEM 4 of the Declarations.
- O. "**Liability Coverage Limit of Liability**" means the amount set forth in ITEM 5 of the Declarations for each applicable **Liability Coverage**.
- P. "**Liability Coverage Shared Limit of Liability**" means the amount set forth in ITEM 12 of the Declarations. If "*Not Applicable*" is shown in ITEM 12 of the Declarations or ITEM 4 of the Declarations indicates that only one **Liability Coverage** is included in this **Liability Policy**, any reference to either the **Liability Coverage Shared Limit of Liability** or ITEM 12 of the Declarations shall be deemed to be deleted from this **Liability Policy**.
- Q. "**Liability Policy**" means, collectively, the Declarations, the **Application**, the Liability Coverage Terms and Conditions, each purchased **Liability Coverage**, and any endorsements attached thereto.
- R. "**Loss**" shall have the meaning set forth in the applicable **Liability Coverage**.
- S. "**Named Insured**" means the entity named in ITEM 1 of the Declarations.
- T. "**Policy Period**" means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event shall the **Policy Period** continue past the effective date of cancellation or termination of this **Liability Policy**.

U. “**Policy Year**” means:

1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof;
2. if the time between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Liability Policy** is less than one year, then such lesser period;
3. if a **Liability Coverage** is added to this **Liability Policy** after the Inception Date set forth in ITEM 2 and the time between the inception date of such **Liability Coverage** and any anniversary of this **Liability Policy** is less than one year, then such lesser period with respect to such **Liability Coverage**; and
4. if a **Liability Coverage** is added to this **Liability Policy** after the Inception Date set forth in ITEM 2 and the time between the inception date of such **Liability Coverage** and the effective date or cancellation or termination of this **Liability Policy**, or such **Liability Coverage**, is less than one year, then such lesser period with respect to such **Liability Coverage**.

V. “**Pollution**” means any actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, asbestos or asbestos products, waste materials (including materials which are intended to be or have been recycled, reconditioned or reclaimed) or other irritants, pollutants or contaminants (collectively “**Toxins**”); or any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any such **Toxins**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request.

W. “**Related Wrongful Act**” means **Wrongful Acts** which are logically or causally connected by reason of any fact, circumstance, situation, transaction, casualty, event or decision.

X. “**Subsidiary**” shall have the meaning set forth in the applicable **Liability Coverage**.

Y. “**Wrongful Act(s)**” shall have the meaning set forth in the applicable **Liability Coverage**.

III. CONDITIONS

A. TERRITORY

This **Liability Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world.

B. RETENTION

The **Insured** shall bear uninsured at its own risk the amount of any applicable Retention.

If any **Claim** gives rise to coverage under a single **Liability Coverage**, the Insurer shall have no obligation to pay **Loss**, including **Defence Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under a single **Liability Coverage**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under such **Liability Coverage**.

If any **Claim** gives rise to coverage under two or more **Liability Coverages**, the Insurer shall have no obligation to pay **Loss**, including **Defence Expenses**, until the largest Retention that is applicable to such **Claim** under such **Liability Coverages** has been paid by the **Insured**.

No Retention shall apply to an **Insured Person** if indemnification by the **Insured Organization** is not permitted by law or if the **Insured Organization** is unable to make such indemnification solely by reason of its **Financial Insolvency**. The **Insured Organization** will be conclusively deemed to have indemnified all **Insured Persons** to the extent that the **Insured Organization** is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the **Insured Organization**.

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

C. LIMITS OF LIABILITY

1. Liability Coverage Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Liability Coverage Shared Limit of Liability** or **Annual Reinstatement of the Liability Coverage Limit of Liability**:

- a. the Insurer's maximum limit of liability for all **Loss**, including **Defence Expenses**, for all **Claims** under each applicable **Liability Coverage** shall not exceed the remaining **Liability Coverage Limit of Liability** stated in ITEM 5 of the **Declarations** for each applicable **Liability Coverage**; and
- b. in the event that a **Claim** triggers more than one **Liability Coverage**, the Insurer's maximum limit of liability for all **Loss**, including **Defence Expenses**, for any such **Claim** shall not exceed the sum of the remaining **Liability Coverage Limits of Liability** of the applicable **Liability Coverages**.

2. Liability Coverage Shared Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Annual Reinstatement of the Liability Coverage Limit of Liability**, if ITEM 4 of the **Declarations** indicates that more than one **Liability Coverage** has been purchased and a **Liability Coverage Shared Limit of Liability** is shown in ITEM 12 of the **Declarations**:

- a. the Insurer's maximum limit of liability for all **Loss**, including **Defence Expenses**, for all **Claims** under all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, shall not exceed the remaining **Liability Coverage Shared Limit of Liability**; and
- b. if the **Liability Coverage Shared Limit of Liability** is exhausted by the payment of amounts covered under any **Liability Coverage** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, the premium for all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, shall be fully earned, all obligations of the Insurer under all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, shall be completely fulfilled and exhausted, including any duty to defend, and the Insurer shall have no further obligations of any kind or nature whatsoever under any **Liability Coverage** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**.

3. Annual Reinstatement of the Liability Coverage Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the **Declarations** includes an **Annual Reinstatement of the Liability Coverage Limit of Liability**:

- a. the Insurer's maximum limit of liability for all **Loss**, including **Defence Expenses**, for all **Claims** made during each **Policy Year** shall not exceed the remaining **Liability Coverage Limit of Liability** stated in ITEM 5 of the **Declarations** for each applicable **Liability Coverage** or, if applicable, the remaining **Liability Coverage Shared Limit of Liability**; and
- b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Insurer's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period shall not exceed the remaining **Liability Coverage Limit of Liability** or, if applicable, the **Liability Coverage Shared Limit of Liability** for the last **Policy Year** in effect at the time of the termination or cancellation of the **Liability Coverage** or the **Change of Control**.

4. Other Provisions

Payment of **Defence Expenses** shall reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Insurer's liability shall not exceed the remaining amount of the applicable limit of liability. In no event shall the Insurer be obligated to make any payment for **Loss**, including **Defence Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If a **Liability Coverage Limit of Liability** is exhausted by the payment of amounts covered under such **Liability Coverage**, the premium for such **Liability Coverage** shall be fully earned, all obligations of the Insurer under such **Liability Coverage** shall be completely fulfilled and exhausted, including any duty to defend, and the Insurer shall have no further obligations of any kind or nature whatsoever under such **Liability Coverage**.

D. ADDITIONAL DEFENCE COVERAGE

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that any **Liability Coverage** includes Additional Defence Coverage, **Defence Expenses** incurred by the Insurer or the **Insured**, with the Insurer's consent, in the defence of any **Claim** made during the **Policy Period** under any such **Liability Coverage** shall apply first to and reduce the **Additional Defence Limit of Liability**. The **Additional Defence Limit of Liability** shall be in addition to, and not part of, such **Liability Coverage's** applicable **Liability Coverage Limit of Liability** or **Liability Coverage Shared Limit of Liability**, if applicable. The **Additional Defence Limit of Liability** is applicable to **Defence Expenses** only. If the **Annual Reinstatement of the Liability Coverage Limit of Liability** is applicable, the **Additional Defence Limit of Liability** shall be reinstated for each **Policy Year**.

Upon exhaustion of the **Additional Defence Limit of Liability**:

1. **Defence Expenses** incurred by the Insurer or the **Insured**, with the Insurer's consent, in the defence of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Insurer or the **Insured**, with the Insurer's consent, of **Defence Expenses** reduces any applicable limit of liability.

E. CLAIM DEFENCE

1. If Duty-to-Defend coverage is provided with respect to this **Liability Policy** as indicated in ITEM 7 of the Declarations:
 - a. the Insurer shall have the right and duty to select defence counsel and defend any **Claim** covered by a **Liability Coverage**, even if the allegations are groundless, false or fraudulent with respect to such **Claim**; and,
 - b. the **Insured** shall cooperate with the Insurer and, upon the Insurer's request, assist in making settlements and in the defence of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under such **Liability Coverage**, shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

If the Insurer's duty to defend ceases with respect to any **Claim**, the Insurer shall notify the **Insured** so that the **Insured** can arrange to take control of the defence. The Insurer agrees to take whatever steps are necessary to avoid a default judgment during a transfer or control of the defence of any outstanding **Claim**. The **Insured** agrees to repay the reasonable expenses incurred by the Insurer in taking any such steps during the transfer and further agrees that, in undertaking any such steps, the Insurer has not waived or otherwise given up any rights under this Policy.

2. If Reimbursement coverage is provided with respect to this **Liability Policy** as indicated in ITEM 7 of the Declarations:
- a. the Insurer shall have no duty to defend any **Claim** covered by **Liability Coverage**. It shall be the duty of the **Insured** to select defence counsel and defend such **Claims**.

The Insurer shall have the right and shall be given the opportunity to effectively associate with and shall be consulted in advance by the **Insureds** regarding (a) the selection of appropriate defence counsel; (b) substantive defence strategies, including decisions regarding the filing and content of substantive motions; and (c) settlement negotiations.

- b. upon written request, the Insurer will advance **Defence Expenses** with respect to such **Claim**. Such advanced payments by the Insurer shall be repaid to the Insurer by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** shall not be entitled to payment of such **Defence Expenses** under such **Liability Coverage**. As a condition of any payment of **Defence Expenses** under this subsection, the Insurer may require a written undertaking on terms and conditions satisfactory to the Insurer guaranteeing the repayment of any **Defence Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such **Liability Coverage**.

The Insurer shall not be obligated to defend or to continue to defend any **Claim** or to reimburse the **Insured** for **Defence Expenses** after the applicable limit of liability has been exhausted by payment of **Loss**.

F. INSURED'S DUTIES IN THE EVENT OF A CLAIM

In the event an **Executive Officer** shall become aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Liability Policy**, shall give to the Insurer written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable. The **Insured** shall give the Insurer such information, assistance and cooperation as it may reasonably require.

All notices under this subsection must be sent by mail or prepaid express courier to the address set forth in ITEM 3 of the Declarations and shall be effective upon receipt. The **Insured** shall not voluntarily settle any **Claim**, make any settlement offer, assume or admit any liability or, except at the **Insured's** own cost, voluntarily make any payment, pay or incur any **Defence Expenses**, or assume any obligation or incur any other expense, without the Insurers prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any settlement, **Defence Expenses**, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an **Insured** becomes aware of circumstances which could give rise to a **Claim** for a **Wrongful Act** taking place before or during the **Policy Period**, and gives written notice of such circumstances and the other information referenced below to the Insurer during the **Policy Period** or if exercised, the Extended Discovery Period or Run Off Extended Reporting Period, then any **Claim** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period**, or, if exercised, the Extended Discovery Period in which such notice of such circumstances and such other information was first given the Insurer.

The **Insureds** shall, as a condition precedent to exercising their rights under this Policy: (a) include within any notice of **Claim** or circumstance, a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the dates of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of actual or potential claimants and **Insureds** involved, and the manner in which the **Insureds** first became aware of the **Claim** or circumstances; and (b) give to the Insurer such other information and cooperation as the Insurer may reasonably request.

All notices under this subsection must be sent by mail, certified mail, fax or prepaid express courier to the address set forth in ITEM 3 of the Declarations and shall be effective upon actual receipt by the addressee.

H. RELATED CLAIMS

All **Claims** or potential claims for **Related Wrongful Acts** shall be considered as a single **Claim** or potential claim, whichever is applicable, for purposes of this **Liability Policy**. All **Claims** or potential claims for **Related Wrongful Acts** shall be deemed to have been made at the time the first of such **Claims** or potential claims for **Related Wrongful Acts** was made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SUBROGATION

In the event of payment under this **Liability Policy**, the Insurer shall be subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights.

J. RECOVERIES

All recoveries from third parties for payments made under this **Liability Policy** shall be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Insurer to reimburse the Insurer for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Insurer to reimburse the Insurer for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

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

K. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage shall continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defence Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Wrongful Act** committed or allegedly committed after such event. After any such event, the **Liability Policy** may not be cancelled by the **Named Insured** and the entire premium for the **Liability Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Named Insured** shall have the right to give the Insurer notice that it desires to purchase a Run-Off Extended Reporting Period for any **Liability Coverage** for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for any **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by such **Liability Coverage**, subject to the following provisions:

1. such Run-Off Extended Reporting Period shall not provide new, additional or renewed limits of liability; and
2. the Insurer's total liability for all **Claims** made during such Run-Off Extended Reporting Period shall be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period shall equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of the applicable **Liability Coverage**, including the fully annualized amount of any additional premiums charged by the Insurer during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period shall be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period shall terminate unless written notice of such election, together with payment of the additional premium due, is received by the Insurer within thirty (30) days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in Section III. CONDITIONS O. EXTENDED REPORTING PERIOD of these Liability Coverage Terms and Conditions shall terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Named Insured** will have the right to purchase the Extended Reporting Period under the terms of Section III. CONDITIONS O. EXTENDED REPORTING PERIOD of these Liability Coverage Terms and Conditions.

If, at any time during the **Policy Period**, the **Insured Organization** eliminates or reduces its ownership interest in, or control over a **Subsidiary**, such that it no longer meets the definition of a **Subsidiary**, coverage shall continue for such entity but only with regard to **Claims for Wrongful Acts** which occurred wholly during the time that the entity was a **Subsidiary**.

L. ACQUISITIONS

If, during the **Policy Period**, the **Insured Organization** acquires or forms a **Subsidiary**, this **Liability Policy** will provide coverage for such **Subsidiary** and its respective **Insured Persons**, subject to all other terms and conditions of this **Liability Policy**, provided written notice of such acquisition or formation has been given to the Insurer, and specific application has been submitted on the Insurer's form in use at the time, together with such documentation and information as the Insurer may require, all within ninety (90) days after the effective date of such formation or acquisition. Coverage for such **Subsidiary** shall not be afforded following such 90-day period unless the Insurer has agreed to provide such coverage, subject to any additional terms and conditions as the Insurer may require, and the **Named Insured** has paid the Insurer any additional premium as may be required by the Insurer.

The 90-day notice requirement shall not apply provided that: (1) the assets of the acquired or formed **Subsidiary** do not exceed twenty-five percent (25%) of the total assets of the **Insured Organization** as reflected in the **Insured Organization's** most recent fiscal year-end financial statement; or (2) the acquisition or formation occurs less than ninety (90) days prior to the end of the **Policy Period**.

M. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Liability Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a **Domestic Partner** of an **Insured Person**, solely by reason of such person's:

1. legal status as a spouse or status as a **Domestic Partner** of the **Insured Person**; or
2. ownership interest in property, which the claimant seeks as recovery for alleged **Wrongful Acts** of the **Insured Person**;

All loss that such person becomes legally obligated to pay by reason of such **Claim** shall be treated as **Loss** of the **Insured Person** on account of the **Claim** made against such **Insured Person**. The Declarations, terms, conditions, limitations, and other provisions of this Policy shall apply to any such **Loss**. No spouse or **Domestic Partner** of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Liability Policy** than the **Insured Person** to whom such spouse is married, or to whom such **Domestic Partner** is joined.

The Insurer shall have no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or **Domestic Partner** of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or **Domestic Partner**.

N. FOREIGN PARENT CORPORATION COVERAGE

This **Liability Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply coverage for **Defence Expenses** resulting from any **Claim** made against a **Foreign Parent Corporation**, but only if and so long as:

1. such **Claim** results from a **Wrongful Act** actually or allegedly committed solely by any **Insured**;

2. such **Insured** and the **Foreign Parent Corporation** are represented by the same counsel in connection with such **Claim**; and
3. such **Insured** is included as a co-defendant.

No **Foreign Parent Corporation** will, by reason of this subsection, have any greater right to coverage under this **Liability Policy** than any **Insured**.

The Insurer shall have no obligation to make any payment for **Loss** in connection with any **Claim** against a **Foreign Parent Corporation** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such **Foreign Parent Corporation** or any member of the board of directors, officer, employee, or functional equivalent thereof.

O. EXTENDED REPORTING PERIOD

At any time prior to or within thirty (30) days after the effective date of termination or cancellation of any **Liability Coverage** for any reason other than nonpayment of premium, the **Named Insured** may give the Insurer written notice that it desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by such **Liability Coverage**, subject to the following provisions:

1. such Extended Reporting Period shall not provide a new, additional or renewed limit(s) of liability; and
2. the Insurer's maximum limit of liability for all **Claims** made during such Extended Reporting Period shall be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation;

The premium due for the Extended Reporting Period shall equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of the applicable **Liability Coverage**, including the fully annualized amount of any additional premiums charged by the Insurer during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period shall be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period shall terminate unless written notice of such election, together with payment of the additional premium due, is received by the Insurer within thirty (30) days of the effective date of the termination or cancellation.

P. ALLOCATION

1. If Duty-to-Defend coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under any **Liability Coverage** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by such **Liability Coverage** and also loss that is not covered by such **Liability Coverage** because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, then such covered **Loss** and uncovered loss for any covered parties shall be allocated as follows:
 - a. one hundred percent (100%) of **Defence Expenses** shall be allocated to covered **Loss**; and
 - b. all loss other than **Defence Expense** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the **Insured Persons**, the **Insured Organization**, and others not insured under such **Liability Coverage**. In making such a determination, the **Insured Organization**, the **Insured Persons** and the Insurer agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then the Insurer shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of the applicable **Liability Coverage** and applicable law.

2. If Reimbursement coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under any **Liability Coverage** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by such **Liability Coverage** and also loss that is not covered by such **Liability Coverage** because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, the **Insureds** and the Insurer agree to use their best efforts to determine a fair and proper allocation of all such amounts. In making such a determination, the parties shall take into account the relative legal exposures of the **Insured Persons**, the **Insured Organization**, and others not insured under the applicable **Liability Coverage**. In the event that an allocation cannot be agreed to, then the Insurer shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of the applicable **Liability Coverage** and applicable law.

Q. CANCELLATION

The Insurer may cancel this **Liability Policy** for failure to pay a premium when due, in which case twenty (20) days written notice shall be given to the **Named Insured**, unless, payment in full is received within twenty (20) days of the **Named Insured's** receipt of such notice of cancellation. The Insurer shall have the right to the premium amount for the portion of the **Policy Period** during which this **Liability Policy** was in effect.

Subject to the provisions set forth in Section III. CONDITIONS K. CHANGE OF CONTROL, the **Named Insured** may cancel any **Liability Coverage** by mailing the Insurer written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. In the event the **Named Insured** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Insurer will not be required to renew this **Liability Policy** upon its expiration. If the Insurer elects not to renew, it will provide to the **Named Insured** written notice to that effect at least thirty (30) days before the Expiration Date set forth in ITEM 2 of the Declarations.

R. ACTION AGAINST THE INSURER

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this **Liability Policy**, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial, or by written agreement of the **Insured**, the claimant and the Insurer.

No person or organization shall have any right under this **Liability Policy** to join the Insurer as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate shall not relieve the Insurer of any of its obligations hereunder.

S. CHANGES

Only the **Named Insured** is authorized to make changes in the terms of this **Liability Policy** and solely with the Insurer's prior written consent. This **Liability Policy's** terms can be changed, amended or waived only by endorsement issued by the Insurer and made a part of this **Liability Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person shall not effect a waiver or change to any part of this **Liability Policy**, or estop the Insurer from asserting any right under the terms, conditions and limitations of this **Liability Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Liability Policy** issued by the Insurer.

T. ASSIGNMENT

This **Liability Policy** shall not be assigned or transferred, and any such attempted assignment or transfer shall be void and without effect unless the Insurer has provided its prior written consent to such assignment or transfer.

U. REPRESENTATIONS

By acceptance of the terms set forth in this **Liability Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are material to the Insurer's acceptance of this risk, that this **Liability Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Insurer or any of its brokers or agents. No such statement or representation, or the knowledge thereof, shall be imputed from one **Insured Person** to another **Insured Person**.

In the event that any statement or representation in the **Application** is untrue with respect to any **Liability Coverage**, such **Liability Coverage** shall not afford coverage with respect to any of the following **Insureds**:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;
2. any **Insured Organization**, to the extent it indemnifies any **Insured Person** referenced above; and
3. any **Insured Organization**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge shall be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Liability Policy**, contained any such untrue statement or representation.

V. AUTHORIZATION

By acceptance of the terms herein, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Named Insured**; provided, that nothing herein shall relieve the **Insureds**, and each of them, from giving any notice to the Insurer that is required under this **Liability Policy**.

W. ENTIRE AGREEMENT

The Declarations, the **Application**, the Liability Coverage Terms and Conditions, each **Liability Coverage**, and any endorsements attached thereto, constitute the entire agreement between the Insurer and the **Insured**.

X. HEADINGS

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

**THIS IS A CLAIMS MADE COVERAGE WITH DEFENCE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ ALL TERMS CAREFULLY.**

I. INSURING AGREEMENTS

The Insurer shall pay on behalf of:

- A. the **Insured Persons** all **Loss** for **Wrongful Acts**, for which the **Insured Persons** are not indemnified by the **Insured Organization**;
- B. the **Insured Organization** all **Loss** for **Wrongful Acts** which the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification; and
- C. the **Insured Organization** all **Loss** for **Wrongful Acts**;

resulting from any **Claim** first made and reported during the **Policy Period** or reported within 30 days of its expiry, or if exercised, any **Claim** first made and reported during the **Policy Period** or the Extended Reporting Period or Run-Off Extended Reporting Period.

II. DEFINITIONS

Wherever appearing in this **Liability Coverage**, the following words and phrases appearing in bold type shall have the meanings set forth in this Section II. DEFINITIONS:

- A. "**Claim**" means:
 - 1. a written demand for monetary damages or non-monetary relief;
 - 2. a civil proceeding commenced by the issuance of a notice of action, statement of claim, writ of summons, complaint or similar pleading;
 - 3. a criminal proceeding commenced by the laying of an information or the return of an indictment or similar legal document;
 - 4. a formal administrative or regulatory proceeding commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document;
 - 5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Insurer's written consent, such consent not to be unreasonably withheld; or
 - 6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;

against an **Insured** for a **Wrongful Act**, provided, that a **Claim** does not include any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

- B. "**Executive Officer**" means the chairperson, chief executive officer, president, chief financial officer, in-house general counsel, executive director, risk manager, human resources manager, or an individual acting in the capacity of a human resources manager, managing director of the **Insured Organization** or a functional equivalent thereof.
- C. "**Insured**" means the **Insured Persons** and the **Insured Organization**.
- D. "**Insured Organization**" means the **Named Insured** and any **Subsidiary**.

- E. **“Insured Person”** means any natural person who was, is or becomes a duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of managers, **Executive Officer**, employee, volunteer, or member of a duly constituted committee, of the **Insured Organization**.
- In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.
- F. **“Loss”** means **Defence Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements, judgments, compensatory damages, amounts owing by **Directors** and **Officers** pursuant to any Canadian federal, provincial or territorial legislation for which the **Directors** and **Officers** are statutorily liable, punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the applicable law most favourable to the insurability of such punitive, exemplary, or multiplied damages; prejudgment and postjudgment interest and legal fees and expenses awarded pursuant to a court order or judgment. **“Loss”** does not include:
1. civil or criminal fines, sanctions, punitive or exemplary damages unless insurable under the applicable law most favourable to the insurability of such damages; or damages, penalties or types of relief deemed uninsurable under applicable law and taxes unless such taxes are payable by the **Directors** or **Officers** pursuant to any Canadian federal, provincial or territorial legislation imposing liability upon them for such amounts in circumstances where the **Insured Organization** has failed to deduct, withhold or remit such amounts as required by law; or
 2. any amount allocated to non covered loss pursuant to Section III. CONDITIONS. P. ALLOCATION of the Liability Coverage Terms and Conditions.
- G. **Non-Profit Entity** means any non-profit entity incorporated under Part II of the Canada Corporations Act, R.S.C., 1970, c. C-32, or under any similar provisions of any provincial or territorial act or any foreign equivalent.
- H. **“Outside Entity”** means:
1. **Non-Profit Entity** other than the **Insured Organization**;
 2. a corporation or organization specifically scheduled as an **Outside Entity** by endorsement to this **Liability Policy**
- I. **“Outside Position”** means service by an **Insured Person** as a member of the board of directors, officer, member of the board of trustees, member of the board of managers, with an **Outside Entity**, but only during such time that such service is with the knowledge, consent, and at the specific request of the **Insured Organization**.
- J. **“Personal Injury”** means false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel and slander, invasion of privacy or wrongful entry or eviction.
- K. **“Publishers Liability”** means infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.
- L. **“Subsidiary”** means:
1. any **Non-Profit Entity** in which, on or prior to the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or through one or more **Subsidiaries**, more than fifty percent (50%) of the outstanding securities or voting rights representing the right to vote for the election of, or to appoint such entity’s board of directors, board of trustees or a functional equivalent thereof, or in cases where no such securities have been issued, the ability to control or direct such entity’s managerial decisions;
 2. subject to the provisions set forth in Section III. CONDITIONS L. ACQUISITIONS of the Liability Coverage Terms and Conditions, any **Non-Profit Entity** that the **Insured Organization** acquires or forms during the **Policy Period** in which the **Named Insured** owns, directly or through one or more **Subsidiaries**, more than fifty percent (50%) of the outstanding securities or voting rights representing the right to vote for the election of, or to appoint such entity’s board of directors, board of trustees or a functional equivalent thereof, or in cases where no such securities have been issued, the ability to control or direct such entity’s managerial decisions; or
 3. any for-profit entity added specifically by endorsement as a **Subsidiary** to this **Liability Policy**.

M. **"Wrongful Act"** means:

1. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect, including any **Personal Injury** or **Publishers Liability**, committed by or any matter asserted against, an **Insured Person** in his or her capacity as such;
2. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect, including any **Personal Injury** or **Publishers Liability**, committed by or any matter asserted against, an **Insured Person** in his or her **Outside Position**;
3. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect, including any **Personal Injury** or **Publishers Liability**, committed by or any matter asserted against, the **Insured Organization**; or
4. any matter not excluded by the terms and conditions of this **Liability Coverage**, asserted against an **Insured Person** solely by reason of his or her status as such.

All **Related Wrongful Acts** are considered a single **Wrongful Act** for purposes of this **Liability Coverage**, and all **Related Wrongful Acts** shall be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

III. EXCLUSIONS

Exclusions Applicable to All Coverages of the Insuring Agreement:

A. This **Liability Coverage** shall not apply to any **Claim**:

1. for any actual or alleged damage to, or destruction of, loss of, or loss of use of, any tangible property including without limitation, inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot;
2. for any actual or alleged bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, or loss of reputation; provided, that this exclusion shall not apply to allegations of emotional distress or mental anguish, if and only to the extent that such allegations are made as part of a **Claim**:
 - a. for **Personal Injury**; or
 - b. for an employment related **Wrongful Act**;
3. based upon, alleging, arising out of, or in any way relating to, directly or indirectly any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material; or infectious waste or medical waste;
4. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Pollution**;
5. based upon, arising out of, or in any way relating to, directly or indirectly, any fact, circumstance, situation, transaction or event underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Liability Coverage**.
6. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any fact, circumstance, situation, transaction or event which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Liability Coverage** is a direct or indirect renewal or replacement;
7. for any actual or alleged violation of responsibilities, duties or obligations imposed by the Pension Benefits Standards Act, R.S.C., 1985, c.32 (2nd Supp.), or ERISA, or similar provisions of any federal, provincial, territorial, state or local statutory law, common law or civil law anywhere in the world, upon fiduciaries of any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to Employees.

8. by or on behalf of, or in the name or right of, the **Insured Organization**; provided, that this exclusion shall not apply to any **Claim**:
 - a. in the form of a crossclaim, third party claim or other claim for contribution or indemnity by an **Insured Person** and which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this **Liability Coverage**;
 - b. brought or maintained by a trustee in bankruptcy or an interim receiver appointed pursuant to the provisions of the Bankruptcy and Insolvency Act, R.S.C., 1985, c.B-3, a liquidator appointed pursuant to the provisions of the Winding-up and Restructuring Act, R.S.C., 1985, c.W-11, or a receiver or receiver and manager appointed pursuant to the Courts of Justice Act, R.S.O., 1990, c.C.43, or pursuant to other similar federal, provincial, territorial or state legislation;
 - c. that is brought and maintained independently of, and without the assistance, participation or intervention of any **Insured**; provided, however, if any **Insured Person** engages in any protection under:
 1. 18 U.S.C. 1514A(a) (whistleblower protection pursuant to Section 806 of the Sarbanes Oxley Act of 2002), other than the activity of "filing or the causing to be filed" any proceedings as specified under 1514A(a)(2) and any other activity specified in 1514(a)(2) that is engaged in on a voluntary basis; or
 2. any similar whistleblower protection provision of any applicable legislation that affords protection to such **Insured Persons**, other than the filing, causing to be filed or other activities similar to the type specified in 18 U.S.C. 1514A(a)(2) engaged in on a voluntary basis, then for the purpose of this Exception, such activity shall not alone be considered to be with the solicitation, assistance or active participation of any such **Insured Person**.
 - d. brought or maintained by a natural person who was a member of the board of directors, officer, member of the board of trustees, member of the board of managers, or a functional equivalent thereof, but who has not served in such capacity for at least four (4) years preceding the date the **Claim** is first made and who brings and maintains the **Claim** without the solicitation, assistance or participation of any current member of the board of directors, officer, member of the board of trustees, board of managers, or a functional equivalent thereof or anyone who has served in such capacity during the four (4) year period immediately preceding the date the **Claim** is first made;
9. by or on behalf, or in the name or right of, any **Outside Entity** against an **Insured Person** for a **Wrongful Act** in his or her **Outside Position** with respect to such **Outside Entity**;
10. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Wrongful Act** by a **Subsidiary** or any related **Insured Person** occurring at any time during which such entity was not a **Subsidiary**;
11. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, the ownership, control, management or operations of any for-profit **Subsidiary** of the **Insured Organization**; provided, that this exclusion shall not apply to any for-profit entity added specifically by endorsement as a **Subsidiary** to this **Liability Policy**; or
12. for any actual or alleged liability of others assumed by an **Insured** under any contract or agreement, whether oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.

Exclusions Applicable to Insuring Agreement C Only:

- B. Coverage under Insuring Agreement C shall not apply to any **Claim**:
 1. based upon, alleging, arising out of or in any way relating to, directly or indirectly, any employment related **Wrongful Act**.

Exclusions Applicable only to **Loss**:

C. The Insurer shall have no duty to pay **Loss**, other than **Defence Expenses**, for any **Claim**:

1. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Insured**:
 - a. committing any intentionally dishonest or fraudulent act or omission;
 - b. committing any willful violation of any statute, rule or law; or
 - c. gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;

provided that this Exclusion C.1. shall not apply unless a judgment or other final adjudication establishes that such **Insured** committed such intentionally dishonest or fraudulent act or omission, or willful violation of any statute, rule or law, or gained such profit, remuneration or advantage to which such **Insured** was not legally entitled;

2. seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief; or
3. with respect to Insuring Agreement C. only, for any actual or alleged liability of the **Insured Organization** under any express contract or agreement; except to the extent that the **Insured Organization** would have been liable in the absence of such contract or agreement. For the purposes of this Exclusion, an express contract or agreement is an actual agreement among the contracting parties, the terms of which are openly stated in distinct or explicit language, either orally or in writing, at the time of its making.

IV. SEVERABILITY OF EXCLUSIONS

No conduct of any **Insured** shall be imputed to any other **Insured** to determine the application of any of the Exclusions set forth in Section III. EXCLUSIONS above.

V. CONDITIONS

A. RETENTION

This Section V. CONDITIONS A. RETENTION shall supplement, and not replace Section III. CONDITIONS B. RETENTION of the Liability Coverage Terms and Conditions.

No retention shall apply to **Defence Expenses** resulting from any **Claim**, other than a **Claim** for an employment related **Wrongful Act**, and the Insurer shall reimburse the **Insured Organization** for any such retention paid by the **Insured Organization** in connection with any such **Claim**, if:

1. with respect to such **Claim**, there is a final judgment of no liability obtained prior to or during trial, in favour of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment or any similar motion or process, after exhaustion of all appeals, or a final judgment of no liability obtained after trial, in favour of all **Insureds**, after exhaustion of all appeals; or
2. such **Claim** is dismissed or there is a stipulation to dismiss such **Claim** with or without prejudice and without the payment of any monetary consideration by the **Insureds**.

In no event shall a settlement of a **Claim** be considered a final judgment of no liability for purposes of this subsection.

As a condition of any reimbursement of the retention as set forth above, the Insurer may require a written undertaking on terms and conditions satisfactory to the Insurer guaranteeing the repayment of such amounts in the event that such **Claim** is reinstated after payment by the Insurer.

B. SETTLEMENT

The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Defence Expenses** or otherwise assume any contractual obligation, admit any liability, voluntarily make any payment or confess or otherwise agree to any damages or judgments with respect to any **Claim** covered by this **Liability Policy** without the Insurer's written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any settlement, **Defence Expenses**, assumed obligation, admitted liability, voluntary payment, or confessed or agreed damages or judgment to which it has not consented.

The Insurer shall be entitled to the full cooperation and all information and particulars it may reasonably request from the **Insureds** in order to conduct its investigation into or to reach a settlement of any **Claim**. The **Insureds** agree that, in the event of a **Claim**, the **Insureds** will do nothing that may prejudice the Insurer's position or its potential or actual rights of recovery.

The Insurer may, with the written consent of the **Insured**, make such settlement or compromise of any **Claim** as the Insurer deems expedient. In the event that the Insurer recommends an offer of settlement of any **Claim** which is acceptable to the claimant(s) (a "Settlement Offer"), and if the **Insured** shall refuse to consent to such Settlement Offer, the **Insured** shall be solely responsible for thirty percent (30%) of all **Defence Expenses** incurred or paid by the **Insured** after the date the **Insured** refused to consent to the Settlement Offer, and the **Insured** shall also be responsible for thirty percent (30%) of all **Loss**, other than **Defence Expenses**, in excess of the Settlement Offer, provided that the Insurer's liability under this **Liability Coverage** for such **Claim** shall not exceed the remaining applicable limit of liability.

The Insurer and the **Insureds** shall not unreasonably withhold any consent referenced in this Settlement section.

C. PRESUMPTION OF INDEMNIFICATION

Regardless of whether **Loss** resulting from any **Claim** against **Insured Persons** is actually indemnified, Insuring Agreement B. and the Retention set forth in the Declarations shall apply to any **Loss** as to which indemnification by the **Insured Organization** or any **Outside Entity** is legally permissible, whether or not actual indemnification is made, unless such indemnification is not made by the **Insured Organization** or such **Outside Entity** solely by reason of its **Financial Insolvency**.

The certificate of incorporation, charter, articles of association or other organizational documents of the **Insured Organization** and each **Outside Entity**, including by-laws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.

D. OTHER INSURANCE AND INDEMNIFICATION

This **Liability Coverage** shall apply only as excess insurance over, and shall not contribute with: (1) any other valid and collectible insurance available to any **Insured**, including but not limited to any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this **Liability Coverage** by reference in such other policy to the Policy Number of this **Liability Policy**; or (2) indemnification to which any **Insured Person** is entitled from any **Outside Entity** other than the **Insured Organization**. This **Liability Coverage** will not be subject to the terms of any other insurance.

E. REPRESENTATIONS

In granting coverage to any of the **Insureds**, the Insurer has relied upon the declarations and statements in the **Application** and upon any declarations and statements in the original written application submitted to another insurer in respect of the prior coverage incepting as of the Continuity Date set forth in Item 5 of the Declarations for this **Liability Coverage**. All such declarations and statements are the basis of such coverage and shall be considered as incorporated into and constituting part of this **Liability Coverage**.

F. OUTSIDE POSITIONS – LIMIT OF LIABILITY

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

G. NON-RESCINDABILITY

The coverage provided under this **Liability Coverage** shall be non-rescindable with respect to any **Insured Person** who, as of the inception date of this **Liability Coverage**, did not know the facts that were not truthfully disclosed in the **Application**.

H. ORDER OF PAYMENTS

If **Loss** from any **Claim** exceeds the remaining applicable limit of liability as set forth in ITEM 5 of the Declarations:

1. the Insurer will first pay **Loss** for such **Claim** to which Insuring Agreement A. applies; then
2. to the extent that any amount of the applicable limit of liability shall remain available, the Insurer shall pay **Loss** for such **Claim** to which Insuring Agreements B. and C. apply.

Upon written request of the **Insured Organization** by and through any **Executive Officer**, the Insurer shall either pay or withhold payment of **Loss** from such **Claim** under Insuring Agreements B. and C., as applicable. In the event of a written request to withhold payment, the Insurer shall make any future payment only for **Loss** from any such **Claim** to which Insuring Agreement A. applies, unless otherwise so instructed upon written request by and through an **Executive Officer** of the **Insured Organization**.

**THIS IS A CLAIMS MADE COVERAGE WITH DEFENCE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ ALL TERMS CAREFULLY.**

I. INSURING AGREEMENTS

- A. The Insurer shall pay on behalf of the **Insured** all **Loss** for any **Employment Claim** first made and reported during the **Policy Period** or reported within 30 days of its expiry, or if exercised, any **Claim** first made and reported during the **Policy Period** or the Extended Reporting Period or Run-Off Extended Reporting Period, for a **Wrongful Employment Practice**.
- B. If ITEM 5 of the Declarations indicates that Third Party Wrongful Act Coverage has been purchased, the Insurer shall pay on behalf of the **Insured** all **Loss** for any **Third Party Claim** first made and reported during the **Policy Period** or within 30 days of its expiry, or if exercised, any **Claim** first made during the **Policy Period** and reported during the Extended Reporting Period or Run-Off Extended Reporting Period, for a **Third Party Wrongful Act**.

II. DEFINITIONS

Wherever appearing in this **Liability Coverage**, the following words and phrases appearing in bold type shall have the meanings set forth in this Section II. DEFINITIONS:

- A. "**Claim**" means an **Employment Claim** or, if Third Party Wrongful Act Coverage is purchased, a **Third Party Claim**.
- B. "**Claimant**" means:
1. a past, present or future **Employee** of or applicant for employment with the **Insured Organization**;
 2. a governmental entity or agency, when acting on behalf of or for the benefit of a past, present or future **Employee** or applicant for employment; or
 3. any **Independent Contractor**.
- C. "**Discrimination**" means any actual or alleged:
1. violation of any federal, provincial, territorial, state or local statutory law, common law or civil law anywhere in the world, prohibiting discrimination of any kind;
 2. disparate treatment of, or the failure or refusal to hire a **Claimant** or **Outside Claimant** because he or she is or claims to be a member of a class which is or is alleged to be legally protected.
- D. "**Employee**" means a natural person whose labour or service is engaged by and directed by the **Insured Organization** and:
1. who is on the payroll of the **Insured Organization**, including:
 - a. any in-house general counsel of the **Insured Organization**; and
 - b. any other full-time, part-time, temporary and seasonal workers;
 2. who is a volunteer; or
 3. whose services have been leased by the **Insured Organization**.

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

E. "**Employment Agreement**" means any written or oral employment agreement other than a collective bargaining agreement.

F. "**Employment Claim**" means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by the issuance of a notice of action, statement of claim, writ of summons, complaint or similar pleading;
3. a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document;
4. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Insurer's written consent, such consent not to be unreasonably withheld; or
5. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;

against an **Insured** by or on behalf of or for the benefit of a **Claimant**, or against an **Insured Person** serving in an **Outside Position** by or on behalf of or for the benefit of an **Outside Claimant**, for a **Wrongful Employment Practice**; provided, that **Employment Claim** does not include any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement or any type of criminal proceeding.

G. "**Executive Officer**" means an officer, member of the board of directors, natural person partner, principal, risk manager, in-house general counsel, member of the staff of the human resources department of the **Insured Organization** or a functional equivalent thereof.

H. "**Independent Contractor**" means any natural person who performs labour or service solely for the **Insured Organization** on a full-time basis pursuant to a written contract or agreement, where such labour or service is under the exclusive direction of the **Insured Organization**. The status of an individual as an **Independent Contractor** shall be determined as of the date of the alleged **Wrongful Act**.

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

J. "**Insured Organization**" means the **Named Insured** and any **Subsidiary**.

K. "**Insured Person**" means any natural person who was, is or becomes an **Employee**, duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of regents, member of the board of governors, natural person partner or a functional equivalent thereof of the **Insured Organization** for **Wrongful Acts** committed in the discharge of his or her duties as such, or while serving in an **Outside Position**.

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

L. "**Loss**" means **Defence Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements, judgments, compensatory damages, punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the applicable law most favourable to the insurability of punitive, exemplary, or multiplied damages; prejudgment and postjudgment interest and legal fees and expenses awarded to a **Claimant** or **Outside Claimant** pursuant to a court order or judgment. "**Loss**" does not include:

1. civil or criminal fines, sanctions, payroll or other taxes or damages, penalties or types of relief deemed uninsurable under any applicable law;

2. future compensation, including salary or benefits, for a **Claimant** or **Outside Claimant** who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a **Claim**; or that part of any judgment or settlement which constitutes front pay, future monetary losses including but not limited to pension and other benefits, or other future economic relief or the value or equivalent thereof, if the **Insured** has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a **Claim**, to promote, accommodate, reinstate, or hire the **Claimant** or **Outside Claimant** to whom such sums are to be paid, but fails to do so;
 3. medical, pension, disability, life insurance, stock options or other similar employee benefits, except and to the extent that a judgment or settlement of a **Claim** includes a monetary component measured by the value of pension, medical, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a **Wrongful Act**; or
 4. any amount allocated to non-covered loss pursuant to Section III. CONDITIONS. P. ALLOCATION of the Liability Coverage Terms and Conditions.
- M. "**Non-Profit Entity**" means any non-profit entity incorporated under Part II of the Canada Corporations Act, R.S.C., 1970, c. C-32, or under any similar provisions of any provincial or territorial act or any foreign equivalent.
- N. "**Outside Claimant**" means:
1. a past, present or future **Outside Employee** of or applicant for employment with an **Outside Entity**;
 2. a governmental entity or agency when acting on behalf of or for the benefit of present or former **Outside Employees** or applicants for employment; or
 3. any natural person independent contractor who performs labour or service solely for the **Outside Entity** on a full-time basis pursuant to a written contract or agreement, where such labour or service is under the exclusive direction of the **Outside Entity**.
- O. "**Outside Employee**" means a natural person who serves in an **Outside Position** and whose labour or service is engaged by and directed by an **Outside Entity** and:
1. who is on the payroll of an **Outside Entity**, including:
 - a. any in-house general counsel of the **Outside Entity**; and
 - b. any other full-time, part-time, temporary and seasonal workers;
 2. who is a volunteer; or
 3. whose services have been leased by the **Outside Entity**.
- The status of an individual as an **Outside Employee** shall be determined as of the date of the alleged **Wrongful Employment Practice**.
- P. "**Outside Entity**" means:
1. any **Non-Profit Entity** other than the **Insured Organization**; or
 2. any corporation or organization specifically scheduled as an **Outside Entity** by endorsement to this **Liability Policy**.
- Q. "**Outside Position**" means service by an **Insured Person** as a member of the board of directors, officer, member of the board of trustees, member of the board of managers, member of the board of regents, member of the board of governors or a functional equivalent thereof with an **Outside Entity**, but only during such time that such service is with the knowledge, consent, and at the specific request of the **Insured Organization**.

R. "**Retaliation**" means any actual or alleged **Wrongful Termination** or other adverse employment action against an **Employee** or **Outside Employee** on account of such **Employee's** or **Outside Employee's** exercise or attempted exercise of rights protected by law, supporting in any way another's exercise of protected rights, participating in strikes or lockouts, threatening or actually reporting wrongful activity of an **Insured**, including violation of any federal, provincial, territorial, state or local "whistle blower" or similar law.

S. "**Sexual Harassment**" means any actual or alleged unwelcome sexual advances, requests for sexual favours or any other conduct of a sexual nature:

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

T. "**Subsidiary**" means:

1. If ITEM 4 of the Declarations indicates that Non-Profit Organization Directors and Officers Liability coverage has been purchased, then **Subsidiary** shall have the meaning set forth in such **Liability Coverage**;
2. If ITEM 4 of the Declarations indicates that Non-Profit Organization Directors and Officers Liability coverage has not been purchased, then **Subsidiary** means:
 - a. any entity, including but not limited to a corporation, partnership or limited liability company, in which, on or prior to the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or through one or more **Subsidiaries**, more than fifty percent (50%) of the outstanding securities or voting rights representing the right to vote for the election of, or to appoint such organization's board of directors, board of trustees, board of managers or a functional equivalent thereof, or to exercise a majority control of the board of directors, board of trustees, board of managers or a functional equivalent thereof;
 - b. any entity, including but not limited to a corporation, partnership or limited liability company operated as a joint venture, in which, on or prior to the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or through one or more **Subsidiaries**, exactly fifty percent (50%) of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such organization, the **Named Insured** solely controls the management and operation of such organization; or
 - c. subject to the provisions set forth in Section III. CONDITIONS L. ACQUISITIONS of the Liability Coverage Terms and Conditions, any organization that the **Insured Organization** forms or acquires during the **Policy Period** in which the **Named Insured** owns, directly or through one or more **Subsidiaries**, more than fifty percent (50%) of the outstanding securities or voting rights representing the right to vote for the election of, or to appoint such organization's board of directors, board of trustees, board of managers or a functional equivalent thereof, or to exercise a majority control of the board of directors, board of trustees, board of managers or a functional equivalent thereof.

U. "**Third Party Claim**" means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by the issuance of a notice of action, statement of claim, writ of summons, complaint or similar pleading;
3. a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order, service of summons, or similar document;
4. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the **Insurer's** written consent, such consent not to be unreasonably withheld; or
5. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;

against an **Insured** by or on behalf of or for the benefit of any natural person other than a **Claimant** for a **Third Party Wrongful Act**; provided, that **Third Party Claim** does not include any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement or any type of criminal proceeding.

- V. "**Third Party Wrongful Act**" means, with respect to any natural person other than a **Claimant**, any actual or alleged violation of any federal, provincial, territorial, state or local statutory law, common law or civil law anywhere in the world, prohibiting any kind of discrimination or harassment, including discrimination or harassment based on gender, religion, age, disability, race, national origin, pregnancy, marital status and sexual orientation, and including any type of sexual harassment, such as unwelcome sexual advances, requests for sexual favours, or other verbal, visual or physical conduct of a sexual nature, actually or allegedly committed by any of the **Insureds** in their capacity as such.
- W. "**Workplace Harassment**" means any actual or alleged harassment, other than **Sexual Harassment**, which creates a work environment that interferes with job performance, inflicts emotional distress, or creates an intimidating, hostile, or offensive work environment.
- X. "**Wrongful Act**" means:
1. a **Wrongful Employment Practice** occurring in the course of or arising out of a **Claimant's** employment, application for employment or performance of services with the **Insured Organization**;
 2. a **Wrongful Employment Practice** by an **Insured Person** in his or her **Outside Position** occurring in the course of or arising out of an **Outside Claimant's** employment, application for employment or performance of services with an **Outside Entity**; or
 3. a **Third Party Wrongful Act**, if ITEM 5 of the Declarations indicates that Third Party Wrongful Act Coverage has been purchased.

All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Liability Coverage**, and all **Related Wrongful Acts** shall be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

- Y. "**Wrongful Employment Practice**" means any actual or alleged:
1. **Discrimination**;
 2. **Retaliation**;
 3. **Sexual Harassment**;
 4. **Workplace Harassment**;
 5. **Wrongful Termination**;
 6. breach of **Employment Agreement**;
 7. employment-related misrepresentation;
 8. defamation, including libel or slander, or invasion of privacy;
 9. failure to create or enforce adequate workplace or employment policies and procedures, employ or promote, or grant tenure;
 10. wrongful discipline, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
 11. failure or refusal to promote, including wrongful failure to train, advance or grant bonuses or perquisites;
 12. wrongful demotion;

13. wrongful infliction of emotion distress; or

14. negligent hiring, supervision of others, training, or retention, but only if such act is alleged in connection with a **Wrongful Employment Practice** set forth in 1. through 13. committed or allegedly committed by any **Insured**.

Z. "**Wrongful Termination**" means the actual, alleged or constructive termination of an employment relationship between a **Claimant** and the **Insured Organization**, or the actual or constructive termination of an employment relationship between an **Outside Claimant** and an **Outside Entity**, in a manner or for a reason which is contrary to applicable law or public policy, or in violation of an **Employment Agreement**.

III. EXCLUSIONS

A. This **Liability Coverage** shall not apply to any **Claim**:

1. for any actual or alleged damage to, or destruction of, loss of, or loss of use of, any tangible property including without limitation inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, asbestos, spores, mildew, fungus, or wet or dry rot;
2. for any actual or alleged bodily injury, sickness, disease, death, or loss of consortium; provided, that this exclusion shall not apply to that portion of a **Claim** seeking **Loss** for emotional distress, mental anguish, humiliation, or loss of reputation;
3. based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Pollution**; provided that this exclusion shall not apply to **Claims** for **Retaliation**;
4. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any prior or pending written demand for monetary damages or non-monetary relief, administrative, regulatory or arbitration proceeding or civil or criminal litigation against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Liability Coverage**;
5. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any fact, circumstance, situation, transaction, event or **Wrongful Act** which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Liability Coverage** is a direct or indirect renewal or replacement;
6. for any actual or alleged liability of others assumed by an **Insured** under any contract or agreement, whether oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement. However, this exclusion shall not apply to **Defence Expenses** arising out of, or attributable to, an actual or alleged breach of an **Employment Agreement**;
7. for an actual or alleged violation of, or any obligation of, any **Insured** under:
 - (a) the Pension Benefits Standards Act, R.S.C., 1985, c.32 (2nd Supp.);
 - (b) the Canada Labour Code, R.S.C., 1985, c. L-2, Parts I and II;
 - (c) the Canadian Human Rights Act, R.S.C., 1985, c. H-6, Section 11;
 - (d) the Fair Labor Standards Act (except the Equal Pay Act) of the United States of America;
 - (e) the National Labor Relations Act of the United States of America;
 - (f) the Worker Adjustment and Retraining Notification Act of the United States of America;
 - (g) the Consolidated Omnibus Budget Reconciliation Act of 1985 of the United States of America;
 - (h) the Occupational Safety and Health Act of the United States of America;

- (i) ERISA; or
- (j) any law governing workers; compensation, employment insurance, unemployment insurance, social security or disability benefits.

or other similar provisions of any federal, provincial, territorial, state or local statutory law, common law or civil law anywhere in the world, or any amendments, rules or regulations promulgated under any of the foregoing; provided that this exclusion shall not apply to **Claims for Retaliation**;

- 8. for an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an **Employee** or **Outside Employee** or dependent in, any employee benefit plan, fund or program, including contracts or agreements; provided, that this exclusion shall not apply to **Claims for Retaliation**;
- 9. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Wrongful Act** by a **Subsidiary** or any related **Insured Person** occurring at any time during which such entity was not a **Subsidiary**;
- 10. for a **Third Party Claim** against any **Insured** based upon, arising out of, or attributable to any actual or alleged violation of the Competition Act, R.S.C., 1985, c. C-34, the Interstate Commerce Act of 1867 of the United States of America, the Sherman Antitrust Act of 1890 of the United States of America, the Clayton Act of 1914 of the United States of America, the Robinson-Patman Act of 1938 of the United States of America, the Cellar-Kefauver Act of 1950 of the United States of America, the Competition Act of the United States of America, the Federal Trade Commission Act of 1914 of the United States of America, amendments thereto, or any other federal, provincial, territorial, state or local statutory law, common law or civil law anywhere in the world designed to prevent monopolies, preclude price discrimination, price fixing or unfair trade practices, or to otherwise protect competition; or
- 11. for any actual or alleged liability under any agreement governing the terms of the labour or service of an **Independent Contractor**, temporary worker or leased employee with the **Insured Organization** or for liability under any agreement governing the terms of the labour or service of any natural person independent contractor who performs labour or service solely for the **Outside Entity** on a full-time basis pursuant to a written contract or agreement.

B. The Insurer shall not be liable for Loss, other than Defence Expenses, for any Claim:

- 1. seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief including but not limited to actual or anticipated costs and expenses associated with or arising from an **Insured's** obligations to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, provincial, territorial, state or local law or regulations;
- 2. seeking amounts owed under a written contract or agreement; provided this exclusion shall not apply to the extent that the **Insured** would have been liable for such **Loss** in the absence of the contract or agreement;
- 3. for fringe benefits, deferred payments (including insurance premiums in connection with an employee benefit plan), stock, stock options or warrants, stock appreciation rights, or similar rights in securities or rights to purchase securities, or the value thereof, or other perquisites, or any liability imposed upon or costs incurred by any **Insured** for damages for breach of any common or civil law or statutory right or entitlement to compensation (including, but not limited to, salary) in lieu of notice of termination, or termination or severance pay; or
- 4. seeking compensation earned in the course of employment but not paid by the **Insured Organization** including any unpaid salary, wages, or bonuses.

IV. CONDITIONS

A. SETTLEMENT

The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Defence Expenses** or otherwise assume any contractual obligation, admit any liability, voluntarily make any payment or confess or otherwise agree to any damages or judgments with respect to any **Claim** covered by this **Liability Policy** without the Insurer's written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any settlement, **Defence Expenses**, assumed obligation, admitted liability, voluntary payment, or confessed or agreed damages or judgment to which it has not consented.

The **Insurer** shall be entitled to the full cooperation and all information and particulars it may reasonably request from the **Insureds** in order to conduct its investigation into or to reach a settlement of any **Claim**. The **Insureds** agree that, in the event of a **Claim**, the **Insureds** will do nothing that may prejudice the Insurer's position or its potential or actual rights of recovery.

The Insurer may, with the written consent of the **Insured**, make such settlement or compromise of any **Claim** as the Insurer deems expedient. In the event that the Insurer recommends an offer of settlement of any **Claim** which is acceptable to the claimant(s) (a "Settlement Offer"), and if the **Insured** shall refuse to consent to such Settlement Offer, the **Insured** shall be solely responsible for thirty percent (30%) of all **Defence Expenses** incurred or paid by the **Insured** after the date the **Insured** refused to consent to the Settlement Offer, and the **Insured** shall also be responsible for thirty percent (30%) of all **Loss**, other than **Defence Expenses**, in excess of the Settlement Offer, provided that the **Insurer's** liability under this **Liability Coverage** for such **Claim** shall not exceed the remaining applicable limit of liability.

The **Insurer** and the **Insureds** shall not unreasonably withhold any consent referenced in this Settlement section.

B. OTHER INSURANCE

Except for **Claims** against **Insured Persons** for **Wrongful Employment Practices** in their **Outside Positions**, this **Liability Coverage** shall apply only as excess insurance over, and shall not contribute with any:

1. fiduciary liability insurance or other insurance which applies to any claim for any violation of ERISA (other than Fiduciary Liability coverage, if purchased from the Insurer); or
2. insurance which applies to any **Claim**:
 - a. against an **Independent Contractor** or leased or temporary employee; or
 - b. for a **Third Party Wrongful Act**.

With respect to **Claims** against **Insured Persons** for **Wrongful Employment Practices** in their **Outside Positions**, this **Liability Coverage** shall apply only as excess insurance over, and shall not contribute with: (1) any other valid and collectible insurance available to any **Insured**, including but not limited to any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this **Liability Coverage** by reference in such other policy to the Policy Number of this **Liability Policy**; or (2) indemnification to which an **Insured Person** is entitled from any **Outside Entity** other than the **Insured Organization**. This **Liability Coverage** will not be subject to the terms of any other insurance.

C. REPRESENTATIONS

In granting coverage to any of the **Insureds**, the Insurer has relied upon the declarations and statements in the **Application** and upon any declarations and statements in the original written application submitted to another insurer in respect of the prior coverage incepting as of the Continuity Date set forth in Item 5 of the Declarations for this **Liability Coverage**. All such declarations and statements are the basis of such coverage and shall be considered as incorporated into and constituting part of this **Liability Coverage**.

D. OUTSIDE POSITIONS – LIMIT OF LIABILITY

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



ENDORSEMENT NO. 1

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT EXECUTED	EFFECTIVE DATE OF ENDORSEMENT 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
75406564	April 10, 2017	April 9, 2017

INSURED

The Rainbow Society of Alberta

STATEMENTS AND REPRESENTATIONS ENDORSEMENT

This endorsement modifies the following coverage:

**Non-Profit Organization Directors and Officers Liability
Employment Practices Liability**

In consideration of the premium charged, it is understood and agreed that each document described below is deemed attached to and incorporated into the **Liability Coverage(s)** shown above.

The Insurer has relied upon the statements and representations in each such document. The Insureds represent that all such statements and representations are true. All such statements and representations shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Liability Coverage. This **Liability Coverage** is issued in reliance upon the truth thereof.

Documents:

Intact Insurance Company Application, signed and dated April 5, 2017

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

If this endorsement is issued after the effective date of this Policy, it must be signed below by a duly authorized representative of the Insurer.

Authorized Representative

Date



ENDORSEMENT NO. 2

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT EXECUTED	EFFECTIVE DATE OF ENDORSEMENT 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
75406564	April 10, 2017	April 9, 2017

INSURED

The Rainbow Society of Alberta

AMENDED SECTIONS ENDORSEMENT FOR WRAP+ NON-PROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY, EMPLOYMENT PRACTICES LIABILITY & FIDUCIARY LIABILITY COVERAGES (Settlement clause not amended)

In consideration of the premium charged, it is understood and agreed that this **Liability Policy** is amended as follows:

- 1) (A) Section II. DEFINITIONS of the **Liability Coverage** Terms and Conditions is amended as follows:

DEFINITIONS F. "**Defence Expenses**" is deleted and replaced with the following:

F. "**Defence Expenses**" means reasonable and necessary legal fees and expenses incurred by the Insurer or the **Insured**, with the Insurer's consent, in the investigation, defence, settlement and appeal of a **Claim**, including but not limited to, cost of lawyer's fees and experts' fees, **Extradition Expenses**, the premium for appeal, attachment or similar bonds regarding such **Claim**; provided, that **Defence Expenses** shall not include the salaries, wages, benefits or overhead of, or paid to, any **Insured** or any employee thereof.

- (B) The following definitions are added to Section II. DEFINITIONS of the **Liability Coverage** Terms and Conditions

"**Extradition**" means a formal process by which any **Insured Person** located in any country is surrendered to any other country to answer any criminal accusation.

"**Extradition Expenses**" means the reasonable costs, charges, fees (including lawyers' and experts' fees) and expenses incurred by any **Insured Person** in lawfully opposing, challenging, resisting, or defending against any request for, or any effort to obtain, the **Extradition** of such **Insured Person**.

- (C) The definition of **Claim** in the the Non-Profit Organization Directors and Officers **Liability Coverage** of this **Liability Policy** is further amended to include the following:

"**Claim**" also means a formal request for **Extradition**, including the execution of an arrest warrant where such execution is an element of **Extradition**, for a **Wrongful Act**.

- 2) (A) With respect to the Non-Profit Organization Directors and Officers **Liability Coverage**, and solely with respect to **Claims** brought in Canada Section III. CONDITIONS C. LIMITS OF LIABILITY of the **Liability Coverage** Terms and Conditions is deleted and replaced with the following:

C. LIMITS OF LIABILITY

1. Liability Coverage Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Liability Coverage Shared Limit of Liability** or **Annual Reinstatement of the Liability Coverage Limit of Liability**:

- a. the Insurer's maximum limit of liability for all **Loss**, excluding **Defence Expenses**, for all **Claims** under each applicable **Liability Coverage** shall not exceed the remaining **Liability Coverage Limit of Liability** stated in ITEM 5 of the **Declarations** for each applicable **Liability Coverage**; and
- b. in the event that a **Claim** triggers more than one **Liability Coverage**, the Insurer's maximum limit of liability for all **Loss**, excluding **Defence Expenses**, for any such **Claim** shall not exceed the sum of the remaining **Liability Coverage Limits of Liability** of the applicable **Liability Coverages**.

2. Liability Coverage Shared Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Annual Reinstatement of the Liability Coverage Limit of Liability**, if ITEM 4 of the **Declarations** indicates that more than one **Liability Coverage** has been purchased and a **Liability Coverage Shared Limit of Liability** is shown in ITEM 12 of the **Declarations**:

- a. the Insurer's maximum limit of liability for all **Loss**, excluding **Defence Expenses**, for all **Claims** under all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, shall not exceed the remaining **Liability Coverage Shared Limit of Liability**; and
- b. if the **Liability Coverage Shared Limit of Liability** is exhausted by the payment of amounts covered under any **Liability Coverage** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, the premium for all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, shall be fully earned, all obligations of the Insurer under all **Liability Coverages** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**, shall be completely fulfilled and exhausted, including any duty to defend, and the Insurer shall have no further obligations of any kind or nature whatsoever under any **Liability Coverage** subject to the **Liability Coverage Shared Limit of Liability**, as set forth in ITEM 12 of the **Declarations**.

3. Annual Reinstatement of the Liability Coverage Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Insurer or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the **Declarations** includes an **Annual Reinstatement of the Liability Coverage Limit of Liability**:

- a. the Insurer's maximum limit of liability for all **Loss**, excluding **Defence Expenses**, for all **Claims** made during each **Policy Year** shall not exceed the remaining **Liability Coverage Limit of Liability** stated in ITEM 5 of the **Declarations** for each applicable **Liability Coverage** or, if applicable, the remaining **Liability Coverage Shared Limit of Liability**; and
- b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Insurer's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period shall not exceed the remaining **Liability Coverage Limit of Liability** or, if applicable, the **Liability Coverage Shared Limit of Liability** for the last **Policy Year** in effect at the time of the termination or cancellation of the **Liability Coverage** or the **Change of Control**.

4. Other Provisions

Payment of **Defence Expenses** shall not reduce all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Insurer's liability shall not exceed the remaining amount of the applicable limit of liability. In no event shall the Insurer be obligated to make any payment for **Loss**, except for **Defence Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If a **Liability Coverage Limit of Liability** is exhausted by the payment of amounts covered under such **Liability Coverage**, the premium for such **Liability Coverage** shall be fully earned, all obligations of the Insurer under such **Liability Coverage** shall be completely fulfilled and exhausted, including any duty to defend, and the Insurer shall have no further obligations of any kind or nature whatsoever under such **Liability Coverage**.

- (B) With respect to **Claims** brought in the United States of America, the **Additional Defence Limit of Liability** set forth in ITEM 5 of the Declarations for each applicable **Liability Coverage**, will be limited to \$2,000,000. The **Additional Defence Limit of Liability** applies once the applicable Retention has been paid by the **Insured**.

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- 3) With respect to Section III. CONDITIONS F. – INSURED'S DUTIES IN THE EVENT OF A CLAIM of the **Liability Coverage** Terms and Conditions:

(A) Section II. DEFINITIONS B. "**Executive Officer**" in the Non-Profit Organization Directors and Officers **Liability Coverage** is deleted and replaced by the following:

B. "**Executive Officer**" means the president, chief executive officer, chief financial officer, risk manager or equivalent of the **Insured Organization**.

(B) Section II. DEFINITIONS G. "**Executive Officer**" of the Employment Practices **Liability Coverage** and Section II. DEFINITIONS G. "**Executive Officer**" of the Fiduciary **Liability Coverage** are deleted and replaced by the following:

G. "**Executive Officer**" means the president, chief executive officer, chief financial officer, human resources manager, risk manager or equivalent of the **Insured Organization**.

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- 4) Section III CONDITIONS L. ACQUISITIONS of the **Liability Coverage** Terms and Conditions is deleted and replaced with the following:

L. ACQUISITIONS

If, during the **Policy Period**, the **Insured Organization** acquires or forms a **Subsidiary**, this **Liability Policy** will provide coverage for such **Subsidiary** and its respective **Insured Persons**, subject to all other terms and conditions of this **Liability Policy**, provided written notice of such acquisition or formation has been given to the Insurer, and specific application has been submitted on the Insurer's form in use at the time, together with such documentation and information as the Insurer may require, all within ninety (90) days after the effective date of such formation or acquisition. Coverage for such **Subsidiary** shall not be afforded following such 90-day period unless the Insurer has agreed to provide such coverage, subject to any additional terms and conditions as the Insurer may require, and the **Named Insured** has paid the Insurer any additional premium as may be required by the Insurer.

The 90-day notice requirement shall not apply provided that: (1) the assets of the acquired or formed **Subsidiary** do not exceed fifty (50%) of the total assets of the **Insured Organization** as reflected in the

Insured Organization's most recent fiscal year-end financial statement; or (2) the acquisition or formation occurs less than ninety (90) days prior to the end of the **Policy Period**.

- 5) Section III. CONDITIONS Q. CANCELLATION of the **Liability Coverage** Terms and Conditions is deleted and replaced with the following:

Q. CANCELLATION

The Insurer may cancel this **Liability Policy** for failure to pay a premium when due, in which case twenty (20) days written notice shall be given to the **Named Insured**, unless, payment in full is received within twenty (20) days of the **Named Insured's** receipt of such notice of cancellation. The Insurer shall have the right to the premium amount for the portion of the **Policy Period** during which this **Liability Policy** was in effect.

Subject to the provisions set forth in Section III. CONDITIONS K. CHANGE OF CONTROL, the **Named Insured** may cancel the **Liability Coverage(s)** shown above by mailing the Insurer written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. In the event the **Named Insured** cancels, the earned premium will be computed in accordance with the pro-rata tables and procedures. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Insurer will not be required to renew this **Liability Coverage(s)** shown above upon its expiration. If the Insurer elects not to renew, it will provide to the **Named Insured** written notice to that effect at least thirty (30) days before the Expiration Date set forth in ITEM 2 of the Declarations.

- 6) Section I. INSURING AGREEMENTS in the Non-Profit Organization Directors and Officers **Liability Coverage**, Employment Practices **Liability Coverage** and the Fiduciary **Liability Coverage** are amended to remove the phrases "and reported" and "or reported within 30 days of its expiry" from all Insuring Agreements found in these **Liability Coverages**.
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- 7) Solely with respect to the coverage provided under this Endorsement to an **Employed Lawyer** in the Non-Profit Organization Directors and Officers **Liability Coverage**:

(A) Section II. DEFINITIONS E. "**Insured Person**" is amended to include the following:

Employed Lawyers, but only with respect a **Claim** made, and continuously maintained against both such **Employed Lawyer** and one or more other **Insured Person(s)** described above.

B) The following definition is added to Section II. DEFINITIONS:

Employed Lawyer means any **Employee** who is admitted to practice law and who was, now is or shall be, at the time of the alleged **Wrongful Act**, employed as a lawyer full time for and salaried by the **Insured Organization**.

C) Section II. DEFINITIONS M. "**Wrongful Act**" is deleted and replaced with the following:

Wrongful Act means any act, error or omission of an **Employed Lawyer**, in the rendering of or failure to render professional legal services for the **Insured Organization**, but solely in their capacity as such. Provided, however, that a **Wrongful Act** shall not mean any act, error or omission in connection with any activities by such **Employed Lawyer**:

1. which are not related to such **Employed Lawyer's** employment with the **Insured Organization**;

2. which are not rendered on behalf of the **Insured Organization** at the **Insured Organization's** written request; or
3. which are performed by the **Employed Lawyer** for others for a fee.

D) The following exclusions are added to Section III. EXCLUSIONS Exclusions Applicable to All Coverages of the Insuring Agreement:

- a) based upon, arising out of, or attributable to any **Wrongful Act** occurring at a time when the **Employed Lawyer** was not employed as a lawyer by the **Insured Organization**;
- b) based upon, arising out of, or attributable to any **Wrongful Act** of which, as of the effective date of this endorsement, an **Employed Lawyer** had knowledge or information and which could have reasonably given rise to a **Claim**. No fact pertaining to, or knowledge possessed by an **Employed Lawyer** shall be imputed to any other **Employed Lawyer** for purposes of applying this exclusion; or
- c) based upon, arising out of, or attributable to any **Wrongful Act** by an **Employed Lawyer** acting as an officer or director of any entity other than the **Insured Organization**.

E) The **Insured Organization** shall be deemed to provide indemnification to the **Employed Lawyer** for all **Loss** to the fullest extent permitted by law, or contract, or the charter or by-laws of the **Insured Organization**. The **Insured Organization** shall also take all steps necessary or allowable to provide such indemnification.

F) The Limit of Liability of the Insurer with respect to any coverage provided in this Endorsement to an **Employed Lawyer** shall not exceed \$1,000,000 each **Policy Period**. Such coverage shall be part of, and not in addition to the Limit of Liability.

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- 8) Section II. DEFINITIONS E. "**Insured Person**" in the Non-Profit Organization Directors and Officers **Liability Coverage**, Section II. DEFINITIONS K. "**Insured Person**" in the Employment Practices **Liability Coverage** and Section II. DEFINITIONS J. "**Insured Person**" in the Fiduciary **Liability Coverage** is amended to include the following:

any natural person who was, is or becomes a De Facto director or officer of the **Insured Organization**.

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- 9) Section II. DEFINITIONS G. "**Executive Officer**" in the Employment Practices **Liability Coverage** is amended to include any **LLC Manager**.

(B) The following definition is added to Section II. DEFINITIONS of the Employment Practices **Liability Coverage**:

"**LLC Manager**" means any natural person who was, is or becomes a manager, member of the board of managers, or a functionally equivalent executive of an **Insured Organization** that is a limited liability company.

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- 10) Section III. EXCLUSIONS A.2 of the Non-Profit Organization Directors and Officers **Liability Coverage** is amended to include the following:

Provided that this Exclusion A.2 shall not apply to **Defence Expenses** for:

- (i) any **Claim** which is a criminal proceeding brought pursuant to section 217.1 of the Criminal Code of Canada, R.S.C. 1985, c. C-46, as amended by Bill C-45; or

- (ii) a **Claim** brought pursuant to the Ontario Occupational Health and Safety Amendment Act (*Violence and Harassment in the Workplace*) 2009;

against an **Insured Person**;

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- 11) Section III. EXCLUSIONS A. 4 of the Non-Profit Organization Directors and Officers **Liability Coverage** is deleted and replaced with the following:

- 4. This **Liability Coverage** shall not apply to, and the Insurer shall have no duty to defend or to pay, advance or reimburse **Defence Expenses** for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Pollution**; provided that this exclusion shall not apply:
 - (i) under INSURING AGREEMENT A., to any **Claim** which is brought, commenced and conducted within the territorial limits and jurisdiction of Canada by a security holder of the **Insured Organization** in their capacity as such, whether in their own right or on behalf of the **Insured Organization**, provided that such **Claim** is brought and maintained without the assistance, intervention or solicitation of any **Insured Person(s)** or the **Insured Organization**; or
 - (ii) under INSURING AGREEMENT A., to **Defence Expenses** for **Claims** brought, commenced and conducted within the territorial limits and jurisdiction of Canada;

and provided that with respect to (i) and (ii) above, the **Insured Organization** is either not permitted or not required, or fails by reason of **Financial Insolvency**, to indemnify, including provide advancement to, the **Insured Persons**. For purposes of this endorsement, the certificate of incorporation, by-laws and shareholder and Board of Directors' resolutions of the **Insured Organization** shall be deemed to provide indemnification, including advancement, to the **Insured Persons** to the fullest extent permitted by law.

The Insurer's maximum limit of liability for all **Loss**, including **Defence Expenses**, with respect to any coverage provided by part (ii) of this endorsement shall not exceed \$1,000,000, each **Policy Period**, which amount is included within, and not in addition to, any applicable limit of liability stated in the Declarations.

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- 12) Section III. EXCLUSIONS C. 1. of the Non-Profit Organization Directors and Officers **Liability Coverage** is deleted and replaced with the following:

C. The Insurer shall have no duty to pay **Loss**, other than **Defence Expenses**, for any **Claim**:

- 1. based upon, alleging, arising out of, or in any way relating to, directly or indirectly, any **Insured**:
 - a. committing any intentionally dishonest or fraudulent act or omission;
 - b. committing any willful violation of any statute, rule or law; or
 - c. gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;

provided, that this Exclusion C.1. shall not apply unless a final and non-appealable adjudication establishes that such **Insured** committed such intentionally dishonest or fraudulent act or omission, or willful violation of any statute, rule or law, or gained such profit, remuneration or advantage to which such **Insured** was not legally entitled.

13) Section III. EXCLUSIONS B.3. of the Employment Practices **Liability Coverage** is deleted and replaced with the following:

3. for fringe benefits, deferred payments (including insurance premiums in connection with an employee benefit plan), stock, stock options or warrants, stock appreciation rights, or similar rights in securities or rights to purchase securities, or the value thereof, or other prerequisites, or any liability imposed upon or costs incurred by any **Insured** for damages for breach of any common or civil law or statutory right or entitlement to compensation (including, but not limited to, salary) in lieu of notice of termination, or termination or severance pay;

Provided, that this Exclusion B.3. shall not apply to that part of such Loss on account of any **Employment Claim(s)** brought in Canada only for **Wrongful Termination**, consisting of amounts that exceed:

- a) the minimum amount payable under applicable employment standards law; and
- b) that which the **Insured Organization** has offered or paid to the claimant following the **Wrongful Termination** or prior to the **Claim** being first made.

Provided that the offer made or paid amount to the claimant by the **Insured Organization** has been made:

- (i) in good faith; and
- (ii) in reliance upon legal advice which was obtained with respect to **Insured Organization's** obligations to the claimant as a result of the **Wrongful Termination**.

14) Section V. CONDITIONS. C. PRESUMPTION OF INDEMNIFICATION of the Non-Profit Organization Directors and Officers **Liability Coverage** is amended to include the following:

If the **Insured Organization**, is legally permitted, but fails or refuses to advance **Defence Expenses** or indemnify an **Insured Person** for **Loss** within sixty (60) days after the **Insured Organization** receives a written request for payment from such **Insured Person**, the **Insurer** will advance such **Defence Expenses** and pay such other **Loss** on behalf of the **Insured Person** and such **Insured Person** will not be liable for amounts within the applicable Retention.

If the **Insured Organization** fails or refuses to advance **Defence Expenses** or indemnify an **Insured Person** for **Loss** for reasons other than **Financial Insolvency**, the **Insured Organization** will reimburse the **Insurer** for **Loss**, including **Defence Expenses**, or be subject to the SUBROGATION and RECOVERIES sections of the Liability Coverage Terms and Conditions of this **Liability Policy**.

15) Section V. CONDITIONS G. NON-RESCINDABILITY of the Non-Profit Organization Directors and Officers **Liability Coverage** is deleted and replaced with the following:

G. NON-RESCINDABILITY

The coverage provided under this **Liability Coverage** shall be non-rescindable with respect to any **Insured** who, as of the inception date of this **Liability Coverage**, did not know the facts that were not truthfully disclosed in the **Application**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

If this endorsement is issued after the issuance of this Policy, it must be signed below by a duly authorized representative of the Insurer.

Authorized Representative

Date



ENDORSEMENT NO. 3

ATTACHED TO AND FORMING PART OF POLICY NO. 75406564	DATE ENDORSEMENT EXECUTED April 10, 2017	EFFECTIVE DATE OF ENDORSEMENT 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY April 9, 2017
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INSURED

The Rainbow Society of Alberta

SEXUAL ABUSE EXCLUSION ENDORSEMENT

This endorsement modifies the following coverage:

**Non-Profit Organization Directors and Officers Liability
Employment Practices Liability**

It is agreed that solely with respect to the **Liability Coverage** shown above, such **Liability Coverage** shall not apply to, and the Insurer shall have no duty to defend or to pay, advance or reimburse **Defence Expenses** for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly, sexual abuse.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

If this endorsement is issued after the effective date of this Policy, it must be signed below by a duly authorized representative of the Insurer.

Authorized Representative

Date



ENDORSEMENT NO. 4

ATTACHED TO AND FORMING PART OF POLICY NO.	DATE ENDORSEMENT EXECUTED	EFFECTIVE DATE OF ENDORSEMENT 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE POLICY
75406564	April 10, 2017	April 9, 2017

INSURED

The Rainbow Society of Alberta

Workplace Violence Expense Coverage Extension

This endorsement modifies the following coverage:

Non-Profit Organization Directors and Officers Liability

In consideration of the payment of the premium it is agreed that solely with respect to the coverage shown above:

1. Section I. INSURING AGREEMENTS is amended by adding the following:

Workplace Violence Expense Coverage

The Insurer shall reimburse the **Insured Organization** for **Workplace Violence Expense** incurred by the **Insured Organization** resulting from any **Workplace Violence**, provided that the Insurer's maximum aggregate liability for all **Workplace Violence Expense** shall not exceed \$250,000, which amount is part of, and not in addition to the Insurer's Liability Coverage Limit of Liability or Liability Coverage Shared Limit of Liability, if applicable, as set forth in ITEM 5 of the Declarations.

2. Section V. CONDITIONS, A. RETENTION is amended by adding the following:

No retention shall apply to **Workplace Violence Expense Coverage**.

3. Solely with respect to Workplace Violence Expense Coverage as set forth in 1. above:

(A) Section II, DEFINITIONS of this policy are amended by adding the following:

"Workplace Violence" means any intentional and unlawful act:

- (i) of deadly force involving the use of a lethal weapon; or
- (ii) involving the threat of deadly force with the display of a lethal weapon;

which occurs on or in the **Premise** and which did or could result in bodily injury or death to an **Insured Person**.

"Workplace Violence Expense" means the reasonable fees and expenses, or cost of:

- (i) the services of an independent security consultant for ninety (90) days following the date **Workplace Violence** occurs;
- (ii) the services of an independent public relations consultant for ninety (90) days following the date **Workplace Violence** occurs;
- (iii) a counseling seminar for all employees conducted by an independent consultant following a **Workplace Violence**;
- (iv) the services of an independent security guard for up to fifteen (15) days following the date **Workplace Violence** occurs; and
- (v) the services of an independent forensic analyst.

“Premise” means the buildings, facilities or properties occupied by the **Insured Organization** in conducting its business.

(B) (a) Section III, EXCLUSIONS, Exclusions Applicable to All Coverages of the Insuring Agreement, Exclusion A.2 is deleted and replaced by the following:

2. based upon, arising out of, or in any way relating to, directly or indirectly, any actual or alleged bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, loss of reputation, libel, slander, oral or written publication of defamatory or disparaging material, or invasion of privacy;

(b) Section III, EXCLUSIONS, Exclusions Applicable to All Coverages of the Insuring Agreement is amended by adding the following:

13. for **Workplace Violence** which occurs at any location other than the **Premise**;
14. for **Workplace Violence** based upon or arising out of war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation, nationalization, requisition, or destruction of, or damage to, property by or under the order of any government, public or local authority; provided that this exclusion will not apply to any “act of terrorism” as defined in the Terrorism Risk Insurance Act of the United States of America as amended ;
15. for **Defence Expenses**, judgments or settlements incurred as the result of any **Claim** brought against the **Insured Organization** in connection with **Workplace Violence**; or
16. for **Workplace Violence** resulting from the use or threat of force or violence occurring on the **Premise** for the purpose of demanding money, securities or property.

(C) The first and second paragraphs of Section V. CONDITIONS, B. SETTLEMENT, of this **Liability Coverage**, are hereby deleted in their entirety.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

If this endorsement is issued after the effective date of this Policy, it must be signed below by a duly authorized representative of the Insurer.

Authorized Representative

Date