



SCHEDULE

CHUBB INSURANCE COMPANY
OF AUSTRALIA LIMITED
(A.B.N. 69 003 710 647)
A.F.S. Licence No: 239778
Herein called the Company

**THIS COVERAGE SECTION PROVIDES CLAIMS MADE COVERAGE WHICH APPLIES ONLY TO
'CLAIMS' FIRST MADE DURING THE 'POLICY PERIOD', OR ANY EXTENDED REPORTING PERIOD**

- Item 1.** Limit of Liability for this **Coverage Section:** \$
- Pollution Defence Costs**
- | | | | |
|------------|-----|---------------------------|-------------|
| Sub limit: | (a) | Each Loss | \$1,000,000 |
| | (b) | Each Policy Period | \$1,000,000 |
- Pecuniary Penalties**
- | | | | |
|------------|-----|---------------------------|-----------|
| Sub limit: | (c) | Each Loss | \$500,000 |
| | (d) | Each Policy Period | \$500,000 |
- Attendance Compensation**
- | | | | |
|------------|-----|---------------------------|---------------|
| Sub limit: | (e) | Each Attendance | \$150 per day |
| | (f) | Each Policy Period | \$10,000 |
- Dedicated Additional Limit of Liability for **Executives** \$ aggregate
- Item 2.** Deductibles:
- | | | |
|-------|---------------------|-----|
| (i) | Insuring Clause (A) | Nil |
| (ii) | Insuring Clause (B) | \$ |
| (iii) | Insuring Clause (C) | \$ |
| (iv) | Insuring Clause (D) | \$ |
| (v) | Insuring Clause (E) | \$ |
- Item 3.** Pending or Prior Litigation Dates:
- | | | |
|------|--|------|
| (i) | Insuring Clauses (A), (B) (C) and (E): | Date |
| (ii) | Insuring Clause (D): | Date |
- Item 4.** Endorsement(s):



In consideration of payment of the premium and subject to the terms and conditions of this policy, the Company and the Insured agree as follows:

I. INSURING CLAUSES

(A) Executive Liability Coverage

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

(B) Company Reimbursement Coverage

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

(C) Legal Representation Expenses

The Company shall pay, on behalf of each **Insured Person**, **Legal Representation Expenses** on account of any **Formal Investigation** commenced during the **Policy Period**.

(D) Corporate Liability Coverage

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

(E) Compensation for Court Attendance and Staff Disruption

The Company shall pay on behalf of an **Organisation**, **Attendance Compensation** on account of any **Attendance** of an **Insured Person**.

II. EXTENSIONS

(A) Advancement of Defence Costs and Legal Representation Expenses

The Company shall, prior to the final disposition of any **Executive Claim**, advance **Defence Costs** or **Legal Representation Expenses** as provided under this **Coverage Section**, within thirty (30) days of receipt of an invoice for same from defence counsel.

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

(B) Pecuniary Penalties

Coverage shall extend to **Pecuniary Penalties** on account of any **Executive Claim** made against an **Insured Person** up to the amount of the sub-limit in Item 1 of the Schedule.



(C) Outside Directorships

Coverage shall extend to any **Outside Directorship**.

Coverage for any **Outside Entity** shall:

- (i) not be available to the **Outside Entity** in which such **Outside Directorship** is held or to any of the other directors, officers or employees of such **Outside Entity**;
- (ii) be specifically excess of:
 - (a) any policies listed in the **Proposal** for the **Outside Entity**;
 - (b) any other policy; and
 - (c) any indemnity available from the **Outside Entity** to such **Insured Person** by reason of serving in such **Outside Directorship**.

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

(D) Occupational Health & Safety Defence Costs & Legal Representation Expenses

Notwithstanding Exclusion IV. (A) (iv), Bodily Injury and Property Damage, coverage shall extend to **Defence Costs** on account of any **Executive Claim** made against an **Insured Person**, or any **Organisation Claim** made against an **Organisation**, or **Legal Representation Expenses** in connection with a violation or breach of an occupational health and safety law, including but not limited to any workplace death or industrial manslaughter law anywhere in the world.

(E) Pollution Defence Costs

Notwithstanding Exclusion IV. (A) (viii), Pollution, coverage shall extend to **Defence Costs** on account of any **Executive Claim** in respect of **Pollution** up to the amount of the sub-limit in Item 1 of the Schedule provided such **Executive Claim** is brought and maintained entirely outside the **U.S.A.**

(F) Shareholder Pollution Actions

Notwithstanding Exclusion IV. (A) (viii), Pollution, coverage shall extend to **Loss** on account of any **Executive Claim** made against an **Insured Person** in respect of **Pollution** brought by a shareholder of an **Organisation** in his capacity as such, whether in his own right or on behalf of an **Organisation**, provided that such **Executive Claim** is brought and maintained without the assistance, participation or solicitation by any **Insured**.

(G) Retired Executives

If this **Coverage Section** is terminated or not renewed by either the Company or the **Principal Organisation** for any reason, other than non-payment of premium, and provided that no **Event** has occurred, **Retired Executives** shall have the right to an Extended Reporting Period of eighty-four (84) months within which to report any **Executive Claims** that are first made during such eighty-four (84) month period but only to the extent such **Executive Claims** are for **Wrongful Acts** occurring prior to, and **Formal Investigations** into conduct occurring prior to the effective date of termination or non-renewal. There is no additional premium payable for such extended reporting period in respect of any **Retired Executive**.



(H) Dedicated Additional Limit Of Liability For Executives

Notwithstanding anything to the contrary in Section V. Limit of Liability in the General Terms and Conditions (but otherwise subject to all applicable terms and conditions), the Company shall pay under this Extension only, on behalf of any **Executive**, **Loss** on account of any **Executive Claim** first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** occurring and **Formal Investigation** into conduct occurring before or during the **Policy Period**.

The Company's maximum liability under this Extension shall not exceed the aggregate as set forth in Item 1 of the Schedule inclusive of all **Loss** in respect of all **Executive Claims** against all **Executives**.

The Dedicated Additional Limit of Liability for Executives shall be excess of any insurance available that is specifically excess of this **Coverage Section**. Such excess insurance must be completely exhausted by payment of loss, damages or defence costs thereunder before the Company shall have any obligation to make payment on account of the Dedicated Additional Limit of Liability for Executives. The **Insured** agrees to provide the Company all details of any excess policies effected once they become known to them and the Company will endorse the policy accordingly.

(I) Emergency Defence Costs

If, because of an emergency, the Company's prior written consent to any **Defence Costs** or **Legal Representation Expenses** cannot be requested, **Defence Costs** or **Legal Representation Costs** can be incurred without that consent for a period of thirty (30) days immediately following the date on which the **Executive Claim** was first made.

III. DEFINITIONS

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

Attendance means the attendance of an **Insured Person**:

- (a) at a court hearing, arbitration, mediation, conciliation or alternative dispute resolution proceeding or **Formal Investigation** as a witness;
- (b) at an interview in the presence of a lawyer conducting the defence of any **Claim** for the purpose of composing a witness statement;
- (c) at a conference or consultation with a barrister for the purpose of preparation in relation to any **Claim**; and
- (d) at a court hearing, arbitration, mediation, conciliation or alternative dispute resolution proceeding or **Formal Investigation** as an observer, provided that the Company shall only be liable for the attendance of one observer for all **Organisations** per day;

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

Attendance Compensation means the amount referred to in Item 1 of the Schedule.

Claim means for purposes of coverage under:

- (a) Insuring Clauses (A), (B) (C) and (E), any **Executive Claim**; and
- (b) Insuring Clause (D), any **Organisation Claim**.



Consensual Claim means any **Claim** which is brought with the solicitation, intervention, participation or assistance (other than where an **Insured** is compelled by law to assist or participate in such **Claim**) of an **Insured** against whom it is brought.

Defence Costs means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to legal counsels' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Organisation** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in defending, investigating, settling or appealing any **Claim** and the premium paid for appeal, attachment or similar bonds. For the avoidance of doubt, **Defence Costs** shall include reasonable costs, charges or fees resulting from an **Insured Person** lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**; or appealing any order or other grant of **Extradition** of such **Insured Person**.

Employment Claim means a **Claim** for any actual or alleged wrongful or unfair, employment-related discipline, dismissal, discharge or termination of employment; denial of natural justice; breach of any oral, written or implied employment contract; misrepresentation; discrimination; harassment; sexual harassment; failure to employ or promote; deprivation of a career opportunity; failure to grant tenure; demotion; evaluation; invasion of privacy; defamation; or infliction of emotional distress.

Executive means any natural person who was, now is or shall be a company director, including for the avoidance of doubt, a de facto director or shadow director; company secretary; officer or the holder of an equivalent position in any jurisdiction.

Executive Claim means:

- (a) With respect to Insuring Clauses (A) and (B) only:
- (i) a written demand for monetary damages or non-pecuniary relief;
 - (ii) civil proceeding;
 - (iii) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
 - (iv) a criminal proceeding;
 - (v) an **Extradition** proceeding; or
 - (vi) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

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

(b) With respect to Insuring Clause (C) only, a **Formal Investigation**.

(c) With respect to Insuring Clause (E) only, an **Attendance**.

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

Formal Investigation means a formal administrative or formal regulatory inquiry by a governmental, regulatory, self-regulatory, professional, statutory or official body or institution that is empowered by law to investigate the affairs of an **Insured Person** or an **Organisation**, including for the avoidance of doubt, a royal commission.

Insured means an **Organisation** and/or **Insured Persons**.



Insured Capacity means the position or capacity designated in the definition of **Insured Person** held by any **Insured Person** but shall not include any position or capacity in any organisation other than the **Organisation**, even if such **Organisation** directed or requested the **Insured Person** to serve in such other position or capacity, other than an **Outside Directorship**.

Insured Person means any natural person who was, now is or shall be an **Executive** or employee of an **Organisation**, **Insured Person** shall not include an **External Administrator**.

Legal Representation Expenses means reasonable **Defence Costs** which an **Insured Person** incurs on account of the attendance and/or provision of documents or information by such **Insured Person** in an **Insured Capacity** at or to any **Formal Investigation**.

Loss means the amount which an **Insured** becomes legally obligated to pay on account of any covered **Claim** including, but not limited to:

- (a) **Defence Costs;**
- (b) **Legal Representation Expenses;**
- (c) awards of damages or orders made by any court or tribunal to pay compensation;
- (d) judgments;
- (e) sums payable due to settlements to which the Company has consented;
- (f) awards of claimant's costs;
- (g) pre-judgment and post-judgment interest;
- (h) punitive, exemplary or aggravated damages unless the Company is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined; and
- (i) the multiple portion of any multiplied damages award unless the Company is legally prohibited from paying such damages in the jurisdiction in which the **Claim** is determined;
- (j) **Pecuniary Penalties;** and
- (k) **Attendance Compensation.**

Loss does not include:

- (i) any amount for which an **Insured Person** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Organisation**, or order or determination of a tribunal or court;
- (ii) fines or penalties other than to the extent covered pursuant to paragraph (j) above;
- (iii) any amount not covered by this **Coverage Section** because of Section X. **Allocation** of the General Terms & Conditions;
- (iv) matters for which the Company is legally prohibited from indemnifying an **Insured** under Australian law other than to the extent covered pursuant to paragraphs (h) and (i) above; or
- (v) any amount incurred by an **Insured** in relation to a demand, proceeding or investigation which is not a **Claim** notwithstanding that such demand, proceeding or investigation subsequently gives rise to a **Claim** unless otherwise agreed to by the Company, in its sole discretion.

Non-Profit Outside Entity means any corporation, trust, fund, foundation, community or industry association or registered charity that is not an **Organisation** and whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world.



Organisation Claim means:

- (a) a written demand for monetary damages or non-pecuniary relief;
- (b) a civil proceeding;
- (c) an arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (d) a criminal proceeding; or
- (e) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against an **Organisation** for a **Wrongful Act**, including any appeal therefrom.

Outside Directorship means the position of **Executive**, trustee, governor, councillor, or the holder of an equivalent position in any jurisdiction, held by an **Insured Person** in an **Outside Entity** provided that such position is assumed and maintained with the knowledge and consent or at the request of the **Organisation**.

Outside Entity means any organisation that is not an **Organisation** and:

- (a) whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world;
- (b) which is not registered or approved for direct or indirect trading on a national securities exchange or over the counter trading system anywhere in the world;
- (c) which is not located, incorporated or domiciled or does not operate in the United States of America or any territory under its jurisdiction; or
- (d) which is not an authorised deposit taking institution, finance company, leasing company, friendly society, life insurance company, general insurance company, reinsurance company, investment company, mutual fund, collective investment scheme, fund manager, investment adviser, responsible entity of a managed investment scheme, trustee company, money market corporation, investment bank or any broker or dealer in securities or commodities, mortgage broker, real estate agent, stock exchange, commodities exchange, futures exchange, custodian, clearing house, registrar, medical benefits association or hospital benefits association or organisations of a similar nature.

Pecuniary Penalties means pecuniary or administrative fines or penalties which an **Insured Person** is ordered to pay in and under the laws of the Commonwealth of Australia and/or New Zealand, including for the avoidance of doubt, fines or penalties which an **Insured Person** is ordered to pay pursuant to the Trade Practices Act 1974 (Cth).

Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, an environmental protection agency (including but not limited to the United States Environmental Protection Agency) or any counterpart thereof anywhere in the world. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any air emission, odour, waste water, oil, oil products, infectious or medical waste, asbestos or asbestos products or any noise.

Pollution means:

- (a) the actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, escape, seepage, migration, dispersal, treatment, removal or disposal of any **Pollutants**; or



-
- (b) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or
- (i) any action taken in response to or contemplation or anticipation of any such regulation, order, direction or request; or
- (ii) any action taken voluntarily to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, whether or not in relation to any such regulation, order, direction or request;

including but not limited to any claim for loss to the **Organisation** or an **Outside Entity**, the holders of its securities or its creditors based upon, arising from, or in consequence of the matters described in (a) or (b) of this definition, other than to the extent covered pursuant to Extension II (F).

Retired Executive means an **Executive** who has ceased to act in their **Insured Capacity** prior to the expiry of the **Policy Period** for reasons other than disqualification from holding the office of director or from managing a company and other than due to an **Event**.

Wrongful Act means any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted, or allegedly committed or attempted by:

- (a) for purposes of coverage under Insuring Clauses (A) and (B): an **Insured Person**, individually or otherwise, in his **Insured Capacity**, or any matter claimed against such **Insured Person** solely by reason of serving in such **Insured Capacity**; or
- (b) for purposes of coverage under Insuring Clause (D): an **Organisation**.

IV. EXCLUSIONS

(A) Exclusions Applicable to All Insuring Clauses

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

- Prior Notice** (i) based upon, arising from or in consequence of any fact or circumstance if written notice of such circumstance has been given under any policy or coverage section of which this **Coverage Section** is a renewal or replacement or which it may succeed in time;
- Pending or Prior Litigation** (ii) based upon, arising from or in consequence of any demand, suit or proceeding pending against, or order, decree or judgment entered for or against, any **Insured** or **Outside Entity** on or prior to the applicable Pending or Prior Litigation Date as set forth in Item 3 of the Schedule or the same or substantially the same facts or circumstances underlying or alleged therein;
- ERISA** (iii) for any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act, 1974 (USA) and amendments thereto;



ForeFront Portfolio **Directors & Officers Liability Coverage Section**

Bodily Injury/ Property Damage	(iv)	for bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof, whether or not it is damaged or destroyed. For clarity, this exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in an Employment Claim ;
Professional Services	(v)	for any actual or alleged act or omission, including but not limited to any error, misstatement, misleading statement, neglect, or breach of duty committed, attempted or allegedly committed or attempted in the rendering of, or actual or alleged failure to render any professional services to a third party;
Major Shareholder	(vi)	brought or maintained by or on behalf of any individual or entity which directly or beneficially owned fifteen per cent (15%) or more of the issued share capital or voting rights representing the present right to vote for election of directors of an Organisation at the time of the commission or omission of a Wrongful Act the subject of such Claim ;
Securities	(vii)	based upon, arising from or in consequence of a public offering, solicitation, sale, distribution or issuance of securities, whether or not a disclosure document has been issued, unless the Company grants its prior written consent to extend cover for such disclosure document;
Pollution	(viii)	based upon, arising from or in consequence of Pollution ;
Insolvency	(ix)	based upon, arising from or in consequence of Financial Impairment ; or
Consensual Claim	(x)	based upon, arising from, or in consequence of any Consensual Claim .

(B) Exclusions Applicable to Insuring Clauses A, B, C and E Only

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

- Dishonesty** (i) based upon, arising from or in consequence of:
- (a) any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by such **Insured Person**, including, without limitation, any wilful breach of duty in relation to the **Organisation**;
 - (b) any conduct or contravention in respect of which a liability is the subject of a prohibition in section 199B(1) of the Corporations Act 2001 (Cth),

provided that this exclusion shall not apply, including for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** or **Legal Representation Expenses** until a final adjudication in any proceeding establishes such a deliberately fraudulent act, omission, wilful violation or breach. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company.



(C) Exclusions Applicable to Insuring Clause D Only

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

- | | | |
|-----------------------------------|--------|--|
| Contractual Liability | (i) | based upon, arising from or in consequence of any actual or alleged liability of an Organisation under any contract provided that this Exclusion (C)(i) shall not apply to liability that would have attached to such Organisation in the absence of the contract; |
| Employment Practices | (ii) | brought by any Insured Person based upon, or directly or indirectly arising out of or resulting from the employment relationship or the nature, terms or conditions of employment, including but not limited to claims of discrimination, harassment, wrongful discharge, denial of natural justice relating to wrongful discharge, or wrongful dismissal (whether actual, implied or constructive), breach of contract, employment-related defamation, workplace injury or workplace tort committed in the course of an employee's employment, or any tort committed by an employee or by which an employee suffers loss or damage (whether as a result of personal injury, bodily injury, disability or otherwise) within the scope of that employee's employment or otherwise; |
| Discrimination | (iii) | based upon, arising from or in consequence of any actual or alleged discrimination or sexual harassment of any third party; |
| Defamation | (iv) | based upon, arising from or in consequence of libel, slander, oral or written publication of defamatory or disparaging material; |
| Personal Injury | (v) | based upon, arising from or in consequence of wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, malicious use or abuse of process, assault, battery or loss of consortium; |
| Copyright | (vi) | based upon, arising from or in consequence of any actual or alleged assertion or infringement of copyright, patent, service mark, trade name, design right or trade mark, whether registrable or not, or misappropriation of ideas or trade secrets or know how or any assertion or infringement of any intellectual property right; |
| Trade Practices | (vii) | based upon, arising from or in consequence of the actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing, restraint of trade, restrictive trade practices or which protects competition; |
| Dishonesty of Organisation | (viii) | based upon, arising from or in consequence of:

(a) any deliberately fraudulent act or omission or any willful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an Organisation ; or

(b) an Organisation having gained any profit, remuneration or advantage to which such Organisation was not legally entitled, |



provided that this exclusion shall not apply including, for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** until a final adjudication in any proceedings establishes such a deliberately fraudulent act or omission, willful violation or breach, personal profit, remuneration or advantage. The term 'proceeding' shall not include any declaratory proceeding brought by or against the Company.

Trading Debts (ix) based upon, arising from or in consequence of any trading or business debt incurred by an **Organisation**.

V. SEVERABILITY - IMPUTATION OF KNOWLEDGE

With respect to Exclusions IV (A) (ii), Prior & Pending Litigation and IV (B) (i), Dishonesty, in this **Coverage Section**, in order to determine if coverage is available, no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**.

With respect to Exclusion IV (C) (viii), Dishonesty of Organisation, in this **Coverage Section**, in order to determine if coverage is available, only facts pertaining to and knowledge possessed by any chief executive officer, chief financial officer, in-house general counsel, president, managing director, company secretary, chairman or the holders of equivalent positions in any jurisdiction of an **Organisation** shall be imputed to such **Organisation**.

VI. PRESUMPTIVE INDEMNIFICATION

If an **Organisation** is permitted or required by law to indemnify, or not prevented by law from indemnifying an **Insured Person** for **Loss** but fails or refuses, other than for reason of **Financial Impairment**, to so indemnify an **Insured Person** then the Company shall pay such **Loss** on behalf of such **Insured Person** subject to all the Exclusions of this **Coverage Section**. In such event the applicable Deductible Amount set forth in Item 2 of the Schedule shall be paid by the **Organisation** to the Company. No Deductible Amount shall apply in the event of **Financial Impairment**. This section does not apply to **Loss** arising out of an **Outside Directorship**.

VII. PRIORITY OF PAYMENTS

- (a) In the event payment of **Loss** is due under this **Coverage Section** but the amount of such **Loss** in the aggregate exceeds the remaining available Limit of Liability for this **Coverage Section**, the **Company** shall:
- (i) first pay such **Loss** for which coverage is provided under Insuring Clause (A) or Insuring Clause (C) of this **Coverage Section**; then
 - (ii) to the extent of any remaining amount of the Limit of Liability available after payment under (i) above, pay such **Loss** for which coverage is provided under any other Insuring Clause of this **Coverage Section**.
- (b) Except as otherwise provided in this section, the Company may pay **Loss** as it becomes due under this **Coverage Section** without regard to the potential for other future payment obligations under this **Coverage Section**.
-



VIII. CO-ORDINATION OF COVERAGE

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