



Management Liability Insurance  
 Effected with Certain Underwriters at Lloyd's "the Insurer"  
 through Lloyd's Approved Coverholder ("the Coverholder"):  
 MARKEL CANADA LIMITED  
 200 Wellington Street West, Suite 400  
 Toronto, ON M5V 3C7

In return for payment of the premium, in reliance on the information disclosed in your online submission and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

DECLARATIONS OF CLAIMS MADE COVER

Policy Number: ONL721631-01  
 Named Insured(s): The Carleton Heights and Area Residents Association  
 Mailing Address: 1665 Apeldoorn Ave,  
 Ottawa, ON K2C 1V6  
 Policy Period: From: March 31, 2022 To: March 31, 2023  
 12:01 a.m. Standard Time at the address of the Name Insured as Stated above.  
 Premium: \$765.00 (Minimum Retained 100%)  
 Operating Insuring Clause(s): Management Liability  
 Broker: W.H. SCRIVENS & SON LTD INSURANCE BROKER

POLICY TERMS and CONDITIONS as per standard policy forms ONL NFP 600001 (11/03/18) E, COVERAGES, LIMITS, RETENTIONS and TERRITORY are listed on page 2 of these Declarations, and endorsements CONTA-E, PCYBEX-E, SANCT attach and complete this Policy.

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been effected in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to Agreement No. MKL2022001, UMRB6027MKL2022001 (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 200 Bay Street, Suite 2930 Toronto, Ontario M5J 2J2.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

In witness whereof this policy has been signed as authorized by the Underwriters, by Markel Canada Limited

Per 

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration. In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Coverholder. All inquiries and disputes are also to be addressed to this Coverholder.

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.  
 For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of  
 Lloyd's Underwriters' Insurance business in Canada.

DECLARATIONS OF COVER

Attached to and forming part of the Policy ONL721631-01  
The Carleton Heights and Area Residents Association

Management Liability (Claims Made)

Limit of Liability: \$2,000,000 Per Claim and Aggregate

Costs: Inclusive to limit of liability

Retention for Claims: \$2,500

Applies only to Loss of the Insured Organization or for which an Insured Person is indemnified.

Territory: Worldwide

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For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of  
Lloyd's Underwriters' Insurance business in Canada.

ENDORSEMENTS

Attached to and forming part of the Policy ONL721631-01  
The Carleton Heights and Area Residents Association

Endorsement Reference: CONTA-E

Effective Date: March 31, 2022

Contagion Exclusion Endorsement

Endorsement Ref: CONTA-E Contagion Exclusion Endorsement

READ THIS ENDORSEMENT CAREFULLY AS IT MAY EFFECT COVERAGE UNDER THE POLICY

This Insurance Policy provides no coverage for any Claim in any way caused by, arising out of or resulting from any disease or contagion, including that designated as such by any of the following:

- A. a Federal, Provincial, Territorial or Municipal authority or agency;
- B. a Minister of the Federal, Provincial or Territorial Crown;
- C. a person occupying the position of Chief Medical Officer of Health (or similar position) of a Province, Territory or Municipality;
- D. the World Health Organisation;
- E. the Center for Disease Control/Centre for Disease Control of
  - i) Canada or any Canadian Province or Territory;
  - ii) the United Kingdom of Great Britain and Northern Ireland; or
  - iii) of the United States of America and any American State or Territory.

For purposes of this Endorsement, disease or contagion so designated shall include:

- a) any derivative, mutation or variation of the disease or contagion;
- b) any fear or threat of the spread of the disease or contagion;
- c) any failure to prevent, contain or eradicate the disease or contagion.

For purposes of greater clarity the following are diseases or contagion that are excluded pursuant to this endorsement:

- 1) Coronavirus disease (COVID-19);
- 2) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
- 3) Ebola;
- 4) Avian Influenza (Avian Bird Flu); and,
- 5) Legionella (Legionnaire's Disease).

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused  
this Endorsement to be signed by its  
Authorized Officers.



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For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of  
Lloyd's Underwriters' Insurance business in Canada.

ENDORSEMENTS

Attached to and forming part of the Policy ONL721631-01  
The Carleton Heights and Area Residents Association

Endorsement Reference: PCYBEX-E

Effective Date: March 31, 2022

Cyber Incident Exclusion (Portal)

Endorsement Ref : PCYBEX-E

Cyber Incident Exclusion

This exclusion does not apply to coverage afforded by the Cyber Risk Extension Endorsement, Form No. MC-CYBER-ENDT-E (ed. 03-01-16) **if attached to this policy**. PLEASE READ IT CAREFULLY.

This Policy provides no coverage for any claim or suit that in any way, in whole or in part, directly or indirectly, arises out of, relates to or results from a cyber incident, including but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber incident.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the injury or damage.

As used in this exclusion, computer system means any computer, hardware, software, application, process, code, programme, information technology and communications system or electronic device owned or operated by the Insured or any other party, including any similar system or any configuration or networking of the aforementioned. This includes any associated input, output or data storage device, networking equipment or back up facility.

Cyber incident means any incident or series of incidents, regardless of time and place, or the threat or hoax thereof involving the use or operation of any computer system or the access to, processing, transmission, storage or use of any electronic data (including any reduction in or loss of ability to perform these functions, or any error or omission or accident in respect of any computer system or electronic data).

Electronic data means any information capable of being accessed, processed, transmitted or stored by a computer system, including but not limited to text, figures, voice, images or any machine readable data, irrespective of the way it is used or rendered.

All other terms, conditions, exclusions and definitions remain unchanged.

Dated: February 9, 2021

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused  
this Endorsement to be signed by its  
Authorized Officers.



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THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.  
For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of  
Lloyd's Underwriters' Insurance business in Canada.

ENDORSEMENTS

Attached to and forming part of the Policy ONL721631-01  
The Carleton Heights and Area Residents Association

Endorsement Reference: SANCT

Effective Date: March 31, 2022

Sanction Limitation

Endorsement Ref : SANCT

Sanction Limitation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In consideration of the premium charged, it is agreed that the policy is amended by adding the following:

It is understood and agreed that the insurer will not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade and economic sanctions, laws, or regulations of Canada, United Kingdom, European Union or United States of America.

All other terms, conditions, exclusions and definitions remain unchanged.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the Insurer has caused  
this Endorsement to be signed by its  
Authorized Officers.





# Management liability insurance for non-profit organizations and charities

PLEASE READ THE ENTIRE POLICY CAREFULLY

This insurance is subject to its Insuring Clauses, Exclusions, Conditions, Claims Conditions and Definitions as well as the Declarations and any Endorsements forming part of this Policy.

The Common Exclusions, Common Conditions, Policy Conditions and Common Definitions of the Policy apply to all Insuring Clauses in addition to the Exclusions, Conditions, Statutory Conditions and Definitions applicable under each individual Insuring Clause unless endorsed herein to the contrary.

In consideration of the payment of Premium, the undertaking of the Named Insured to pay the Retention for Claims as stated in the Declarations and in reliance upon the statements in the Application, which is agreed to be the basis of this contract and is considered as incorporated herein, we agree with the Named Insured to pay or indemnify to the extent and in the manner herein provided subject to the terms, limitations, exclusions and conditions of this Policy.

Words and phrases that appear in bold print have special meaning and are defined in the Common Definitions section of this Policy and within individual Insuring Clauses where applicable.

Throughout this Policy the words You and Your refer to the Named Insured shown in the Declarations and other persons or organizations qualifying as a Named Insured as described within each Insuring Clause. The words We, Us and Our refer to the Insurer providing this insurance.

**THIS INSURANCE PROVIDES CLAIMS MADE COVERAGE FOR MANAGEMENT LIABILITY. EXCEPT AS OTHERWISE PROVIDED SUCH COVERAGE APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND NOTIFIED TO US DURING THE POLICY PERIOD**

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In consideration of payment of the premium and subject to the terms of this Policy, the Underwriters and the Policyholder agree as follows

#### INSURING CLAUSE(S)

1. The Underwriters shall pay Loss on behalf of the Insured.

#### DEFINITIONS

2. In this Policy the word 'person(s)', wherever it appears, means legal or natural person(s) unless otherwise specified.

When used in bold type in this Policy:

Claim means

- (a) a written demand seeking monetary damages or non-monetary relief;
- (b) a civil proceeding, including a third party proceeding, counterclaim or arbitration proceeding, commenced by the service of a statement of claim or similar pleading;
- (c) a criminal proceeding commenced by the laying of an information, return of an indictment, or similar document, or receipt or filing of a notice of charges; or
- (d) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, investigative order or similar document,

including any appeal therefrom, first made against any Insured(s) during the Policy Period, or any applicable Extended Reporting Period, alleging a Wrongful Act and reported to the Underwriters in accordance with the provisions of this Policy; and

- (e) a formal demand or proceeding arising out of the failure of the Insured Organization to collect or remit sales taxes, pay salaries or wages to employees or deduct, withhold or remit tax, unemployment insurance contributions, or pension plan contributions from payments of such salaries or wages,

including any appeal therefrom, first made against any Insured Person(s) during the Policy Period, or any applicable Extended Reporting Period, alleging a Wrongful Act and reported to the Underwriters in accordance with the provisions of this Policy.

Defence Costs means that part of Loss consisting of reasonable and necessary costs, expenses, charges and fees, including but not limited to lawyers' fees and experts' fees, incurred, following the consent of the Underwriters, which shall not be unreasonably withheld, in defending a Claim. Defence Costs shall also include premium paid for insurance instruments or for bonds which are required in order to institute an appeal but without any obligation to furnish or procure such insurance instruments or bonds. Defence Costs shall not include wages, salaries, fees, overhead or benefit expense of the directors, officers, trustees, managers, or any other employee, of the Insured Organization.

Employment Claim means a Claim brought:

- (i) by any Insured Person or any past, present or prospective employee of an Insured Organization; or
- (ii) by any past, present or prospective employee of an Outside Entity against an Insured Person serving in an Outside Directorship; or



(iii) by any government authority regulating employment practice;

based upon or arising out of an actual or alleged wrongful or unfair dismissal, discharge or termination of employment, breach of any oral or written employment contract or quasi-employment contract, employment-related misrepresentation, employment-related discrimination, employment-related harassment, wrongful failure to employ or to promote, wrongful disciplinary action, wrongful deprivation of a career opportunity, failure to grant tenure, negligent evaluation, employment-related defamation, employment-related breach of data protection laws, or employment-related wrongful infliction of emotional distress, including any of these which may constitute retaliatory action in respect of whistle-blowing. Employment Claim shall not include any labour or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

Financial Impairment means the status of the Insured Organization resulting from:

- (i) the appointment by any provincial, state or federal official, agency or court of any liquidator, receiver, conservator, rehabilitator, administrator, supervisor, sequestrator, or bankruptcy trustee, or other similar official to take control of, supervise, manage or liquidate the Insured Organization or Outside Entity, or
- (ii) the Insured Organization or Outside Entity seeking to restructure its financial affairs by way of a proposal of a compromise or arrangement under the Canada Companies' Creditors Arrangement Act, or
- (iii) the Insured Organization or Outside Entity becoming a debtor in possession.

Insured(s) means the Insured Organization(s) and the Insured Person(s).

Insured Capacity means the position which the Insured Person has been retained, appointed or employed to perform in their managerial, fiduciary or employed capacity within an Insured Organization.

Insured Organization means an entity which is the Policyholder and any non-profit Subsidiary.

Insured Person(s) means a natural person who has been, now is or shall become a director or officer, de facto director, trustee, employee, volunteer, or member of the staff, faculty or any duly constituted committee, or the equivalent in any jurisdiction, of the Insured Organization and their:

- (a) lawful spouse (including common law spouse or domestic partner) if named as co-defendant solely because of such relationship; or
- (b) estate, heirs, legal representatives or assigns, if such director or officer, de facto director, trustee, employee, volunteer, or member of the staff, faculty or any duly constituted committee is deceased or declared incompetent, insolvent, or bankrupt;

but solely for the Wrongful Act of such director or officer, de facto director, trustee, employee, volunteer, or member of the staff, faculty or any duly constituted committee, or the equivalent in any jurisdiction, of the Insured Organization.

Insured Person(s) does not include (i) external auditors of an Insured Organization or any liquidator, receiver, administrator, supervisor, sequestrator or bankruptcy trustee, or other similar official of an Insured Organization or of an Insured Organization's assets, or (ii), with respect to Exclusion 3(k), any employee or other person who receives wages or salary paid by the Insured Organization.

Loss means the amount which the Insured is legally obligated to pay on account of a Claim including:

- (a) Defence Costs;

- (b) judgments, prejudgment and post judgment interest, awards of Claimant's costs, sums payable pursuant to any settlements and awards of damages, and shall also include punitive, exemplary or aggravated damages that an Insured is legally obligated to pay in a jurisdiction where such punitive, exemplary or aggravated damages are insurable under the law of such jurisdiction.

Loss does not include:

- (a) matters uninsurable under the law pursuant to which this Policy shall be construed;
- (b) fines or penalties, or the multiple portion of any multiplied damages award;
- (c) punitive, exemplary or aggravated damages in any Employment Claim (unless awarded for employment-related defamation);
- (d) future salary or wages including bonuses, or any benefits (including perquisites, fringe benefits, payments in connection with any employee benefit plan) owed to a Claimant pursuant to the terms of any employment contract, settlement, order or other resolution; or any compensation claimed in respect of a notice period, or any of the foregoing owed to a Claimant who has been or shall be hired, promoted or reinstated to employment;
- (e) any amount for which any Insured is absolved from payment other than an Insured Person being indemnified by an Insured Organization;
- (f) any costs incurred to comply with any order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief, or
- (g) any amount incurred by an Insured Organization, including its board of directors or any committee of the board of directors, in connection with the investigation or evaluation of any Claim or potential Claim by or on behalf of an Insured Organization.

Outside Entity means an entity which is a tax-exempt non-profit entity, trade association or a registered charity.

Outside Entity does not include an entity that:

- (a) is within the definition of Insured Organization;
- (b) is located in the U.S.A.;
- (c) is a publicly traded company, privately held company, public limited company, government or crown owned corporation or any other entity which is not a non-profit entity, trade association or a registered charity, unless included by endorsement.

Personal Injury means bodily injury, mental anguish or emotional distress (except mental anguish or emotional distress for which the Claimant seeks compensation in an Employment Claim), sickness, disease or death of any natural person.

Policyholder means the entity stated as the Named Insured in the Declarations.

Policy Period means the period of time stated in the Declarations but subject to prior termination when cover terminates in accordance with Section 22 below. If the period is less than or greater than one year, then the Limits of Liability stated in the Declarations shall constitute the Underwriters' maximum Limits of Liability for the entire period.

Pollutants means any substance exhibiting any characteristic hazardous to the environment or having an adverse impact on the environment, including but not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, soil, chemicals and waste materials, air emissions, odour, waste water, oil, oil products, infectious or medical waste, asbestos, asbestos products, noise, fungus (not fungi intended by Insured for consumption) and electric or magnetic or electromagnetic field.

Pollution means:

- (a) any actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, 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 any Pollutants, or any action taken in contemplation or anticipation of any such regulation, order, direction or request.

Property Damage means physical damage to or destruction or Loss of use of any tangible property, including intellectual property.

Retired Insured Person means a director, officer or trustee of the Insured Organization who has ceased to act in their Insured Capacity during the Policy Period for reasons other than disqualification from holding the office of director.

Subsidiary means any tax-exempt non-profit entity, association, registered charity, foundation, or any other non-profit entity which the Policyholder either directly or indirectly controls at the inception date of the Policy Period, or controlled prior to the inception date of the Policy Period, through:

- (a) holding a majority of the voting rights;
- (b) the right to appoint or remove a majority of its board of directors; or
- (c) controlling alone, pursuant to a written agreement with other shareholders, a majority of the voting rights therein.

Subsidiary shall not include any entity, non-profit or otherwise, located in the U.S.A.

Underwriters means Certain Lloyd's Underwriters as described in the Declarations.

U.S.A. means the United States of America, its territories and possessions and any state or political subdivision thereof.

Wrongful Act means any Wrongful Act or omission, error, misstatement, misleading statement, neglect, or breach of duty committed, attempted, or allegedly committed or attempted, by an Insured Organization, or by an Insured Person, individually or otherwise, in their Insured Capacity, or any matter claimed against an Insured Person solely by reason of their serving in such Insured Capacity.

#### EXCLUSIONS APPLICABLE TO ALL INSURING CLAUSES

- 3. The Underwriters shall not be liable for Loss on account of any Claim:
  - (a) based upon, arising from, or in consequence of any circumstance if written notice of such circumstance has been given under any policy which this Policy renews, replaces or follows in whole or in part and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such Loss, in whole or in part, as a result of such notice;

- (b) based upon, arising from, or in consequence of any claim form, writ, demand, suit or other proceeding pending, or order, decree or judgment entered, for or against any Insured or Outside Entity on or prior to the inception date, unless otherwise specified by endorsement to this Policy, of the first Policy issued by the Underwriters to the Insured(s) providing coverage of a similar nature to that afforded by this Policy and which was continued through renewal or reinstatement on an uninterrupted basis since its inception, or derived from the same or essentially the same fact, circumstance or situation as any of those underlying or alleged in such claim form, writ, demand, suit, other proceeding, order, decree or judgment;
- (c) for Personal Injury or Property Damage except:
  - (i) Defence Costs arising from a Claim pursuant to Bill 168, Occupational Health and Safety Amendment Act; or
  - (ii) Defence Costs arising from a Claim pursuant to Section 217.1 of the Criminal Code of Canada (as amended by Bill C-45);
- (d) except that part of Loss which is Defence Costs, based upon, arising from, or in consequence of (i) any actual or alleged breach of any oral, written or implied contract or agreement; or (ii) for liabilities of others assumed by any Insured under any contract or agreement, except to the extent in either (i) or (ii) of this paragraph the Insured would have been liable in the absence of such contract or agreement; however, this exclusion shall not apply to an Employment Claim;
- (e) based upon, arising from, or in consequence of the actual or proposed payment by an Insured Organization of inadequate or excessive consideration in connection with any purchase by any Insured of any assets or of any securities issued by any entity except that part of Loss which is Defence Costs;
- (f) based upon, arising from or in consequence of:
  - (i) any criminal, dishonest or fraudulent act or omission committed deliberately by an Insured;
  - (ii) any wilful breach of law by an Insured; or
  - (iii) an Insured having gained any personal profit, remuneration or advantage to which such Insured was not legally entitled,
 as determined by final adjudication;
- (g) based upon, arising from or in consequence of the rendering or failure to render any professional service(s) for others whether compensated for such services or not;
- (h) for payment by the Insured Organization of salaries, wages, severance pay, vacation pay, bonus, fringe benefits, stock, stock options, or any other monetary allowances required to be paid by law or required by the terms of any applicable contract or agreement, or any consequential compensatory damages awarded against the Insured Organization, except that part of Loss which is Defence Costs and any liability imposed upon the Insured Persons by statute;
- (i) for breach of any law governing, breach of duty of, or breach of trust by, an Insured relating to any superannuation, pension plan, profit sharing, health and welfare or other employee benefit plan or programme, trust or scheme, whether or not established or maintained by the Insured, to provide benefits to Insured Persons, or for the cost of compliance therewith;
- (j) based upon, arising from or in consequence of any publication or utterance concerning any organization or business enterprise or its products or services made by or at the direction of any Insured with knowledge of the falsity thereof; or the printing of periodicals, advertising matter, or any or all jobs taken by any Insured to be printed for any other person or entity when the periodical, advertising matter or other printing is not a regular part of the Insured's own activities;

- (k) by or on behalf of any Insured, except:
  - (i) a derivative action brought on behalf of the Insured Organization without the solicitation, assistance, participation or intervention of any other Insured;
  - (ii) an Employment Claim;
  - (iii) a Claim by an Insured Person for contribution or indemnity if such Claim directly results from another Claim covered under this Policy;
  - (iv) a Claim by a former Insured Person who has not served in an Insured Capacity for at least 3 years prior to the date such Claim is first made and who brings and maintains such Claim without any active assistance or participation of, or solicitation by, any other Insured; or
  - (v) a Claim by or on behalf of an Insured Organization, due to its insolvency or bankruptcy and at the instigation of its liquidator, receiver, administrator, supervisor, sequestrator or bankruptcy trustee, or other similar official;
- (l) for Pollution except Defence Costs incurred solely by the Insured Person and which are not indemnified by the Insured Organization. The aggregate limit of liability for such Defence Costs for Pollution shall be 50% of the aggregate Limits of Liability stated in the Declarations of this Policy up to a maximum aggregate limit of liability of \$1,000,000. for such Defence Costs for Pollution and shall be part of, and not in addition to, the aggregate Limits of Liability stated in the Declarations of this Policy.
- (m) based upon, arising from or in consequence of the operations of any political action committee.
- (n) based upon, arising from, or in consequence of any process, procedure, function or activity involving:
  - (i) peer review
  - (ii) credential certification, designation, license, award, rating or similar judgement; or
  - (iii) discipline, penalty, or punishment.

Unless such Claim is an Employment Claim.

#### SEVERABILITY OF EXCLUSIONS

- 4. For purposes of determining whether an Exclusion will apply, no fact pertaining to or knowledge possessed by any Insured Person shall be imputed to any other Insured Person. Only facts pertaining to and knowledge possessed by any past, present, or future in-house general counsel, chief financial officer, chief executive officer, chief operating officer, executive director, trustee, duly constituted committee member or chairperson, president or chairman (or equivalent positions) of any Insured Organization shall be imputed to any Insured Organization for the purpose of determining if coverage is available under this Policy.

#### EXTENDED REPORTING PERIOD

- 5. (a) If the Underwriters refuse to renew this Policy or the Policyholder cancels or non-renews this Policy:
  - (i) the Policyholder and/or the Insured Persons may elect to obtain an Extended Reporting Period for an period of 1 year for an additional premium of 100% of the annual premium for this Policy provided that written notice of such election and payment of any additional premium are received by the Underwriters within 30 days following the expiry of the Policy Period. This Extended Reporting Period shall commence from the termination date of the Policy Period and shall apply only to Wrongful Acts occurring prior to such date; and

- (ii) each Retired Insured Person shall have the Extended Reporting Period of 6 years at no additional premium and this Extended Reporting Period shall commence from the date at which that person becomes a Retired Insured Person and shall apply only to Wrongful Acts occurring prior to such date.

Cancellation of this Policy by the Underwriters due to non-payment of premium shall not constitute refusal to renew by the Underwriters and shall not constitute cancellation or non-renewal by the Policyholder.

- (b) If, before or during an Extended Reporting Period obtainable or obtained under Section 5(a), any Insured acquires any other insurance policy which affords directors and officers liability cover (whether or not equivalent to this Policy in cover), for Wrongful Acts occurring prior to the date said Extended Reporting Period commenced, then that Extended Reporting Period shall terminate or, if not yet obtained, cease to be obtainable.
- (c) A Claim made during an Extended Reporting Period shall be deemed to have been made during the immediately preceding Policy Period. The entire additional premium for the Extended Reporting Period shall be deemed fully earned at the inception of such Extended Reporting Period.

#### LIMITS OF LIABILITY, RETENTION AND ORDER OF PAYMENT

- 6. The Underwriters' maximum liability for all Loss covered under all Insuring Clause(s) as applicable on account of all Claims first made or deemed to be made during the Policy Period, whether against one or any number of Insureds, shall not exceed the Limits of Liability for each Claim and in the aggregate for all Claims during the Policy Period stated in the Declarations.

Notwithstanding the above, the Underwriters' maximum liability for Loss in respect of which a sublimit is specified for each Loss and/or for each Policy Period in the Declarations, within the Policy or any endorsement, shall be that specified sublimit. Sublimits are part of and not in addition to the maximum liability of the Underwriters referred to in the above paragraph in this Section 6.

Defence Costs are part of and not in addition to the Limits of Liability stated in the Declarations and the payment by the Underwriters of Defence Costs erodes and may exhaust the Limits of Liability.

All Loss arising out of the same Wrongful Act and/or arising out of causally-connected Wrongful Acts, whether by one or any number of Insureds, shall be deemed to be a single Loss and to have originated in the earliest Policy Period in which a Claim is first made alleging said Wrongful Act or causally-connected Wrongful Acts.

The Underwriters' liability for each and every Claim shall apply only to Loss which is allocated to covered Loss and only to that part of Loss so allocated which is in excess of the applicable Retention stated in the Declarations, which shall be borne by the Insured uninsured and at their own risk.

Amounts stated for Limits of Liability for each Claim and in the aggregate for all Claims, and sublimits stated in the Policy or by endorsement, are maximum liabilities of the Underwriters for all Insureds together, not maximum liabilities per Insured. Payment of Loss by the Underwriters shall reduce the Limits of Liability. Underwriters shall pay Loss in the order in which Loss is incurred and notified to the Underwriters.

#### REPORTING AND NOTICE

- 7. It is a condition precedent to the Underwriters' liability under this Policy for a Claim that the Underwriters are given written notice as soon as practicable of such Claim but in no event later than: (i) 60 days following the expiration of the Policy Period provided the Insured has not acquired during this 60 day period a replacement insurance policy which affords directors and officers liability cover (whether or not equivalent to this Policy in cover) for Wrongful Acts occurring prior to the expiration of the Policy Period; or (ii), if applicable, prior to the expiry of the Extended Reporting Period.

If, during the Policy Period, an Insured becomes aware of circumstances which are likely to give rise to a Claim and gives written notice of such circumstances to the Underwriters, then any Claims subsequently arising from such circumstances shall be deemed to have been made during the Policy Period in which the circumstances were first reported to the Underwriters. A Claim or circumstances shall not be regarded as notified unless, as a condition precedent to the Underwriters' liability under this Policy, the written notice expressly identifies the nature of the Wrongful Act and the date it was committed, the nature of the alleged or potential damage, the names of the actual or potential Claimants and defendants and the manner in which the Insured first became aware of the circumstances.

Notice to the Underwriters under this Policy shall be given in writing to the address stated in the Declarations, or by email to [claims@markelintl.ca](mailto:claims@markelintl.ca). Notice shall be effective on the date of receipt at such address.

## DEFENCE AND SETTLEMENT

8. The Underwriters shall have the right and duty to defend any Claim covered by this Policy and to choose legal counsel for such defence, or alternatively, the Underwriters may, at their sole discretion, give written consent to the defence of any such Claim by the Insureds. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Underwriters' duty to defend shall cease upon the exhaustion of the applicable Limits of Liability set forth in the Declarations. The Underwriters shall have the right, and shall be given the opportunity, to associate with each Insured in the investigation, defence, negotiation and settlement of any Claim that appears reasonably likely to be covered in whole or in part by this Policy.

Each Insured agrees not to settle or offer to settle any Claim, incur any Defence Costs or otherwise assume any contractual obligation or admit any liability with respect to any Claim without the Underwriters' prior written consent, which shall not be unreasonably withheld. The Underwriters shall not be liable for any settlement, Defence Costs, assumed obligation or admission to which they have not consented in writing. However, if the Insureds are able to settle all Claims which are subject to a single Retention for an aggregate amount including Defence Costs, not exceeding such Retention, the consent of the Underwriters shall not be required for the settlement of such Claims.

Each Insured undertakes not to prejudice the Underwriters' interests or their potential or actual rights of recovery and to give to the Underwriters such information and co-operation as the Underwriters may require.

The Underwriters may make any investigation they deem necessary and may, with the consent of the Insured, make any settlement of any Claim it deems expedient. If such Insured withholds consent to such settlement, the Underwriters' liability for all Loss on account of such Claim shall not exceed: (a) the amount for which the Underwriters could have settled such Claim plus Defence Costs incurred as of the date such settlement proposed in writing by the Underwriters to such Insured; plus (b) 80% of any Loss in excess of the amounts in (a) above incurred in connection with such Claim with the remaining 20% to be borne by the Insureds uninsured and at their own risk, subject to the Limits of Liability set forth in the Declarations.

The Underwriters shall, subject to Section 10, Allocation of Loss, on a quarterly basis, advance on behalf of the Insureds, excess of any applicable Retention amount, covered Defence Costs which the Insureds have incurred in connection with Claims made against them, prior to disposition of such Claims. Any advancement of Defence Costs shall be repaid to the Underwriters by the Insureds, severally according to their respective interests, to the extent it is determined that such Defence Costs are excluded from coverage under this Policy by Exclusion 3(f) above.

## FAILING TO INDEMNIFY

9. If an Insured Person is not indemnified or reimbursed by the Insured Organization for Loss arising out of Claims alleging Wrongful Acts committed in their Insured Capacity, or an Insured Person is not indemnified or reimbursed by an Outside Entity for a Loss arising out of Claims alleging Wrongful Acts committed by such Insured Person serving in an Outside Directorship, for reason other than Financial Impairment, then the Underwriters will pay that Loss on behalf of the Insured Person without applying such Retention in the Declarations as is otherwise applicable. The Underwriters shall be reimbursed for that Retention within 30 days of such payment by the Insured Organization. For purposes of this Section 9, it is assumed that the Insured Organization or Outside Entity is permitted or required to indemnify the Insured Person to the fullest extent permitted or required by statutory or common law regardless of any restrictions in contract or restrictions in an Insured Organization's or Outside Entity's constitution, memorandum, certificate or articles of association, bylaws, shareholders resolutions, or board or other governing body resolutions.

## ALLOCATION OF LOSS

10. If the Insureds incur both Loss that is covered under this Policy and Loss that is not covered under this Policy because a Claim includes both covered and non-covered matters, or because such Claim is made against both the Insureds and others, the Insureds and the Underwriters shall agree:

- (a) to allocate 100% of all Defence Costs incurred by the Insureds in respect of such Claim to covered Loss; and
- (b) to allocate all other amount(s) incurred by the Insureds for such Claim by exerting their best efforts to agree upon a fair and proper allocation between covered Loss and non-covered Loss.

Any allocation or payment of Defence Costs shall not create any presumption as to the allocation of other Loss and the Underwriters shall not be liable under this Policy for the portion of any amounts allocated to non-covered Loss.

If the Insured and the Underwriters cannot agree on an allocation, no presumption as to allocation shall exist in any arbitration, suit or other proceeding. The Underwriters, if requested by the Insured, shall submit the dispute to binding arbitration before a panel, which shall consist of one arbitrator selected by the Insured, one arbitrator selected by the Underwriters, and a third independent arbitrator selected by the first two arbitrators. The arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the event of arbitration, the arbitrators' award shall not include attorneys' fees or other costs.

## OTHER INSURANCE

11. If Loss is Insured under any other valid policy, then this Policy shall cover such Loss, subject to its terms, only to the extent that the amount of such Loss is in excess of the amount of payment from such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Policy.

## CHANGES IN EXPOSURE

### Acquisition or Creation of Another Entity

12. (a) If, during the Policy Period, any Subsidiary is created or acquired by the Insured which qualifies as a non-profit organization under the requirements of the applicable laws of the jurisdiction in which the Subsidiary is created or acquired, and would have been included within the meaning of Insured as a result of the definition of Insured under this Policy, then such Subsidiary and its Insured Persons shall automatically become Insureds under this Policy with effect from the date of such creation or acquisition but only with respect to Wrongful Acts occurring after such date of acquisition or creation and, as a condition precedent to the Underwriters' liability under this Policy, subject to:
- (i) the Policyholder giving written notice of such creation or acquisition to the Underwriters as soon as practicable, but in no event later than 60 days after the date of such creation or acquisition; and
  - (ii) the Policyholder giving any underwriting information required by the Underwriters and agreeing to amendment of any terms of this Policy including charging an additional premium.
- (b) If, during the Policy Period, any Subsidiary created or acquired by the Insured does not qualify as a non-profit organization under the requirements of the applicable laws of the jurisdiction in which the Subsidiary is created or acquired, such Subsidiary shall not be included until the Policyholder, as a condition precedent to the Underwriters' liability under this Policy, has:
- (i) given written notice of such creation or acquisition together with any underwriting information which may be required by the Underwriters; and
  - (ii) received written approval from the Underwriters and agreed to the amendments of any terms of this Policy including charging an additional premium.



- (c) If, during the Policy Period, the Policyholder acquires by merger, or consolidates with, or is merged into or acquired by any other entity, such that the Policyholder is not the surviving entity, coverage under this Policy shall continue until the end of the Policy Period, or applicable Extended Reporting Period, but only for Wrongful Acts occurring prior to the effective date of such merger, consolidation or acquisition. Upon the occurrence of such merger, consolidation or acquisition the entire premium for this Policy shall be deemed fully earned. The Policyholder shall give written notice of such merger, consolidation or acquisition to the Underwriters as soon as practicable, but in no event later than 60 days after the effective date of such merger, consolidation or acquisition, together with such other information as the Underwriters may require.

#### SUBSIDIARIES

- 13. In the event an entity ceases to be a Subsidiary before or after the inception date of the Policy Period, coverage with respect to such Subsidiary and its Insured Persons shall continue until termination of the Policy but only with respect to Claims for Wrongful Acts committed prior to the date that such entity ceased to be a Subsidiary.

#### REPRESENTATIONS AND SEVERABILITY

- 14. In issuing this Policy to the Policyholder, the Underwriters have relied upon the material declarations, statements and information in the written application for this Policy and, if granting continuity, upon any material declarations, statements and information in the original written application as applicable submitted to another insurer with respect to any prior policy. All such material declarations, statements and information are the basis of this Policy and shall be considered as incorporated in and constituting part of this Policy. Such written applications shall be construed as separate applications for coverage by each Insured Person but will be deemed to have been made by all Insured Organizations. With respect to the material declarations, statements and information contained in such written applications, for the purpose of determining if coverage under this Policy is available:

- (a) no statement in the applications or knowledge possessed by any Insured Person shall be imputed to any other Insured Person; and
- (b) only facts pertaining to and knowledge possessed by:
  - (i) the chief financial officer, in-house general counsel, president, chief executive officer, executive director, trustee, duly constituted committee member or chairperson of an Insured Organization shall be imputed only to that Insured Organization; and
  - (ii) the individuals signing the applications shall be imputed to all Insured Organizations.

In the event that such material declarations, statements or information contains any untruths or inaccuracies which would have materially affected the Underwriters' decision to issue this Policy, no Insured Person who knew of such untruths or inaccuracies at the inception date of the Policy Period and no Insured Organization by which that Insured Person is indemnified, shall have cover under this Policy for any Loss. This Policy shall not be rescinded with respect to any other Insured who had no knowledge of such untruths or inaccuracies.

#### OUTSIDE DIRECTORSHIP LIABILITY EXTENSION

- 15. Subject to the other terms of this Policy, coverage is extended to cover Loss arising out of an Outside Directorship provided however that:
  - (a) such cover does not extend to the Outside Entity nor to any of the other directors, officers, trustees, governors, employees, volunteers or member of the staff, faculty or any duly constituted committee, or equivalent in any jurisdiction, of the Outside Entity;

- (b) the Underwriters' liability for each and every Claim shall apply only to that part of the Loss which is excess of:
  - (i) all other insurance payable;
  - (ii) the amount of the Loss for which the Insured Person serving in such Outside Directorship is indemnified by the Outside Entity; and
  - (iii) the applicable Retention stated in the Declarations if applicable;
- (c) if the Insured Person is entitled to be indemnified by the Insured Organization for the Loss and the Insured Organization does not pay on their behalf, or reimburse them for, that Loss, then the Underwriters will, subject to Section 15(b)(i) and (ii) above, pay that Loss on behalf of the Insured Person without applying such Retention in the Declarations as is otherwise applicable and the Underwriters shall be reimbursed for that Retention within 30 days of payment by the Insured Organization;
- (d) in the event an entity ceases to be an Outside Entity before or after the inception date of the Policy Period, coverage with respect to any Insured Person in an Outside Directorship with such Outside Entity shall continue until termination of the Policy Period but only with respect to Claims for Wrongful Acts committed prior to the date that such entity ceased to be an Outside Entity;
- (e) payment by the Underwriters or any other Subsidiary, affiliate or associate of the Underwriters under any other policy on account of a Claim also covered under this Policy shall reduce the Limits of Liability available under this Policy by the amount of such payment with respect to such Claim;
- (f) such cover is not extended to Loss arising out of an Outside Directorship on account of any Claim:
  - (i) by or on behalf of any Insured, the Outside Entity, or one or more of the Outside Entity's directors, officers, trustees, governors, employees, volunteers or members of the staff, faculty or any duly constituted committee, or equivalent position in any jurisdiction, except:
    - (I) an Employment Claim;
    - (II) a derivative action brought on behalf of an Outside Entity by one or more persons who are neither Insureds nor directors, officers, or individuals in equivalent positions in any jurisdiction of such Outside Entity, and who are not acting at or with the instigation or solicitation of any such person; or
    - (III) a Claim for contribution or indemnity brought or maintained by an Insured Person or by one or more of the Outside Entity's directors, officers, trustees, governors, employees, volunteers or members of the staff, faculty or any duly constituted committee, or equivalent position in any jurisdiction, of the Outside Entity, if such Claim directly results from another Claim covered under this Policy;
  - (ii) which is for Wrongful Acts that occur after the date (a) an Insured Person ceases to be an Insured Person of the Insured Organization or (b) service by the Insured Person in the Outside Directorship ceases to be at the specific written request of an Insured Organization or not considered nor evidenced as part of the duties of such Insured Person in their Insured Capacity.

#### TERRITORY

16. Subject to all other terms of this Policy, cover shall extend to Claims brought or maintained in Canada.

## VALUATION AND FOREIGN CURRENCY

17. All premiums, limits, retentions, Loss and other amounts under this Policy are expressed and payable in the currency of Canada unless otherwise stated. If judgment is rendered, settlement is denominated or another element of Loss under this Policy is incurred in a currency other than Canadian dollars, or such other currency stated, payment under this Policy shall be made in Canadian dollars at the applicable closing daily rate of exchange published by the Bank of Canada as of the date the final judgment is reached, the amount of the settlement is agreed upon or any other element of Loss is due, respectively, or if not published on such date, the next date of publication by the Bank of Canada.

## SUBROGATION

18. The Underwriters shall be subrogated to the extent of any payment under this Policy to each Insured's rights of recovery, and each Insured shall execute all papers reasonably required and shall do everything necessary to secure and preserve such rights and to enable the Underwriters to bring proceedings in the name of that Insured.

## AUTHORIZATION CLAUSE

19. The Policyholder hereby agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claims or termination, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Policy (except for the Insureds' ability to elect an Extended Reporting Period or give written notice of a Claim or circumstance that is likely to give rise to a Claim), and the Insureds agree that the Policyholder shall so act on their behalf.

## ALTERATION AND ASSIGNMENT

20. By acceptance of this Policy, the Insureds agree that this Policy embodies all agreements existing between them and the Underwriters or any of their agents relating to this Policy. Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Underwriters shall not effect an assignment of interest, a waiver or a change in any part of this Policy or estop the Underwriters from asserting any right under the terms of this Policy, nor shall there be any assignment of interest, waiver or change of terms under this Policy except when made by written endorsement rider issued by the Underwriters to form a part of this Policy.

## ACTION AGAINST THE UNDERWRITERS

21. No action shall lie against the Underwriters unless, as a condition precedent thereto, the Insureds shall have fully complied with all of the terms of this Policy, nor until the amount of the Insureds' obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the Claimant and the Underwriters. Nothing contained herein shall give any person or organization any right to join the Underwriters as a party to any Claim against the Insureds to determine their liability, nor shall the Underwriters be impleaded by the Insureds or their legal representative in any Claim.

## TERMINATION

22. Cover under this Policy shall terminate at the earliest of the following times:
  - (a) 15 days after the receipt by the Policyholder of a written notice of termination from the Underwriters for non-payment of premium;
  - (b) expiration of the Policy Period (but expiration of the Policy Period shall not terminate cover under an obtained Extended Reporting Period);
  - (c) receipt by the Underwriters of written notice of termination from the Policyholder; or
  - (d) such other time as may be agreed upon by the Underwriters and the Policyholder in writing.

If, at the time of termination of cover under this Policy, no Insured has given notice of a Claim, or of circumstances which are likely to give rise to a Claim, the Underwriters shall refund the unearned premium:

- (i) computed at customary short rates, if cover under this Policy is terminated by the Policyholder ; or
- (ii) computed pro-rata, if cover under this Policy is terminated other than by the Policyholder.

#### TERMINATION OF PRIOR POLICIES

- 23. Any Policies issued by the Underwriters of which this Policy is a renewal or replacement shall terminate, if not already terminated, as of the inception date of this Policy.

#### POLICY INTERPRETATION

- 24. This Policy shall be interpreted and construed in accordance with the laws of the Canadian province in which this Policy was issued and subject to the exclusive jurisdiction of the courts within the territorial jurisdiction of Canada.

#### BANKRUPTCY

- 25. Bankruptcy or insolvency of any Insured shall not relieve the Underwriters of their obligations nor deprive the Underwriters of their rights or defences under this Policy.

#### SERVICE OF SUIT

- 26. It is agreed that in the event of the failure of the Underwriters to pay any amount Claimed to be due hereunder, the Underwriters, at the request of any person or entity Insured hereunder, will submit to the jurisdiction of any court of competent jurisdiction within the territorial jurisdiction of Canada and will comply with all requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to commence an action in any court of competent jurisdiction in the territorial jurisdiction of Canada, to remove an action commenced outside the territorial jurisdiction of Canada to a Canadian court, or to seek a transfer of an action commenced in one province or territory of Canada to a court in another province or territory as permitted by the laws of Canada or of any Canadian province. It is further agreed that in any suit instituted against the Underwriters they will abide by the final decision of such court or of any appellate court in the event of an appeal.