

**POLICY SCHEDULE**

Volunteer NRM Groups  
ASSOCIATION LIAB

ITEM 1 INSURED

Volunteer NRM Groups registered with  
The Dept of Natural Resources and Water

ABN:83705537586

ITEM 2 ADDRESS

GPO Box 2454  
BRISBANE QLD 4001

ITEM 3 INSURED PROFESSIONAL BUSINESS PRACTICE

Not for Profit Association

ITEM 4 DESCRIPTION OF POLICY

Association Liability Insurance (2007-2008 ALIS wdg)

ITEM 4 PERIOD OF INSURANCE

From 4.00pm 31st October 2007  
To 4.00pm 31st October 2008

ITEM 7.1 SPECIFIC COVER LIMITS

Section 2.1 Professional Indemnity \$ 5,000,000 any one claim and  
\$ 10,000,000 in the aggregate

Section 2.2 Directors & Officers \$ 5,000,000 any one claim and  
in the aggregate

Section 2.3 Assoc. Reimbursement ) \$ 5,000,000 any one claim and  
Section 2.4 Association Entity ) in the aggregate

ITEM 7.2 AMOUNT OF EXCESS

Section 2.1 Professional Indemnity	\$ 5,000
Section 2.2 Directors & Officers	\$ 5,000
Section 2.3 Association Reimbursement	\$ 5,000
Section 2.4 Association Entity	\$ 5,000
Section 2.5 Employment Practices	\$ 0
Section 2.6 Fidelity	\$ 2,000
Section 2.7 Taxation Investigation	\$ 2,000

ITEM 7.3 EXCESS

Application of Excess in respect of Australia  
and New Zealand Cost Exclusive

ITEM 7.4 RETROACTIVE DATE

Unlimited excluding any known claims and circumstances

ITEM 7.5 JURISDICTIONAL LIMITS

Australia and New Zealand

ITEM 9 SPECIFIC COVER SUB LIMITS

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9.1 Employment Practices	\$	
9.2 Fidelity	\$	100,000
9.3 Taxation Investigation	\$	10,000
9.4 Public Relations Expenses	\$	250,000
9.5 Emergency Defence Costs	\$	250,000
9.6 Fines & Penalties	\$	250,000

**ITEM 10 SPECIAL CONDITIONS**

Free Legal Consultation (as below)

**DETAILS OF SPECIAL CONDITIONS**

**FREE LEGAL CONSULTATION**

Prior to seeking any entitlement to free legal advice under Section 4.13 of this Policy the Insured must provide to the legal practitioners this Schedule for sign off. The participating practitioners providing legal services under this Section are limited to:

Thynne & McCartney                      Contact: John Moore  
Level 27, Comalco Place                  Phone : (07) 3231 8888  
12 Creek Street  
Brisbane QLD

Minter Ellison                              Contact: Grant Mitchell / Cheryl Phillips  
1 King William Street                    Phone: (08) 8233 5555  
Adelaide SA 5000

Moray & Agnew                            Contact : Andrew Muller  
Level 5,                                        Phone: (02) 6262 6922  
161 London Circuit  
Canberra ACT 2600

Jackson McDonald                        Contact: Sean Mullins  
140 St George's Terrace                 Phone: (08) 9426 6688  
Perth WA 6000

Colin Biggers & Paisley                 Contact: Greg Skehan / Paul Bannon  
Level 42, 2 Park Street                 Phone: (02) 8281 4555  
Sydney NSW

Monahan & Rowell                        Contact: Mark Attard / Philip Rowell /  
Level 31, 535 Collins St                 Allison Grice  
Melbourne VIC                              Phone: (03) 8624 2000

Minter Ellison                              Contact: Will Oliver  
66 Smith Road                              Phone: (08) 8981 3399  
DARWIN NT 0800

6 minutes      6 minutes      6 minutes      6 minutes      6 minutes

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Volunteer NRM Groups  
ASSOCIATION LIAB

<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>
<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>
<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>	<u>6 minutes</u>

INSURER	POLICY NUMBER	PROPORTION
CGU INSURANCE LIMITED A.B.N. 27 004 478 371 485 LATROBE STREET MELBOURNE VIC 3000	08MUL558383	60.0000%
VERO INSURANCE LIMITED (APS SCHEMES) A.B.N. 48 005 297 807 465 VICTORIA AVENUE CHATSWOOD NSW 2067	08MUL558383	40.0000%

**POLICY SCHEDULE**

Volunteer NRM Groups  
ASSOCIATION LIAB

Signed on behalf of Insurer(s) at Brisbane Queensland

Signature / Date: [Signature] 2/11/08  
*Aon Risk Services Australia Limited  
A.B.N. 17 608 434 720*

**INSURER PROPORTIONS:**

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# **Association Liability Insurance Policy**

Developed and arranged by



one of Australia's leading insurance brokers

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## Section 1 - The insurance contract

- 1.1 Upon full payment of the **Gross Premium** specified in the **Policy Schedule**, **We** agree to provide the **Cover** described in the insuring clauses under Section 2 of this **Policy** in accordance with and subject to, all the terms, conditions, exclusions and limits of this **Policy** and in excess of the applicable **Excess** specified in the **Schedule**.
- 1.2 Before this **Policy** came into effect, **We** were provided by or on behalf of the **Insured** with information in a written **Proposal**. **We** have relied on this information to decide whether to enter into this contract and on what terms. This information is part of the insurance contract with **Us**.
- 1.3 If any of that information is wrong or false, it may affect entitlement to **Cover** under this **Policy**.
- 1.4 This **Policy** is in force for the **Period of Insurance** stated in the **Schedule**.
- 1.5 If full payment of the **Gross Premium** is not made, there is no **Cover**.

## Section 2 - The Specific Cover We provide

- 2.1 **Professional Indemnity Insurance Cover**  
**We** provide **Cover** to the **Insured** against **Loss** for **Claims** by reason of any **Wrongful Act** arising from a breach of professional duty in the conduct of the **Insured Professional Business Practice** which **Claims**:
  - (a) are first made against the **Insured** during the **Period of Insurance**; and
  - (b) of which **We** are first notified in writing during the **Indemnity Period**; and
  - (c) which arise from an act, error or omission on or after the retroactive date specified in the **Schedule**.
- 2.2 **Directors & Officers Insurance Cover**  
**We** will pay on behalf of the **Insured Persons** that **Loss** for which the **Insured Persons** may not be legally indemnified by the **Association** arising out of any **Claim** by reason of any **Wrongful Act** committed by them in their capacity as an **Insured Person** of the **Association** which **Claims**:
  - (a) are first made against them jointly or severally during the **Period of Insurance**; and
  - (b) of which **We** are first notified in writing during the **Indemnity Period**.
- 2.3 **Association Reimbursement Insurance Cover**  
**We** will pay on behalf of the **Association**, when the **Association** is legally required or permitted to indemnify an **Insured Person**, any **Loss** arising out of a **Claim** made against an **Insured Person** by reason of any **Wrongful Act** committed by that **Insured Person** whilst acting in their capacity as an **Insured Person** of the **Association**, provided always that such **Claims**:
  - (a) are first made against the **Insured Person** during the **Period of Insurance**; and
  - (b) of which **We** are first notified in writing during the **Indemnity Period**.
- 2.4 **Association Entity Insurance Cover**  
**We** will pay on behalf of the **Association** any **Loss** arising from any **Claims** made against the **Association** by reason of any **Wrongful Act** committed by an **Insured Person** which **Claims**:
  - (a) are first made against the **Association** during the **Period of Insurance**; and
  - (b) of which **We** are first notified in writing during the **Indemnity Period**.
- 2.5 **Employment Practices Insurance Cover**  
**We** will pay on behalf of the **Insured** (subject to the **Specific Cover Sub-Limit** set out in the **Schedule**), any **Loss** that the **Insured** is legally obliged to pay arising from **Employment Practices Claims** which:
  - (a) are first made against the **Insured** during the **Period of Insurance**; and
  - (b) of which **We** are first notified in writing during the **Indemnity Period**.
- 2.6 **Fidelity Insurance Cover**  
**We** will reimburse the **Association** for any **Fidelity Loss** it sustains during the **Period of Insurance** where such **Fidelity Loss**:
  - (a) is sustained by reason of any dishonest or fraudulent acts committed by an **Insured Person**; and
  - (b) is first discovered by the **Association** during the **Period of Insurance**; and
  - (c) of which **We** are notified during the **Period of Insurance**.

**Cover** under this Section is always subject to Section 7 of this **Policy** and the following provisions:

- (i) There is no **Cover** for any loss amount, the existence of which, has only been proved by profit and loss figures or by inventory calculations (including stock-takes).
- (ii) There is no **Cover** for any consequential loss arising from any dishonest, fraudulent, malicious, illegal act or omission on the part of any **Insured Person**.
- (iii) There is no **Cover** for any loss amount caused by or contributed to by an **Insured Person** who was not employed in connection with the **Association** when the act or omission which caused or contributed to the loss occurred.
- (iv) There is no **Cover** for any loss arising from default under a loan or any type of credit offered to or by the **Association**.
- (v) The **Excess** for Fidelity as stated in the **Schedule**, applies to each and every loss resulting from each separate dishonest, fraudulent, malicious or illegal act or omission committed by an **Insured Person**. However, when an individual **Insured Person** has caused more than one such **Fidelity Loss** during the Policy Period, the deductible is applied to the aggregate of those Fidelity Losses, rather than to each separate **Fidelity Loss**.

## 2.7 Taxation Investigation Cover

Where the **Association** or any person on behalf of the **Association**, first received a **Tax Audit Notice** from the Australian Taxation Office,

- (a) during the **Period of Insurance**, and
- (b) of which **We** are first notified in writing during the **Indemnity Period**,
- (c) **We** will (subject to the **Specific Cover Sub-Limit** set out in the **Schedule**), provide **Cover** to the **Association** for necessary **Tax Audit Costs** reasonably incurred by the **Association** up to the completion of the audit or investigation.

**Cover** under this Section is always subject to Section 8 and the following provisions: There is no **Cover** for **Tax Audit Costs** in respect of, arising out of, or relating to:

- (i) Any improper, unwarranted or unjustified delay, refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office, for the production of documents or the furnishing of information by the **Association**.
- (ii) Inquiries from the Australian Taxation Office which are not related to an identified intention to conduct an audit or likely future audit.
- (iii) Any audit or investigation concerning income earned or where the source of income is outside Australia and its external territories, or where the services giving rise to the audit are performed by persons or any corporate entity ordinarily resident outside Australia.
- (iv) Matters arising under customs legislation.
- (v) Any audit or investigations, notice of which or information as to their likely conduct, was received by the **Association** or any person acting on its behalf, prior to the **Period of Insurance**. Receipt of such communication will have occurred where the Australian Taxation Office makes communication with the **Association** or any other person acting on its behalf.
- (vi) Any fraudulent act, error, omission or fraudulent misrepresentation committed by or on behalf of the **Association**.
- (vii) The imposition of or seeking to impose any tax, penalty tax, costs, interest, fine or any fees or expenses in connection with any criminal prosecution.
- (viii) An audit or investigation of a return of income that has not been prepared or reviewed by the **Accountant or Registered Tax Agent**, except where the return is a prescribed sales tax return or a prescribed payroll tax return.
- (ix) **Tax Audit Costs** incurred after the audit or investigation has been completed.
- (x) The **Excess** for **Tax Audit Costs** as stated in the **Schedule**, applies to each and every **Tax Audit Notice** received by the **Association** during the **Period of Insurance**.

## Section 3 - Additional types of claims covered

In accordance with the insuring clauses under Sections 2.1, 2.2, 2.3, 2.4 (and all corresponding extensions) but not including Sections 2.5, 2.6 and 2.7, this **Policy** also provides **Cover** for the following types of **Claims** in accordance with all other terms, extensions, exclusions and conditions of this **Policy**:

- (a) Unintentional defamation.
- (b) **Loss** of or damage to **Documents** which were in the **Insured's** physical custody or control at the time of loss or damage.
- (c) Unintentional infringement of any patent, copyright, design or trademark or plagiarism.
- (d) Unintentional breach of confidentiality.

- (e) Unintentional breach of Part IVA or Part V of the Trade Practices Act 1974 or corresponding sections of the Fair Trading legislation enacted throughout Australia (but not for criminal liability). There is no Cover under this Policy for breaches outside of Part IVA & V of the Trade Practices Act 1974.

## Section 4 - Automatic extensions

We only provide Cover under any of the following extensions in accordance with the applicable insuring clause under Section 2 of this Policy and all the terms and conditions of this Policy unless specified to the contrary. The inclusion of any extension shall not increase the Specific Cover Limit.

### Extensions applicable to all sections except Fidelity Insurance Section 2.6 and Tax Investigation Costs Section 2.7

In accordance with Sections 2.1, 2.2, 2.3, 2.4, 2.5 and all other terms and conditions of this Policy but not including Section 2.6 and 2.7:

#### 4.1 Reinstatement of Specific Cover Limit

We provide Cover up to a maximum of twice the Specific Cover Limit for all Claims covered by Section 2.1 of this Policy subject to the following limits on reinstatement provided under this extension:

- (i) In the aggregate, Cover under this Policy shall not exceed the Specific Cover Limit specified in respect of Section 2.1 for any one Claim or series of Claims arising from the same acts, errors or omissions.
- (ii) If there is additional insurance in excess of the limit of this Policy, then Cover in excess of the Specific Cover Limit Specific Cover Limit (up to a maximum of twice the Specific Cover Limit) specified for Section 2.1 is only available for so much of the liability (otherwise covered by this Policy) which is not covered by the additional insurance.
- (iii) The Specific Cover Limit for Section 2.1 does not increase if more than one Insured Person causes or contributes to the Claim.
- (iv) Notwithstanding anything to the contrary expressed elsewhere in this Policy, where the Schedule indicates any Specific Cover Limit or Specific Cover Sub-Limit for Sections 2.2, 2.3, 2.4, 2.5, 2.6 or Section 2.7 Claims or losses, then the Specific Cover Limit or Specific Cover Sub-Limit applies only to Claims or losses under that specific section. There is no reinstatement of the Specific Cover Limit or the Specific Cover Sub-Limit applicable to Sections 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 when the Specific Cover Limit under Section 2.1 is reinstated under this section.

#### 4.2 Estates & Legal Representatives

We provide Cover to the estates, heirs or legal representatives of deceased, incompetent or insolvent Insured Persons shall be indemnified in like manner to such Insured Persons provided always that they shall be the subject to all the terms and conditions of this Policy insofar as they are applicable.

#### 4.3 Advance Payment of Defence Costs

We will pay all reasonable Defence Costs associated with any Claim as and when they are incurred where We have elected not to take over and conduct the defence or settlement of the Claim provided that:

- (i) We have not denied Cover for the Claim; and
- (ii) Our written consent is obtained prior to the Insured incurring such Defence Costs (such consent not to be unreasonably withheld).

We reserve the right to recover any Defence Costs paid under this extension from the Insured Person and/or the Association severally according to their respective interests, in the event and to the extent that it is subsequently established by judgement or other final adjudication, that the Insured was not entitled to Cover under this Policy.

#### 4.4 Emergency Defence Costs

If, because of an emergency, the Insured is unable to request Our prior written consent to incur Defence Costs, Defence Costs up to a total amount of \$250,000 can be incurred without Our consent for a period up to 14 days from the date on which the emergency arose. Provided always that:

- (i) the Insured shall continue to take all reasonable steps to request Our consent; and
- (ii) We have not denied Cover for this Claim.

We reserve the right to recover any Defence Costs paid under this extension from the Insured Person and/or the Association severally according to their respective interests, in the event and to the extent that it is subsequently established that the Insured was not entitled to Cover under this Policy.

**4.5 Court Attendance Witness Expenses**

We will pay each **Insured Person** \$500 per day for each day that the **Insured Person** is required to and has attended court as a witness in connection with a **Claim** notified under and covered by this **Policy**. The **Excess** shall not apply to payments made under this extension.

**4.6 Joint Venture**

We provide **Cover** to the **Insured** only for the **Insured's** individual liability as otherwise covered by this **Policy** (and not for the **Insured's** joint liability) in respect of any Joint Venture work undertaken by the **Insured** which is consistent with the **Insured Professional Business Practice**.

**4.7 Continuous Cover**

We **Cover** the **Insured** for any **Claim** otherwise covered by this **Policy** arising from a **Known Circumstance** (notwithstanding Section 6.1 of this **Policy**):

- (i) where the **Insured** first became aware of facts or circumstances which might give rise to a future **Claim** prior to the **Period of Insurance**; and
- (ii) We were the insurer of the **Insured's** association liability policy at the time the **Insured** first became aware of the facts or circumstances and We continued in uninterrupted succession to be the insurer of the **Insured's** association liability policy until this **Policy** came into effect; and
- (iii) the **Insured** had not notified Us or any previous insurer of such facts or circumstances prior to the **Period of Insurance**, but has notified Us of such facts or circumstances during the **Indemnity Period**; and
- (iv) had We been notified of the **Known Circumstances** when the **Insured** first knew of it, the **Insured** would have been covered by that **Policy** and the **Insured** would (but for Section 6.1 of this **Policy**) otherwise be covered under this **Policy**; and
- (v) there has been no fraudulent non compliance with the **Insured's** duty of disclosure or fraudulent misrepresentation by the **Insured** in respect of such facts or circumstance.

**4.8 Extended Reporting Period**

Where We refuse to offer terms to renew this **Policy** after its expiry for a further **Policy** period then, the **Association** and the **Insured Persons** shall jointly (but not separately) have the right upon payment of an amount equal to 25% of the total expiring annual **Gross Premium** stated in Item 6 of the **Schedule** to a once only extension of this **Policy** until the earlier of when a Replacement Policy is effected or for a further 90 days immediately following the expiry of the **Period of Insurance**. This extension, however, is only in respect of **Claims** made against the **Insured** in the extension period for any **Wrongful Act** committed or alleged to have been committed or attempted on or after the retroactive date specified in the **Schedule** and prior to the expiry of the **Period of Insurance**, provided always that this extension is requested by the **Insured** prior to the expiry of the **Period of Insurance**. There is no **Cover** under this **Policy** extension for **Claims** arising from any fact, situation or circumstance which an **Insured** knew, before this extension was requested, that might result in someone making an allegation against an **Insured** in respect of a **Loss** that might be covered under this **Policy** but not notified to Us as a potential **Claim** prior to the expiry of the **Period of Insurance**. For the purpose of this extension, a "Replacement Policy" shall mean an insurance policy issued upon the expiry of this **Policy** and which covers substantially the same risk exposure as the expiring policy. A "Replacement Policy" may not necessarily have the same limits, excess or terms and conditions.

**Extensions applicable to Professional Indemnity Insurance Section 2.1.**

In accordance with Section 2.1 and all other terms, exclusions and conditions of this **Policy** but not including Sections 2.2, 2.3, 2.4, 2.5, 2.6, and 2.7, We will,

**4.9 Sub-contractors and Consultants**

Provide **Cover** to the **Insured** against **Loss** for **Claims** arising from breach of professional duty in the conduct of the **Insured Professional Business Practice** which are brought against the **Insured** and arise from acts errors or omissions of sub-contractors or consultants acting for or on behalf of the **Insured**. Provided always that We shall not provide **Cover** to any sub-contractor or consultant who committed the act, error or omission.

**4.10 Fraud / Dishonesty**

Subject to Section 7 of this **Policy**, provide **Cover** to the **Insured** against **Loss** arising from any **Claim** brought about or contributed to by any dishonest or fraudulent act or omission of any **Insured Person** first made against them jointly or severally during the **Period of Insurance** and first notified to Us in writing during the **Indemnity Period**.

Provided always that **We** shall not provide **Cover** to any person permitting or condoning such dishonest, fraudulent, criminal or malicious act or omission.

**4.11 Fraud Investigation Expenses**

Pay all reasonable costs incurred by the **Insured** with **Our** prior written consent to investigate prove and substantiate the amount of a **Fidelity Loss** covered by this **Policy**. Provided always that **We** will not pay for regular or overtime wages, salaries or fees of any **Insured Person** or other internal costs incurred in the course of the **Insured** conducting its affairs.

**Extensions applicable to Directors and Officers Sections: 2.2, 2.3, and 2.4**

In accordance with Sections 2.2, 2.3, 2.4, and all other terms, exclusions and conditions of this **Policy** but not including Sections 2.1, 2.5, 2.6, 2.7, **We** will:

**4.12 Attendance at Official Investigations or Inquiries**

Pay the **Defence Costs** incurred with **Our** prior written consent by or on behalf of an **Insured Person** in attending any official investigation, examination, inquiry or other proceedings ordered or commissioned by any official body or institution, where an **Insured Person** is legally compelled by such a body or institution to attend such investigation, examination, inquiry or proceeding and which involves an allegation against an **Insured Person** of a **Wrongful Act** which is the subject of indemnity under this **Policy**.

**4.13 Occupational Health & Safety**

Notwithstanding exclusion 6.4 (**Workers' Compensation**), exclusion 6.7 (**Bodily Injury**) and 6.11 (**Related Parties**), provide **Cover** for **Defence Costs** in respect of any **Claim** (other than a civil **Claim** for compensation or a **Claim** otherwise excluded) for breach of occupational health and safety laws.

**4.14 Current Outside Directorship (Non Profit Organisations)**

Provide **Cover** in accordance with Section 2.2 of this **Policy** for **Claims** by reason of a **Wrongful Act** in any **Outside Directorship** which an **Insured Person** held in any **Non Profit Organisation** at the commencement of or during the **Period of Insurance** at the request of the **Association**.

Provided always that such **Cover**:

- (i) will not extend to the **Non Profit Organisation** in which such **Outside Directorship** is held or to any other director, officer, or employee of such **Non Profit Organisation** who is not also an **Insured Person** of the **Association** under this **Policy**;
- (ii) shall be specifically in excess of any other cover available to an **Insured Person** by reason of serving in such **Outside Directorship**;
- (iii) under this extension shall be non cumulative with any other insurance issued by **Us**.

**4.15 Run-off Cover for Outside Directorship (Non Profit Organisations)**

Provide **Cover** in accordance with Section 2.2 of this **Policy** for **Claims** by reason of a **Wrongful Act** in any **Outside Directorship** which an **Insured Person** held in any **Non Profit Organisation** and which the **Insured Person** ceased or ceases to hold prior to the commencement of or during the **Period of Insurance**.

Provided always that:

- (i) the **Wrongful Act** giving rise to a **Claim** occurred before the **Insured Person** ceased holding such position;
- (ii) the **Outside Directorship** had previously been covered by **Us** under a previous policy or is now covered under this **Policy**; and
- (iii) the provisions under extension 4.9 of this **Policy** will apply to this run-off **Cover**.

**4.16 Spousal Liability Cover**

Pay on behalf of the **Spouse** of an **Insured Person** all **Loss** arising from a **Claim** in respect of a **Wrongful Act** committed by the **Insured Person**, provided always that **We** shall only provide **Cover** to the **Spouse** for a **Claim** which:

- (i) is made against the **Spouse** for the sole reason that he or she is the **Spouse** of the **Insured Person**; and
- (ii) relates to property jointly held by the **Insured Person** and his or her **Spouse**, or transferred by that **Insured Person** to his or her **Spouse** for lawful purposes only.

#### 4.17 Indemnifiable Fines and Penalties

Notwithstanding exclusion 6.6 (Fines and Penalties) and definition 12.18 (**Loss**), **We** will to the extent permitted by law provide **Cover** to the **Insured** (subject to this clause), against any Penalty payable by the **Insured** upon conviction of an offence under an Act (as defined below) arising from a criminal proceeding:

- (i) which is first issued against the **Insured** during the **Period of Insurance**; and
- (ii) notified to **Us** during the **Indemnity Period**; and
- (iii) where such conviction is in respect of a **Wrongful Act**.

The total aggregate amount payable by **Us** for all Penalty amount or amounts covered under this extension during the **Period of Insurance** shall be a maximum of \$250,000, and such amount shall be part of, and not in addition to, the aggregate **Specific Cover Limit** stated in the **Schedule** for all Section 2.2 Directors and Officers Claims.

In addition to Section 6 exclusions, there is no **Cover** under this extension for any **Penalty** arising out of the failure of the **Insured** to comply with any lawful consent, demand, determination, memorandum, notice, order, schedule or the like issued under an Act. For the purposes of this extension only, "Act" shall mean any of the following legislation only:

- (i) The Trade Practices Act 1974;
- (ii) The Privacy Act 1988;
- (iii) The Corporation Act 2001;
- (iv) The Associations Incorporations Act;
- (v) The Occupational Health & Safety legislation of any State or Territory of Australia, including any amendment to, replacement or re-enactment of, any of this legislation, any regulation or other subordinate legislation made under these statutes, and (in respect (i) to (iv) inclusive) any equivalent legislation of a State or Territory of Australia.

"Penalty" under this extension only shall mean fine or other cash penalty imposed by law and excludes any amounts payable as:

- (a) compensation;
- (b) compliance, remedial, reparation or restitution costs;
- (c) exemplary or punitive damages;
- (d) any consequential economic loss.

#### 4.18 Pollution Expenses

Notwithstanding Exclusion 6.2(1) (Pollution), **We** will indemnify the **Insured** for **Defence Costs** incurred in respect of any **Wrongful Act** resulting in **Loss** arising out of the discharge, dispersal, release or escape of pollutants. The maximum payment under this extension shall not exceed \$250,000 in the aggregate. **Cover** is not provided for **Wrongful Acts** occurring in the United States of America, the Dominion of Canada or their Territories or Protectorates.

## Section 5 – Additional Benefits

### 5.1 Free Legal consultation

During the **Period of Insurance** the **Insured** is entitled to up to two hours free legal advice from the appointed firm and nominated practitioner listed in Item 10 of the **Schedule** on any matter relating to the **Insured Professional Business Practice** subject always to the following:

- (i) An appointment must be made to attend the nominated legal practitioner.
- (ii) The **Schedule** must be presented to the legal practitioner when requesting legal advice under this Section. If the **Schedule** is not presented then no legal advice can be sought under this Section.
- (iii) The legal practitioner will sign off the used minute units listed in the **Schedule**.
- (iv) Entitlement to legal advice is limited to a maximum of two hours per policy per year and any unused hours or part thereof cannot be aggregated from one policy period to another.
- (v) **We** reserve the right to change the appointed firm or nominated practitioner at any time. Changes to the appointed firms and nominated practitioners will be notified to the **Insured** on request.
- (vi) The **Insured** may not seek legal advice on this **Policy** or other indemnity issues concerning insurance policies issued by **Us** under this Section.
- (vii) If **Cover** under this **Policy** is sought by the **Insured** in respect of any matter on which the **Insured** has sought legal advice under this Section from the appointed firm or nominated legal practitioner, the **Insured** authorises **Us** (at **Our** discretion) to engage the appointed firm to represent the **Insured** and authorises the appointed firm when engaged to disclose to **Us** any information obtained in the

course of tendering advice to the **Insured**. To the extent necessary, the **Insured** waives all claims to legal professional privilege as between **Us** and itself.

#### 5.2 **Public Relations Expenses**

At the election of the **Insured**, **We** will pay the **Public Relations Expenses** of each **Insured Person** to mitigate any adverse effect on such **Insured Person's** reputation by disseminating findings which exonerates the **Insured Person** from fault, liability or culpability in connection with a **Claim** that is covered under this **Policy**, provided that such findings are made by a court with jurisdiction to finally dispose of such **Claim** (including the outcome of any appeal in relation to such **Claim**).

#### 5.3 **Run-Off Liability (applicable to all sections of this Policy)**

A "Former **Insured** or **Association**" who has ceased to operate and has been insured under any antecedent group scheme facility immediately prior to ceasing to operate, shall be entitled to be indemnified by the **Us** in accordance with the limits, terms, conditions and exclusions of this **Policy** in respect of any **Claim** or **Claims** first made during the period of the Master Policy Agreement and notified to the **Us** during the same period of the Master Policy Agreement. Provided always that in the event of such agreement being cancelled or not renewed, no liability will attach hereto for claims made after such cancellation or expiry date.

Master Policy Agreement referred to above shall mean the agreement between the **Us** and Aon Risk Services Australia Limited

## Section 6 – Exclusions

**Exclusions applicable to all of Sections 2, 3 and 4.**

**We do not provide Cover for any Claims (or losses):**

#### 6.1 **Known Claims and Known Circumstances**

- (i) known by the **Insured** as at the inception date of this **Policy**; or
- (ii) which arise from a **Known Circumstance**; or
- (iii) directly or indirectly based upon, or attributable to, or in consequence of any such **Known Circumstance**.

#### 6.2 **Pollution, Nuclear Risks, War and Terrorism, Asbestos**

Arising directly or indirectly from or caused by or contributed by, or happening through or in connection with:

- (1) pollution or contamination howsoever and wheresoever occurring. For the purpose of this **Policy**, the term **Pollution** shall have the meaning ascribed to it in the Protection of the Environment Operations Act 1997 No 156 (NSW).
- (2) atomic energy operations employing the process of nuclear fission or fusion or handling radioactive material which operations include but are not limited to:
  - (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices; or
  - (b) the use, handling or transportation of radioactive materials; or
  - (c) the use handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

Provided always that this Exclusion 6.2.2 shall not apply to any **Claim** arising from radio-isotopes or radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits; or

- (3) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority, except to the extent that such an order arises as a result of any **Wrongful Act** committed by the **Insured Person** or **Association**.
- (4)
  - (a) any act of **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, illness, injury, death, cost or expense.
  - (b) any action in controlling, preventing, suppressing, retailing against, or responding to any act of **Terrorism**.
  - (5) which would have arisen but for the existence of asbestos.

- 6.3 Firewalls / E-Commerce**  
Directly or indirectly related to, based upon, attributable to or in consequence of any fact or circumstance arising from or caused by:
- (i) a breach in computer firewalls or security systems;
  - (ii) misuse or unauthorised use of electronic transfer of funds / payments (including the failure to electronically transfer funds / payments) via the internet.
- 6.4 Workers' Compensation**  
Brought about by or contributed to by or which involve **Claims**, pursuant to or in relation to any Workers' Compensation or Occupational Health and Safety Acts or similar legislation.
- 6.5 Legal, Financial and Investment Advice**  
Directly or indirectly arising from, related to, based upon, attributable to or in consequence of any legal, financial or investment advice or information (including allegations of or in connection with the negligent failure by the **Insured** to provide legal, financial or investment advice or information).
- 6.6 Fines and Penalties**  
Arising from or by reason of or directly or indirectly caused by or arising from fines and penalties imposed by law, punitive, exemplary or aggravated or multiple damages, income tax, customs duties, excise duty, stamp duty, sales tax or any other State or Federal tax or duty.  
This exclusion shall not apply to any **Claims** which are specifically covered under extension 4.17.
- 6.7 Bodily Injury or Property Damage**
- (i) Where such **Claims** or losses are covered under Section 2.1 of this **Policy**, and which directly or indirectly arise from or are related to bodily injury (except emotional distress or mental anguish), sickness, disease or death of or damage to property or destruction of any tangible property of any **Employee of the Insured** arising out of or in the course of their employment.
  - (ii) Where such **Claims** or losses are covered under Sections 2.2, 2.3, 2.4, 2.5, 2.6 or 2.7 of this **Policy**, and which directly or indirectly arise from or are related to bodily injury (except emotional distress or mental anguish), sickness, disease or death of or damage to or destruction of any tangible property (including the loss of use thereof).
- 6.8 Foreign Courts**
- (i) first brought in a court outside Australia or New Zealand (or outside any country specified in the 'Jurisdictional Limits' in the **Schedule**); or
  - (ii) brought in a court within Australia or New Zealand to enforce a judgement handed down in a court outside Australia or New Zealand; or
  - (iii) where the proper law of a country other than Australia or New Zealand (or any country specified in the 'Jurisdictional Limits' of the **Schedule**) is applied to any part of the **Claim** or **Loss** covered by this **Policy**.
- 6.9 Medical Treatment**  
Based upon, arising out of, resulting from or in consequence of any medical treatment, advice and/or services and/or scientific or medical research.
- 6.10 Intentional Damage**  
Arising from acts, errors or omissions by the **Insured** with the intention of causing a third party loss, damage or injury, or with reckless disregard for the consequences.

**Exclusions applicable to all Sections 2, 3 and 4 except Employment Practices Liability Insurance Section 2.5**

We do not provide **Cover** for any **Claims** (or losses):

- 6.11 Related Parties**  
Against the **Insured** by or on behalf of:
- (i) any person, firm or incorporated body covered by this **Policy**; or
  - (ii) any company or trust which is operated or controlled by the **Insured** or the **Insured's Employees**, nominees or trustees, and in which the **Insured** has a direct or indirect financial interest; or
  - (iii) by or on behalf of the **Insured** and/or any **Insured Person** against any person, firm or incorporated body covered by this **Policy**.

**6.12 Molestation**

Directly or indirectly related to, based upon, attributable to or in consequence of any actual or alleged molestation of, interference with, mental abuse of or physical abuse of any person, whether by the **Insured**, or by any agent or **Employee** of the **Insured**, or by any person performing any volunteer service for or on behalf of the **Insured**.

Further, there is no **Cover** under this **Policy** for, and there is no duty under this **Policy** to defend, any action, suit or proceedings against the **Insured**, either directly or indirectly, seeking damages on account of such molestation, interference, mental abuse or physical abuse.

**6.13 Refund of Professional Fees and Trading Debts**

- (i) for refund of professional fees or charges (by way of damages or otherwise); or
- (ii) arising from a liability to pay trading debts; or
- (iii) for the return of remuneration paid to any **Insured Person** without the prior approval of the members of the **Association** which payment, without such prior approval, shall be held by a court to be in violation of the law.

**Exclusions applicable to Professional Indemnity and Directors and Officers: Sections 2.1, 2.2, 2.3, 2.4, 3 and corresponding Section 4 extensions only**

We do not provide **Cover** for any **Claims** (or losses):

**6.14 Goods & Workmanship**

- (i) directly or indirectly arising from the manufacture, installation, assembly, processing, sale, supply or distribution of goods or products by or on behalf of the **Insured**; or
- (ii) directly or indirectly arising from workmanship in the manufacture, fabrication, construction, erection, installation, assembly, alteration, servicing, remediation, repair, demolition or disassembly (including any materials, parts or equipment furnished in connection therewith) by or on behalf of the **Insured**; or from supervision of such workmanship by an **Insured**.

**6.15 Assumed duty or obligation**

- (i) alleging a liability under a contractual warranty, guarantee or undertaking (unless liability would have existed regardless of the contractual warranty, guarantee or undertaking); or
- (ii) about circumstances where a right of contribution or indemnity has been given up by an **Insured**; or
- (iii) about circumstances where someone has done work or provided services under an arrangement or agreement with the **Insured** which limits any potential right for the **Insured** to receive contribution or indemnity from that person; or
- (iv) arising from any liability which the **Insured** agrees to accept outside that which is normal in the course of the conduct of the **Insured Professional Business Practice**; or
- (v) arising from any business not conducted for or on behalf of the **Insured** firm or incorporated body.

**6.16 Occupier's Liability, Motor, Marine, etc**

- (i) arising from occupation (or alleged occupation) of land or buildings by or on behalf of an **Insured**; or
- (ii) arising from or in respect of an **Insured's** liability as an owner or operator of any aircraft, marine craft or motor vehicles of any kind.

**Exclusions applicable to Directors and Officers and Employment Practices: Sections 2.2, 2.3, 2.4, 2.5, 3 and corresponding Section 4 extensions only.**

We do not provide **Cover** for any **Claims** (or losses):

**6.17 Fraud / Dishonesty**

Brought about by, contributed to by or which involves:

- (i) a wilful breach of duty, the dishonest, fraudulent or malicious act or omission or other act or omission committed with the criminal intent of such **Insured Person** or any other person acting at the direction of such an **Insured Person**;
- (ii) any act or omission committed or alleged to have been committed with a reckless disregard for the consequences thereof; or
- (iii) such **Insured Person** having improperly benefited in fact from securities transactions as a result of information that was not available to other sellers and/or purchasers of such securities; or
- (iv) such **Insured Person** having gained in fact any personal advantage to which he/she was not legally entitled.

However, this exclusion shall only apply to the extent that the subject conduct has been established by an express admission, court judgement or other final adjudication.

**Exclusions applicable to Employment Practices Liability Insurance: Section 2.5 and corresponding Section 4 extensions only**

We do not provide **Cover** for any **Claims** (or losses):

**6.18 Building modifications**

For the cost of physical modifications to premises, plant or equipment owned or occupied by or on behalf of the **Insured**.

**6.19 Unfair Contracts**

In respect of:

- (i) a contract of employment alleged to be unfair;
- (ii) the seeking of relief pursuant to Section 127A of the Workplace Relations Act (Commonwealth) or Section 106 of the Industrial Relations Act (NSW) 1996 or Section 276 of the Industrial Relations Act (Queensland) 1999 or similar legislation in the other states or territories of the Commonwealth of Australia or in New Zealand.

**6.20 Strikes, Lockouts, etc**

"Brought about by, contributed to by or which involves acts committed during or in connection with any industrial action initiated by an employee representative group including and not limited to unions, any strike action, picket, lockout, go slow or work to rule action. "

## **Section 7 - Special provisions for dishonesty and fraud, or fidelity**

- (a) We only provide **Cover** under Section 2.6 and Extension 4.10 for that part of any loss of money which has been misappropriated or stolen from a bank account kept by the **Insured** provided always that:
  - (i) such account was, during the time when any loss of money occurred, audited at least annually by a qualified independent accountant; and
  - (ii) all cheques prepared on that account are required to be signed by two authorised people; and
  - (iii) the **Insured** took all reasonable precautions to prevent any loss and continued to perform all supervision, controls, checks and audits.
- (b) There is no **Cover** under this **Policy** for any **Claim** or loss directly or indirectly based upon, or attributed to, or in consequence of any dishonest, fraudulent, criminal or malicious acts or omissions of which an **Insured** had knowledge or had reason to suspect at or prior to the time of such acts or omissions and failed to take any reasonable action to prevent such dishonest, fraudulent, criminal or malicious acts or omissions or any loss arising there from.
- (c) There is no **Cover** under this **Policy** for any **Insured** who committed or condoned any such dishonest, fraudulent, criminal or malicious acts or omissions.

## **Section 8 - Special provisions for tax investigation costs**

We only provide **Cover** under Section 2.7 if:

- (a) All taxation and other returns are submitted within the time limits prescribed by all relevant statutes and regulations or as required by or on behalf of the Australian Taxation Office or within the extensions of time granted by the Australian Taxation Office.
- (b) Upon the **Association** or any other person acting on its behalf becoming aware of any error or deficiencies in any information, return of income or any other documentation furnished to the Australian Taxation Office, the Australian Taxation Office is notified accordingly without delay.
- (c) All taxes are paid by the due date or within any extension granted by the Australian Taxation Office.
- (d) A full and complete disclosure of all income including capital gains as required by any legislation is made by the **Association** or any other person acting on its behalf.
- (e) All correspondence, requests and inquiries from the Australian Taxation Office are dealt with within reasonable time.
- (f) Direct access to the **Accountant** or **Registered Tax Agent** is granted to **Us** and full cooperation by them is given to **Us**.
- (g) At **Our** request the **Association** instructs all **Accountant** or **Registered Tax Agents**, lawyers or other persons or organisations engaged by the **Association** to produce to **Us**, without delay, any documents or

information or advice in the **Insured's** or their possession which **We** shall require in connection with any claim made under Section 2.7.

## Section 9 - The Specific Cover Limits

Subject to Section 4.1, the **Specific Cover Limits** set out in the **Schedule** is the maximum **Cover We** provide in respect of any one **Claim**, loss or payment and all **Claims**, losses or payments under that **Specific Cover** section.

The **Specific Cover Sub Limits** set out in the **Schedule** is the maximum **Cover We** provide in respect of any one **Claim**, Loss or payment and all **Claims**, losses or payments under that sub-limited **Specific Cover** section.

The **Specific Cover Sub limit** for Section 2.6 is included in and not in addition to, the **Specific Cover Limit** for Section 2.1.

The **Specific Cover Sub limit** for Sections 2.5 and 2.7 are included in and not in addition to the **Specific Cover Limit** for Sections 2.2, 2.3, 2.4.

The **Specific Cover Limits** and **Specific Cover Sub limit** are not increased if there is more than one person or other legal entity covered under this **Policy** or if more than one **Insured Person** causes or contributes to the **Claim**, or loss, or payment.

The **Specific Cover Limit** and the **Specific Cover Sub Limit** are not increased if the **Claim**, Loss or payment is covered under more than one **Specific Cover** section listed in Section 2 of this **Policy**.

## Section 10 - Excess

- (a) **We** only provide **Cover** to the **Insured** (up to the **Specific Cover Limit** or **Specific Cover Sub Limit**) for that part of the **Claim** above the **Excess** amount stated in Item 7 of the **Schedule**. Such **Excess** applies to each and every **Claim** but excludes all costs, charges and expenses including claims handling expenses.
- (b) Where the same **Wrongful Act** results in more than one **Claim** being made against the **Insured**, then only one **Excess** shall apply to all such **Claims** covered by this **Policy**. In the event of a **Claim** being based on separate, different or additional **Wrongful Acts**, then the relevant **Excess** shall apply to each and every **Wrongful Act**.
- (c) The **Insured** must pay the **Excess** when **We** provide **Cover** for **Defence Costs** in respect of a **Claim** if the **Schedule** states 'Costs Inclusive'.
- (d) In the event that a **Claim** is covered in whole or in part under more than one subsection to Section 2 of this **Policy**, the **Excess** shall be applied separately to that part of the **Loss** resulting from such **Claim** covered by each subsection and the sum of the **Excess** so applied shall constitute the **Excess** applicable to such **Claim**. However, the total **Excess** shall not exceed the **Excess** amount specified in the **Schedule** as applicable to Section 2.1 of this **Policy**.

## Section 11 - Claim provisions

The following claim provisions apply to all **Claims**, losses, **Loss**, **Tax Audit Costs** or any other payment made in accordance with Section 2 of this **Policy** or under any extension thereof. For ease of reference, '**Claim**' under this Section shall be deemed to include a reference to all claims, losses, **Loss**, **Tax Audit Costs** or any other payment made under the insuring clauses of Section 2 of this **Policy** or under any applicable extension.

- 11.1 The **Insured** must tell **Us** in writing about a **Claim** covered under Section 2 of this **Policy** as soon as possible and while this **Policy** is in force. If this is not done the **Insured's** right to **Cover** under this **Policy** may be affected.
- 11.2 Each **Insured** must:
  - (i) diligently do, allow to be done, everything reasonably practicable to avoid or lessen the **Insured's** liability in relation to a **Claim** otherwise covered by this **Policy**;
  - (ii) immediately give **Us** all the help and information that **We** reasonably require to investigate, defend a **Claim** and to work out our liability under this **Policy**.

- 11.3 When **We** receive a notification of a **Claim**, or of a fact or circumstance which may give rise to a **Claim** which may be covered under this **Policy**, then **We** can take whatever action **We** consider appropriate to protect **Our** position. This does not, however:
- (i) indicate that any **Insured** is entitled to be covered under this **Policy**; or
  - (ii) in any way jeopardises our rights under the **Policy** or at law.
- 11.4 The solicitors instructed by **Us** to act on behalf of the **Insured** for any **Claim** are at liberty to disclose to **Us** any information they receive in that capacity, wherever they obtain it from including from the **Insured**. By claiming under this **Policy**, the **Insured** (and any person or entity entitled to **Cover** under this **Policy**) authorises such solicitors to disclose this information to **Us** and waives any claim to legal professional privilege which might otherwise prevent those solicitors from disclosing this information to **Us**.
- 11.5 **We** can:
- (i) take over and defend or settle any **Claim** in the **Insured's** name;
  - (ii) claim in the **Insured's** name, any right the **Insured** may have for contribution or indemnity or recovery.
- 11.6 An **Insured** must not:
- (i) admit liability for, or settle any **Claim**; or
  - (ii) incur any costs or expenses for a **Claim** without first obtaining **Our** consent in writing. If **Our** prior written consent is not obtained, the **Insured's** right to **Cover** under this **Policy** may be affected.
- 11.7 If an **Insured** elects not to consent to a settlement that **We** recommend and elects to contest or continue the legal proceedings, then **We** only cover the **Insured** (subject to the **Specific Cover Limit**) for:
- (i) the amount for which **We** could have settled the matter, less
  - (ii) the relevant **Excess** listed in the **Schedule**, plus
  - (iii) the **Defence Costs** calculated to the date the **Insured** elected not to consent to the settlement.
- 11.8 Any money **We** pay to settle anything which might give rise to a **Claim**, is taken to be a payment to settle a **Claim** and a payment for the purpose of calculating the total of all **Claims** under this **Policy**.
- 11.9 **GST basis of settlement**  
Where payment is made under this **Policy** for the acquisition of goods, services or other supply, **We** will reduce the amount of the payment by the amount of any input tax credit that the **Insured** is, or will be, entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is made.
- Where payment is made under this **Policy** as compensation instead of payment for the acquisition of goods, services or other supply, **We** will reduce the amount of the payment by the amount of any input tax credit that the **Insured** would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.
- 11.10 **Senior Counsel**
- (i) Unless a senior counsel, that **We** and the **Insured** both agree to instruct, advises that the **Claim** proceedings should be contested, then neither **We** nor the **Insured** can require the other to contest any legal proceedings about a **Claim** if the other does not agree to do so.
  - (ii) In formulating his or her advice, senior counsel must be instructed to consider the economics of the matter; and the damages and costs likely to be recovered; and the likely costs of defence and the **Insured's** prospects of successfully defending the **Claim**.
  - (iii) The cost of senior counsel's opinion is to be taken as part of the **Defence Costs**.
  - (iv) If senior counsel advises that the matter should be settled and if the terms of the settlement which **We** recommend are within limits which are reasonable (in senior counsel's opinion), then the **Insured** cannot subject to Section 11.7 object to the settlement and the **Insured** must immediately pay the applicable **Excess**.

## Section 12 - General conditions

### 12.1 The Proposal

The **Proposal** **We** were given by or on behalf of the **Insured** before this **Policy** commenced is taken to be a separate **Proposal** for each natural person covered under this **Policy**.

- 12.2 Singular & Plural**  
Except where the context otherwise requires it, words importing a gender include every other gender, words in the singular shall include the plural and words in the plural shall include the singular.
- 12.3 Payment in Australian Dollars in Australia**  
All premiums and **Claims**, losses, **Loss** or **Tax Audit Costs** must be paid in Australian dollars in Australia.
- 12.4 Law of the Policy**  
This **Policy** is governed by the law of the territory or state where the **Policy** was issued, which is stated in the **Schedule**. The courts of that place have jurisdiction in any dispute about or under this **Policy**.
- 12.5 Territory Covered by this Policy**  
Except as stated in **4.18 Pollution Expenses**, **Cover** under this **Policy** is not restricted by where anything giving rise to a **Claim** occurred. However, **Our Cover** is restricted to **Claims** brought under the legal jurisdiction of the courts of Australia or New Zealand (or any other country specified in the **Schedule**, under the heading 'Jurisdictional Limits').
- 12.6 Schedule must be included**  
This **Policy** is only legally enforceable if it includes a **Schedule** signed by an officer of CGU Insurance Limited or a duly authorised officer of Our Authorised Representative, Aon Risk Services Limited ABN 17 000 434 720.
- 12.7 Merger or Consolidation**  
Where the **Association** merges or is consolidated with or becomes a subsidiary of another corporate entity during the **Period of Insurance**, **We** will continue to provide indemnity in respect of the **Association** and their **Insured Persons**, but only in respect of **Wrongful Acts** preceding the time of such merger, consolidation or acquisition.
- 12.8 Other Insurance**  
The **Insured** must immediately advise **Us** in writing of any insurance already effected or which may subsequently be effected covering, in whole or in part either absolutely or contingently, the risk or any part of the risk covered by this **Policy**.
- 12.9 Material Change**  
The **Insured** must immediately advise **Us** in writing of any material change in the risk insured by this **Policy**.
- 12.10 Cancellation**  
**We** may cancel this **Policy** for the reason or reasons and in the manner authorised by the Insurance Contracts Act 1984. After cancellation, **We** will refund the premium for the time remaining on the **Policy**, less any non-refundable duties, unless an **Insured** has made a fraudulent claim under the **Policy**.
- 12.11 Authorisation Clause**  
By acceptance of this **Policy**, the **Association** named in Item 1 of the **Schedule** agrees to act on behalf of the **Insured Persons** with respect to the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this **Policy** and the acceptance of any endorsements or other notice provided for in this **Policy** and the **Insured Persons** and each of them agree that the **Association** shall act on their behalf.
- 12.12 Severability and Non Imputation**  
For the sake of determining **Cover** under this **Policy**:
- (i) the written **Proposal** shall be construed to be a separate application for cover by each of the **Insured Persons** and no statement or representation in or with respect to the proposal by an **Insured Person** shall be imputed to any other **Insured Person**.
  - (ii) this **Policy** shall, subject to Section 9 of this **Policy**, be construed to be a separate policy between **Us** and each **Insured Person** and no breach of any term or condition of this **Policy** or other misconduct by any **Insured Person** shall be imputed to any other **Insured Person**.
  - (iii) No fact or knowledge possessed by one **Insured Person** shall be imputed to any other **Insured Person**.

**12.13 Allocation Clause**

If a **Claim / Loss / Fidelity Loss / Tax Audit Costs** is covered only partly by this **Policy**, and the parties are unable to agree upon an allocation between insured and uninsured portions, the allocation shall be referred for determination to a Queen's Counsel or senior counsel (to be agreed upon or in default of agreement to be nominated by the Chair or President of the local Bar Council) whose determination shall be binding upon the parties and whose fee shall for the purpose of this **Policy** be regarded as part of the **Defence Costs**. The allocation shall apply also to payments made before the determination.

**12.14 Confidentiality Clause**

The **Insured** shall not disclose the nature of the liabilities covered by this **Policy** nor the premium specified in the **Policy**, unless required by law or express written permission from **Us** has been obtained prior to any such disclosure.

## Section 13 - Definitions

Whenever the following words are used in this **Policy** in bold type and with a capital letter, they have the special meanings set out below. These words may appear without bold type in endorsements on the **Policy Schedule**.

**13.1 Accountant or Registered Tax Agent**

A person who is not an **Insured Person** and is recognised by either the Institute of Chartered Accountants or the Australian Society of Accountants, or any other person registered by the Australian Taxation Office as a tax agent, engaged by the **Association** for the purpose of preparing, or supervising the preparation of, or reviewing prior to dispatch, all returns and statements required by the Australian Taxation Office, in respect of any liability to pay tax by the **Association**.

**13.2 Association**

The **Association** or other organisation specified in Item 1 of the **Schedule**, including any committee established by the **Insured** for the purpose of conducting the activities or business of the **Association**.

**13.3 Claim, Claims**

Any originating process (in a legal proceeding or arbitration), cross claim or counter claim or third party or similar notice claiming compensation against and served on an **Insured**.

**13.4 Committee**

Any:

- (i) auxiliary committee, foundation, trust (other than a superannuation trust), or fund raising committee; or
- (ii) disciplinary, examining or research body or committee; or
- (iii) sporting or social club committee.

**13.5 Cover**

Reference to **Cover** under this **Policy** shall mean indemnity.

**13.6 Defence Costs**

All reasonable costs, charges and expenses (other than regular or overtime wages, salaries or fees of any **Insured Person**) incurred with **Our** prior written consent in defending any **Claim** or representing the **Insured** at an official enquiry or other enquiry as set out in extension 4.12 or pursuant to any other extension provided under this **Policy**.

**13.7 Document**

Physical document of any nature (other than bearer bonds, coupons, bank notes, currency notes, or negotiable instruments), electronically stored data, software or computer records.

**13.8 Employment Practices Claim**

Any **Claim** brought by an **Insured Person** against the **Association** as an employer or against any other **Insured Person** arising from:

- (i) discrimination against any **Insured Person** or applicant for employment whether because of race, colour, age, sex, disability, pregnancy, marital status, sexual orientation, sexual preference or otherwise;
- (ii) wrongful dismissal of any **Insured Person**;
- (iii) workplace harassment (whether sexual or otherwise) of an **Insured Person**;

- (iv) breach of an implied term of an oral or written employment contract;
- (v) wrongful demotion, failure to promote, wrongful deprivation of career opportunity, wrongful discipline, negligent evaluation or failure to grant tenure of employment to an **Insured Person**;
- (vi) wrongful refusal to employ an applicant;
- (vii) defamation arising from employment related matters;
- (viii) misleading misrepresentation or advertising as to the terms and conditions of employment; or
- (ix) denial of natural justice to an **Insured Person** concerning employment.

**13.9 Employee**

A natural person who is, or was:

- (a) employed under a contract of service with the **Association** and includes a director or other officer of the **Association** who is, or was, so employed; or
- (b) a voluntary worker who at the time of the relevant act, error or omission giving rise to the **Claim** covered by this **Policy** was under the **Insured's** direct control and supervision.

**13.10 Excess**

The amounts specified in the **Schedule**.

**13.11 Fidelity Loss**

**Fidelity Loss** means direct financial loss caused by the loss of money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes:

- (i) owned by the **Association**; or
  - (ii) in the care, custody or control of the **Association** and for which the **Association** is legally liable.
- Fidelity Loss** does not include wages, salaries, or other remuneration benefits of the **Insured Persons** incurred by the **Association**.

**13.12 Gross Premium**

The premium amount specified in the **Schedule** or in any endorsement to the **Schedule**, including all charges specified.

**13.13 Indemnity Period**

The **Period of Insurance** and the extended reporting period if extension 4.8 is in force.

**13.14 Insured**

The **Association** listed in the **Schedule**, and any **Insured Person** either individually or jointly.

**13.15 Insured Person, Insured Persons**

Any:

- (i) past or present or future director, secretary, officer, trustee, committee member or Employee of the **Association** (whether salaried or not); or
- (ii) any other natural person who acts on behalf of the **Association** at the direction of an officer or board of directors or committee of management of the **Association**. **Insured Person** does not mean a liquidator, external auditor, receiver, receiver and manager, official manager, administrator, trustee or person administering a compromise or scheme of arrangement of the **Association** or any employee of such person; or company, entity or other body corporate or trustee, directors, officers, or employees of superannuation or pension organisation.

**13.16 Insured Professional Business Practice**

The business of provision by the **Insured** of the professional services stated under Item 3 of the **Schedule**.

**13.17 Joint Venture**

An undertaking (regardless of what it is called) which the **Insured** carries on together with someone else who is not otherwise covered under this **Policy**.

**13.18 Known Circumstance**

Any fact, situation or circumstance which :

- (a) the **Insured** was aware of prior to this **Policy** inception ; or
- (b) a reasonable **Insured** would have considered at any time prior to the **Period of Insurance**, might result in someone making an allegation against an **Insured** in respect of a Loss that might be covered under this **Policy**.

- 13.19 Loss**  
The amount payable in respect of a **Claim** and shall include damages, judgement, settlements, interest, costs and **Defence Costs**. In respect of **Employment Practices Claim**, this **Policy** will include back-pay where reinstatement of an employee by a court is ordered but excludes any amount which the **Insured** is or was required to pay pursuant to a specific obligation imposed under a contract of employment, employment agreement, statute, award or otherwise.
- 13.20 Non Profit Organisation**  
Any company, entity, body, committee, council, club, association, trust or other enterprise whether incorporated or unincorporated that is exempt from the payment of income tax under State or Federal law and is not a subsidiary company of the **Association**.
- 13.21 Outside Directorship**  
The position of director, officer, secretary, trustee or equivalent position held by an **Insured Person** in a **Non Profit Organisation** at the request or direction of the **Association**.
- 13.22 Period of Insurance**  
The **Period of Insurance** specified in Item 5 of the **Schedule**.
- 13.23 Policy**  
The Insurance **Policy** is made up of:  
(i) this **Policy** document;  
(ii) the **Schedule** to this **Policy**;  
(iii) the endorsements attaching to and forming part of this **Policy**, either at inception or during the **Indemnity Period**;  
(iv) the information given to **Us** by or on behalf of the **Insured** in the **Proposal** and in any other way.
- 13.24 Proposal**  
The written proposal form (the date of which is stated in the **Schedule**) together with any supplementary material completed by or on behalf of the **Insured**, that was given to **Us**, and relied on by **Us** to effect this **Policy**.
- 13.25 Public Relations Expenses**  
Any reasonable fees, costs and expenses of a public relations consultant retained with **Our** prior written consent (which shall not be unreasonable withheld).
- 13.26 Schedule**  
The schedule attached to this **Policy**.
- 13.27 Specific Cover**  
The **Cover** provided under each insuring clause listed in **Section 2** of this **Policy**.
- 13.28 Specific Cover Limit**  
The limit stated in Item 7 of the **Schedule** as applicable to each **Specific Cover**.
- 13.29 Specific Cover Sub-Limit**  
The limit stated in Item 9 of the **Schedule** as applicable to each separate Section of 2.5, 2.6, 2.7.
- 13.30 Spouse**  
The legally recognised spouse of the **Insured Person**.
- 13.31 Tax Audit Costs**  
Any fees, charges or disbursements of an **Accountant** or **Registered Tax Agent** or any other consultant who is not an **Insured Person** engaged by or replacing the **Accountant** or **Registered Tax Agent**, for work undertaken in connection with the audit or investigation.
- 13.32 Tax Audit Notice**  
Any notification from the Australian Taxation Office relating to the **Association's** liability to pay income tax, fringe benefits tax, capital gains tax, A New Tax System (goods and services) tax, superannuation payments tax, termination payments tax, or sales tax (including the amount of any such tax) only.

**13.33 We or Us or Our**

CGU Professional Risks, a Division of CGU Insurance Limited ABN 27 004 478 371. (an IAG Company) and Vero Insurance Limited ABN 48 005 297 807 for their respective 60% and 40% share each for their own proportion and not for the other.

**13.34 Wrongful Act**

Any actual or alleged breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, or other act wrongly committed or wrongly attempted by any **Insured Person**, individually or otherwise, in the course of his/her duties to the **Association**.

**Section 14 - The way we handle your personal information**

We collect information from you for the purpose of providing you with insurance products, services, processing and assessing claims. You can choose to not provide this information, however, We may not be able to process your requests. We may disclose information We hold about you to other insurers, an insurance reference service or as required by law. In the event of a claim, We may disclose information to and/or collect additional information about you from investigators or legal advisers.

If you wish to update or access the information We hold about you, contact Us.

*Aon Risk Services Australia Ltd offices*

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