

**ENDORSEMENT**

&lt;COVSECT&gt;

Effective date of  
this endorsement: <TRXEFFDATE>

Company: &lt;CARRNAME&gt;

Endorsement No. &lt;EN&gt;

To be attached to and  
form a part of Policy No. <POLICYNO>

Issued to: &lt;ACCTNAME&gt;

**EXECUTIVE PROTECTION ENHANCEMENT ENDORSEMENT**

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This table of contents and the use and organization of headings and sections in this Policy and endorsement are made for the purpose of convenient reference and orderly arrangement, and no implication, inference or presumption shall be drawn therefrom. The entire Policy and any attached endorsements must be read in their entirety.

## EXECUTIVE PROTECTION ENHANCEMENT ENDORSEMENT

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## EXECUTIVE PROTECTION ENHANCEMENT ENDORSEMENT

In consideration of the premium charged, it is agreed that:

**1. ADD INSURING CLAUSE 3: ENTITY SECURITIES COVERAGE**

- A. The following Insuring Clause is added:

**Insured Organization Coverage - Insuring Clause 3**

The Company shall pay, on behalf of the **Insured Organization**, all **Loss** which the **Insured Organization** becomes legally obligated to pay on account of any **Securities Claim** first made against the **Insured Organization** during the **Policy Period** or, if exercised, during the Extended Reporting Period, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted by the **Insured Organization** or any **Insured Person** before or during the **Policy Period**, but only if such **Securities Claim** is reported to the Company in writing in the manner and within the time period provided in Subsection 10, Reporting and Notice, of this coverage section.

- B. Item 4., Deductible Amount, of the Declarations Page for this coverage section is amended to include:  
Insuring Clause 3: \$<RETENTION>

**2. INQUIRY COVERAGES**

- A. The following Derivative Demand Investigation Coverage is added to this coverage section:

**Derivative Demand Investigation Coverage**

The Company shall pay, on behalf of an **Insured Organization**, **Defense Costs** in an amount not to exceed \$<AMOUNTNOTEXCEED500> per **Policy Period** on account of all **Derivative Demand Investigations** first made during the **Policy Period**, which amount is part of, and not in addition to, the Limit of Liability set forth in Item 2 of the Declarations.

- B. The following Interview Coverage is added to this coverage section:

**Interview Coverage**

- (1) The Company shall pay, on behalf of an **Insured Person**, **Defense Costs** incurred solely by such **Insured Person** on account of an **Interview** first made during the **Policy Period**, except to the extent that such **Defense Costs** have been paid or indemnified.
- (2) The Company shall pay, on behalf of an **Insured Organization**, **Defense Costs** incurred solely by an **Insured Person** on account of an **Interview** first made during the **Policy Period**, to the extent the **Organization** pays or indemnifies such **Defense Costs**.

- C. The Declaration page is amended to include the following deductibles applicable to the above Interview Coverage:

Interview Coverage (1) shall not be subject to a deductible.

Interview Coverage (2) shall be subject to the following deductible: \$<DEDUCTIBLE>

### 3. AMEND LIMIT OF LIABILITY, DEDUCTIBLE AND COINSURANCE

The second, third and fourth paragraphs of Subsection 8, Limit of Liability, Deductible and Coinsurance, of this coverage section are deleted and replaced with the following:

The Company's maximum liability for all **Loss** on account of each **Claim**, whether covered under one or more Insuring Clauses, shall be the Limit of Liability set forth in Item 2(A) of the Declarations for this coverage section.

The Company's maximum aggregate liability for all **Loss** on account of all **Claims** first made during the same **Policy Period**, whether covered under one or more Insuring Clauses, shall be the Limit of Liability for each **Policy Period** set forth in Item 2(B) of the Declarations for this coverage section.

Except as may be required by and to the extent that the insurance laws of the Province of Quebec apply, **Defense Costs** are part of, and not in addition to, the Limits of Liability set forth in Item 2 of the Declarations for this coverage section, and the payment by the Company of **Defense Costs** shall reduce and may exhaust such applicable Limits of Liability. Only in the event the insurance laws of the Province of Quebec apply to this coverage section and to the extent required by such laws are **Defense Costs** in addition to the applicable Limit of Liability set forth in Item 2 of the Declarations and payment by the Company of **Defense Costs** shall not reduce the applicable Limit of Liability.

The Company's maximum liability under this coverage section for all **Loss** resulting from any **Employed Lawyers' Claim** first made during the **Policy Period** will be \$<AMOUNT> in the aggregate per **Policy Period**. Such amount is a sub-limit which further limits and does not increase the Company's maximum aggregate liability under this coverage section as set forth in Item 2(B) of the Declarations for this coverage section.

The Company's liability under Insuring Clause 2 or 3 shall apply only to that part of covered **Loss** (as determined by any applicable provision in subsection 12, Allocation, of this coverage section) on account of each **Claim** which is excess of the applicable Deductible Amount set forth in Item 4 of the Declarations for this coverage section. Such Deductible Amount shall be depleted only by **Loss** otherwise covered under this coverage section and shall be borne by an **Insured** uninsured and at their own risk. No Deductible Amount shall apply to any **Loss** under Insuring Clause 1.

If different parts of a single **Claim** are subject to different Deductible Amounts, the applicable Deductible Amount will be applied separately to each part of such **Claim**, but the sum of such Deductible Amounts shall not exceed the largest applicable Deductible Amount.

Any payment by an **Insured Organization** of a Deductible on account of an **Interview** shall reduce any Deductible due from the **Organization** on account of a **Claim** subsequently afforded coverage under Insuring Clause 2, Executive Indemnification Coverage, that is based upon, arising from or in consequence of any fact or circumstance that was the subject of such **Interview**.

### 4. ADD SEPARATE LIMIT OF LIABILITY SOLELY FOR CLAUSE 1 CLAIMS

Solely with respect to any **Claim** made against an **Insured Person** for which coverage is provided under Insuring Clause 1 of this coverage section, the Company shall provide a \$<AMOUNTNOTEXCEED1M> Limit of Liability. This amount shall be separate and in addition to the Limits of Liability set forth in Item 2(A) or 2(B) of the Declarations of this coverage section, and such additional limit shall apply only as excess coverage over any other valid and collectible insurance applicable to such **Insured Person**; provided, however, that in no event shall this separate additional limit exceed \$<AMOUNTNOTEXCEED1M\_1> for the **Policy Period**, regardless of the number of **Claims** or the number of **Insured Persons**.

## 5. ADD DEFINITIONS

The following Definitions are added to subsection 18, Definitions, of this coverage section:

**Application** means:

- (A) any application, including attachments, or any written information or representations, provided to the Company by, or on behalf of, an **Insured** during the negotiation of this Policy or for the purposes of the Company's underwriting of this Policy;
- (B) all publicly available documents filed by an **Organization** with the Securities and Exchange Commission during the 12 months preceding this Policy's inception date; and
- (C) if applicable, any warranty provided to the Company within the past 3 years in connection with any policy of which this Policy is a renewal or replacement.

**Authorized Affiliate** means any privately controlled insurer, other than the Company or any subsidiary or affiliate of The Chubb Corporation, that the Company designates as its Affiliate, but only with respect to each specific insurance transaction authorized by the Company or any subsidiary or affiliate of The Chubb Corporation.

**Controlled Admitted Insurance** means a directors and officers insurance policy issued during this **Policy Period** to a **Foreign Subsidiary** by: (a) the Company; (b) any subsidiary or affiliate of The Chubb Corporation; or (c) any **Authorized Affiliate**, that is licensed or registered as an insurance company in a **Foreign Country**, and is in compliance with the laws and regulations of such **Foreign Country**. **Controlled Admitted Insurance** does not include any insurance policy specifically obtained to apply in excess of any Limit of Liability set forth in the Declarations of this coverage section.

**De Facto Director** means a natural person who is expressly recognized by Canadian law or by a court of competent jurisdiction as a "de facto" director of an **Insured Organization** and, as a result of such recognition, would incur liability as if such natural person were a duly elected or appointed director of such **Insured Organization**.

**Derivative Demand Investigation** means an investigation by an **Insured Organization** to determine whether it is in the best interest of the **Insured Organization** to prosecute the allegations made in a derivative demand, commenced upon:

- (A) receipt of such demand; or
- (B) service of a statement of claim, civil complaint or similar proceeding with respect to such action.

**Employee** means any natural person who is acting both in the regular service of any **Insured Organization** and in the ordinary course of that **Insured Organization's** business and who is compensated by salary, wages and/or commissions by that **Insured Organization** and exclusively governed and directed in the performance of such service by that **Insured Organization**. **Employee** shall also include any duly elected or appointed trustee of the **Insured Organization** for any **Wrongful Act** committed or attempted, or allegedly committed or attempted within the scope and course of the usual duties of an **Employee**.

**Employed Lawyers' Claim** means any **Claim** where the **Wrongful Act** is directly in connection with the actual or alleged performance of, or the actual or alleged failure to perform, **Professional Services** by the **Insured Person** who is named in the **Claim**.

**Employment Claim** means any **Claim** which is brought or maintained by or on behalf of any past, present or prospective **Employee** of the **Insured Organization** against any **Insured Person** for any **Wrongful Act** in connection with any actual or alleged wrongful dismissal, discharge or termination of employment, breach of any oral or written employment contract or quasi-employment contract, employment-related misrepresentation, violation of employment discrimination laws (including workplace and sexual harassment), wrongful failure to employ or promote, wrongful discipline, wrongful deprivation of a career-opportunity, wrongful failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation or employment-related wrongful infliction of emotional distress.

**Enforcement Unit** means any federal, provincial, state, local or foreign law enforcement or governmental authority (including the Ontario Securities Commission, U.S. Department of Justice, the U.S. Securities and Exchange Commission, and any attorney general) or the enforcement unit of any securities exchange or similar self-regulatory body.

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

**Foreign Country** means any country outside of the country in which this Policy is issued.

**Foreign Subsidiary** means:

- (i) a **Subsidiary**; or
- (ii) any entity while the **Parent Organization** has the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of such entity, to elect or appoint a majority of: the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company,

that is organized in a **Foreign Country**.

**Independent Admitted Insurance** means a directors and officers insurance policy issued during this **Policy Period** to a **Foreign Subsidiary** by any privately controlled insurer other than the issuer of **Controlled Admitted Insurance**, that is licensed or registered as an insurance company in a **Foreign Country** and is in compliance with the laws and regulations of such **Foreign Country**. **Independent Admitted Insurance** does not include any insurance policy specifically obtained to apply in excess of any Limit of Liability set forth in the Declarations of this coverage section.

**Interview** means a request for an interview or meeting with, or a sworn statement from, an **Insured Person** by:

- (A) an **Enforcement Unit** in connection with: (1) such **Insured Person** acting in his capacity as such; or (2) an **Insured Organization's** business activities; or
- (B) an **Insured Organization** in connection with: (1) an inquiry or investigation of the **Insured Organization** by an **Enforcement Unit**; or (2) a securityholder derivative demand, commenced by the first receipt of such request by such **Insured Person**,

provided that **Interview** does not include: (a) any request for document production or discovery for information in the possession or control of an **Insured Organization** or any other party other than such **Insured Person**; (b) any request by an **Enforcement Unit** that is part of any routine or regularly scheduled **Enforcement Unit** oversight, compliance, audit, inspection or examination; or (c) any request by an **Enforcement Unit** that is part of an employment-related investigation or claim.

**Professional Services** means legal services provided by an **Employee** who is duly admitted and authorized to practice law within the jurisdiction in which he or she is providing such services but only where such services are being rendered exclusively to an **Insured Organization**.

**Securities Claim** means that portion of a **Claim** which:

- (i) is brought by a security holder of an **Insured Organization**:
  - (1) in his or her capacity as a security holder of such **Insured Organization**, with respect to his or her interest in securities of such **Insured Organization**, and against such **Insured Organization** or any of its **Insured Persons**; or
  - (2) derivatively, on behalf of such **Insured Organization**, against an **Insured Person** or the **Insured Organization** in the **Insured Organization's** capacity as a nominal defendant, including a motion brought by or on behalf of the **Insured Organization** seeking to dismiss a derivative action; or
- (ii) alleges that an **Insured Organization** or any of its **Insured Persons**:
  - (1) violated a federal, provincial, state, local or foreign securities law or a rule or regulation promulgated under any such securities law; or
  - (2) committed a **Wrongful Act** that constitutes or arises from a purchase, sale, or offer to purchase or sell securities of such **Insured Organization**,

provided that **Securities Claim** does not include any **Claim** by or on behalf of a former, current, future or prospective employee of the **Insured Organization** that is based upon, arising from, or in consequence of any offer, grant or issuance, or any plan or agreement relating to the offer, grant or issuance, by the **Insured Organization** to such employee in his or her capacity as such of stock, stock warrants, stock options or other securities of the **Insured Organization**, or any payment or instrument the amount or value of which is derived from the value of securities of the **Insured Organization**; and provided, further, that **Securities Claim** does not include any security holder derivative demand related to the foregoing.

**Shadow Director** means a shadow director, as defined in Section 251 of the Companies Act 2006, or the equivalent in any jurisdiction

## 6. DELETE AND REPLACE DEFINITIONS

The following definitions in subsection 18, Definitions, of this coverage section, are deleted and replaced with the following respectively:

**Claim** means any:

- (A) written demand (other than a derivative demand or **Interview**) for:
  - (1) monetary or non-monetary (including injunctive) relief; or
  - (2) arbitration or mediation,
 against an **Insured** for a **Wrongful Act**, commenced by the first receipt of such demand by an **Insured**;
- (B) proceeding, including any appeal therefrom, against an **Insured** for a **Wrongful Act**, commenced by:
  - (1) the service of a statement of claim, a civil complaint or similar pleading, or any foreign equivalent thereof;
  - (2) the filing of a notice of charges or the entry of a formal order of investigation in connection with a formal administrative or formal regulatory proceeding; provided that such proceeding is pending against at least one named **Insured Person**;
  - (3) solely with respect to a criminal proceeding: (a) an arrest; (b) the return of an indictment, information or similar document; or (d) the receipt of an official request for **Extradition**;

- (C) investigation of an **Insured Person** for a **Wrongful Act**, commenced by the **Insured Person's** receipt of a written document from an **Enforcement Unit** identifying such **Insured Person** as the target of an investigation, including a Wells Notice, target letter or search warrant; or
- (D) written request upon an **Insured Person** for witness testimony or document production, commenced by the service of a subpoena or other similar document compelling such testimony or production of documents in connection with any matter described in Subsection (A) through (C) above; provided that in such event the Company shall pay, on behalf of an **Insured Person**, **Defense Costs** incurred solely by such **Insured Person** in responding to such request.
- (E) When used in reference to the coverage provided by **Employed Lawyers Claim**, **Claim** means **Employed Lawyers Claim**.
- (F) When used in reference to the coverage provided by **Employment Claim**, **Claim** means an **Employment Claim**.
- (G) When used in reference to the coverage provided by **Securities Claim**, **Claim** means an **Securities Claim**.

**Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and legal fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization**) incurred in defending or investigating **Claims** and the premium for appeal, attachment or similar bonds. **Defense Costs** also means:

1. that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses incurred through the use of legal counsel and consented to by the Company resulting from an **Insured Person**:
  - (i) in a **Derivative Demand Investigation** ("Investigation Costs"); provided that Investigation Costs shall not include **Defense Costs** described in section (ii) of this definition;
  - (ii) in defending and investigating a **Claim**; provided the foregoing shall not include Investigation Costs described in section (i) of this definition;
  - (iii) as a result of an **Interview**; or
  - (iv) through the use of legal counsel and consented to by the Company resulting from an **Insured Person**:
    - (a) lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**; or
    - (b) appealing any order or other grant of **Extradition** of such **Insured Person**.

and the premium for appeal, attachment or similar bonds, thereof;
2. any costs under Insuring Clause 1 that are deemed by the Company, in its sole discretion, to be reasonable and necessary costs, expenses and fees incurred by the Chief Executive Officer or Chief Financial Officer or Chairman of an **Insured Organization** solely to facilitate a reimbursement which such officer is required to make pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002 (including the premium or origination fee for a bond or loan).

**Insured Person**, either in the singular or plural, means any natural person who was, now is or shall become:

- (i) any one or more persons designated in Item 6 of the Declarations for this coverage section;
- (ii) a duly elected or appointed manager or the in-house general counsel of any **Insured Organization**;
- (iii) a holder of a position equivalent to any position described in (i) or (ii) above or in Item 6 of the Declarations for this coverage section in an **Insured Organization** that is chartered in any jurisdiction other than Canada;

- (iv) the most senior individual in investor relations but only for **Loss** on account of any **Claim** made against such individual for a **Wrongful Act** committed, attempted, or allegedly committed or attempted by such individual while acting on behalf of the **Insured Organization**;
- (v) solely with respect to **Securities Claims**, any **Employee** of an **Insured Organization**, provided that such other **Employee** shall not, solely by reason of their status as **Employees**, be **Insured Persons** for purposes of Exclusion 5(c);
- (vi) an **Employee**, but only if such **Employee** is named as a co-defendant in a civil suit filed in a court of law or a criminal proceeding with a director or an officer, duly elected or appointed in conformance with the written bylaws of the **Insured Organization**;
- (vii) any **Employee**, provided however, that coverage provided to any **Employee** shall only apply to an **Employed Lawyers' Claim**, subject to (v) and (vi) above;
- (viii) solely with respect to **Employment Claims**, any **Employee** of an **Insured Organization**, subject to (v), (vi) and (vii) above or
- (ix) a **De Facto** or **Shadow Director**.

**Loss** means the amount which any **Insured** becomes legally obligated to pay as a result of any **Claim**, including:

- (1) compensatory damages;
- (2) punitive, exemplary or multiplied damages, fines or penalties (including civil penalties assessed against an **Insured Person** pursuant to 15 U.S.C. §78dd-2(g)(2)(B) of the Foreign Corrupt Practices Act of the United States of America), if and to the extent that any such damages, fines or penalties are insurable under the law of the jurisdiction most favorable to the insurability of such damages, fines or penalties, provided such jurisdiction has a substantial relationship to the relevant **Insured Persons**, to the Company, or to the **Claim** giving rise to such damages, fines or penalties;
- (3) judgments, including pre-judgment and post-judgment interest, and any portion thereof deemed to be allocated as claimants's legal fees;
- (4) settlements, including that portion of any settlement which represents claimant's legal fees;
- (5) **Defense Costs**; and
- (6) any amount attributable to violations of Section 130 or 130.1 of the Ontario Securities Act, as amended or Sections 11, 12 or 15 of the U.S. Securities Act of 1933, as amended, to the extent such amount is insurable under the law pursuant to which this Policy is construed;

**Loss** does not include any portion of such amount that constitutes any:

- (a) cost incurred by the **Insured Organization** to comply with any order for non-monetary or injunctive relief, or to comply with an agreement to provide such relief;
- (b) amount not insurable under the law pursuant to which this coverage section is construed; provided that the Company shall not assert that any amount attributable to violations of Section 130 or 130.1 of the Ontario Securities Act, as amended or Sections 11, 12 or 15 of the U.S. Securities Act of 1933, as amended, is subject to this paragraph (b), unless such amount is determined to be uninsurable in a final, non-appealable adjudication (other than a declaratory or equivalent proceeding or action brought by or against the Company);
- (c) amount that represents or is substantially equivalent to an increase in the consideration paid (or proposed to be paid) by an **Insured Organization** in connection with its purchase of any securities or assets;

- (d) taxes, except, solely for the purpose of Insuring Clause 1, any:
- (i) tax imposed upon an **Insured Person** in his or her capacity as such in connection with any bankruptcy, receivership, conservatorship or liquidation of an **Insured Organization**, to the extent that such tax is insurable under the law pursuant to which this coverage section is construed;
  - (ii) tax that is or was payable by an **Insured Organization** to a Canadian provincial or Canadian federal governmental taxing authority if an **Insured Person**, based solely on such **Insured Organization's** failure to pay such tax, has become personally liable to make such payment;
- (e) cost incurred in cleaning-up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**; or
- (f) any portion of an amount reimbursed to, or recovered by, an **Insured Organization** or any other party on behalf of the **Insured Organization**, pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002 of the United States of America or Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 of the United States of America.

**Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, asbestos products or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Wrongful Act** means:

- (i) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by any **Insured Person**, individually or otherwise, in his or her **Insured Capacity**, or for purposes of coverage under Insuring Clause 3, by the **Insured Organization**, or
- (ii) any other matter claimed against an **Insured Person** solely by reason of his or her serving in an **Insured Capacity**; including any matter claimed pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002 or Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

## 7. AMEND EXCLUSIONS SECTION HEADINGS

The heading, Exclusions Applicable to Insuring Clauses 1 and 2, is deleted and replaced with the following:

### 5. Exclusions Applicable to All Insuring Clauses

The following heading is added to the Exclusions section:

#### 6.1. Exclusions Applicable to Insuring Clause 3 Only

## 8. AMEND PRIOR NOTICE EXCLUSION

Subsection 5, Exclusions Applicable to All Insuring Clauses, of this coverage section, part (a) is amended to read as follows:

- (a) based upon, arising from, or in consequence of any circumstance if written notice of such circumstance has been accepted under any policy or coverage section of which this coverage section is a renewal or replacement and if such prior policy or coverage section 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;

## 9. AMEND INSURED VS. INSURED EXCLUSION

Paragraph (c) of Subsection 5, Exclusions Applicable to All Insuring Clauses, of this coverage section is deleted and replaced with the following:

- (c) brought by an **Insured Organization** against:
  - (1) any other **Insured Organization**; or
  - (2) an **Insured Person** of such **Insured Organization**, provided that this paragraph (c)(2) shall not apply to any **Claim** brought:
    - (i) outside of Canada or the United States of America;
    - (ii) in the event of **Financial Impairment** of the **Insured Organization**;
    - (iii) as a security holder derivative action; or
    - (iv) while such **Insured Person** is no longer acting in an **Insured Capacity**;
    - (vi) by an **Insured Organization** against an **Insured Person** of such **Insured Organization** pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002 or Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

## 10. DELETE POLLUTION EXCLUSION

Subsection 5, Exclusions Applicable to All Insuring Clauses, of this coverage section is amended by deleting paragraph (f).

## 11. DELETE PRESUMPTIVE INDEMNIFICATION

Subsection 9, Presumptive Indemnification, of this coverage section is deleted.

## 12. AMEND CONDUCT EXCLUSIONS

- A. Subsection 6, Exclusions Applicable to Insuring Clause 1 only, of this coverage section is deleted and replaced with the following:

**Exclusions  
Applicable to**

- 6. The Company shall not be liable under Insuring Clause 1 or 2 for account of any **Claim** made against any **Insured Person**:

**Insuring Clauses 1 and 2**

- (a) based upon, arising from, or in consequence of any deliberately fraudulent act or omission or any wilful violation of any statute or regulation by such **Insured Person**, if a final non-appealable adjudication in any underlying proceeding or action (other than a declaratory action or proceeding brought by or against the Company) establishes such a deliberately fraudulent act or omission or wilful violation; or
- (b) based upon, arising from, or in consequence of such **Insured Person** having gained any personal profit, remuneration or other financial advantage to which such **Insured Person** was not legally entitled, if a final non-appealable adjudication in any underlying proceeding or action (other than a declaratory action or proceeding brought by or against the Company) establishes the gaining of such a profit, remuneration or advantage.

B. Subsection 6.1, Exclusions Applicable to Insuring Clause 3 Only, of this coverage section is added:

6.1. The Company shall not be liable under Insuring Clause 3 for **Loss** on account of any **Securities Claim** made against any **Insured Organization**:

- (a) based upon, arising from or in consequence of any deliberately fraudulent act or omission or any wilful violation of any statute or regulation by an **Insured Organization** or by any past or present chief financial officer or chief executive officer of an **Insured Organization**, if a final non-appealable adjudication in any underlying proceeding or action establishes such a deliberately fraudulent act or omission or wilful violation;
- (b) based upon, arising from, or in consequence of such **Insured Organization**, or by any past or present chief financial officer, chief executive officer or chairperson of an **Insured Organization**, having gained any profit, remuneration or other financial advantage to which any such individual or such **Insured Organization** was not legally entitled, if a final non-appealable adjudication in any underlying proceeding or action establishes the gaining of such a profit, remuneration or advantage or if any **Insured Organization** agrees to make any payment of which any portion is labeled or described as disgorgement or restitution; or
- (c) for any actual or alleged liability of an **Insured Organization** under any contract or agreement that relates to the purchase, sale, or offer to purchase or sell any securities; provided that this Exclusion 6.1(c) shall not apply to liability that would have attached to such **Insured Organization** in the absence of such contract or agreement.

**13. ADD PRE-DETERMINED ALLOCATION**

The first paragraph of Subsection 12, Allocation, of this coverage section is deleted and replaced with the following:

If in any **Securities Claim** an Insured incurs both **Loss** that is covered under this coverage section and loss that is not covered under this coverage section because such **Securities Claim** includes both covered and non-covered matters, the **Insured** and the Company shall allocate such amount to **Loss** as follows:

- (i) <NUMBER10>% of such amount constituting **Defense Costs** shall be allocated to covered **Loss**; and
- (ii) <NUMBER11>% of such amount other than **Defense Costs** shall be allocated to covered **Loss**.

Notwithstanding (i) and (ii) above, the **Insured** and the Company shall use their best efforts to allocate that part of **Loss** subject to exclusions 6.1 based upon the relative legal and financial exposures of the **Insured Persons** and the **Insured Organization**. The Company shall not be liable under this coverage section for the portion of such amount allocated to non-covered loss.

If in any **Claim** other than a **Securities Claim** an **Insured Person** incurs both **Loss** that is covered under this coverage section and loss that is not covered under this coverage section, either because such **Claim** includes both covered and non-covered matters or because such **Claim** is made against both an **Insured Person** and others (including the **Insured Organization**), the **Insured** and the Company shall allocate such amount as follows:

- (a) <NUMBER12>% of all **Defense Costs** shall be allocated to covered **Loss**. However, no **Defense Costs** shall be allocated to the **Insured Organization** to the extent that it is unable to indemnify **Insured Persons** by reason of **Financial Impairment** or statutory law. Such allocation of **Defense Costs** shall be final and binding and shall not apply to or create any presumption with respect to the allocation of any other **Loss**. If the percentage of all **Defense Costs** referenced in (a) above is 0% the Company and the **Insureds** shall allocate such amount based upon the relative legal and financial exposures of the parties to such matters. The Company shall not be liable under this coverage section for the portion of such amount allocated to non-covered loss. All **Defense Costs** allocated to covered **Loss** shall be advanced by the Company on a current basis.
- (b) with respect to all **Loss** other than **Defense Costs**, the Company and the **Insureds** shall use their best efforts to allocate such amount based upon the relative legal and financial exposures of the parties to such matters and in the event of a settlement in such **Claim**, based also on the relative benefits to the parties from such settlement. The Company shall not be liable under this coverage section for the portion of such amount allocated to non-covered loss.

#### 14. AMEND BI/PD EXCLUSION

Subsection 5, Exclusions Applicable to All Insuring Clauses, of this coverage section is amended by deleting paragraph (e) in its entirety and replacing it with the following:

- (e) for bodily injury, mental or emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof; however this exclusion shall not apply to:
  - (i) **Defense Costs** on account of any **Claim** which is a criminal proceeding pursuant to section 217.1 of the Criminal Code of Canada (as amended by Bill C-45) against an **Insured Person** and which is commenced by either the return of a summons to witness or of an indictment or the laying of an information
  - (ii) **Defense Costs** incurred by an **Insured Person** on account of any **Claim** which is a criminal proceeding for manslaughter (or any other similar offense);
  - (iii) **Defense Costs** on account of any **Claim** pursuant to section 32 of the Ontario Occupational Health and Safety Act; or
  - (iv) any **Securities Claim**.

## 15. ADD EMPLOYED LAWYERS' CLAIM EXCLUSIONS

The exclusions in subsection 5 are also applicable to any **Employed Lawyers' Claim**. The following subsection is added to this coverage section as subsection 5.1, Additional Exclusions Applicable to any **Employed Lawyers' Claim**:

5.1 The Company shall not be liable for **Loss** on account of any **Employed Lawyers' Claim** made against any **Insured Person**:

- (a) directly or indirectly based upon, arising from or in consequence of any demand, pending suit or other proceeding (including any administrative or investigation by any law society, bar association or other similar, federal, provincial or state body), order, decree or judgment, entered against any **Insured** on or prior to <MONTHDAYYEAR> or the same or any substantially similar fact, circumstance or situation underlying or alleged therein;
- (b) directly or indirectly based upon, arising from or in consequence of any fact, circumstance, situation, transaction, event or **Wrongful Act** which occurred before <MONTHDAYYEAR1> and which was or is the subject of any notice accepted under any other insurance policy;
- (c) directly or indirectly based upon, arising from or in consequence of any fact, circumstance, transaction or event of which any **Insured** had knowledge as of <EFFECTIVEDATE1> which he, she, or it, as the case may be, knew or ought to have known might give rise to a future **Employed Lawyers' Claim**;
- (d) for fines, sanctions, taxes, costs or penalties incurred in connection with any disciplinary, disbarment or other similar proceeding brought by any federal, provincial or state bar association, law society or other equivalent regulatory body. Provided, however, that this exclusion shall not apply to that part of **Loss** which constitutes **Defense Costs**.

## 16. AMEND REPORTING AND NOTICE

Subsection 10, Reporting and Notice, of this coverage section is deleted and replaced by the following:

- 10. (a) An **Insured** shall, as a condition precedent to exercising any right to coverage under this coverage section, give to the Company written notice of any **Claim** no later than:
  - (i) if this coverage section expires and is renewed with the Company 180 days after such expiration, provided that, if the **Parent Organization** can prove to the Company's satisfaction that it was not reasonably possible for the **Insureds** to give such notice within the 180 day time period and that subsequent notice was given as soon as reasonably possible thereafter, the Company shall waive the foregoing time period;
  - (ii) if this coverage section expires (or is otherwise terminated) without being renewed and if no Extended Reporting Period is purchased, 60 days after the effective date of such expiration or termination; or
  - (iii) the expiration date of the optional Extended Reporting Period, if purchased;
 

provided that, if the Company sends written notice to the **Parent Organization** stating that this coverage section is being terminated for non-payment of premium, the **Insureds** shall give to the Company written notice of such **Claim** prior to the effective date of such termination.
- (b) If during the **Policy Period** or the Extended Reporting Period (if exercised) an **Insured Person** or **Insured Organization**:
  - (i) becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company; or

- (ii) receives a written request to toll or waive a limitation period applicable to any **Wrongful Act** committed, attempted, or allegedly committed or attempted before or during the **Policy Period** and gives written notice of such request and of such alleged **Wrongful Act** to the Company;
- (iii) gives written notice to the Company of an **Interview** or **Derivative Demand Investigation**, then any **Claim** subsequently arising from the circumstances, **Wrongful Act**, **Interview** or **Derivative Demand Investigation** described in paragraph (b)(i) or (b)(ii) or (b)(iii) shall be deemed to have been first made during the **Policy Period** in which the written notice was first given by an **Insured** to the Company, provided any such subsequent **Claim** is reported to the Company 180 days after the in-house general counsel or risk manager of the **Parent Organization** becomes aware of such **Claim**. With respect to any subsequent **Claim**, no coverage under this coverage section shall apply to loss incurred prior to the date such subsequent **Claim** is actually made.
- (c) An **Insured** shall, as a condition precedent to exercising any right to coverage under this coverage section, give to the Company such information, assistance as may be requested, and, under subsection 10(a) or (b), a description of the **Claim**, circumstances, the nature of any alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of all actual or potential defendants, and the manner in which such **Insured** first became aware of the **Claim** or circumstances.
- (d) The reporting and notice obligations of an **Insured** set forth in this subsection 10 are subject to the applicable provisions of subsection 4, Notice, of the General Terms and Conditions.

#### 17. INCREASE ACQUISITION THRESHOLD

The second paragraph of subsection 14, Acquisition or Creation of Another Organization, of this coverage section is deleted and replaced with the following:

If the total assets of any such acquired organization or newly created **Subsidiary** exceed <NUMBERWORDMAX30> percent (<NUMBERMAX30>%) of the total assets of the **Parent Organization** (as reflected in the most recent audited consolidated financial statements of such organization and the **Parent Organization**, respectively, as of the date of such acquisition or creation), the **Parent Organization** shall give written notice of such acquisition or creation to the Company as soon as practicable, but in no event later than 90 days after the date of such acquisition or creation, together with such other information as the Company may require and shall pay any reasonable additional premium required by the Company. If the **Parent Organization** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the Company, coverage for such acquired or created organization and its **Insured Persons** shall terminate with respect to **Claims** first made more than 90 days after such acquisition or creation. Coverage for any acquired or created organization described in this paragraph, and for the **Insured Persons** of such organization, shall be subject to such additional or different terms, conditions and limitations of coverage as the Company in its sole discretion may require.

#### 18. AMEND TERMINATION OF POLICY OR COVERAGE SECTION

Subsection 11, Termination of Policy or Coverage Section, of the General Terms and Conditions Section, is deleted and replaced with the following:

- 11. This Policy or any coverage section shall terminate at the earliest of the following times:
  - a) cancellation of this Policy by the Company in the event of non-payment;

- b) upon the receipt by the Company of written notice of termination from the **Parent Organization**;
- c) upon expiration of the **Policy Period** as set forth in Item 2 of the Declarations of this Policy; or
- d) at such time as may be agreed upon by the Company and the **Parent Organization**.

The Company shall refund the unearned premium computed at customary pro-rata if this Policy or any coverage section is terminated by the **Parent Organization**.

## 19. ADD SPOUSAL COVERAGE

- A. It is agreed that if a **Claim** against an **Insured Person** includes a claim against the **Insured Person's** lawful **Spouse** or **Common Law Partner**, solely by reason of such person's status as a **Spouse** or **Common Law Partner**, or such **Spouse's** or **Common Law Partner's** ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**, all loss which the **Spouse** or **Common Law Partner** becomes legally obligated to pay on account of the **Claim** shall be treated for the purposes of this Policy as **Loss** which the **Insured Person** becomes legally obligated to pay on account of the **Claim** made against such **Insured Person**. All limitations, conditions, provisions and other terms of coverage (including the Deductible Amount) applicable to the **Insured Person's Loss** shall also be applicable to such **Spousal** or **Common Law Partner** loss. The coverage extension afforded by this endorsement shall not apply to the extent any **Claim** alleges any act or omission by the **Insured Person's Spouse** or **Common Law Partner**.
- B. Section 18, Definitions, is amended by adding the following:  
**Spouse** means either of two persons who:
  - (a) are married to each other, or
  - (b) have together entered into a marriage that is voidable or void, in good faith on the part of the person asserting the relationship.**Common Law Partner** means either of two persons who have:
  - (a) cohabited continuously in a conjugal relationship outside marriage for a period of at least one year, or
  - (b) cohabited continuously in a conjugal relationship of some permanence outside marriage if they are the natural or adoptive parents of a child.

## 20. ADD NOT-FOR-PROFIT OUTSIDE DIRECTORSHIP COVERAGE

- A. The definition of **Insured Person** is amended by adding the following:
  - (viii) any one or more persons designated in Item 6 of the Declarations for this coverage section in an **Outside Directorship**.
- B. Subsection 18, Definitions, is amended by adding the following:  
**Outside Directorship** means the position of director, officer, trustee, governor, or any equivalent executive position with an **Outside Entity** if service by an **Insured Person** in such a position was at the specific request of the **Insured Organization** or was part of the duties regularly assigned to the **Insured Person** by the **Insured Organization**.  
**Outside Entity** means any **Not-For-Profit Outside Entity**.

**Not-For-Profit Outside Entity** means, in Canada, any not-for-profit corporation incorporated under Part II of the Canada Corporations Act or under any similar provisions of any provincial or territorial act, or, in the United States of America, any not-for-profit corporation, community chest, fund or foundation that is exempt from federal income tax in the United States of America as an organization described in Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, or any equivalent not-for-profit corporation under any similar applicable law in any country other than Canada or the United States of America and that is not included in the definition of **Insured Organization**.

- C. The following subsection is added to this coverage section:

**Outside Directorships**

Coverage provided to any **Insured Person** in an **Outside Directorship** shall:

- (a) not extend to the **Outside Entity** or to any director, officer, trustee, governor or any other equivalent executive or employee of the **Outside Entity**, other than the **Insured Person** serving in the **Outside Directorship**;
  - (b) be specifically excess of any indemnity (other than any indemnity provided by the **Insured Organization**) or insurance available to such **Insured Person** by reason of serving in the **Outside Directorship**, including any indemnity or insurance available from or provided by the **Outside Entity**;
  - (c) not extend to **Loss** on account of any **Claim** made against any **Insured Person** for a **Wrongful Act** committed, attempted, or allegedly committed or attempted by such **Insured Person** while serving in the **Outside Directorship** if such **Wrongful Act** is committed, attempted, or allegedly committed or attempted, after the date (i) such **Insured Person** ceases to be an officer of the **Insured Organization**, or (ii) service by such **Insured Person** in the **Outside Directorship** ceases to be at the specific request of the **Insured Organization** or a part of the duties regularly assigned to the **Insured Person** by the **Insured Organization**; or
  - (d) not extend to **Loss** on account of any **Claim** made against any **Insured Person** for a **Wrongful Act** committed, attempted or allegedly committed or attempted by such **Insured Person** while serving in the **Outside Directorship** where such **Claim** is (i) by the **Outside Entity**, or (ii) on behalf of the **Outside Entity** and a director, officer, trustee, governor or equivalent executive of the **Outside Entity** instigates such **Claim**, or (iii) by any director, officer, trustee, governor or equivalent executive of the **Outside Entity**.
- D. Payment by the Company or any of its subsidiaries or affiliated companies under another policy on account of a **Claim** also covered pursuant to this Not For Profit Outside Directorship Coverage shall reduce by the amount of the payment the Company's Limits of Liability under this coverage section with respect to such **Claim**.

**21. ADD PRIORITY OF PAYMENTS**

- A. In the event of **Loss** on account of any **Claim** for which payment is due under the provisions of this coverage section and which in the aggregate exceeds the available or remaining available Limits of Liability, payment of such **Loss** by the Company shall be made under this coverage section according to the following priority
- (i) first to satisfy **Loss**, if any, on account of a **Claim** for which coverage is provided under Insuring Clause 1 of this coverage section; and
  - (ii) then only to the extent, if any, that there is a remaining amount of the Limits of Liability available after the payment of such **Loss** pursuant to subparagraph A(i) above, to satisfy **Loss**, if any, on account of any **Claim** for which coverage is provided under Insuring Clause 2 of this coverage section; and

- (iii) then only to the extent, if any, that there is a remaining amount of the Limits of Liability available after the payment of such **Loss** pursuant to either subparagraphs A(i) and A(ii) above, to satisfy **Loss**, if any, on account of a **Claim** for which coverage is provided under Insuring Clause 3 of this coverage section.
- B. Notwithstanding the above, and upon the written request to the Company by the <CHIEFEXEORCHAIRMAN> of the **Insured Organization**, the Company shall withhold any payment which would otherwise be made pursuant to subparagraphs A(ii) and/or A(iii) above. Any such payment withheld by the Company shall, upon the further written request to the Company by the <CHIEFEXEORCHAIRMAN1> of the **Insured Organization**, be paid by the Company to either:
- (i) the **Insured Organization**, but only if the written request for such payment to be made by the Company to the **Insured Organization** is made within 1 year of the date of final judgment or resolution of the **Claim** referenced in subparagraphs 1(ii) and 1(iii); or
  - (ii) to, or for the benefit of an **Insured Person(s)**, but only to the extent that such **Insured Person** has incurred **Loss** for which coverage is provided under Insuring Clause 1 of this Policy
- Any further written request by the <CHIEFORCHAIRSELECT> of the **Insured Organization** to the Company under either subparagraph B(i) or B(ii) above, shall be considered irrevocable once made.
- C. The order of payment provided for herein shall apply notwithstanding the **Financial Impairment** of any **Insured Organization**; provided, however that nothing in this endorsement shall be construed as requiring the Company to: (i) make any payment in the absence of any necessary authorization required by a court of competent jurisdiction or (ii) in any way violate applicable law or any order of any court of competent jurisdiction.

## 22. AMEND DEFENSE AND SETTLEMENT

Subsection 11, Defense and Settlement, of this coverage section is deleted and replaced with the following:

- (a) It shall be the duty of the **Insureds** and not the duty of the Company to defend **Claims** made against the **Insureds**.
- (b) The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any element of **Loss** incurred, for any obligation assumed, or for any admission made, by any **Insured** without the Company's prior written consent. Accordingly, the Company shall only be liable for **Loss**, incurred with the Company's prior written consent. However, the Company may, in its sole discretion, waive the foregoing requirement with respect to **Loss** incurred within thirty (30) days prior to the reporting of a **Claim** pursuant to subsection 10, Reporting and Notice, of this coverage section. Provided the **Insureds** comply with subsections 11(c) and (d) below, the Company shall not unreasonably withhold any such consent.
- (c) With respect to any **Claim** that appears reasonably likely to be covered in whole or in part under this coverage section, the Company shall have the right and shall be given the opportunity to effectively associate with the **Insureds**, and shall be consulted in advance by the **Insureds**, regarding the investigation, defense and settlement of such **Claim**, including but not limited to selecting appropriate defense counsel and negotiating any settlement.
- (d) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company may reasonably require and agree that in the event of a **Claim** the **Insureds** will do nothing that could prejudice the Company's position or its potential or actual rights of recovery; provided that the failure of any **Insured** to give the Company such information, assistance or cooperation shall not impair the rights of any other **Insured Person** under this Policy.

- (e) **Defense Costs** on account of a **Claim** reported pursuant to subsection 10, Reporting and Notice, of this coverage section shall be:
- (i) advanced on a current basis, but no later than 45 days after receipt by the Company of invoices or bills detailing such **Defense Costs** and all other information requested by the Company with respect to such invoices or bills; and
  - (ii) the Company shall not seek repayment from an **Insured Person** of advanced **Defense Costs** that are uninsured pursuant to subsection 6 of this coverage section unless the applicable determination standard (i.e. final, non-appealable adjudication; or other) has been met and all other provisions of this coverage section applicable to subsection 6 have been applied.
- (f) If an **Insured Organization** refuses in writing, or fails within 60 days of an **Insured Person's** written request for indemnification, to advance, pay or indemnify an **Insured Person** for **Loss** on account of a **Claim**, then, upon the **Insured Person** reporting the **Claim** pursuant to subsection 10, Reporting and Notice, of this coverage section the Company shall advance **Defense Costs** until such time that the **Insured Organization** accepts the **Insured Person's** request for indemnification or the applicable Deductible has been satisfied. Any advancement of **Defense Costs** by the Company shall reduce the Limit of Liability set forth in Item 2(B) of the Declarations. If the Company recovers any such **Defense Costs** paid, the amount of such **Defense Costs** less all costs incurred by the Company to obtain such recovery shall be reinstated to the Limit of Liability set forth in Item 3 of the Declarations.
- (g) Notwithstanding paragraph (b) above, with respect to any **Claim**, reported pursuant to subsection 10, Reporting and Notice, of this coverage section, the **Insureds** may settle a **Claim** (inclusive of **Defense Costs**) without the Company's prior consent if the amount of such settlement does not exceed the amount of the applicable Deductible. However, the Company shall not be liable for any settlement or **Defense Costs** in excess of the amount of the applicable Deductible to which it has not consented in writing. The **Insureds** shall submit to the Company all requested information with respect to any **Claim** settled pursuant to this paragraph upon either the underwriting of a renewal of this coverage section or upon expiration of this coverage section, whichever first occurs.

## 23. AMEND REPRESENTATIONS AND SEVERABILITY

Subsection 17, Representations and Severability, is amended as follows:

1. The Company shall not be entitled under any circumstances to rescind Insuring Clause 1 of this coverage section.
2. For purposes of coverage under Insuring Clause 3 only, the second paragraph of subsection 17, Representations and Severability, is deleted in its entirety and replaced with the following:

With respect to the declarations and statements contained in the written application(s) for coverage, all declarations and statements contained in such application and knowledge possessed by any past, present or future Chief Financial Officer, President or Chairman of any **Insured Organization** shall be imputed to any **Insured Organization** for the purpose of determining if coverage is available.

**24. AMEND EXTENDED REPORTING PERIOD**

Subsection 4, Extended Reporting Period, is deleted in its entirety and replaced with the following:

4. If coverage hereunder is terminated or non-renewed for any reason other than for non-payment of premium by the Company, the **Parent Organization** and the **Insured** shall have the right, upon payment of the additional premium of <NUMBER13>% of the annual premium, to an extension of the coverage granted by this Policy for <PERIOD> (Extended Reporting Period) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted prior to the effective date of termination or non-renewal.

If coverage hereunder is terminated or non-renewed for any reason other than for non-payment of premium by the **Parent Organization**, the **Parent Organization** and the **Insured** shall have the right, upon payment of the additional premium of <NUMBER14>% of the annual premium, to an extension of the coverage granted by this Policy for <PERIOD2> (Extended Reporting Period) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted prior to the effective date of termination or non-renewal.

This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days following the effective date of termination or non-renewal. Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Period**. The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute a refusal to renew or a non-renewal.

No coverage shall be available under this subsection 4 for that portion of any **Interview** covered under insurance purchase subsequent to the effective date of termination of this Policy or coverage section.

**25. AMEND OTHER INSURANCE**

Subsection 13, Other Insurance, is deleted in its entirety and replaced by the following:

If any **Loss** under this coverage section is insured under any other valid and collectible insurance policy(ies), prior or current, then this coverage section shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the applicable deductible (or retention) and limit of liability under 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 coverage section. Any payment by an **Insured** of a deductible or retention under such other insurance shall reduce, by the amount of such payment which would otherwise have been covered under this coverage section, the applicable deductible under this coverage section.

In addition to, and not in limitation of, the above paragraph:

This coverage section is specifically excess of and shall not contribute with any insurance policy for pollution liability or environmental liability, including any general liability policy and/or any mandatory Lawyers' Professional Liability policy.

**26. AMEND SEVERABILITY OF EXCLUSIONS**

For purposes of coverage under Insuring Clause 3 only, subsection 7, Severability of Exclusions is deleted in its entirety and replaced with the following:

With respect to the Exclusions Applicable To All Insuring Clauses and the Exclusions Applicable To Insuring Clause 3, only facts pertaining to and knowledge possessed by any past, present or future Chief Financial Officer, President or Chairman of any **Insured Organization** shall be imputed to any **Insured Organization** to determine if coverage is available for such **Insured Organization**.

**27. ADD INDEMNIFICATION AND SUBROGATION**

Solely with respect to this coverage section, subsection 7, Subrogation, of the General Terms and Conditions Section of this Policy is deleted and replaced with the following:

This Policy has been issued to the **Parent Organization** with the understanding and agreement that each **Insured Organization** agrees to fulfill its indemnification obligations to the fullest extent permitted by: (i) any statutory or common law, or (ii) any contract or agreement providing an indemnification obligation exceeding any such statutory or common law, to any **Insured Person**. If the Company pays as **Loss** any indemnification owed to any **Insured Person** by any **Insured Organization**, the Company does not waive or compromise any of its rights to recover such **Loss** from such **Insured Organization**.

In the event of any payment of **Loss** under this Policy, the Company shall be subrogated to the extent of such payment of **Loss** to all of the **Insured Persons'** rights of recovery, including any such right to indemnification from any **Insured Organization**, other insurance carrier or other source. As a condition precedent to the Company's payment of any **Loss** under this Policy, the **Insured Persons** agree to execute all papers reasonably required and take all reasonable actions to secure and preserve the Company's rights, including the execution of such documents necessary to enable the Company effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured Persons**, including any action against any **Insured Organization** for indemnification.

**28. ADD BANKRUPTCY**

The following paragraph is added to subsection 3, Estates and Legal Representatives, of this coverage section:

Bankruptcy or insolvency of any **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights or defenses under this Policy.

In the event a bankruptcy is commenced by or against an **Insured Organization** pursuant to the Bankruptcy and Insolvency Act of Canada or the United States Bankruptcy Code, as amended, any similar law or any foreign equivalent thereof, the **Insured Organization** and the **Insured Persons** hereby agree to cooperate with any efforts by the Company, the **Insured Organization** or an **Insured Person** to obtain relief from any stay or injunction applicable to the distribution of proceeds under this Policy to any **Insured Person**.

<b>29. ADD EXCESS PROVISIONS: DIFFERENCE IN CONDITIONS AND DIFFERENCE IN LIMITS</b>
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The following subsection is added to this coverage section and shall apply notwithstanding anything to the contrary in this coverage section:

**EXCESS PROVISIONS: DIFFERENCE IN CONDITIONS AND DIFFERENCE IN LIMITS**

A. Drop-down over Controlled Admitted Insurance or Independent Admitted Insurance

The Company shall pay, on behalf of an **Insured**, **Loss** which the **Insured** becomes legally obligated to pay on account of any covered **Claim** under this coverage section, except to the extent that such **Loss** is paid under any **Controlled Admitted Insurance** or **Independent Admitted Insurance**.

B. Excess over Controlled Admitted Insurance

With respect to any amount that:

- (i) would be covered under any **Controlled Admitted Insurance** except that such insurance has been exhausted or reduced by reason of payments thereunder;
- (ii) is excess of the limits of liability of such **Controlled Admitted Insurance**; and
- (iii) is not covered under the terms and conditions of this coverage section,

this coverage section shall be amended to apply in conformance with the terms and conditions of such **Controlled Admitted Insurance** with respect to such amount and such amount shall be paid as **Loss** on account of a **Claim** under this coverage section; except to the extent that such amount is paid under such **Controlled Admitted Insurance**.

C. Application of Retentions

Satisfaction of any retention, deductible or self-insurance under **Controlled Admitted Insurance** or **Independent Admitted Insurance** with respect to a **Claim** that is also covered under this coverage section shall satisfy any Retention applicable to such **Claim** under this coverage section.

D. Payment of Loss

If payment of **Loss** to a **Foreign Subsidiary** is not legally permitted by a **Foreign Country**, then such **Loss** shall be paid to the **Parent Organization**. If payment of **Loss** to an **Insured Person** of a **Foreign Subsidiary** is not legally permitted by a **Foreign Country**, then such **Loss** shall be paid to such **Insured Person** in a jurisdiction mutually acceptable to such **Insured Person** and the Company.

E. Aggregation of Limits of Liability

Any amount paid under **Controlled Admitted Insurance** shall reduce the Limit of Liability set forth in Item 2(B) of the Declarations of this coverage section. Accordingly, the Company shall have no obligation under this coverage section to make any payment of **Loss** to the extent that the amount of such **Loss**, when added to the amount of any **Loss** previously paid under this coverage section and any amount previously paid under any **Controlled Admitted Insurance**, would exceed the Limit of Liability set forth in Item 2(B) of the Declarations of this coverage section.

F. Amend Definition of Loss

**Loss** also includes any tax or penalty imposed upon an **Insured Person** of a **Foreign Subsidiary** incurred solely as a result of payment of **Loss** under this coverage section for which the **Foreign Subsidiary** either is not legally permitted, or fails or refuses solely by reason of **Financial Impairment**, to indemnify such **Insured Person** and such **Loss** shall be part of, and not in addition to, the Limit of Liability set forth in Item 2(B) of the Declarations of this coverage section.

**30. ADD RETIRED DIRECTOR CLAUSE 1 COVERAGE**Retiree Extension

If during the **Policy Period**:

- (i) an **Insured Person** retires and no longer serves in his capacity as an **Insured Person** and was a director of an **Insured Organization** at the time of such retirement (each a "Retired Insured Person"); and
- (ii) this Policy expires (or is otherwise terminated) without being replaced or renewed with any other similar directors and officers liability coverage,

then coverage under this policy shall be extended for such Retired Insured Person for no additional premium for a period of six years (6) from the official retirement date of such Retired Insured Person (the "Retirement Extension Period") for **Wrongful Acts** committed, attempted or allegedly committed or attempted before the official retirement date of such retired **Insured Person**; provided that, such coverage shall not apply, and no Retirement Extension Period shall be granted, upon:

- (a) the occurrence of any event described in Section 15 Acquisition of Parent Organization by Another Organization or
- (b) the **Financial Impairment** of such **Insured Organization**.

It is expressly understood and agreed that any coverage afforded under this Retiree Extension is not intended, nor shall be construed to increase the Company's maximum aggregate Limit of Liability for all **Loss** on account of all **Claims** first made during the **Policy Period**.

If the Company or any subsidiary or affiliate makes payment under another policy on account of such Retired Insured Person, the Limit of Liability for this Policy with respect to such **Claim** also covered under this policy shall be reduced by the amount of such payment.

**31. ADD CANCELLATION / EXTENDED REPORTING TIME PERIOD LIBERALIZATION**

In the event that any time period relating to notice of cancellation or Extended Reporting Period election provided under this coverage section is less than any such time period required by applicable provincial law, the Company shall apply the applicable provincial law.

**32. ADD POLICY LIBERALIZATION**

Except with regard to Section 10, Amend Exclusions, of this endorsement, in the event that any provision of this endorsement conflicts in any way with a provision of another endorsement of this coverage section, to the extent allowed by applicable law, the **Parent Organization** may determine, in its sole discretion, if such provision in this endorsement or such other endorsement takes precedence in determining the application of such provision under this coverage section.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

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ALL OTHER TERMS AND CONDITIONS REMAINED UNCHANGED.

<ENDSIG>

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Authorized Representative