

**ENDORSEMENT**

<COVSECT>

Effective date of  
this endorsement: <TRXEFFDATE>

Company: <CARRNAME>

Endorsement No. <EN>

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

Issued to: <ACCTNAME>

NOT FOR PROFIT 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.

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NOT FOR PROFIT ENHANCEMENT ENDORSEMENT

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NOT FOR PROFIT ENHANCEMENT ENDORSEMENT

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

**1. AMEND HAMMER CLAUSE**

Section 8, Defence and Settlement, of this policy, is deleted in its entirety and replaced by the following:

8. The Company shall have the right and duty to defend any **Claim** covered by this policy. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend shall cease upon exhaustion of the Company's applicable Limit of Liability set forth in Item 3 of the Declarations.

**Defence Costs** are part of, and not in addition to, the applicable Limit of Liability set forth in Item 3(A), 3(B) and 3(C) of the Declarations of this policy, and the payment by the Company of **Defence Costs** shall reduce and may exhaust such applicable Limit of Liability

The Company may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim** it deems expedient. If such **Insured** withholds consent to such settlement (the Proposed Settlement), the Company's liability for all **Loss** on account of such **Claim** shall not exceed:

- (i) the amount of the Proposed Settlement plus **Defence Costs** incurred up to the date of the **Insured's** refusal to settle such **Claim**; plus
- (ii) eighty percent (80%) of any **Loss** and/or **Defence Costs** in excess of the amount in part (i) above, incurred in connection with such **Claim**; subject in all events to the applicable Deductible and the available Limits of Liability set forth in Item 3 of the Declarations of this policy. The remaining twenty percent (20%) of **Loss** and/or **Defence Costs** in excess of the amount in part (i) above will be carried by the **Insured** at its own risk and will be uninsured.

No **Insured** shall settle any **Claim**, incur any **Defence Costs**, assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented.

All **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree that they will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

**2. ADD SEPARATE LIMIT OF LIABILITY DEDICATED FOR INSURED PERSONS**

- A. The following is added to this policy as A Separate Limit of Liability Dedicated for **Insured Persons**:

Item 3 of the Declarations of this policy is amended to include the following:

3(C) Separate Limit of Liability Dedicated for **Insured Persons**: \$<AMOUNTNOTEXCEED1M>

- B. This Separate Limit of Liability Dedicated for **Insured Persons** is available solely for **Loss** resulting from any **Claim** against any **Insured Person** for which coverage is provided under Section 1, Insuring Clause of this policy and for which the **Organization** either is not legally permitted, or fails or refuses solely by reason of **Financial Impairment**, to indemnify the **Insured Person**.
- C. This Separate Limit of Liability Dedicated for **Insured Persons** will be an additional limit of liability, which is in addition to and not part of the Limit of Liability set forth in Items 3(A) and 3(B) of the Declarations of this policy.
- D. The Separate Limit of Liability Dedicated for **Insured Persons** shall be excess of any valid insurance applicable to such **Insured Persons** that is specifically excess to this policy and such excess insurance must be completely exhausted by payment of loss, damages or defense costs thereunder before the Company shall have any obligation to make any payment on account of the Separate Limit of Liability Dedicated for **Insured Persons**.

<b>3. ADD EMPLOYED LAWYERS COVERAGE</b>
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- A. The following is added to this policy as Section 1.1, Employed Lawyers Coverage:  
Employed Lawyers Coverage
  - 1.1 The Company shall pay on behalf of any **Insured Person** all **Loss** for which the **Insured Person** becomes legally obligated to pay on account of any **Employed Lawyers' Claim** first made against the **Insured Person** during the **Policy Period** or, if exercised, the Extended Reporting Period, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted before or during the **Policy Period** by an **Insured Person**.
- B. Solely with respect to Section 1.1, Employed Lawyers Coverage as set forth in A. above:
  - 1. Section 26, Definitions, of this policy is amended by adding the following:  
**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, an **Employed Lawyer Professional Service** by the **Insured Person** who is named in the **Claim**.  
**Employed Lawyer Professional Service** 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 **Organization**.
  - 2. The following subsection is added to this policy as subsection 4.4, Exclusions:
    - 4.4 The Company shall not be liable for **Loss** on account of any **Employed Lawyers' Claim** made against any **Insured**:
      - (a) brought by, at the request of, or on behalf of any joint venture or partnership in which any **Organization** is a partner or member;

- (b) 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 state, provincial or federal 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 underling or alleged therein;
- (c) 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;
- (d) 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 <EFFECTIVEDATE> which he, she, or it, as the case may be, knew or ought to have known might expect to give rise to a future **Employed Lawyers' Claim**; or
- (e) for fines, sanctions, taxes, costs or penalties incurred in connection with any disciplinary, disbarment or other similar proceeding brought by any provincial, territorial, state or federal bar association, law society or other equivalent regulatory body. Provided, however, that this exclusion shall not apply to that part of **Loss** which constitutes **Defence Costs**.

**4. ADD WORKPLACE VIOLENCE EXPENSE COVERAGE**

A. The following is added to this policy as Section 1.2, **Workplace Violence Expense Coverage**:

**Workplace Violence Expense Coverage**

1.2 The Company shall reimburse an **Organization** for **Workplace Violence Expense** incurred by any **Organization** resulting from any **Workplace Violence**, provided that the Company's maximum aggregate liability for all **Workplace Violence Expense** shall not exceed \$<AMOUNTNOTEXCEED250>, which amount is part of, and not in addition to the Company's maximum aggregate Limit of Liability as set forth in Item 3 (B) of the Declarations for this policy.

B. No Deductible Amount shall apply to **Workplace Violence Expense Coverage**.

C. Solely with respect to Section 1.2, **Workplace Violence Expense Coverage** as set forth in A. above:

- 1. Section 4.2, Exclusions, of this policy, paragraph (a) is deleted and replaced by the following:
  - (a) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed;
- 2. The first, third and fourth paragraphs of Section 8, Defence and Settlement, of this policy, are hereby deleted with respect to **Workplace Violence Expense Coverage** only.

3. Section 26, Definitions of this policy, is amended by adding the following definitions:

**Workplace Violence** means any intentional and unlawful act:

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

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

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

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

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

4. The following subsection is added to this policy as subsection 4.5, Exclusions:

4.5 No coverage will be available under this policy for:

- (a) any **Workplace Violence** which occurs at any location other than the **Premise**;
- (b) any **Workplace Violence** arising from declared or undeclared war, civil war, insurrection, riot, civil commotion, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization;
- (c) legal costs, judgments and settlements incurred as the result of any claim, suit or judicial action brought against an **Organization** in connection with workplace violence; or
- (d) any **Workplace Violence** resulting from the use or threat of force or violence occurring on the **Premise** for the purpose of demanding money, securities or property.

**5. ADD FIDUCIARY LIABILITY COVERAGE**

A. The following is added to this policy as Section 1.3, Fiduciary Liability Coverage:

Fiduciary Liability Coverage

1.3 The Company shall pay on behalf of any **Insured** all **Loss** for which the **Insured** becomes legally obligated to pay on account of any **Claim** first made against the **Insured** during the **Policy Period** or, if exercised, the Extended Reporting Period for a **Fiduciary Wrongful Act** committed, attempted, or allegedly committed or attempted, before or during the **Policy Period** by an **Insured**.

B. Solely with respect to Section 1.3, Fiduciary Liability Coverage as set forth in A. above:

1. Section 26, Definitions, of this policy is amended by adding the following definitions:

**Administration** means: (i) interpreting or giving counsel to employees; or (ii) effecting enrollment, termination or cancellation of employees under any **Benefit Program**.

**Benefit Program** means any **Employee Benefit Plan**, **Government Benefit Program** or any **Pension Benefit Plan**.

**Employee Benefit Plan** means any Dental Services Plan, Group Sickness or Accident Insurance Plan, Private Health Services Plan, Supplementary Unemployment Benefit Plan, Sickness or Accident Insurance Plan, Disability Insurance Plan, Income Maintenance insurance Plan, Disability Insurance Plan, Income Maintenance Insurance Plan, Vacation Pay Trust, Employee Trust, or Salary Deferral Arrangement all as defined in the Income Tax Act of Canada.

**Fiduciary Wrongful Act** means any (i) breach of the responsibilities, obligations or duties imposed upon fiduciaries of an **Employee Benefit Plan** or a **Pension Benefit Plan** by the Pension Benefits Standards Act, 1985 of Canada or the common or statutory law of Canada or any of its provinces or territories, as amended; (ii) any negligent act, error or omission by any **Insured** in the **Administration** of any **Benefit Program**; or (iii) any other matter claimed against an **Insured** solely because of the **Insured's** service as a fiduciary of an **Employee Benefit Plan** or **Pension Benefit Plan**.

**Government Benefit Program** means any **Benefit Program** created by statute, of which the capital is administered or the contingent liabilities are assumed by a government or governments or any agency thereof, including without limitation workers compensation, unemployment, social security and disability benefit programs.

**Pension Benefit Plan** means any plan defined as a pension plan in the Pension Benefits Standards Act, 1985 of Canada or any similar federal, provincial or territorial law of Canada, as amended.

2. The definition of **Insured** in Section 26, Definitions, of this policy is amended to include the following:

**Insured** also means any **Employee Benefit Plan**, **Pension Benefit Plan**, or any natural person serving as a past, present or future trustee, director, officer or employee of any **Employee Benefit Plan** or **Pension Benefit Plan**.

3. Section 4.1, Exclusions, of this policy, paragraph (f) is deleted and replaced by the following:
  - (f) liability of others assumed by any **Insured** under any contract or agreement, either oral or written, except to the extent that an **Insured** would have been liable in the absence of the contract or agreement or unless the liability was assumed in accordance with or under the agreement or declaration of trust pursuant to which an **Employee Benefit Plan** or **Pension Benefit Plan** was established;
4. The following exclusions are added to Section 4.1, Exclusions, of this policy:
  - (<LETTER>) any demand, suit or other proceeding pending, or order, decree or judgment entered for or against any **Insured** on or prior to <MONTHDAYYEAR2>, or the same or any substantially similar fact, circumstance or situation underlying or alleged therein; or
  - (<LETTER1>) of the intentional failure of the **Insured** to comply with any law with respect to any **Government Benefit Program**.
5. Section 4.2, Exclusions, of this policy, paragraph (c) is deleted and replaced by the following:
  - (c) for an actual or alleged violation of the responsibilities, obligations or duties imposed in Canada by the Canada Labour Code, Parts I and II, any collective bargaining agreement, rules, orders, orders in council or regulations promulgated thereunder and amendments thereto, or similar provisions of any federal, provincial, territorial or local statutory, common or civil law of Canada.
6. The following exclusions are added to Section 4.3, Exclusions, of this policy:
  - (<LETTER2>) which is based upon, arising from or in consequence of the failure to collect from employers contributions owed to a **Benefit Program**, unless the failure is because of the negligence of an **Insured**; or
  - (<LETTER3>) which constitutes benefits due or to become due under the terms of a **Benefit Program** unless, and to the extent that, (i) the **Insured** is a natural person and the benefits are payable by such **Insured** as a personal obligation, and (ii) recovery for the benefits is based upon a covered **Fiduciary Wrongful Act**.
7. If the **Organization** named in Item 1 of the Declarations of this policy creates or acquires after the effective date of this Endorsement an **Employee Benefit Plan** or **Pension Benefit Plan**, coverage shall be afforded subject to the terms and conditions of this policy, for such **Employee Benefit Plan** or **Pension Benefit Plan** and its **Insureds** from the date of such creation or acquisition, but only for **Fiduciary Wrongful Acts** committed, attempted or allegedly committed or attempted after the date of such creation or acquisition.
 

If an **Employee Benefit Plan** or **Pension Benefit Plan** is terminated after the effective date of this Endorsement, coverage under this policy with respect to such terminated **Employee Benefit Plan** or **Pension Benefit Plan** and its **Insureds** shall continue until termination of this policy with respect to **Fiduciary Wrongful Acts** committed, attempted or allegedly committed or attempted by such **Insureds** prior to or after the date of such **Employee Benefit Plan** or **Pension Benefit Plan** termination.



**6. ADD BLANKET NOT FOR PROFIT OUTSIDE DIRECTORSHIP COVERAGE, WORLDWIDE**

A. Section 26, Definitions of this policy is amended by adding the following definitions:

**Outside Directorship** means:

- (i) The executive position held by an **Insured Person** at the specific request of the **Organization** in any **Outside Entity**; and
- (ii) The position held by an **Insured Person** with the approval of any **Organization** as a director, officer, governor, trustee or committee member of an **Outside Entity**.

**Outside Entity** means:

- (i) in Canada, any not-for-profit corporation or non-share corporation incorporated under Part II of the Canada Corporations Act, under the Canada Not-for-profit Corporations Act (NFP Act) or under any similar provisions of any provincial or territorial act;
- (ii) in the United States of America, any non-profit corporation, community chest, fund organization or foundation exempt from federal income tax in the United States of America as an organization described in Section 501(c)(3), Internal Revenue Code of 1986, as amended; or
- (iii) any equivalent non-profit corporation under any similar applicable law in any country other than Canada or the United States of America;

that is not included in the definition of **Organization**.

B. Section 26, Definitions, of this policy **Insured Capacity** is deleted and replaced by the following:

**Insured Capacity** means:

- (i) the position held by any **Insured Person** in any **Organization**; and
- (ii) any **Outside Directorship** in an **Outside Entity**.

C. The following subsection is added to this policy as subsection 4.6, Exclusions:

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

- (i) not be construed to extend to the **Outside Entity** in which such **Outside Directorship** is held or to any of the other officers, directors or employees of such outside organization;
- (ii) be specifically excess of any other indemnity or insurance available to such **Insured Person** from such **Outside Entity**; and
- (iii) 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 an **Outside Directorship** if such **Claim** is brought or maintained by or on behalf of (i) an **Outside Entity** with which the **Insured Person** is serving or has served in an **Outside Directorship** position, or (ii) any director, officer, trustee, governor or equivalent executive of an **Outside Entity** acting in any capacity; provided, however that this Exclusion 4.6 (iii) shall not apply to:
  - (a) a **Claim** brought or maintained derivatively on behalf of the **Outside Entity** by one or more securityholders or members of the **Outside Entity** who are not **Insured Persons** and are not directors, officers, trustees, governors or equivalent executives of the **Outside Entity** and who bring and maintain such **Claim** without the solicitation, assistance or participation of any **Insured Person** or of any director, officer, trustee, governor or equivalent executive of the **Outside Entity**; or

- (b) a **Claim** brought or maintained by a director, officer, trustee, governor or equivalent executive of an **Outside Entity** for contribution or indemnification, if such **Claim** directly results from another **Claim** covered under this policy.

D Any amount payable for **Loss** under paragraph A, B or C above shall be reduced by the amount paid or payable under any other policy issued by the Company or any subsidiary or affiliate of The Chubb Corporation, for any **Claim** or interrelated **Claims**.

<b>7. ADD INVESTIGATION COSTS COVERAGE FOR DERIVATIVE DEMANDS WITH SUBLIMIT</b>
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A. The following is added to this policy as Section 1.4, **Investigation Costs** Coverage:

**Investigation Costs** Coverage

The Company shall pay on behalf of the **Organization** all **Investigation Costs** which such **Organization** becomes legally obligated to pay on account of any **Derivative Demand** first made during the **Policy Period** or, if exercised, the Extended Reporting Period, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by an **Insured Person** before or during the **Policy Period**; provided that the Company's maximum liability for all **Investigation Costs** covered under Section 1.4 on account of all **Derivative Demands** first made during the same **Policy Period** shall be \$<AMOUNTMAX100K\_1>. Such amount is a sublimit which further limits and does not increase the Company's maximum liability under this policy as set forth in Item 3(B) of the Declarations for this policy.

B. No deductible amount shall apply to **Investigation Costs** Coverage.

C. Solely with respect to Section 1.4, **Investigation Costs** Coverage as set forth in A. above:

1. Section 8, **Defence and Settlement**, of this policy is amended by deleting the first paragraph in its entirety and inserting the following:

It shall be the duty of the **Organization** and not the duty of the Company to investigate and evaluate any **Derivative Demand**.

2. Section 26, Definitions, of this policy, is amended by adding the following definitions:

**Derivative Demand** means any written demand, by any party, upon the board of directors of the **Organization**, to bring a civil proceeding in a court of law against any **Insured Person** for a **Wrongful Act** committed, attempted or allegedly committed or attempted by an **Insured Person** before or during the **Policy Period**.

**Investigation Costs** means reasonable costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Organization**) incurred by the **Organization** (including its board of directors or any committee of the board of directors) in connection with the investigation or evaluation of any **Derivative Demand**.

3. All references in this policy to **Loss** or **Defence Costs** shall only mean **Investigation Costs**.
4. All references in this policy to **Claim** or to "**Claim** against any **Insured Person**" shall only mean any **Derivative Demand**.

**8. ADD THIRD PARTY DISCRIMINATION AND SEXUAL HARASSMENT COVERAGE**

A. Section 26, Definitions, of this policy is amended by adding the following definition:

**Third Party Claim** means:

- (i) a written demand for monetary damages;
- (ii) a civil proceeding commenced by the service of a statement of claim, a complaint or similar pleading;
- (iii) an arbitration proceeding; or
- (iv) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document;

which is brought and maintained by or on behalf of a client, customer or vendor of an **Organization** against any **Insured** for any **Wrongful Act** in connection with any actual or alleged discrimination or sexual harassment of such client, customer or vendor; or violation of such client, customer or vendor’s civil or human rights relating to such discrimination or sexual harassment.

Provided, however, that **Third Party Claim** does not include any demand or proceeding for any **Wrongful Act** in connection with any actual or alleged price or other discrimination or violation of any antitrust statute or other law designed to protect competition.

B. Solely with respect to **Loss** on account of any **Third Party Claim**, Item 5 of the Declarations, Deductible Amount, is amended to read as follows:

Deductible Amount:	(A)	Non-Indemnifiable Loss	None
	(B)	Indemnifiable Loss	\$<DEDUCTIBLE>

**9. ADD DEDUCTIBLE APPLICABLE TO DEFENCE COSTS ONLY AND WAIVED UPON DETERMINATION OF NO LIABILITY**

Section 6, Limit of Liability and Deductible, of this policy is amended by adding the following paragraph:

The deductible amount applicable to each **Loss** shall apply only to that part of **Loss** which constitutes **Defence Costs** and shall not apply if:

- (i) a final adjudication with prejudice pursuant to a trial, motion to dismiss, or motion for summary judgment; or
  - (ii) a complete and final settlement of a **Claim** with or without prejudice;
- establishes that no **Insured** is liable for any **Loss**, other than **Defence Costs**.

**10. ADD ADVANCEMENT OF DEFENCE COSTS IF ORGANIZATION FAILS TO INDEMNIFY**

Section 6, Limit of Liability and Deductible, of this policy is amended by the addition of the following paragraph:

If an **Organization** refuses in writing, or fails within sixty (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 Section 7, Reporting and Notice, of this policy, the Company shall advance **Defence Costs** until such time that the **Organization** accepts the **Insured Person's** request for indemnification or the applicable Deductible has been satisfied.

**11. AMEND INSURED VS. INSURED EXCLUSION**

Section 4.2, Exclusions, of this policy, paragraph (g) is deleted and replaced by the following:

- (g) brought by an **Organization** against:
  - (1) any other **Organization**; or
  - (2) an **Insured Person** of such **Organization**, provided that this paragraph (g) (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**;
    - (iii) as a derivative action; or
    - (iv) while such **Insured Person** is no longer acting in an **Insured Capacity**.

**12. AMEND POLLUTION EXCLUSION**

Section 4.1, Exclusions, of this policy, paragraph (g) is deleted and replaced by the following:

- (g) based upon, arising from, or in consequence of:
  - (i) the actual, alleged or threatened discharge, release, escape or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or
  - (ii) any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants** or any voluntary decision to do so;

including, but not limited to, any **Claim** for financial loss to the **Organization**, its security holders or its creditors based upon, arising from, or in consequence of the matters described in (i) and (ii) above. However, this exclusion 4.1 (g) shall not apply to that part of **Loss** which is **Defence Costs** for **Claims** brought, commenced and conducted in the territorial limits and jurisdiction of Canada solely against an **Insured Person**; and for which the **Organization** either is not permitted, or fails by reason of **Financial Impairment**, to indemnify the **Insured Person(s)**. The certificate of incorporation, by-laws and shareholder and board of director resolutions of the **Organization** shall be deemed to provide indemnification to the **Insured Person(s)** to the fullest extent permitted by law.

### 13. AMEND CONDUCT EXCLUSIONS

- A. Section 4.1, Exclusions, of this policy, paragraph (c) is deleted and replaced by the following:
- (c) any deliberately fraudulent act or omission or any wilful violation of any statute or regulation by such **Insured**, if a final non-appealable adjudication in any underlying proceeding or action establishes such a deliberately fraudulent act or omission or wilful violation; provided that this exclusion 4.1 (c) shall not apply to **Defence Costs** incurred prior to a final non-appealable adjudication;
- B. Section 4.1, Exclusions, of this policy, paragraph (d) is deleted and replaced by the following:
- (d) an **Insured** having gained any profit, remuneration, or other financial advantage to which such **Insured** 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; provided that this exclusion 4.1 (d) shall not apply to **Defence Costs** incurred prior to a final non-appealable adjudication.
- C. With respect to Exclusion 4.1 (c) and 4.1 (d) as amended in part A. and B. above, the term "proceeding" as used therein, shall not include any declaratory proceeding brought by or against the Company.

### 14. ADD DEFENCE COVERAGE FOR BILL C-45 CLAIMS AND MANSLAUGHTER CLAIMS

Section 4.2, Exclusions, of this policy, paragraph (a) is deleted and replaced by the following:

- (a) for bodily injury, mental anguish (except with respect to **Employment Practices** or a **Third Party Claim**), sickness, disease or death of any person or damage to or destruction of any tangible property, whether or not it is damaged or destroyed, including loss of use thereof; however this exclusion shall not apply to (i) **Defence 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, or (ii) **Defence Costs** incurred by an **Insured Person** on account of any **Claim** which is a criminal proceeding for manslaughter (or any other similar offence).

**15. AMEND DEFINITION OF CLAIM, LOSS, DEFENCE COSTS AND INSURED PERSON**

A. Section 26, Definitions, of this policy, **Claim** is deleted and replaced by the following:

**Claim** means:

- (i) a written demand for monetary or non-monetary damages;
- (ii) a civil proceeding commenced by the service of a statement of claim, a complaint or similar pleading;
- (iii) a criminal proceeding commenced by a laying of an information, the return of an indictment or similar document;
- (iv) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document; or
- (v) an arbitration or mediation proceeding commenced by a receipt of a demand for arbitration, demand for mediation or other similar document;

against an **Insured** for a **Wrongful Act** or **Fiduciary Liability Wrongful Act**, including any appeal therefrom.

**Claim** also means:

- (i) an **Employed Lawyers Claim**;
- (ii) an official request for **Extradition** of an **Insured Person**;
- (iii) the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**; or
- (iv) a **Third Party Claim**;

B. Section 26, Definitions, of this policy, **Loss** is deleted and replaced by the following:

**Loss** means the total amount covered under this policy which any **Insured** becomes legally obligated to pay on account of any **Claim** made against any **Insured** for a **Wrongful Act** or **Fiduciary Liability Wrongful Act** for which coverage applies, including, but not limited to, damages, pre and post-judgment interest, judgments, settlements, costs and **Defence Costs**.

**Loss** does not include:

- (i) any amount not indemnified by an **Organization** for which any **Insured Person** is absolved from payment by reason of any covenant, agreement or court order;
- (ii) any amount incurred by any **Organization** (including its board of directors or any committee of the board of directors) in connection with the investigation or evaluation of a **Claim** or potential **Claim** by or on behalf of any **Organization**;
- (iii) the future salary or **Benefits** of an **Insured Person** who has been or shall be hired, promoted or reinstated to employment, whose employment has been or shall be continued or whose salary or **Benefits** have been increased pursuant to a settlement, order or other resolution;
- (iv) with respect only to a **Claim** for **Employment Practices**, salary, wages and/or commissions payable to an **Insured Person** for services performed for any **Organization** while employed with any **Organization**;
- (v) matters uninsurable under the law pursuant to which this policy is construed;
- (vi) costs incurred by any **Insured** to comply with any injunctive or other non-monetary relief or any agreement to provide any such relief;

- (vii) fines or penalties imposed by law or the multiple portion of any multiplied damage award. However, fines, penalties or multiplied damage awards shall not include punitive or exemplary damages in any **Claim** if such punitive or exemplary damages are insurable under the law applicable to this policy. The law of the jurisdiction most favourable to the insurability of such punitive or exemplary damages shall control for the purpose of resolving any dispute between the Company and the **Insured** regarding whether such damages are insurable, provided that such jurisdiction is where:
    - (1) those damages were awarded or imposed;
    - (2) any **Wrongful Act** occurred for which such damages were awarded or imposed;
    - (3) any **Organization** is incorporated or has its principal place of business; or
    - (4) the Company is incorporated or has its principal place of business; or
  - (viii) cost incurred in cleaning up, removing, containing, treating, detoxifying, neutralizing, assessing the effects of, testing for, or monitoring **Pollutants**.
- C. Section 26, Definitions, of this policy, is amended by adding the following to the definition of **Defence Costs**:
- Defence Costs** also means 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** lawfully:
- (i) opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of such **Insured Person**, or
  - (ii) appealing any order or other grant of **Extradition** of such **Insured Person**.
- D. Section 26, Definitions, of this policy, **Insured Person** is deleted and replaced by the following:
- Insured Person** means any natural person who has been, now is or shall become:
- (i) a duly elected or appointed director, de facto director, officer, trustee, or governor;
  - (ii) a manager;
  - (iii) in-house general counsel;
  - (iv) an employee;
  - (v) a committee member (whether or not salaried) of an **Organization**,
  - (vi) any natural person acting in a voluntary capacity on behalf of an **Organization** and at the specific direction of such **Organization**; or
  - (vii) a holder of any position equivalent to any position described in (i) through (vi) above in any **Organization** that is chartered in any jurisdiction other than Canada.

<b>16. ADD DEFINITION, EXTRADITION</b>
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Section 26, Definitions, of this policy is amended by adding the following definition:

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

**17. ADD ELECTRONIC NOTICE OF CLAIM**

Section 7, Reporting and Notice, of this policy, paragraph (a), is amended by adding the following:

Or via e-mail addressed to canadian-claim-reports@chubb.com

**18. ADD PRE-DETERMINED ALLOCATION OF DEFENCE COSTS**

Section 9, Allocation, of this policy, is deleted and replaced by the following:

9. If both **Loss** covered under this policy and loss not covered under this policy is incurred by the **Insured** on account of any **Claim** because such **Claim** against the **Insured** includes both covered and non-covered matters, then coverage under this policy with respect to such **Claim** shall apply as follows:

- (i) **Defence Costs:** one hundred percent (100%) of reasonable and necessary **Defence Costs** incurred by the **Insured** on account of such **Claim** will be considered covered **Loss**; and
- (ii) Loss other than **Defence Costs:** all remaining loss incurred by the **Insured** on account of such **Claim** shall be allocated by the Company between covered **Loss** and non-covered loss based on the relative legal and financial exposures of the **Insured** to covered and non-covered matters and, in the event of a settlement in such **Claim**, also based on the relative benefits to the **Insured** from such settlement.

If the **Insured** and the Company cannot agree on an allocation of loss:

- (i) no presumption as to allocation shall exist in any arbitration, suit or other proceeding; and
- (ii) the Company, if requested by the **Insured**, shall submit the dispute to binding arbitration. The arbitration panel shall consist of one arbitrator selected by the **Insureds**, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators.

**19. AMEND OTHER INSURANCE CLAUSE**

Section 10, Other Insurance, of this policy, is deleted and replaced by the following:

10. If any **Loss** under this policy is insured under any other valid and collectible insurance policy(ies), prior or current, then this policy 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 policy. 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 policy, the applicable deductible under this policy.

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

This policy is specifically excess of and shall not contribute with: (i) any general liability policy, (ii) any mandatory Lawyers' Professional Liability policy and/or (iii) any insurance policy for pollution liability or environmental liability, including any general liability policy.

**20. INCREASE ACQUISITION THRESHOLD**

Section 11, Acquisition or Creation of Another Organization, of this policy is deleted and replaced by the following:

11. If an **Organization** (i) acquires any entity by merger into or consolidation with the **Organization**, or (ii) acquires securities or voting rights in another entity or creates another entity, which as a result of such acquisition or creation becomes a **Subsidiary**, such entity and its **Insured Persons** shall be **Insureds** under this policy but only with respect to a **Wrongful Act** or a **Fiduciary Liability Wrongful Act** committed, attempted, or allegedly committed or attempted, after such acquisition or creation unless the Company agrees, after presentation of a complete application and all appropriate information, to provide coverage by endorsement for **Wrongful Acts** or **Fiduciary Liability Wrongful Acts** committed, attempted, or allegedly committed or attempted, by such **Insureds** prior to such acquisition or creation.

The **Organization** shall give written notice of such acquisition or creation to the Company as soon as practicable, together with such information as the Company may require, if the fair value of the assets of the acquired or created entity exceeds <NUMBER>% of the combined total assets of the **Organization** set forth in Item 1 of the Declarations of this policy, as reflected in the **Organization's** most recent audited consolidated financial statements. The Company reserves the right to charge an additional premium for such acquisition.

**21. AMEND REPRESENTATIONS AND SEVERABILITY**

Section 14, Representation and Severability, of this policy is amended by adding the following:

Solely with respect to **Loss** incurred by an **Insured Person** for which the **Organization** either is not legally permitted, or fails or refuses solely by reason of **Financial Impairment**, to indemnify the **Insured Person**, Section 14, Representation and Severability of this Policy is amended by adding the following:

The Company shall not be entitled under any circumstances to rescind this policy. Nothing contained herein shall limit or waive any other rights or remedies available to the Company.

**22. AMEND SUBROGATION**

Section 17, Subrogation, of this policy is deleted and replaced by the following:

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 **Insureds'** rights of recovery, including any such right of an **Insured Person** to indemnification from any **Organization**, other insurance carrier or other source. As a condition precedent to the Company's payment of any **Loss** under this policy, the **Insured's** 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's**, including any action against any **Organization** for indemnification.

**23. AMEND SPOUSAL COVERAGE**

Section 26, Definitions, of this policy, **Spouse** is deleted and replaced by the following:

**Spouse** means either of two persons who:

- (i) are married to each other, or
- (ii) have together entered into a marriage that is voidable or void, in good faith on the part of the person asserting the relationship.

**24. AMEND BANKRUPTCY PROVISION**

Section 21, Bankruptcy, of this policy is deleted and replaced by the following:

Bankruptcy or insolvency of any **Insured**, or the appointment of a receiver, receiver-manager or sequestrator by a court or under an instrument or act shall not relieve the Company of its obligations nor deprive the Company of its rights or defences under this policy.

In the event a bankruptcy is commenced by or against an **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 **Organization** and the **Insured Persons** hereby agree to cooperate with any efforts by the Company, the **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**.

**25. AMEND TERMINATION OF POLICY**

Section 24, Termination of Policy, of this policy is deleted and replaced by the following:

**Termination of Policy**

This policy shall terminate at the earliest of the following times:

- (a) <NUMBER1> days after receipt by the first **Organization** set forth in Item 1 of the Declarations of this policy of a written notice of termination from the Company based upon non-payment of premium;
- (b) upon receipt by the Company of written notice of termination from the first **Organization** set forth in Item 1 of the Declarations of this policy or, if a later time is specified in such notice, at such later time;
- (c) upon expiration of the **Policy Period** as set forth in Item 4 of the Declarations; or
- (d) at such other time as may be agreed upon by the Company and the first **Organization** set forth in Item 1 of the Declarations.

The Company under all circumstances shall refund any unearned premium computed at customary pro rata rates.

**26. ADD MULTIPLE EXTENDED REPORTING PERIOD OPTIONS**

Item 6 of the Declarations of this policy, Extended Reporting Period, is deleted and replaced by the following:

Item 6. Extended Reporting Period:

- (A) Additional Premium: <PERCENT> of the Annual Premium
- (B) Additional Period: <PERIOD>
- or
- (A) Additional Premium: <PERCENT1> of the Annual Premium
- (B) Additional Period: <PERIOD1>

**27. ADD PRIORITY OF PAYMENTS**

The following provision is added to this policy:

With respect to any **Claim** first made against the **Insured** during the **Policy Period**, and in the event payment of **Loss** is due under this policy but, in the sole discretion of the Company, the amount of such **Loss** in the aggregate potentially exceeds the remaining available Limit of Liability for this policy, the Company shall:

- (a) first pay such covered **Loss** incurred by an **Insured Person**; then

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- (b) to the extent of any remaining amount of the Limit of Liability available after payment under (a) above, pay such covered **Loss** incurred by the **Organization**.

Except as otherwise provided in (a) and (b) above, the Company may pay covered **Loss** as it becomes due under this policy without regard to the potential for other future payment obligations under this policy.

<b>28. ADD CANCELLATION / EXTENDED REPORTING TIME PERIOD LIBERALIZATION</b>
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The following provision is added to this policy:

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

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

ALL OTHER TERMS AND CONDITIONS REMAINED UNCHANGED.

<ENDSIG>

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Authorized Representative