

ENDORSEMENT NO. 1L & NO. 1A

Attached to and forming part of the Contract Number: WNR/BGH/12/0022.

Notwithstanding anything contained elsewhere in this policy to the contrary, it is understood and agreed that:

- A. "Coverage Territory" as defined in the definitions is amended to read "Canada only".
- B. The coverage provided under this policy does not apply to:
1. liability arising from property damage or bodily injury while instructing, practicing or participating in any organized athletic or sports contest or exhibition or any activity or event described under sub-section (A) –(E) inclusive of section B 1, as herein described:
 - (a) the use or operation of mountain slides, water slides or other similar recreational devices, including but not limited to ski lifts or tows.
 - (b) skiing, snow boarding, hang gliding, swimming, any other related activities, para-sailing, parachuting, hot air ballooning, tubing, tobogganing, luge bobsledding, skate boarding, trampolines or any other ariel maneuvers performed with the knowledge or consent of the Insured or any concessionaires using the premises insured,
 - (c) the use or operation of saddle animals or animal-drawn vehicles,
 - (d) the use or operation of any recreational vehicle, seadoo, all terrain vehicle, snowmobile or any other similar vehicle.
 - (e) the use or operation of any inflatables, trampolines or other similar devices.
 2. liability arising out of the rendering of or failure to tender any "Professional Service"
 3. liability arising from corporal punishment, sexual or physical abuse, sexual exploitation or other harmful acts by the insured.
 4. liability arising out of the forcible ejection of any person or persons from the insured premises. This exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.
 5. liability arising from the use or sale of, whether negligent or otherwise, of fireworks, or damages arising from the use or sale of fireworks.
 6. liability arising out of damage caused by cigarette burns.
 7. liability resulting from any intentional or criminal act or failure to act by:
 - a) any person insured by this policy; or
 - b) any other person insured by this policy;
 8. Any injury/injuries resulting from animal bites (s).
 9. Any damage to fine art and antique.
- C. The definition of the Named Insured is amended to include:
1. the named insured's volunteers or auxiliary workers who are not also members of the named insured but only for acts within the scope of their activities as volunteers for the insured.
- D. Notwithstanding anything contained elsewhere in this policy it is understood and agreed that the insurer shall not have its rights of recourse under the law restricted in any way, in any contact, verbal or written, between the insured and any independent third party contractors or individuals who may do work or provide services or materials on behalf of the insured during the term and within the scope of this policy.



IDENTIFICATION OF INSURER / ACTION AGAINST INSURER
Lloyd's Approved Coverholder :
P.A.L. Insurance Brokers Canada Ltd.

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been effected in accordance with the authorization granted to the office indicated on the Declarations page by certain Lloyd's Underwriters, whose names and proportions underwritten by them can be ascertained by reference to contract No. (WNR/BGH/12/0022) which bears the seal of Lloyd's policy signing office and has been certified by the Attorney In Fact in Canada for Lloyd's Underwriters and may be seen at the office indicated on the Declarations page. The Underwriters identified in the said contract shall be liable hereunder each for his own part and not for another in proportion to the several sums by each of them subscribed to the said contract.

In any action to enforce the obligations of the Underwriters liable hereunder they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters liable hereunder as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155, rue Metcalfe, Suite 2220, Montréal, Québec H3B 2V6.

NOTICE

Any notice to the Insurer may be validly given to the office indicated on the declarations page.

HLL included

TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, injury, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and / or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, injury, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

MISINTERPRETATION OF DATE EXCLUSION

This insurance does not apply to loss or damage caused directly or indirectly by the failure, malfunction or inadequacy of any of the following:

- a) electronic data processing equipment, or other equipment, including micro-chips embedded therein;
- b) computer program or operating system;
- c) software;
- d) media;
- e) data;
- f) memory storage system;
- g) memory storage device;
- h) real time clock;
- i) date calculator;
- j) microprocessor (computer chips) not part of any computer system;
- k) computer network; or
- l) any other computerized or electronic equipment, components, or devices, or related system or process,

to correctly read, recognize, interpret, distinguish or process any encoded, abbreviated or encrypted date, time or combined date/time data or data field. Such failure, malfunction or inadequacy shall include any error in original or modified data entry or programming. This exclusion does not apply to loss or damage caused directly by fire, lightning, explosion, impact by aircraft, spacecraft, or land vehicle, riot, strike, vandalism, malicious acts, smoke, windstorm or hail, if such perils are otherwise insured and not excluded under the coverage form to which this endorsement attaches.

WAR AND CIVIL WAR EXCLUSION CLAUSE

(Approved by Lloyd's Underwriters' Non-Marine Association)

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE - PHYSICAL DAMAGE - DIRECT

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused * NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

* NOTE. - If Fire is not an insured peril under this Policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

ASBESTOS EXCLUSION

This policy does not apply to or include legal liability for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing Asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Subject otherwise to the terms, Conditions and Exclusions of the Policy.

SEXUAL HARASSMENT EXCLUSION

Coverage provided excluded any Claim based upon, arising out of, or involving in any way, the actual or alleged intentional or negligent violation of any federal, state, provincial or local law or statute or common law pertaining to sexual harassment which results in alleged or actual defamation, humiliation, bodily injury, death, sickness, emotional distress, harassment or any other damages allegedly suffered by an employee, a former employee or by the spouse, child, parent, brother or other relative or dependant of any such employee or former employee.

All other terms and conditions of this policy remain unchanged.

ELECTRONIC DATE RECOGNITION (E.D.R.) EXCLUSION

It is hereby understood and agreed that this Policy shall not indemnify the Insured for any loss, damage, claim, expense or Defence Costs, whether preventative, remedial or otherwise, or liability of whatever nature arising out of or relating directly or indirectly to

1) Systems, whether the property of the Insured or not, which are E.D.R. Compliant, or which have been affected in performance or functionality by any implemented or attempted changes, alterations or modifications for the purpose of making the Systems E.D.R. Compliant, nor

2) Any advice, design, specification, formula or any other service provided by the Insured, or which the Insured failed to provide, in any way connected with the above.

Definitions

• "E.D.R. Compliant" shall mean that neither the performance nor functionality is adversely affected by dates prior to, during and after the Year 2000. In particular:

- i) No value for current date will cause any interruption in operation
 - ii) Date-based functionality and performance must behave consistently for dates prior to, during and after the Year 2000.
 - iii) In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or interfacing rules.
 - iv) The Year 2000 must be recognized as a leap year.
- "Systems" include computers and other equipment for receiving, processing, storing or retrieving data, hardware, software, firmware, microchips and microprocessors and any equipment or products with contain or rely upon such.

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

WORKERS COMPENSATION ACT

This insurance does not apply to bodily injury sustained by an employee of the Insured when liability is imposed upon or assumed by the Insured under any worker's compensation statute or similar statute in effect elsewhere.

This exclusion does not apply to legal liability imposed upon the Insured by common law as amended by statute or to liability assumed by the Insured under any written contract or written agreement.

Subject otherwise to the terms, Conditions and Exclusions of the Policy.

TOTAL POLLUTION EXCLUSION

Underwriters will not be liable to pay any Defence Costs or indemnify the Insured against any claim(s) for or arising out of or relating directly or indirectly to actual, alleged or threatened seepage, pollution or contamination of any kind.

INJURY TO PARTICIPANTS EXCLUSION

This insurance does not indemnify the insured in respect of any liability arising out of any events described under section B. 1 subsection (a)-(e) inclusive in connection with any person while participating or practicing for any event controlled, organized, sponsored or supervised by the insured including any company or organization of which they are an employee, agent or representative.

ABUSE OR MOLESTATION EXCLUSION

It is hereby understood and agreed that the insurance provided under Section 1 – Coverages A and B does not apply to "bodily injury" or "property damage" arising out of, resulting from or relating to:

- a) any allegation relating to any actual or threatened act or acts of abuse or molestation, directly or indirectly, or any person:
 - 1) by any insured defined in Section II;
 - 2) by any insured defined in Section II having knowledge of such activity taking place;
 - 3) by any insured defined in Section II failing to prevent such action from taking place;
 - 4) by any additional insured, volunteer or invitee;
 - 5) by any former insured or former volunteer;
 - 6) by any other person who is, or ever was, in the care, custody or control of any person specified above;
 - 7) at the direction of any person specified above.
- b) any allegation or claim in negligence, breach fiduciary duty or abuse of any power dependency relationship in the:
 - 1) employment of, including implied or actual failure to adequately and properly investigate prior employment history of;
 - 2) supervision of;
 - 3) failure to report to the proper authorities where allegations or abuse or molestation have been made against;
 - 4) continuing employment of;any person involved or subject to allegations as aforesaid or conduct excluded herein. We have no duty or obligation to defend or indemnify or pay any costs of providing a defense with respect to any act or potential loss, claim or "action" for "bodily injury" or "property damage" or "personal injury" excluded herein.

All other term and conditions of this policy remain unchanged.

HOST LIQUOR LIABILITY COVERAGE RIDER

It is hereby understood and agreed that, subject to the limits of liability as stated in the Certificate of Insurance issued to the Insured and terms and conditions of the following, the Insurer agrees to pay, on behalf of the Insured, all amounts payable because of bodily injury, including death resulting therefrom, to any person or persons or for damage to property (other than property leased or owned by or in the care, custody or control of the Insured or any of its employees) occurring as a result of the providing of alcoholic beverages to any persons by the Insured at the function specified in the Certificate of Insurance under a liquor license or permit (if applicable).

Conditions Precedent to Coverage:

The insurance coverage provided for herein is expressly subject to the following conditions precedent, all of which must be strictly fulfilled by the Insured in respect of each and every claim hereunder, and if any one or more such conditions precedent are not so fulfilled in respect of any claim, then it is expressly agreed that the Insurer shall have no liability whatsoever in respect of such a claim:

- (a) In respect of each and every incident, circumstance, matter or thing which may give rise to a claim under this insurance policy, the Insured shall report the details thereof to the Insurer or PAL Insurance Brokers Ltd. at their respective Head Offices by registered mail for with upon learning of any such claim or potential claim;
- (b) In respect of each and every claim to be made under this insurance policy, the Insured shall, in addition to (a) above, forward to the Insurer at their Head Office by registered mail, forthwith upon receipt, every writ, claim, notice, demand, letter, document or other written advice received by the Insured or his representative and pertaining to each and every such claim herein.

I. Defense- Settlement- Supplementary Payments:

As to the insurance afforded by this policy, the Insurer shall:

- (1) defend in the name and on behalf of the Insured and at the cost of the Insurer any civil action which may at any time be brought against the Insured on account of such bodily injury or property damage but the Insurer shall have the right to make such investigation, negotiation and settlement of any claims as may be expedient by the Insurer;
 - (2) pay all the premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds;
 - (3) pay all costs taxed against the Insured in any civil action defended by the Insurer and any interest accruing after the entry of judgment upon that part of the judgment which is within the limits of the Insurer's liability;
 - (4) pay expenses incurred by the Insured for such immediate medical and surgical relief to others as shall be imperative at the time of accident;
 - (5) pay reasonable expenses incurred by the Insured at the Insurer's request in assisting the Insurer in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25.00 per day.
- The amounts so incurred except settlement of claims or suits are payable in addition to the applicable limits of liability.

II. Persons Insured:

Each of the following is an Insured under this insurance to the extent set forth below:

- (1) If the Named Insured is designated in the declarations as an individual, or a sole proprietor, the person so designated and his/ her spouse, but only with respect to the conduct of his/her business
 - (2) If the named Insured is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any other partner or member thereof; but only with respect to his liability as such;
 - (3) if the Named Insured is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and executive officer, director or stockholder thereof while acting within the scope of his duties as such;
 - (4) any person (other than an employee of the Named Insured) or organization while acting as real estate manager for the Named Insured;
 - (5) Any person while acting on behalf of the Named Insured engaged in the service of alcohol at the event specified in the application and or declarations to the policy.
- This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

Additional Named Insured:

It is agreed that in the event the Liquor License Board Permit Holder shown on the Certificate of Insurance differs from the Insured, the Liquor License Board Permit Holder is added to the policy as an additional named Insured, but only with respect to bodily injury or property damage arising out of the function listed on the Certificate of Insurance for which a Liquor License or permit was issued. (if applicable)

III. Policy Territory:

This insurance policy applies only to bodily injury and property damage which occurs within the policy territory.

Exclusions:

This insurance does not apply to:

- (a) liability assumed by the Insured under any contract or agreement except an incidental contract, but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's products or a warranty that work performed by or on behalf of the Named Insured will be done in a workmanlike manner;
- (b) bodily injury or property damage arising out of ownership, maintenance, use or operation by or on behalf of the Insured of any automobile;
- (c) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of any watercraft, but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the Named Insured;
- (d) (1) bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading by or on behalf of the Insured of
 - (i) any aircraft, or
 - (ii) any air cushion vehicle;
- (2) bodily injury or property damage arising out of the ownership, existence, use or operation by or on behalf of the Insured of any premises for the purpose of an airport or aircraft landing strip and all operations necessary or incidental thereto;
- (e) bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured, but this exclusion does not apply to liability assumed by the Insured under an incidental contract;
- (f) any obligation for which the Insured or his Insurer may be held liable under any workmen's compensation law;
- (g) liability arising out of damage caused by cigarette burns;
- (h) bodily injury caused intentionally by or at the direction of the Insured; this exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.
- (i) property damage to
 - (1) property owned or occupied by or rented to the Insured or
 - (2) property used by the Insured, or
 - (3) property in the care, custody or control of the Insured or property as to which the Insured is for any purposed exercising physical control, or
 - (4) any personal property or any fixtures as the result of any work performed thereon by the Insured or anyone on his behalf;but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the Named Insured;
- (j) property damage to the Named Insured's products arising out of such products or any part of such products;
- (k) property damage to work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) loss of tangible property which has not been physically injured or destroyed resulting from
 - (1) a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement, or
 - (2) the failure of the Named Insured's products or work performed by or on behalf of the Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Named Insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury or destruction of the Named Insured's products or work performed by or on behalf of the Named Insured after such products or work have been put to use by any person or organization other than an Insured;
- (m) expenses incurred for the withdrawal, inspection, repair, replacement, or amounts claimed for loss of use of the Named Insured's products or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (n) property damage arising out of
 - (1) the use of explosives for blasting, or
 - (2) vibration from pile driving or caisson work, or
 - (3) the removal or weakening of support of any property, building or land whether such support be natural or otherwise;but this exclusion does not apply with respect to property damage (i) arising out of operations performed for the Named Insured by independent contractors; (ii) included within the completed operations hazard; (iii) for which liability is assumed by the Insured under an incidental contract;

(o) bodily injury or property damage due to war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

(p) Nuclear Energy Liability- see exclusion herein.

(q) Environmental Liability- see exclusion herein.

LIMITS OF LIABILITY:

Regardless of the number of (1) Insureds under this policy (2) persons or organizations who sustain bodily injury or property damage or (3) claims made or suits brought on account of bodily injury or property damage, the Insurer's liability is limited as follows:

(1) Limits of Liability- Coverages A and B

The inclusive limit of liability stated in the schedule as applicable to "bodily injury each occurrence property damage each accident" is the total limit of the Insurer's liability under Coverages A or B or Coverages A and B combined for all compensatory damages, including compensatory damages for care and loss of services, arising out of bodily injury in any one occurrence or property damage as a result of any one accident or series of accidents arising out of one event.

(2) Subject to the above provision respecting "bodily injury each occurrence property damage each accident" under Coverages A and B combined, the limit of bodily injury and property damage liability combined stated in the schedule as "aggregate" is the total limit of the Insurer's liability for all compensatory damages in any one certificate period.

All compensatory arising out of one lot of goods or products prepared or acquired by the Named Insured or by another trading under his name, shall be considered as arising out of one occurrence as regards bodily injury liability and one accident as regards property damage liability.

(3) For the purpose of determining the limit of the Insurer's liability, all bodily injury arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

Description of Terms Used for Premium Bases:

"number of people at a function" means the amount of people as specified in the Liquor License/ permit (if applicable).

Condition:

In respect of each and every claim made under this insurance policy, the Insured agrees to pay to the Insurer, immediately following the Insured's demand for same, all or such part of the Applicable Deductible Amount actually incurred or expended by the Insurer.

Applicable Deductible Amount:

In this insurance policy the "Applicable Deductible Amount" means the deductible amount shown on the declaration which the Insured has elected and is obligated to assume and fund under this insurance policy in respect of each and every loss or claim hereunder, from the first dollar of loss, including the following:

- (i) external investigator's fees, expenses, costs, charges and accounts; and
- (ii) external adjusters' fees, expenses, costs, charges and accounting; and
- (iii) legal fees and disbursements; and
- (iv) any fees, expenses, costs, charges or accounts of any other persons not employed by the Insurer, or any firms or corporations, providing services to the Insurer or its representatives in respect of the investigation, adjustments, evaluation, management, settlement or disputation of any loss or claim.

LLOYD'S UNDERWRITERS

The insurer, in consideration of the payment of the premium, in reliance upon the statements in the Declarations made a part of this policy and subject to all the terms and conditions of this policy and the riders and endorsements attached, agrees with the Named Insured as specified in the Insuring Agreements of the riders and the endorsements attached hereto.

The following Definitions, Environmental Exclusion, Nuclear Energy Liability Exclusion and Conditions apply to all Liability Riders and/or Endorsements attached to this policy except as they may be modified or supplemented by the riders and/or endorsements attached.

IV- DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means any self-propelled land motor vehicle, trailers or semi-trailers while attached thereto or unattached (including its equipment mounted on or attached thereto) other than any of the following or their trailers, accessories and equipment:

- (i) vehicles of the crawler type (other than motorized snow vehicles);
- (ii) tractors (other than road transport tractors designed to haul trailers or semi-trailers), road rollers, graders, scrapers, bulldozers, paving machines and concrete mixers (other than concrete mixers of the mix-in-transit type);

(iii) other construction machinery or equipment mounted on wheels but not self-propelled while not attached to any self-propelled land motor vehicle;

(iv) self-propelled land motor vehicles used solely on the premises of the Insured.

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

"completed operations hazard" includes bodily injury or property damage arising out of operations, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Named Insured. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (i) when all operations to be performed by or on behalf of the Named Insured under the contract have been completed;
- (ii) when all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed;
- (iii) when the portion of the work out of which the bodily injury or property damage arises has been put to its intended use by any persons or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The completed operations hazard shall not include:

- (i) operations in connection with the pickup and delivery of property;
 - (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.
- "elevator" means any hoisting or lowering device to connect floors or landings whether or not in service, and all appliances thereof, including any car, platform, shaft, hoist way, stairway, runway, power equipment and machinery, but shall not include:
- (i) dumbwaiters, the floor area of which does not exceed 1 square meter (10.76 square feet), and exclusively for carrying property;
 - (ii) hood or material hoists used in connection with alterations, construction or demolition operations;
 - (iii) inclined conveyors used exclusively for carrying property;
 - (iv) automotive servicing hoists.

"incidental contract" means any written agreement which is a lease of premises, easement agreement, agreement required by municipal ordinance, sidetrack agreement or elevator maintenance agreement.

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable coverage rider. The insurance afforded applies separately to each Insured against whom claim is made out or suit is brought.

"Named Insured" means the person or organization named in the Declarations of this policy.

"Named Insured's products" means goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under his name, including any container thereof (other than a vehicle), but shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

"policy territory" means:

- (i) Canada or the United States of America, its territories or possessions, or
- (ii) anywhere in the world with respect to compensatory damages because of bodily injury or property damage arising out of a product which was sold for use or consumption within the territory described in paragraph (i) above, provided suit for such compensatory damages is brought within such territory.

"products hazard" includes bodily injury and property damage arising out of the Named Insured's products but only if such bodily injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an accident occurring during the policy period.

ENVIRONMENTAL LIABILITY EXCLUSION

It is agreed that this policy does not apply to:

(i) "Bodily Injury" or "Property Damage" arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

1. At or from any premises owned, rented or occupied by an Insured;
2. At or from any site or location used by or for an Insured or others for the handling, storage, disposal, processing or treatment of waste;
3. Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an Insured or any person or organization for whom the Insured may be legally responsible; or
4. At or from any site or location on which an Insured or any contractors or subcontractors working directly or indirectly on behalf of an Insured are performing

operations:

(A) if the pollutants are brought on or to the site or location in connection with such operations; or

(B) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

(ii) Any loss, cost or expense arising out of any governmental direction or request than an Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

(iii) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of any pollutants.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Sub paragraphs 1) and 4) A) of paragraph 1) of this exclusion do not apply to "bodily injury" or "property damage" caused by heat, smoke or fumes from hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

NUCLEAR ENERGY LIABILITY EXCLUSION

(a) to liability imposed by or arising under the Nuclear Liability Act; nor

(b) to bodily injury or property damage with respect to which an Insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the Insured is unnamed in such contract and whether or not it is legally enforceable by the Insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; nor

(c) to bodily injury or property damage resulting directly or indirectly from the nuclear energy hazard arising from:

(i) the ownership, maintenance, operation or use of a nuclear facility by or on behalf of an Insured;

(ii) the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility; and

(iii) the possession, consumption, use, handling, disposal or transportation of fissionable substances, or of other radioactive material (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an Insured.

As used in this policy:

1) The term "nuclear energy hazard" means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;

2) The term "radioactive material" means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;

3) The term "nuclear facility" means:

(a) any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;

(b) any equipment or device designed or used for (i) separating the isotopes of plutonium, thorium and uranium or any one or more of them, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;

(c) any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material;

and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.

4) The term "fissionable substance" means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

This policy is subject to the terms and conditions set forth herein together with such other terms and conditions as may be endorsed hereon or added hereto. No term of condition of this policy shall be deemed to be waived in whole or in part by the Insurer unless the waiver is clearly expressed in writing signed by a person authorized for that purpose by the Insurer.

V - CONDITIONS

1. **Inspection - Audit:** The Named Insured shall permit the Insurer to inspect the insured premises, operations and elevators and to examine and audit the Named Insured's books and records at any time during the policy period (and any extension thereof and within one year after the termination of this policy), as far as they relate to the premium basis or the subject matter of this insurance. The Insurer assumes no responsibility and waives no rights by reason of such inspection, examination, audit or the omission thereof.

2. **Insured's Duties in the event of Accident, Occurrence, Claim or Suit:**

(a) In the event of an accident or occurrence, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given promptly by or for the Insured to the insurer or any of its authorized agents.

(b) If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer every writ, letter, document or advice received by him or his representative.

(c) The Insured shall co-operate with the Insurer and, upon the Insurer's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expenses other than for the first aid to others at the time of accident.

3. **Action against Insurer:**

No action shall lie against the Insurer under any Insuring Agreement of this policy including the Insuring Agreement relating to "Defense-- Settlement-- Supplementary Payments" unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Insurer. Every action or proceeding against the Insurer shall be commenced within one year next after the date of such judgment or written agreement and not afterwards. If this policy is governed by the law of Quebec, every action or proceeding against the Insurer shall be commenced within three years from the time the right of action arises. Nothing contained in this policy shall give any person or organization any right to join the Insurer as a co-defendant in any action against the insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

4. **Subrogation:**

In the event of any payment under this policy, the Insurer shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

5. **Other Insurance:**

The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis the amounts of the Insurer's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the Insurer shall not be liable under this policy for a greater portion of the loss than that stated in the applicable contribution provision below:

(a) **Contribution by Equal Shares:**

If all of such other valid and collectable insurance provides for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

(b) **Contribution by Limits:**

If any of such other insurance does not provide for contribution by equal shares, this Insurer shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectable insurance against such loss.

6. **Changes:**

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Insurer from

asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

7. Assignment:

Assignment of interest under this policy shall not bind the Insurer until its consent is endorsed hereon; if however, the Named Insured shall die or be adjudged bankrupt or insolvent within the policy period, this policy, unless cancelled, shall, if written notice be given to the Insurer within sixty days, after the date of such death or adjudication, cover the Named Insured's legal representative as the Named Insured except in the Province of Quebec where no notice is required.

8. Notice:

Any written notice to the Insurer may be delivered at or sent by registered mail to the agent through whom this policy was issued or to any branch of the Insurer in Canada. Written notice may be given to the Named Insured by letter personally delivered to him or by registered letter addressed to him at his last post office address notified to the Insurer; or, except in Quebec, where no address is notified and the address is not known, addressed to him at the post office of the agency, if any, from which the application was received. In this condition the expression "registered" shall mean registered within or without Canada. Notice to the first Named Insured shall constitute notice to all Insureds.

9. Cancellation-- Termination

(a) This policy may be terminated:

(i) by the Insurer giving to the Named Insured 15 days written notice of termination by registered mail or personal delivery;

(ii) by the Named Insured at any time on written request.

(b) Where the policy is terminated by the Insurer:

(i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium for the time the policy has been in force, calculated pro rata; or

(ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the premium above the premium earned, when determined.

(c) Where the policy is terminated by the Named Insured,

(i) and where the premium is developed on other than an estimated basis, the Insurer will refund the excess of the paid premium above the short rate premium for the time the policy has been in force calculated in accordance with the short rate premium table

in use by the Insurer, and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy, or

(ii) where the premium is developed by an estimated basis, the Insurer will refund the excess of the paid premium above the premium earned, when determined and except in Quebec, subject to the retention of the minimum premium, if any, provided by the policy.

(d) Refund of premium may be made by money, postal or express company money order or by cheque payable at par.

(e) Except in Quebec, the fifteen days mentioned above in this condition commences to run on the day following receipt of the registered letter at the post office to which it is addressed.

(f) In Quebec, the Notice of Cancellation from the Insurer takes effect 15 days after receipt by the Insured at the last known address.

(g) Premium adjustment may be made at the time cancellation is effected and if not then made shall be made as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

10. Declarations:

By acceptance of this policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Insurer or any of its agents relating to this insurance.

11. Cross Liability:

The insurance as is afforded by this policy shall apply in respect to any claim or action brought against any one Insured by any other Insured.

The coverage shall apply in the same manner and to the same extent as though a separate policy had been issued to each Insured. Any breach of a condition of this policy by any Insured shall not affect the protection given by this policy to any other Insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this policy.

12. Currency Clause:

It is agreed that all limits of insurance, premiums, and other amounts as expressed in this policy are in Canadian Currency.



PIPEDA
Personal Information Protection and Electronic Documents Act

Dear Insured:

As you may be aware the Canadian Federal Privacy Legislation will apply to insurance companies including PAL Insurance Brokers Ltd. and its associated offices in Ontario PAL Canada Insurance Brokers Ltd. as of January 1, 2004. The Personal Information Protection and Electronic Documents Act (PIPEDA) contains 10 fair information practices that companies in Canada will adhere to. PAL Insurance Brokers Ltd. want to take this time to explain the Act and our response to the implementation within our organization.

Definition of "Personal Information" - Information relating to an identified or identifiable natural person, includes information collected about a person in his business capacity including (*but not limited to*):

- q Name, address and telephone number
- q Age, gender and marital status
- q Previous claims history
- q Medical and health information
- q Credit rating, banking and payment history
- q Employment information
- q Assets and liabilities

Information collected may be oral, electronic, or written formats to provide the clients the products or services required.

Purpose of Act – To ensure the privacy of personal information collected & documented by organizations, and the appropriate use of the information used and disclosed in the best interest of the clients. Individuals may have access to the information collected under the guidelines of the Act.

PAL Insurance Brokers Ltd. does not sell, solicit, or share client personal and private information nor condone the practices of such. We are committed to protecting the privacy of your personal information, unless stated otherwise always in the best interest of the client/individual or abiding by the laws governed PAL Insurance Brokers Ltd. may disclose information at request of such. Information collected is used by only authorized personnel and retained only as is required, and for any legal or regulatory requirements.

Throughout our relationship with you, PAL Insurance Brokers Ltd. may collect, use and disclose your personal Information to identify you and to administer products or services you may have with PAL Insurance Brokers Ltd. and in order to:

- q Confirm your application information and assess your eligibility and rates for insurance products and services;
- q Provide you with on-going services, establish and maintain communication, and respond to your inquiries;
- q Advise you and your insurance broker in the administration of your policy;
- q Responding to Adjusters to determine your eligibility for claims;
- q Meet legal and regulatory requirements; and,
- q Share with your insurance broker, lawyer, and/or any person, or enterprise, as may be reasonably required for the purposes already stated.

PAL Insurance Brokers Ltd. respects your rights of privacy and requires your on-going consent to continue to use your personal information. Should you wish to withdraw consent, please contact us. PAL Insurance Brokers Ltd. will not unreasonably withhold products or services, however, certain information is required in order to serve you to our best abilities.

PAL Insurance Brokers Ltd. thank you for your business and take pride in offering you the best of our products and services. If you satisfied with this letter explaining the use of your information as described above we will continue to use your information in providing the service you had originally consented to through your broker.

For any privacy questions, concerns, comments, and requests please forward such to:

Privacy Officer
PAL Insurance Brokers Ltd.
400, 1400 1st Street SW
Calgary, AB T2R 0V8
Phone: 403-261-3900
Fax: 403-261-39036
Toll Free: 1-888-661-1608
privacy@palcanada.com

1. If you have a complaint with any aspect of your Lloyd's insurance, please refer to the broker/agent who arranged your policy for you.

OR

2. You may contact the Insurance Bureau of Canada and avail yourself of the services of **the General Insurance OmbudService (GIO)**, who will contact Lloyd's on your behalf. The GIO can be reached at:

British Columbia & Yukon

(604) 684-3635
toll-free: 1-877-772-3777

Ontario

(416) 362-9528
toll-free: 1-800-387-2880

Prairies, Northwest Territories & Nunavut

(780) 423-2212
toll-free: 1800-377-6378

Québec

(514) 288-6015
toll-free: 1-800-361-5131

Atlantic Provinces

(902) 429-2730
toll-free: 1-800-565-7189

For more information or to submit the facts of your insurance-related dispute, please visit the GIO website at www.gio-scad.org.

3. Should you be dissatisfied with the outcome of your broker's resolution or with the GIO's assistance, please submit your written complaint to:

Lloyd's Canada Inc.
Broker & Management Services
1155 rue Metcalfe, Suite 1540
Montreal, Quebec
H3B 2V6

Tel: 1-877-4LLOYDS
Fax: (514) 861-0470
Email: lineage@lloyds.ca

Your written complaint will be forwarded to Lloyd's Complaints Department in London which ensures that Lloyd's Underwriters and their representatives deal with claims and complaints in an acceptable manner. It acts as an impartial mediator. When undertaking a review, this Department takes account of general legal principles, good insurance practice, and whether all events surrounding a given case have been considered fairly.

4. If you are dissatisfied with Lloyd's final letter, you may ask the GIO to arrange for mediation. Mediation is not available until Lloyd's has issued its final letter of position on your complaint.