

N.B.:

ENDORSEMENTS  
ONLY IN FRENCH



**D&O-2 (0407)**  
**Directors and Officers Liability**  
**Insurance Policy**  
**(Not-for-Profit Organizations)**

**IMPORTANT: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OFFERED UNDER THIS INSURANCE POLICY APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD. PLEASE READ YOUR POLICY CAREFULLY.**

*Words and phrases in bold have special meaning as defined in Section 2 - Definitions.*

In this policy, words importing the masculine gender shall include the feminine gender.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the insurer shown in the Declarations Page (hereinafter called the "Insurer") including the statements made in the application and its attachments and subject to all the terms, conditions and limitations of this policy, the Insurer agrees as follows:

**SECTION 1 - INSURING AGREEMENTS**

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**A - INSURED'S LIABILITY COVERAGE**

The Insurer agrees to pay on behalf of the **Insured** all **loss** for which the **Insured** is not indemnified by the **Entity** (even by reason of the **Entity's insolvency**) and which the **Insured** shall become legally obligated to pay on account of any **claim** first made against him during the **policy period**, for any **damages** because of a **wrongful act** committed in the discharge of **administrative duties** before or during the **policy period**, provided the **claim** is reported to the Insurer while the policy is in force.

**B - DIRECTORS AND OFFICERS INDEMNIFICATION COVERAGE**

The Insurer agrees to pay on behalf of the **Entity** all **loss** for which the **Entity** shall be required by law, its articles of incorporation or its by-laws to indemnify the **Directors and Officers**, and which the **Directors and Officers** shall become legally obligated to pay on account of any **claim** first made against him during the **policy period**, for any **damages** because of a **wrongful act** committed in the discharge of **administrative duties** before or during the **policy period**, provided the **claim** is reported to the Insurer while the policy is in force.

**C - PENAL DEFENSE COSTS COVERAGE**

The Insurer agrees to reimburse the **Insured** for **defense costs** incurred by the **Insured** in the discharge of his duties, but excluding salaries of the **Directors, Officers** and employees of the **Entity**, in the defense of charges of a penal nature against the **Insured** under any law, provided:

- (a) that the **Insured** involved notifies the Insurer while this policy is in force that he is the object of an inquiry or a charge or that he is compelled to stand trial; and
- (b) that the notice to appear or any other communication urging the **Insured** to appear in court is received by the **Insured** while the policy is in force; and
- (c) that such **Insured** is not, in the end result, found guilty of an offence in respect of the charges laid or that such charges are withdrawn.

More than one offence involving the same charges or interrelated charges shall be deemed to constitute a single offence.

**SECTION 2 - DEFINITIONS**

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**Administrative duty** means any act, duty, prerogative or decision pertaining to persons elected members of the **Entity's** Board or legally appointed to administrative duties or specific committees, commissions, administrative assemblies or boards, as determined by law or under the powers of the Board, while acting in the discharge of their duties in connection with the **Entity's** general management, including but not limited to finance matters, management of funds, income collection, expense allocation, granting or approving contracts, bids, agreements and projects on behalf of the **Entity**.

**Bankruptcy** means the state of the **Entity** which occurs at the time or date of the granting of a receiving order against the **Entity**, the filing of an assignment of property by or in respect of the **Entity** or the event that causes an assignment by the **Entity** to be deemed. Bankruptcy shall also include any similar position of the **Entity** under similar legislation of any other country.

**Claim**, either in the singular or the plural, means:

- (a) a verbal or written demand for monetary relief made against and received by one or more of the **Insureds** and alleging a **wrongful act**; or
- (b) any verbal or written allegation of a **wrongful act** made against and received by one or more of the **Insureds**.

**Damages** means compensatory damages that the Insured is legally obligated to pay pursuant to a judgment, a settlement or any decision rendered by an administrative tribunal.

**Defense costs** means that part of loss consisting of reasonable costs, charges, fees (including but not limited to lawyers', accountants' and experts' fees) and expenses (other than salaries of the Directors and Officers and employees of the Entity) incurred in defending or investigating claims. Defense costs shall also include:

- (a) all premiums on bonds to release attachments for an amount not in excess of the limit of liability, but without any obligation to apply for or furnish such bonds;
- (b) all reasonable expenses (other than loss of earnings) incurred by the Insured at the insurer's request in assisting the insurer in the investigation or defense of any claim or suit;
- (c) all costs taxed against the Insured in any civil action defended by the insurer and any interest accruing after entry of judgment (or, in those jurisdictions where statute prescribes interest from some other date, from such prescribed date) upon that part of the judgment which is within the limits of the insurer's liability;
- (d) with respect to Insuring Agreement C, reasonable expenses incurred by the Insured in the defense of charges of a penal nature against the Insured.

**Director** means any person who was or now is a member of the Board of Directors of the Entity or who will be duly elected or appointed member of the Board after the effective date of this policy.

**Entity** means:

- (a) the non-profit organization or association named in the Declarations Page;
- (b) Any subsidiary of the Entity which existed on or before the effective date of this policy and is named in the application. Coverage shall apply only to wrongful acts committed after the entity became a subsidiary;
- (c) any new subsidiary of the Entity which is acquired or created during the policy period, provided written notice is given to the insurer within ninety (90) days of the acquisition or creation together with such information as the insurer may require and any additional premium required by the insurer is paid. Coverage shall apply only to wrongful acts committed after such acquisition or creation;
- (d) any former subsidiary of the Entity, but only with respect to losses arising out of wrongful acts actually or allegedly committed while it was a subsidiary.

**Fissionable substance** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

**Insolvency** means:

- (a) the financial position of the Entity as a debtor as that term is defined and used within the provisions of the *Bankruptcy and Insolvency Act*, R.S.(1985), c. B-3 and, without limiting the generality of the foregoing, shall occur when any receiver, conservator, liquidator, trustee, sequestrator, court or similar provincial or federal official or a creditor takes control of, supervises, manages or liquidates the Entity;
- (b) any similar position of the Entity under similar legislation of any other country.

**Insured**, either in the singular or the plural, means:

- (a) the Entity;
- (b) a Director or Officer of the Entity;
- (c) a member of any statutory or special committee or a member of any commission, assembly or board created by the Entity, in the discharge of their duties;
- (d) a volunteer or any present or former employee of the Entity, whether compensated or not, in the discharge of his duties;
- (e) the estates, heirs, legal representatives or assigns of any Insured mentioned in (b), (c) or (d) above who is deceased or the legal representatives or assigns of any Insured who is incompetent, insolvent or bankrupt;
- (f) the lawful or common law spouse of an Insured, but only to the extent such person is named as a co-defendant in a claim against the Insured solely in his capacity as the spouse of the Insured, including such claims that seek damages recoverable from property jointly held by the Insured and the spouse, or property transferred from the Insured to the spouse, provided, however, that this extension shall not afford coverage for any claim for any actual or alleged wrongful act of the spouse.

**Loss**, either in the singular or the plural, means damages and defense costs which an Insured becomes legally obligated to pay on account of any claim or claims made against him for a wrongful act. Loss shall not include fines, penalties, punitive or exemplary damages or any other non-compensatory damages.

**Nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.

**Nuclear facility means:**

- (a) any apparatus designed or used to sustain nuclear fission in a self-sustaining 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 twenty five (25) grams of plutonium or uranium 233 or any combination thereof, or more than two hundred and fifty (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.

**Officer** means any person who was, now is or will be duly elected or appointed officer of the **Entity**.

**Policy period** means the period from the effective date of this policy to the policy expiration date as set forth in the Declarations Page, or its earlier cancellation in accordance with clause 8.06.

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

**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.

**Subsidiary** means any non-profit association or organization in which more than fifty per cent (50%) of the voting rights is owned by the Entity named in the Declarations Page or by one or more of its **subsidiaries**.

**Wrongful act** means any negligent act, error, omission, negligence, breach of duty, misleading statement or any other act actually or allegedly committed by the Insured in the discharge of his duties, or any other matter claimed against the Insured solely by reason of his being a Director or Officer and not excluded by the terms and conditions of the policy.

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**SECTION 3 - EXTENDED REPORTING PERIOD**

If the Insurer shall cancel or refuse to renew this policy for reasons other than non-payment of premium or non-compliance with the terms and conditions of this policy, the Insured shall have the right to an extension of the coverage granted by this policy with respect to any claim reported to the Insurer during the twelve-month period after the effective date of such cancellation or non-renewal, **BUT ONLY WITH RESPECT TO ANY WRONGFUL ACT COMMITTED PRIOR TO THE EFFECTIVE DATE OF CANCELLATION OR NON-RENEWAL.**

The additional premium for the extended reporting period shall be calculated at a percentage of the last annual premium, as follows:

- 75% if the policy has been in force with the Insurer for one (1) year;
- 65% if the policy has been in force with the Insurer for two (2) consecutive years;
- 55% if the policy has been in force with the Insurer for three (3) consecutive years;
- 45% if the policy has been in force with the Insurer for four (4) consecutive years or more.

The right to purchase the extended reporting period shall lapse unless written notice together with payment of the additional premium is given by the Entity named in the Declarations Page to the Insurer within fifteen (15) days after the effective date of cancellation or non-renewal.

With respect to any liability which may be incurred by the Directors or Officers on account of the Entity's **bankruptcy**, this extension of coverage shall apply not only if the Entity's **bankruptcy** occurs before the effective date of the cancellation or non-renewal of the policy, but also if it occurs during the extended reporting period, provided the Entity ceased its operations before the effective date of the cancellation or non-renewal of the policy and provided the amounts claimed from the Directors or Officers came due before that same date.

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**SECTION 4 - EXCLUSIONS**

This policy shall not apply to:

- (a) **losses, claims** or any fact or circumstance that may reasonably give rise to a **claim**, whether disclosed in the application or not, in any way known to any Insured prior to the effective date of this policy (or of the initial policy issued by the Insurer if this policy forms part of a continuous series of renewals);

- (b) **claims** based upon, arising out of, directly or indirectly resulting from any demand, suit or proceeding pending, or order, decree, judgment or settlement pending on or prior to the effective date of this policy (or of the initial policy issued by the insurer if this policy forms part of a continuous series of renewals), or derived from, arising out of or resulting from or alleging the same or essentially the same facts as those alleged in such pending or prior litigation;
- (c) a **loss** or a **claim** which is based upon or arises out of, directly or indirectly, or any consequence related to the dishonesty or bad faith of any **Insured**, when a final judgment or other final adjudication establishes that acts of deliberate dishonesty or bad faith committed by the **Insured** were material to the cause of actions so adjudicated. In such a case, the insurer shall be entitled to cover its **defense costs** from the **Insured**. In an out-of-court settlement reached by the **Insured**, the insurer having not consented to such settlement shall not be liable for any amount thereof and shall be entitled to recover its **defense costs** from the **Insured**. It is agreed that the words "final judgment or other final adjudication" as used in this paragraph shall include a decision rendered in a dispute between the **Insured** and the insurer on the applicability of this insurance;
- (d) **claims** attributable to the **Insured** gaining in fact any profit or advantage to which the **Insured** was not legally entitled;
- (e) **claims** for the return of any remuneration paid to other **Insureds** by the Entity, if such remuneration was illegally paid;
- (f) **claims** against any **Insured** made directly or indirectly by or on behalf of another **Insured** except a **claim** alleging wrongful dismissal made against the **Directors** or **Officers**;
- (g) **claims** based upon, arising out of or resulting from an actual or alleged violation of the responsibilities, obligations or duties imposed by the *Canada Pensions Benefits Standards Act, 1985, R.S. (1985), c.32 (2<sup>nd</sup>Supp.)* or the *Employee Retirement Income Security Act of 1974* of the United States, as amended, or similar provisions of any federal, provincial, territorial, local, state, Canadian or foreign law or regulation or the common law upon fiduciaries of any pension, profit sharing, health and welfare or other employee benefit plan established for the purpose of providing benefits to the **Directors**, **Officers** or employees of the Entity;
- (h) **claims** for bodily injury, mental anguish, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof;
- (i) **claims** arising out of the management, application or breach of an individual or collective agreement between the Entity and its employees, but this exclusion shall not apply to such **claims** made by an employee against the **Directors** or **Officers**;
- (j) **claims** against the **Directors** or **Officers** based upon, arising out of, or directly or indirectly resulting from their service as directors, officers or employees of any outside entity other than the Entity, even if directed or requested to serve by the Entity as directors, officers or employees of such other entity;
- (k) **claims** made against the **Insured** for payment of any sum actually or allegedly owed under a contract or agreement or loss of income or profits actually or allegedly incurred due to a breach of contract or agreement, but this exclusion shall not apply to liability for **damages** that the **Insured** would have in the absence of the contract or agreement;
- (l) **claims** based upon, arising out of, or directly or indirectly resulting from the actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release, escape or disposal of **pollutants** or **claims** directly or indirectly related to the testing for, remediation, monitoring, clean up, removal, containment, treatment, detoxification, decontamination, stabilization or neutralization of **pollutants**;

NOTE: With respect to the above exclusions, no fact pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Insured** to determine if coverage is applicable. It is understood that only facts pertaining to and knowledge possessed by any past, present or future Chief Financial Officer, President or Chairman of the Entity named in the Declarations Page shall be imputed to the Entity named in the Declarations Page to determine if coverage is available.

The following exclusions apply regardless of the cause of the **loss** or **damages**, other causes of the injury, **damage**, expense or costs or whether other causes acted concurrently or in any sequence to produce the injury, damage, expenses or costs.

- (m) liability imposed by or arising under any nuclear liability act;
- (n) **damages**:
  - (i) 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 termination upon exhaustion of its limit of liability;
  - (ii) resulting directly or indirectly from the nuclear energy hazard arising from:
    - the ownership, maintenance, operation or use of nuclear facility by or on behalf of an **Insured**;
    - 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;

- 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;
- (o) (i) claims based upon, arising out of, or directly or indirectly resulting from the actual or alleged inhalation of, contact with, exposure to, use of, existence of, presence of, asbestos or any material containing asbestos in whatever form or quantity, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, clean up, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of asbestos or any material containing asbestos;
- (ii) claims made by or on behalf of a governmental authority or arising out of any order or demand under any legislation or regulation that the Insured or others perform or assume liability for the following:
- operations to evaluate or assess the presence or absence of asbestos, its effects or quantity;
  - operations to test for, monitor, contain, treat, detoxify, neutralize, identify, clean up, sample, remove, abate, mitigate, or dispose of asbestos;
  - any other actions to respond to situations involving asbestos;
- (iii) any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with (i) or (ii) above;
- (iv) any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in (i), (ii) or (iii) above;
- (p) claims based upon, arising out of, or directly or indirectly resulting from the actual or alleged civil or foreign war, invasion, hostilities (whether war be declared or not), act of foreign enemy, rebellion, insurrection, revolution, military or usurped power, martial law or confiscation by order of any government or any public authority.

#### SECTION 5 - LIMITS OF LIABILITY AND DEDUCTIBLE

- 5.01 The limits of liability are stated in the Declarations Page. The aggregate limit of liability shall be the Insurer's maximum liability for all claims made during the policy period and shall apply in excess of the applicable deductibles stated in the Declarations Page.
- 5.02 Claims arising out of interrelated circumstances shall be considered a single loss. One deductible amount shall apply to each and every loss.
- 5.03 The limits of liability shall apply separately to each policy period. If the policy period is extended for an additional period of less than twelve (12) months, the additional period shall be deemed part of the last preceding period for purposes of determining the limits of liability. In addition, the extended reporting period, if exercised under section 3, shall be part of, and not in addition to, the immediate preceding policy period, for the purposes of determining the limits of liability.
- 5.04 In the event a single loss is covered in part under both Insuring Agreements A and B, the deductibles stated in the Declarations Page shall be applied separately to that part of the loss covered by each Insuring Agreement. However, the total deductible shall in no event exceed the highest deductible amount applicable to each loss under Insuring Agreements A and B.
- 5.05 The deductible stated in the Declarations Page as applicable to the Entity with respect to Insuring Agreement B or C shall also apply to loss for which the Entity fails or refuses to indemnify any Insured mentioned in paragraphs (b), (c) and (d) of the definition of Insured, if indemnification is required or permitted by law, its articles of incorporation or its by-laws, unless and to the extent the Entity is unable to make such indemnification by reason of its insolvency.
- 5.06 Except where this policy is governed by the insurance laws of the Province of Québec, defense costs shall reduce and may exhaust the limits of liability and deductibles stated in the Declarations Page.
- 5.07 If the Insurer has agreed to increase the limit of liability under this policy or any prior policy issued by the Insurer (if this policy forms part of a continuous series of renewals), such increase shall not apply to:
- (a) claims made before the effective date of the increase;
  - (b) any fact or circumstance known to the Insured on the effective date of the increase and likely to give rise to a claim.
- 5.08 If the limit of liability has been reduced, the reduced limit shall apply to all claims made to the Insurer after the effective date of the reduction, whether or not the Insured had prior knowledge of the claim or of any fact or circumstance likely to give rise to a claim.

## SECTION 6 - DEFENSE AND SETTLEMENT

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- 6.01 The Insurer shall have the right and duty to defend any claim against the Insured seeking damages payable under this policy. However, if such claim is made outside Canada, the Insurer may instruct the Insured to conduct his own defense. In such a case, the Insurer shall have the right and be given the opportunity to be associated in the investigation, defense and settlement of any such claim which may reasonably appear to be covered, in whole or in part, under the terms of this policy.
- 6.02 The Insured shall not, except at his own cost, admit any liability, settle or attempt to settle any claim, incur any defense costs or assume any contractual obligation without the Insurer's consent, such consent not to be unreasonably withheld.
- 6.03 The Insurer shall have the right to investigate any claim and negotiate the settlement thereof, as it deems expedient, but the Insurer shall not make any settlement without the consent of the Insured involved. If, however, the Insured shall refuse to provide consent, the Insurer's liability for the claim shall be limited to the amount for which the claim could have been settled, including interest and defense costs incurred up to the date of such refusal, any excess to be borne by the Insured.
- 6.04 Subject to clause 5.06, the Insurer's right and duty to defend shall end when the applicable limit of liability is exhausted by the settlement or defense of claims.

## SECTION 7 - NOTICE OF CLAIMS

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Written notice of claim or of facts or circumstances which may reasonably be expected to give rise to a claim shall be given to the Insurer as soon as it becomes known and while this policy is in force. Any interested person may give such notice. Failure to give notice of claim or of facts or circumstances which may reasonably be expected to give rise to a claim as soon as practicable shall not affect the right of any of the Insureds who did not have knowledge of the claim, facts or circumstances provided notice is received while the policy is in force.

In order not to cause prejudice to the Insured if this policy is cancelled or not renewed by the Insured, the Entity named in the Declarations Page or the Insurer, the Insurer agrees to grant the Insured an additional period of fifteen (15) days following the date of cancellation or non-renewal for giving the Insurer written notice of any claim (or of facts or circumstances which may give rise to a claim) made against him during the policy period.

Notwithstanding the above, the failure to notify the Insurer in writing as soon as practicable entails forfeiture of the Insured's right to indemnity.

In the event of claim, the Insured must:

1. immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with the claim;
2. authorize the Insurer to obtain records and other information;
3. cooperate with the Insurer in the investigation, settlement or defense of the claim; and
4. upon the Insurer's request, assist the Insurer in the enforcement of any right against any person or organization which may be liable to the Insured.

If, during the policy period, the Insured shall become aware of facts or circumstances which may reasonably be expected to give rise to a claim and shall give written notice thereof to the Insurer, then any claim which may subsequently arise out of such facts or circumstances shall, for the purpose of this policy, be considered to have been made during the policy period in which the facts or circumstances were first reported to the Insurer. The Insured shall give the Insurer such information as it may require regarding such facts or circumstances.

All claims arising out of the same facts or circumstances shall be deemed to have been reported at the time the first of those claims is reported to the Insurer.

Any willfully false statement shall entail forfeiture, for the person making it, of the right to indemnity with respect to the risk to which the statement relates.

## SECTION 8 - GENERAL CONDITIONS

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### 8.01 Policy Changes

This policy contains all the agreements between the Insured and the Insurer concerning the insurance afforded. The terms of this policy shall not be waived or changed, except by endorsement issued by the Insurer and made a part of this policy.

### 8.02 Declarations

By acceptance of this policy, the person who signed the application agrees:

- that the statements in the application and the Declarations Page are accurate and complete and are based upon representations he made to the Insurer;
- that this policy has been issued in reliance upon such representations.

Any misrepresentation or concealment by the person who signed the application of any facts known to him which are likely to materially influence a reasonable insurer in the setting of the premium, the appraisal of the risk or the decision to accept it shall void the contract at the instance of the insurer, even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the person who signed the application is established or unless it is established that the insurer would not have accepted the risk if it had known the true facts, the insurer shall remain liable towards the insured for such proportion of the indemnity as the premium it collected bears to the premium it should have collected.

Except for circumstances known to the person who signed the application, any misstatement or omission in such application in respect of any matter which might give rise to a claim shall be imputed only to the insured who had knowledge of such circumstances before the application was signed. It is understood that only facts pertaining to and knowledge possessed by any past, present or future Chief Financial Officer, President or Chairman of the Entity named in the Declarations Page shall be imputed to the Entity named in the Declarations Page to determine if coverage is available.

#### 8.03 Notice

Notices by the insured to the insurer shall be mailed to the address shown in the Declarations Page.

Notices by the insurer to the insured shall be mailed to the Entity named in the Declarations Page at the address shown therein or any other address notified in writing to the insurer.

Notice by the Entity as provided hereunder shall constitute notice by the insured. The insureds agree that the Entity named in the Declarations Page shall act on their behalf with respect to any actions required or permitted, the giving and receiving of notices of claim or cancellation, the payment of premiums and the receiving of any return premiums that may be due under this policy or the acceptance of endorsements. Proof of receipt of the notices shall be the responsibility of the sender.

#### 8.04 Separation of insureds

Except with respect to the limits of liability and any rights or duties specifically assigned to the insured, this insurance shall apply in the same manner and to the same extent as if a separate policy had been issued to each insured. Only information held by the Chief Finance Officer, the President or the Chairman of the Entity shall be imputed to the Entity for the purpose of determining the availability of coverage under this policy.

#### 8.05 Assignment

Assignment of interest under this policy shall not bind the insurer unless its consent thereto is given in writing.

#### 8.06 Cancellation

- (a) The Entity named in the Declarations Page may cancel this policy by mailing or delivering to the insurer written notice stating when thereafter the cancellation shall be effective. If no date is specified, cancellation shall be effective upon receipt of the notice.
- (b) The insurer may cancel this policy by giving the Entity named in the Declarations Page, at the last mailing address known to it, written notice of cancellation by registered mail or personally delivered at least:
  - (i) fifteen (15) days before the effective date of cancellation if cancellation is effected for non-payment of premium; or
  - (ii) sixty (60) days before the effective date of cancellation if cancellation is effected for any other reason.

Except in Québec, if notice is mailed, cancellation takes effect fifteen (15) or sixty (60) days after receipt of the letter by the post office to which it is addressed, depending upon the reason for cancellation. Proof of mailing will be sufficient proof of notice. In Québec, cancellation takes effect either fifteen (15) or sixty (60) days after receipt of the notice at the last known address of the Entity named in the Declarations Page, depending upon the reason for cancellation.

If this policy is cancelled, the insurer shall send the Entity named in the Declarations Page any premium refund due. If the insurer cancels, the refund will be pro rata. If the Entity named in the Declarations Page cancels, the refund shall be computed in accordance with the insurer's short rate table. The cancellation shall be effective even if the insurer has not made or offered a refund.

#### 8.07 Payment of Premium

The Entity named in the Declarations Page shall be responsible for the payment of all premiums and shall be the payee for any return premiums payable by the insurer.

#### 8.08 Computation of Premium

The insurer shall compute all premiums for this policy in accordance with its rules and rates. The Entity named in the Declarations Page must keep records of the information needed by the insurer for premium computation and shall send copies to the insurer at such times as it may request.

#### 8.09 Other Insurance

- (a) If the insured has other valid insurance against damages or defense costs covered by this policy, except an insurance policy issued by a subsidiary of AXA Canada Inc., then this policy shall be excess over such other insurance, unless such other insurance is written only as specific excess insurance, in which case this policy shall be primary.

- (b) If the Insured has other valid insurance against damages or defense costs covered by this policy, under a policy issued by a subsidiary of AXA Canada Inc., the policy that applies most specifically to the claim shall be primary and the other insurances shall be excess. The Insurer's liability for any one loss, however, shall in no event exceed the highest limit of liability applicable to the loss under all policies.

#### 8.10 Subrogation

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of such payment to all the Insured's or Entity's rights of recovery therefor against any person or organization. The Insurer may be fully or partly released from its obligation towards the Insured where, owing to any act of the Insured or the Entity, it cannot be so subrogated.

#### 8.11 Currency

All limits of liability, premiums, deductibles and other amounts as expressed in this policy are in Canadian currency. If judgment is rendered or if a settlement is denominated in a currency other than Canadian dollars, payment under this policy shall be made in Canadian dollars. With respect to the payment of the premium or of any judgment or settlement, the rate of exchange shall be the rate in force on the date of billing, the date the final judgment is rendered or the date the amount of the settlement is agreed upon, respectively.

#### 8.12 Bankruptcy and Insolvency

Bankruptcy or insolvency of the Entity shall not relieve the Insurer of its obligations under this policy. With respect to claims resulting from bankruptcy of the Entity, coverage shall be available if the bankruptcy occurs while the policy is in force.

#### 8.13 Action against the Insurer

No action shall lie against the Insurer unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy.

#### 8.14 Policy Territory

This insurance shall apply anywhere in the world.