



Policy Number:

PROPERTY POLICY

**NOTE: THE POLICY CONTAINS A CLAUSE
THAT MAY LIMIT THE AMOUNT PAYABLE**

**In return for the payment of the premium and subject to all
the terms of this Policy, we agree to provide the Insurance
as stated in this Policy.**

Section A: Declarations

Item 1: Named Insured (herein 'The Insured'):

Per Certificate

Item 2: Named Insured - Mailing Address:

Per Certificate

Item 3: Underwriter Name and Mailing Address:

Apollo Insurance Solutions
111 Water St., Vancouver, BC V6B 1A7

Item 4: Business Description:

Per Certificate

Item 5: Policy Period:

From: Per Certificate To: Per Certificate
at 12:01 a.m. at the address of the Named Insured stated in Item 2.

Item 6: Premium:

\$Per Certificate Premium

Item 7: Policy Territory:

This Policy covers loss occurring in: Canada



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Item 8: Insured Location:

The coverages under this Policy apply to an Insured Location unless otherwise provided. An Insured Location is a Location:

- listed on the schedule provided to the Company on the most recent insurance application; or
- covered as a Miscellaneous Unnamed Location; or
- covered under the terms and conditions of the Newly Acquired Property or Unintentional Errors or Omissions provisions.

Item 9: Perils Covered:

This Policy insures against all risks of direct physical loss or damage to the property insured except as hereinafter excluded.

Item 10: Period of Indemnity:

n/a

Item 11: Co-Insurance:

0% Except as described in General Condition 28.

Item 12: Limits of Liability:

The Company shall not be liable for more than \$50,000 in any one Occurrence regardless of the number of Locations or coverages involved.

Item 13: Sub-limits of Liability:

The sub-limits of liability as specified under this provision and the various extensions, endorsements, and Sections of this Policy are part of and not in addition to the limit of liability. These sub-limits do not increase the limit of liability or any other sub-limit. The Company shall not be liable for more than the sub-limit specified for such Location, coverage, property, cause of loss, extension, endorsement, or Section in any one Occurrence regardless of the number of Locations or coverages involved in the Occurrence:

When a sub-limit is shown as an Annual Aggregate, the Company's maximum limit of liability will not exceed such limit during the term of the Policy regardless of the number of Occurrences, Locations and coverages involved.

When a sub-limit applies to property that sub-limit also applies to any Business Income coverage associated with that property.

When a sub-limit is shown as No Coverage, it means that no coverage is provided for that particular provision, extension, endorsement or Section. If Earthquake or Flood sub-limits are shown as No Coverage, it means that no such coverage is provided regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.

**Policy Number: Per Certificate****Sub-limits of Liability – Section B: Property Damage**

a.	Accounts Receivable	\$ 50,000	
b.	Automatic Fire Suppression Recharge	\$ 0	
c.	Brands and Labels	\$ 0	
d.	Debris Removal	0% of the Loss or \$0 whichever is the Lesser Per Occurrence	
e.	Demolition and Increased Cost of Construction	\$ 0	
f.	Earthquake	\$ 50,000	Annual Aggregate
g.	Electronic Data Processing Equipment Breakdown	\$ 25,000	
h.	Electronic Data Processing Media Breakdown	\$ 25,000	
i.	Expediting Expense	\$ 25,000	
j.	Fine Arts	\$ 5,000	
k.	Fire Extinguishing Service Charge	\$ 0	
l.	Flood	\$ 50,000	Annual Aggregate
m.	Growing Plants, Trees, Shrubs or Flowers in the Open	\$ 0	Any One Plant, Tree or Shrub
		\$ 0	Any one Occurrence
n.	Limited Cover for Mould & Fungi	\$ 0	Annual Aggregate
o.	Master Keys	\$ 20,000	Any One Building
		\$ 20,000	Any One Occurrence
p.	Miscellaneous Unnamed Locations	\$ 0	
q.	Newly Acquired Property	\$ 0	With n/a Days Reporting
r.	Personal Property and Tools of Officers or Employees	\$ 10,000	
s.	Pollutant Cleanup and Removal	\$ 0	Annual Aggregate
t.	Professional Fees	\$ 50,000	
u.	Property in the Course of Construction	\$ 0	
v.	Property in Transit	\$ 10,000	
w.	Salesmen's Samples	\$ 0	
x.	Service Interruption	\$ 0	
y.	Unintentional Errors or Omissions	\$ 0	
z.	Valuable Papers and Records	\$ 50,000	

Sub-limits of Liability – Section C: Time Element

1.	Business Interruption	\$ 0
2.	Extra Expense	\$ 50,000
3.	Rental Value	\$ 0
4.	Leasehold Interest	\$ 10,000
a.	Civil Authority	0 Days
b.	Contingent Business Interruption	\$ 0
c.	Ingress and Egress	0 Days
d.	Ordinary Payroll	0 Days
e.	Research and Development	\$ 0
f.	Service Interruption	\$ 0

Sub-limits of Liability – Blanket Crime Endorsement (if purchased)

1.	Employee Dishonesty	\$ 25,000
2.	Money and Securities – Inside	\$ 10,000
3.	Money and Securities – Outside	\$ 10,000
4.	Money Orders and Counterfeit Paper Currency	\$ 5,000
5.	Depositors Forgery	\$ 5,000



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6. Social Engineering \$5,000

Item 14: Deductibles:

For each and every loss or damage to covered property except as specifically stated below	\$2,500
1. Earthquake	3% of the 100% Value of Property Insured, and Time Element Values. The combined deductible for Property Damage and Time Element shall be subject to a minimum of \$10,000 in any one Occurrence.
2. Flood:	\$10,000
3. Sewer Backup	\$2,500
4. Time Element	n/a Hours Waiting Period
5. Time Element Coverage Extensions	n/a Hours Waiting Period
6. Blanket Crime Endorsement	Nil

Item 15: Application of Deductibles:

Except as may be more specifically otherwise provided for in this Policy, deductibles will be applied according to the following provisions. For the purposes of applying these provisions, "specific type of coverage" shall mean those coverage(s) under Section B Property Damage or any Time Element coverage and "specific type of property" shall mean "real property" or "personal property".

- A. Stated percentage deductibles, dollar deductibles, time exclusion or Average Daily Value deductibles which are related to a specific type of coverage or a specific type of property shall be deducted separately with respect to such coverage or property. If two or more separate deductible amounts apply to the same specific type of coverage or to the same specific type of property, the total to be deducted shall be the largest applicable deductible amount.
- B. Deductibles which are not designated as applying to a specific type of coverage or a specific type of property are combined deductibles and shall be deducted from the total loss from all applicable coverages.
- C. If loss arising out of one Occurrence is subject to any combination of deductibles, then the amount to be deducted shall be the larger of the deductible amounts as provided for in A. above, or the largest applicable combined deductible.
- D. The deductible amount(s) as determined above shall be deducted from the total loss suffered by the Insured arising out of one Occurrence regardless of the number of Locations involved, unless otherwise stated herein.
- E. Notwithstanding anything in the above to the contrary, if Earthquake or Flood deductibles involving different geographic territories are involved in the same Occurrence, all such deductibles shall apply.
- F. If a time deductible is designated, the Company will not be liable for any loss under that coverage that occurs during the time period specified immediately following the loss.

AXIS Premier Property Form



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G. When the value of property insured is used in the calculation of a deductible, that value shall be determined according to the valuation provisions contained in this Policy.

Item 16: Endorsements and Special Terms and Conditions:

- | | |
|--------------------------------------|---------|
| 1. Equipment Breakdown | CAN-019 |
| 2. Exclusion of Production Machinery | CAN-020 |
| 3. Blanket Crime Endorsement | CAN-006 |

Item 17: Notices to Insurer

Notice of Claim or Circumstance

AXIS Reinsurance Company,
Chief Agent Office
70 York Street, Suite 1010
Toronto, Ontario, M5J 1S9

Email: ClaimNoticeCAN@axiscapital.com
Facsimile: 1-866-348-8103
Phone: 1-866-518-4153

All other Notices:

AXIS Reinsurance Company
Chief Agent Office
70 York Street, Suite 1010
Toronto, Ontario, M5J 1S9

For purposes of the *Insurance Companies Act (Canada)*, this document was issued in the course of AXIS Reinsurance Company (Canadian Branch)'s insurance business in Canada.

In witness whereof, this Policy has been made, entered into and executed by the undersigned in Toronto, Canada.

Andrew M. Weissert
Secretary

Robert Looney
President & CEO

Brad Randell
Chief Agent

Authorized Representative:
AXIS Reinsurance Company (Canadian Branch)

Jan 14, 2020
Date

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Section B: Property Damage

1. Property Covered

Except as hereafter excluded and subject to all the terms, conditions and stipulations of this Policy and for the amount(s) of liability or sub-limits shown herein, this Policy insures the following property located at an Insured Location, or within 1,000 feet thereof, to the extent of the interest of the Insured in such property:

- a. real property, including new buildings and additions under construction at an Insured Location, in which the Insured has an insurable interest;
- b. personal property owned by the Insured, including the Insured's interest as a tenant in Improvements and Betterments;
- c. personal property of officers and employees of the Insured;
- d. personal property of others in the Insured's custody to the extent of the Insured's interest in such personal property and the Insured's Liability.

2. Property Excluded

This Policy does not insure:

- a. accounts, bills, currency, deeds, evidences of debt or title, Money, notes, stamps, letters of credit, Securities; or any other documents having a negotiable or market value;
- b. land, or land values, animals, fish, birds, growing plants or crops, standing timber, water except water which is normally contained within any type of enclosed tank, piping system or other process equipment;
- c. sewers, drains or water mains, underground tanks, piping, and contents of underground tanks and piping except for loss caused by fire and explosion;
- d. satellites, spacecraft, aircraft or watercraft;
- e. motor vehicles licensed for highway use;
- f. underground mines, mine shafts, caverns and tunnels and any property contained therein;
- g. property sold by the Insured under conditional sale, trust agreement, instalment payment, or other deferred payment plan, after delivery to customers: except goods sold on consignment which shall be considered as covered property but subject to the Miscellaneous Unnamed Locations sub-limit;
- h. bullion, jewellery, furs, precious metals, or precious stones, except for industrial diamonds or precious metals used for industrial purposes;
- i. dams, docks, piers, wharves, berms or dikes, roadways, streets, walks or other paved surfaces, railroad beds, ties and tracks; and retaining walls outside of and not forming a part of any building;
- j. offshore rigs and platforms and personal property located thereon;
- k. transmission and distribution lines or facilities; except within 1,000 feet of an Insured Location;
- l. property illegally acquired, contraband, or property in the course of illegal transportation or trade;
- m. any property vacant or unoccupied for more than sixty (60) consecutive days;

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- n. property otherwise more specifically insured;
- o. property in transit, except as otherwise provided by this Policy;
- p. air supported structures and contents thereof.

3. Perils Excluded

1. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:
 - a. infidelity or dishonesty of the Insured, or any officer or employee thereof; bookkeeping, accounting or billing errors or omissions; or loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of Money, Securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding;
 - b. lack of incoming electricity, fuel, water, gas, steam, refrigerant; outgoing sewerage; or incoming or outgoing voice, Data or video, or any other communications received via satellite all when caused by an Occurrence off the Insured Location except as provided in Service Interruption in the Property Damage or Time Element section of this Policy. However, if the lack of such a service directly causes direct physical damage as insured by this Policy on the Insured Location, then only that resultant damage is insured;
 - c. hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, by any government or sovereign power (de jure or de facto), or any authority maintaining or using military, naval or air forces; or by military, naval or air forces; or by an agent of any such government, power, authority or forces; any weapon of war employing atomic fission or radioactive force whether in time of peace or war; insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such an Occurrence; seizure or destruction under quarantine or customs regulations; confiscation by or destruction by order of any government or public authority, except destruction by order of public authority to prevent spread of fire or explosion; risks of contraband or illegal trade;
 - d. nuclear reaction or nuclear radiation or radioactive contamination. However, if direct physical damage by fire results, then only that resulting damage is insured, but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
2. This Policy excludes the following, but if direct physical damage not excluded by this Policy results, then only that resulting damage is insured:
 - a. wear and tear, deterioration, rust or corrosion, inherent or latent defect; vermin or insects;
 - b. settling, cracking, shrinkage, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings;
 - c. faulty or negligent workmanship, material, construction or design; or errors in the development, processing, or manufacture of products; or work being performed upon property insured and directly attributable thereto.

3. This Policy excludes shrinkage, evaporation, loss of weight, contamination, change in flavour, colour, texture, finish, temperature, humidity; unless directly resulting from insured direct physical damage to covered property at an Insured Location.
4. This Policy excludes loss or damage due to:
 - a. explosion in or of any of the following property: steam boilers, including equipment attached to and forming a part thereof; steam turbines; steam engines; steam pipes connecting any of the foregoing; or gas turbines; except that this exclusion shall not apply to explosion of accumulated gases or unconsumed fuel within the firebox or the combustion chamber of any fired vessel, other than gas turbines, or within the flues or passages which conduct the gases of combustion therefrom. However, if direct physical loss or direct physical damage to covered property at an Insured Location by fire or combustion explosion outside any of the property described in this exclusion results, the Company shall be liable for such resulting direct physical loss or direct physical damage to covered property at an Insured Location;
 - b. rupture, bursting, cracking, burning or bulging of any of the following property: steam boilers, including equipment attached to and forming a part thereof; steam turbines; steam engines; steam pipes connecting any of the foregoing; hot water boilers or other equipment for heating water; pressure vessels, including equipment attached to and forming a part thereof; or gas turbines. However, if direct physical loss or direct physical damage to covered property at an Insured Location by fire or combustion explosion outside any of the property described in this exclusion results, the Company shall be liable for such resulting direct physical loss or direct physical damage to covered property at an Insured Location;
 - c. mechanical or machinery breakdown, including rupture or bursting caused by centrifugal force. However, if direct physical loss or direct physical damage to covered property at an Insured Location by fire results, the Company shall be liable for such resulting direct physical loss or direct physical damage to covered property at an Insured Location;
 - d. electrical injury or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical or electronic equipment caused by electrical currents artificially generated. However, if direct physical loss or direct physical damage to covered property at an Insured Location by fire results, the Company shall be liable for such resulting direct physical loss or direct physical damage to covered property at an Insured Location;
 - e. delay, loss of market, loss of use, interruption of Business or any other consequential or indirect loss except as otherwise provided herein;
 - f. unexplained or mysterious disappearance, or shortage disclosed on taking inventory;
 - g. interference by employees or other persons with rebuilding, repairing, or replacing property, or with the resumption or continuation of operations;
 - h. enforcement of any ordinance, law, regulation or order pertaining to the manufacture, packaging, labelling, laws or distribution of goods, wares, Merchandise or other products by the insured; or pertaining to the construction, installation, repair, replacement, occupancy or use or demolition of the property insured hereunder;
 - i. exposure of personal property in the open to elements of the weather except for wind and hail; however, liability is specifically assumed for any ensuing fire and the Company shall be liable for only such ensuing loss;

- j. the release, discharge, dispersal, seepage, migration, or escape of Pollutants or Contaminants unless the release, discharge, dispersal, seepage, migration, or escape is caused by fire, lightning, explosion, windstorm, hail, Leakage from Fire Protection Equipment, smoke, vehicles and aircraft, riot, civil commotion, vandalism, Sinkhole Collapse, volcanic action, falling objects, weight of snow, ice or sleet; or water damage. However, this Policy does not cover the costs arising out of the enforcement of any law, ordinance, regulation or order by civil or judicial authority requiring the removal, disposal, replacement, cleanup, restoration or containment of covered property or for costs to monitor or test for the existence or effects of Pollutants.
- 5. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed that this Policy does not insure against loss or damage to, or any cost, claim or expense directly or indirectly arising out of or relating to, any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, claim or expense:
 - a. Data, Electronic Data, Programs, or Electronic Computer Programs;
 - b. failure of, interruption of, loss of use of, loss of access to, or reduction or alteration in the accuracy, functionality, availability, or operation of Data, Electronic Data, Programs, or Electronic Computer Programs;
 - c. any instruction, including but not limited to any Computer Virus, introduced into, or caused to act upon Computer Operations;
 - d. errors in configuring Computer Operations;
 - e. failure of, interruption of, loss of use of, loss of access to, or reduction or alteration in the accuracy, functionality, availability, or operation of Computer Operations caused by anything other than insured direct physical loss or damage to covered tangible property at an Insured Location.
- 6. The Company will not pay for damage or consequential loss directly or indirectly caused by, consisting of, or arising from, the failure of any Computer Operations, whether the property of the Insured or not, and whether occurring before, during or after the year 2000 that results from the inability to:
 - a. correctly recognize any date as its true calendar date;
 - b. capture, save, or retain, and/or correctly manipulate, interpret or process any Data or information or command or instruction as a result of treating any date other than its true calendar date; and/or
 - c. capture, save, retain or correctly process any Data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of Data or the inability to capture, save, retain, or correctly process such Data on or after any date.

It is further understood that the Company will not pay for the repair or modification of any part of Computer Operations or its related equipment, to correct deficiencies or features of logic or operation.

It is further understood that the Company will not pay for damage or consequential loss arising from the failure, inadequacy, or malfunction of any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by the Insured or

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for the Insured or by or for others to determine, rectify or test any potential or actual failure, malfunction or inadequacy described above.

This provision shall not exclude subsequent damage or Time Element loss, not otherwise excluded, which itself results from fire, lightning, explosion, windstorm, hail, Leakage from Fire Protection Equipment, smoke, vehicles and aircraft, riot, civil commotion, vandalism, Sinkhole Collapse, volcanic action, falling objects, weight of snow, ice or sleet; or water damage.

7. This Policy excludes the following, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:
- Mould or Other Fungi, wet or dry rot, or Bacteria;
 - loss or damage caused directly or indirectly by Mould or Other Fungi, wet or dry rot, or Bacteria;
 - the costs associated with the enforcement of any ordinance or law which requires the Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of Mould or Other Fungi, wet or dry rot, or Bacteria; or
 - any costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

This exclusion does not apply:

- when Mould or Other Fungi, wet or dry rot, or Bacteria results from fire or lightning; or
 - to the extent that coverage is provided by Limited Coverage for Mould, Fungi, Wet or Dry Rot and Bacteria provision of the Policy.
8. Notwithstanding any of the terms of this Policy that might be construed otherwise, this Policy does not insure against loss or damage caused directly or indirectly by any act, error or omission (whether by the Insured or others) in:
- planning, zoning, surveying, siting or developing property;
 - establishing or enforcing building codes or standards for construction or materials;
 - designing, establishing the specifications, furnishing work, materials, parts or equipment, or constructing or maintaining the following property or facilities:
 - buildings or structures;
 - improvements or changes in or additions to land or other property; or
 - roads, water mains, sewers, drainage ditches, levees, dams or other facilities;

all whether or not such property or facilities are (i) covered by this Policy, or (ii) away from the Insured Location.

9. Notwithstanding any provision to the contrary within this insurance or any endorsement thereto, it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever

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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 exclusion 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) or 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 Policy also excludes loss, 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 Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

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

4. Extensions of Coverage

This Policy includes the following extensions of coverage. These extensions of coverage will not increase the Policy limit of liability and are subject to the applicable sub-limit in the Declarations and the Policy provisions, including applicable exclusions and deductibles.

a. Accounts Receivable

This Policy is extended to cover the following loss resulting from insured direct physical loss or damage to covered accounts receivable records at an Insured Location:

1. all sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable at an Insured Location;
2. all interest charges on any loan to offset impaired collection pending repayment of such sums made uncollectible by loss or damage;
3. collection expense in excess of Normal collection cost and made necessary because of such loss or damage;
4. other expense which is reasonably incurred by the Insured in re-establishing records of accounts receivable following such loss or damage.;

This extension of coverage does not insure against loss:

1. due to bookkeeping, accounting or billing errors or omissions;
2. which requires an audit of records or an inventory computation to prove its factual existence; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;

3. due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of Money, Securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding.

After payment of loss, all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified shall belong and be paid to the Company by the Insured up to the total amount of loss paid by the Company; but all recoveries in excess of such amounts shall belong to the Insured.

When there is proof that a loss covered by this extension has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs, or such part thereof for which the Insured has furnished monthly statements to the Company, as compared with such average for the same months of the preceding year;
3. the amount determined under 1. above, increased or decreased by the percentage calculated under 2. above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
4. the amount determined under 3. above shall be increased or decreased in conformity with the Normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the Business since the last day of the last fiscal month for which a statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. All unearned interest and service charges shall be deducted.

b. Automatic Fire Suppression System Recharge

This Policy is extended to cover the automatic fire suppression system recharge expense incurred by the Insured due to the leakage or discharge of the fire suppressant arising directly from an insured peril at an Insured Location.

c. Brands and Labels

If branded or labelled Merchandise covered by this Policy is damaged and the Company elects to take all or any part of such Merchandise at the value established by the provisions of this Policy, the Insured may stamp "Salvage" on the Merchandise or its containers or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the Merchandise, but the Insured shall re-label the Merchandise or containers in compliance with the requirements of the law.

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The Company will pay reasonable costs incurred to perform the activity described above but the total paid for such costs shall not exceed the sub-limit stated in the Declarations.

d. Debris Removal

This Policy is extended to cover the reasonable and necessary expense incurred in the removal of debris from an Insured Location that remains as a direct result of insured direct physical loss or damage to covered property at an Insured Location.

This extension of coverage does not cover the expense of removal of contaminated uninsured property or of the Pollutants or Contaminant in or on uninsured property whether or not the contamination results from insured direct physical loss or damage. Contamination includes, but is not limited to, the presence of Pollutants or Contaminant.

This extension of coverage does not cover the expense of removal of any property or part thereof, the removal of which is required by the enforcement of any law, ordinance, regulation or rule regulating or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of such property.

No liability shall exist under this Debris Removal provision unless such expenses are reported to the Company within one hundred eighty (180) days of the date of direct physical loss or damage.

e. Demolition and Increased Cost of Construction

This Policy is extended to cover the following costs when there is insured direct physical loss or damage to covered buildings or structures at an Insured Location and such additional costs are occasioned by the enforcement of any law or ordinance regulating the construction, repair, replacement, use or demolition of such buildings or structures which is in force at the time of loss and necessitates such costs:

1. the actual cost of demolishing the undamaged portions of buildings or structures, and of clearing the site of such undamaged portions;
2. the increased cost to repair, construct, or reconstruct buildings or structures on the same premises of like height, floor area, and style and for like occupancy limited to the minimum requirements of any laws or ordinances in force at the time such loss occurs and which regulate construction, repair, or use of the damaged buildings or structures;

The Company shall not be liable:

- a. under Subparagraph 1, for any loss unless the undamaged portions of buildings or structures are actually demolished;
- b. under Subparagraph 2:
 - i. for any loss unless and until the damaged or destroyed buildings or structures are actually rebuilt or replaced with due diligence and dispatch; or
 - ii. for any loss unless the damaged or destroyed buildings or structures are actually rebuilt or replaced within two (2) years from the date of loss;

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- iii. for more than the amount actually and necessarily expended to repair or replace as above provided, in excess of the amount recoverable under this Policy had this Extension not been attached thereto or;
- iv. for more than the amount insured under this extension in excess of the cost to repair or replace that portion of buildings or structures damaged or destroyed, with materials of like kind and quality without deduction for depreciation;
- c. under Subparagraphs 1 and 2:
 - i. for demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material;
 - ii. for any governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified;
 - iii. for the cost of compliance with the enforcement of any law or ordinance which the Insured would have otherwise incurred by nature of such law or ordinance in the absence of any loss or damage covered by this Policy.

f. Earthquake

This Policy insures direct physical loss or damage to covered property at an Insured Location caused by or resulting from Earthquake.

All Earthquakes within a continuous 72 hour period will be considered a single Earthquake. The Company shall not be liable for any loss or damage caused by any Earthquake occurring before the effective date and time of this Policy, nor for any loss or damage occurring after the expiration date and time of this Policy.

Direct physical damage by fire or explosion resulting from Earthquake will not be considered to be loss by Earthquake within the terms and conditions of this Policy.

g. Electronic Data Processing Equipment Breakdown

This Policy is extended to cover direct physical loss or damage:

- 1. to covered Electronic Data Processing Equipment and component parts thereof while at an Insured Location and owned by the Insured or leased, rented, or under the control of the Insured and used in the operations of the Insured to process information at Insured Locations; and
- 2. which is caused by:
 - a. mechanical breakdown or machinery breakdown; and/or
 - b. short circuit, blowout, or other electrical damage to electrical equipment, apparatus or devices, including wiring.

h. Electronic Data Processing Media Breakdown

This Policy is extended to cover insured direct physical loss or damage to Electronic Data Processing Media that is:

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1. at an Insured Location;
2. used in the operations of the Insured to process and store information at an Insured Location; and
3. caused by:
 - a. mechanical breakdown or machinery breakdown; and/or
 - b. short circuit, blowout, or other electrical damage to electrical equipment, apparatus or devices, including wiring.

i. Expediting Expense

This Policy is extended to cover the reasonable and necessary extra costs of temporary repair of insured direct physical loss or damage to covered property at an Insured Location and the extra costs of expediting the permanent repairs or permanent replacement of such damaged property, whichever is less. In no event shall these expediting expenses include expenses recoverable elsewhere in this Policy or the cost of permanent repair or replacement of the damaged property.

j. Fine Arts

This Policy is extended to cover direct physical loss or damage to Fine Arts as the result of an insured peril at an Insured Location.

k. Fire Extinguishing Service Charge

This Policy is extended to cover regular agreed fire department service charges or those imposed by law that may be incurred because of fire or explosion on or exposing an Insured Location.

l. Flood

This Policy insures direct physical loss or damage to covered property at an Insured Location caused by or resulting from Flood.

Each loss by Flood shall constitute a single claim hereunder, provided that if more than one Flood shall occur within any period of 72 hours during the term of this Policy, such Floods shall be deemed to be a single Flood. The Company shall not be liable for any loss or damage caused by any Flood occurring before the effective date and time of this Policy, nor for any loss or damage occurring after the expiration date and time of this Policy.

m. Growing Plants, Trees, Shrubs or Flowers

This Policy is extended to cover direct physical loss or damage to growing plants, trees, shrubs or flowers at an Insured Location.

This extension of coverage does not cover loss or damage arising out of windstorm or hail, nor arising out of theft or attempted theft.

n. Limited Cover for Mould & Fungi

This Policy is extended to cover loss or damage to covered property at an Insured Location or while covered under the Property in Transit provision of the Policy directly caused by or resulting from Mould or Other Fungi, wet or dry rot, or Bacteria if such Mould or Other Fungi, wet or dry rot, or Bacteria is directly caused by or results from insured direct physical loss or damage other than fire or lightning.

As applied to this limited coverage for loss or damage by Mould or Other Fungi, wet or dry rot, and Bacteria, "loss or damage" means:

1. direct physical loss or damages to covered property by Mould or Other Fungi, wet or dry rot, or Bacteria, including the cost of removal of the Mould or Other Fungi, wet or dry rot, or Bacteria;
2. the cost to tear out and replace any part of the building or other property as needed to gain access to the Mould or Other Fungi, wet or dry rot, or Bacteria; and
3. the cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is reason to believe that Mould or Other Fungi, wet or dry rot, or Bacteria are present.

The sub-limit for this extension of coverage is an annual aggregate and applies regardless of the number or type of coverages that may apply, the number of Locations to which this coverage extension applies, or the number or type of Mould or Other Fungi, wet or dry rot, or Bacteria that caused the loss or damage. With respect to a particular Occurrence of loss which results in Mould or Other Fungi, wet or dry rot, or Bacteria, we will not pay more than the sub-limit shown in the Declarations even if the Mould or Other Fungi, wet or dry rot, or Bacteria continues to be present or active, or recurs, in a later Policy period.

o. Master Keys

This Policy is extended to cover loss caused by the necessary replacement of locks and keys and the increased cost of security, following burglary, robbery or mysterious disappearance of master keys.

p. Miscellaneous Unnamed Locations

This Policy is extended to cover Miscellaneous Unnamed Locations.

Miscellaneous Unnamed Location does not include any property in transit, property while waterborne, property covered in the Newly Acquired Property or Unintentional Errors or Omissions extensions of coverage, or that is otherwise insured under this Policy or any other Policy issued by the Company.

It is understood and agreed that loss or damage caused by or resulting from Flood or Earthquake is excluded as respects this extension of coverage.

q. Newly Acquired Property

This Policy is extended to cover real and personal property of the type covered constructed, acquired or leased after the inception date of this Policy at Locations within the Policy Territory.

Coverage under this Newly Acquired Property extension of coverage shall commence when the Insured first acquires an insurable interest in the property at the Location and shall cease one hundred and eighty (180) days from the date of such acquisition, or when reported to and accepted by the Company, or on the expiration date of this Policy, whichever shall occur first. Newly Acquired Property does not include any property in transit, property while waterborne, property covered in the Miscellaneous Unnamed Location or Unintentional Errors or Omissions extensions of coverage, property at any exhibition, exposition, fair or trade show or otherwise insured under this Policy or any other Policy issued by this Company to the Insured. This extension of coverage shall not be construed as providing coverage at Locations otherwise insured by this Policy form.

It is understood and agreed that loss or damage caused by or resulting from Flood or Earthquake is excluded as respects this extension of coverage.

r. Personal Property of Officers and Employees of the Insured

This policy insures direct physical loss or damage to personal property of officers and employees of the Insured caused by an insured peril at an Insured Location up to the sub-limit of liability stated in the Declarations.

s. Pollutant Cleanup and Removal

This Policy is extended to cover the necessary and reasonable expenses actually incurred by the Insured to clean up and remove Pollutants or Contaminant from land or water in or on land at the Insured Location if the discharge, dispersal, seepage, migration, release or escape of the Pollutants or Contaminant is directly caused by insured direct physical loss or damage to covered property at an Insured Location which occurs during the term of this Policy, except no liability is assumed for the expense to clean up and remove:

1. Pollutants or Contaminant from land or water at any Location covered under the provisions of the Newly Acquired Property; or
2. Pollutants or Contaminant from land or water at any Miscellaneous Unnamed Location.

No liability shall exist under this Pollutant Cleanup and Removal provision unless such expenses are reported to the Company within one hundred eighty (180) days of the date of direct physical loss or damage.

This Policy does not cover expenses, fines, penalties or costs incurred or sustained by the Insured or imposed on the Insured at the order of any government agency, court or other authority in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

t. Professional Fees

This Policy is extended to cover expenses incurred by the Insured or by the Insured's representative including auditors, accountants, appraisers, architects, engineers or other such professionals for producing and certifying particulars or details of the Insured's Business required by the Company in order to arrive at the loss payable under this Policy in the event of a claim. However, no coverage shall apply to expenses incurred for the services of public adjusters, attorneys, insurance agents or brokers, loss appraisers; or for services of employees of the Insured unless agreed to by the Company prior to the use of their services.

u. Property in the Course of Construction

This Policy is extended to cover Property in the Course of Construction at an Insured Location in respect of projects not exceeding the sub-limit of liability stated in the Declarations.

v. Property in Transit

This Policy is extended to cover the following personal property, except as excluded by this Policy, while in transit within the territory of this Policy:

1. personal property owned by the Insured;
2. personal property shipped to customers under F.O.B., C & F or similar terms. The Insured's contingent interest in such shipments is admitted;
3. personal property of others in the actual or constructive custody of the Insured to the extent of the Insured's interest in such personal property or the Insured's Liability;
4. personal property of others sold by the Insured, that the Insured has agreed prior to the loss to insure during course of delivery.

This Extension of Coverage excludes:

1. samples in the custody of salespeople or selling agents;
2. property insured under import or export ocean marine insurance;
3. waterborne shipments, except while on the navigable inland waters of the countries within the territory of this Policy;
4. airborne shipments unless by regularly scheduled passenger airlines or air freight carriers;
5. property of others, including the Insured's Liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier;
6. any transporting vehicle;
7. all materials in transit which are otherwise covered under another policy;
8. delay, loss of market, loss of use, interruption of Business or any other consequential or indirect loss except as otherwise provided herein; and
9. Time Element.

Coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.

This Extension of Coverage:

- a. covers general average and salvage charges on shipments covered while waterborne;
- b. insures physical loss or damage caused by or resulting from unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts; or improper parties having gained possession of property through fraud or deceit;
- c. does not inure directly or indirectly to the benefit of any carrier or bailee.

Any act or agreement by the Insured before or after loss or damage whereby any right of the Insured to recover in whole or in part for loss or damage to property covered hereunder against any carrier, bailee or other party liable therefor is released, impaired or lost shall render this Policy null and void, but the Insured's right to retain or recover the premium shall not be affected. The Company is not liable for any loss or damage which, without its written consent, has been settled or compromised by the Insured. It shall, however, be permissible for the Insured without prejudice to this insurance to accept the ordinary Bill of Lading or Shipment Receipts issued by carriers limiting their liability to less than the actual value.

w. Salesmen's Samples

This Policy is extended to cover insured direct physical loss or damage to Insured's samples of Finished Stock or Merchandise in the care, custody and control of the Insured's sales representatives while that Finished Stock or Merchandise is away from an Insured Location, but within the Policy Territory.

x. Service Interruption

This Policy is extended to insure against shrinkage, evaporation, leakage of contents, change in flavour or texture or finish, decay or other spoilage, of covered personal property at an Insured Location resulting from direct physical loss or damage of the type insured to property of the type covered at facilities which are owned by the public utility company or other company contracted to supply steam, natural gas, telecommunications, water, electricity, oxygen, or refrigeration to the Insured Location and used to supply said services directly to the Insured Location, provided the duration of service interruption resulting from such physical loss or damage is in excess of 24 hours.

y. Unintentional Errors or Omissions

If direct physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

1. in the description of where covered property is physically located;
2. to include any Location:
 - a. owned, rented or leased by the Insured on the effective date of this Policy; or
 - b. purchased, rented or leased by the Insured during the term of this Policy, or
3. that results in cancellation of the property insured under this Policy;

this Policy covers such direct physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.



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It is a condition of this extension of coverage that any error or unintentional omission be reported by the Insured to the Company when discovered and corrected.

Unintentional Errors or Omissions does not include any property in transit, property while waterborne, property covered in the Miscellaneous Unnamed Location or Newly Acquired Property extensions of coverage, property at any exhibition, exposition, fair or trade show or otherwise insured under this Policy or any other Policy issued by this Company to the Insured.

z. Valuable Papers and Records

This Policy is extended to cover insured direct physical loss or damage to covered Valuable Papers and Records at an Insured Location.

This extension of coverage does not insure against loss:

1. resulting from errors or omissions in processing or copying;
2. resulting from unauthorized instructions to transfer property to any person or to any place;
3. resulting from voluntary parting with any property by the Insured or any associate, proprietor, partner, director, trustee, officer, employee or agent of any Insured if induced to do so by any fraudulent scheme, trick, device or false pretence;
4. or damage to property held as samples or for sale or for delivery after sale;
5. or damage to property not specifically declared, described and valued in an endorsement to this Policy, if such property cannot be replaced with other of like kind and quality or restored to usable condition.

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Section C: Time Element

This Policy includes the following coverages and terms and conditions. The coverages will not increase the Policy limit of liability and are subject to applicable sub-limits and the Policy provisions, including applicable exclusions and deductibles.

1. Business Interruption

This Policy insures against loss of Business Income suffered during the Period of Indemnity resulting directly from necessary interruption of Business conducted by the Insured caused by insured direct physical loss or damage to covered property, except Finished Stock, at an Insured Location.

Recovery in the event of loss hereunder shall be the actual loss sustained by the Insured during the Period of Indemnity resulting directly from such interruption of Business, but not exceeding the reduction in Revenue, less any sum saved during the Period of Indemnity in respect of such of the charges and expenses payable out of Business Income as may cease or be reduced in consequence of the loss or damage.

The amount payable in respect of reduction of Revenue shall be the amount obtained by multiplying the Revenue Shortfall by the Business Income Percentage.

2. Extra Expense

This Policy covers the necessary Extra Expense, as hereinafter defined, incurred by the Insured in order to continue as nearly as practicable the Normal operations of the Insured's Business following insured direct physical loss or damage to covered property at an Insured Location.

In the event of such loss or damage, the Company shall be liable for such necessary Extra Expense incurred during the Period of Indemnity.

It is a condition of this insurance that as soon as practicable the Insured shall resume operation of the Business and dispense with such Extra Expense.

Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of Normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

3. Rental Value

This Policy covers the Rental Value of real property at an Insured Location.

Recovery in the event of loss hereunder shall be the actual loss sustained by the Insured resulting directly from necessary untenantability, caused by insured direct physical loss or damage to covered property at an Insured Location as furnished and equipped by the Insured and whether rented at the time or not, but not exceeding the reduction in Rental Value during the Period of Indemnity, less charges and expenses which necessarily do not continue during the interruption of tenantability.

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4. Leasehold Interest

This Policy covers the following expenses if directly caused by insured direct physical loss or damage to covered real property leased by the Insured and located at an Insured Location:

- a. the actual rent which remains payable for the unexpired term of the Lease if such property becomes wholly untenable or unusable and the Lease agreement requires continuation of the rent payment; or
- b. the proportion of the actual rent which remains payable for the unexpired term of the Lease if such property becomes partially untenable or unusable and the Lease agreement requires continuation of the rent payment; or
- c. the Leasehold Interest for the first three (3) months following loss or damage and the Net Leasehold Interest for the remaining unexpired term of the Lease if the Lease is cancelled by the lessor pursuant to the Lease agreement or by the operation of law.

This coverage does not insure against any loss or expense resulting from:

- a. the suspension, lapse, or cancellation of any license; or
- b. the Insured exercising an option to cancel the Lease; or
- c. any act or omission by the Insured which constitutes a default under the Lease.

It is a condition of this coverage that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the amount of loss hereunder.

This Policy does not provide this coverage for more than the dollar sub-limit of liability shown in the sub-limits of liability section of the Declarations.

5. Time Element General Conditions

- a. This Policy also covers such expenses as are necessarily incurred for the purpose of reducing a Time Element loss (except expense incurred to extinguish a fire) but in no event shall the aggregate of such expenses exceed the amount by which the loss otherwise payable under this section is thereby reduced.
- b. Resumption of Operations – It is a condition of this insurance that if the Insured could reduce the loss resulting from the interruption of Business:
 - i. by complete or partial resumption of operation of the property herein described, whether damaged or not; or
 - ii. by making use of Raw Stock, Stock in Process, Finished Stock or Merchandise, at an Insured Location(s) described herein or at another Location; or
 - iii. by making use of other property at an Insured Location(s) described herein or at another Location,such reductions shall be taken into account in arriving at the loss hereunder.
- c. In determining the amount of the Time Element loss as insured against by this Policy, due consideration shall be given to experience of the Business before the loss and the probable experience thereafter had no loss occurred.
- d. If the Named Insured is comprised of more than one legal entity, liability shall not exceed the amount of loss had all interests comprised one legal entity.

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- e. This Policy does not insure against Time Element loss for any period during which Business would not or could not have been conducted for any reason other than physical loss or damage of the type insured against.
- f. This Policy does not insure against any increase of loss resulting from the suspension, lapse or cancellation of any Lease, license, contract or order unless such suspension, lapse or cancellation results directly from the interruption of Business, and then there shall be liability for only such loss as affects the Insured's earnings during, and limited to, the Period of Indemnity.
- g. This Policy does not insure against Time Element loss resulting from damage to Finished Stock nor for the time required to reproduce said Finished Stock.

6. Time Element Extensions of Coverage

a. Civil Authority

This Policy is extended to cover the actual loss sustained by the Insured due to the necessary interruption of the Insured's Business during the period of time while access to an Insured Location is specifically prohibited by order of civil authority, but only when such order is given as a direct result of direct physical loss or damage of the type insured against to property of the type covered at an Insured Location or within one statute mile of an Insured Location. This coverage is provided for no more than the number of consecutive days shown in the Declarations starting from the time of such order of civil authority.

b. Contingent Business Interruption

This Policy is extended to cover loss resulting directly from necessary interruption of Business conducted at an Insured Location occupied by the Insured, caused by direct physical loss or damage of the type insured against to property of the type covered at any Locations within the Policy Territory:

- i. of direct suppliers from whom the Insured is contractually obligated to purchase goods or services;
- ii. of direct customers who are contractually obligated to accept product(s) produced or service(s) provided by the Insured.

Recovery in the event of loss hereunder shall be the actual loss sustained by the Insured resulting directly from such interruption of Business, but not exceeding the reduction in Business Income during the Period of Indemnity, less charges and expenses which necessarily do not continue during the interruption of Business.

The term suppliers or customers does not include any company supplying to or receiving from an Insured Location utilities including, but not limited to, steam, natural gas, telecommunications, water, electricity, oxygen, refrigeration or sewage.

This coverage does not insure loss resulting from lack of incoming or outgoing transmission of voice, Data or video, or any communications received via satellite.

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c. Ingress and Egress

This Policy is extended to cover the actual loss sustained by the Insured due to the necessary interruption of Business during the period of time when, as a direct result of direct physical damage of the type insured against to property of the type covered at an Insured Location or within one statute mile of an Insured Location, ingress to or egress from an Insured Location is thereby physically prevented. This coverage is provided for no more than the number of consecutive days shown in the Declarations.

d. Ordinary Payroll

Liability under this Policy for Ordinary Payroll Expense is limited to such expense which continues during an interruption of Business for a period of time not exceeding the number of consecutive days shown in the Declarations, immediately following the date of insured direct physical loss or damage to covered property at an Insured Location. Coverage applies only to the extent necessary to resume Normal Business of the Insured with the same quality of service which existed immediately preceding the loss, and only to the extent the payroll expense would have been incurred had no loss occurred. If there is no time limit shown in the Declarations for Ordinary Payroll, then coverage is hereby excluded.

e. Research and Development

If insured direct physical loss or damage to covered property at an Insured Location directly results in an interruption of research and development activities which in themselves would not have produced income during the Period of Indemnity, this Policy is extended to cover the actual loss sustained by the Insured of the continuing fixed charges and expenses, including Ordinary Payroll, directly attributable to such research and development activities during the Period of Indemnity.

f. Service Interruption

This Policy is extended to cover the actual loss sustained and Extra Expense incurred by the Insured during the Period of Service Interruption at an Insured Location when the loss is caused by the interruption of incoming services described below as a direct result of direct physical loss or damage of the type insured to property of the type covered at facilities which are:

- i. owned by the public utility company or other company contracted to supply steam, natural gas, telecommunications, water, electricity, oxygen, or refrigeration to the Insured Location; and
- ii. used to supply said services directly to the Insured Location,

and the Period of Service Interruption at an Insured Location exceeds 24 hours.

Section D: General Conditions

1. Abandonment

There can be no abandonment to the Company of any property.

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2. Appraisal

If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within 60 days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for 15 days to agree upon such umpire, then on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the province, territory or state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the replacement value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

3. Assignment

Assignment of interest under this Policy shall not bind the Company without its prior written consent.

4. Cancellation Clause

This Policy shall be cancelled at any time following the request of the Insured, in which case the Company shall, upon demand, refund the excess of paid premium above the customary short rates, if allowed by applicable law, for the expired time. This Policy may be cancelled at any time by the Company by giving to the Insured a sixty (60) day written notice of cancellation with or without tender of the excess of paid premium above the pro-rata premium for that expired time, which excess, if not tendered, shall be refunded on demand. However, in the event of non-payment of premium, this Policy may be cancelled by the Company by giving to the Insured 15 (fifteen) days written notice of cancellation.

5. Certificates of Insurance

The Company hereby gives permission for its authorized agents to issue certificates of insurance. Any certificate of insurance issued in connection with this Policy shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certificate of insurance, and a copy shall immediately be sent to the Company.

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 stop the Company from asserting any right under the terms of this Policy, nor, with the exception provided in the "Suspension" provision of the EQUIPMENT BREAKDOWN ENDORSEMENT, shall the terms of this Policy be waived or changed except by endorsement issued to form a part of this Policy.

7. Company Option

It shall be optional with the Company to take all, or any part, of the property at the agreed or appraised value.

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8. Conformity to Statute

Terms of this Policy which are in conflict with the statutes of the province, territory or state wherein this Policy is issued are hereby amended to conform to such statutes.

9. Examination Under Oath

The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property, and submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, tax returns, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made.

10. Excess Insurance

Excess insurance is insurance over the limit of liability set forth in this Policy. The existence of such excess insurance shall not prejudice the coverage provided under this Policy nor will it reduce any liability hereunder.

11. Increase in Hazard

This Policy shall be invalidated by an increase in hazard by any means within the control and knowledge of the Insured.

12. Inspection of Property

The Company shall be permitted but not obligated to inspect the Insured's property and operations at any reasonable time. Neither the right to make inspections nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

13. Liberalization

If during the period that insurance is in force under this Policy, or within forty-five (45) days prior to the inception date thereof, on behalf of the Company there be filed with and approved or accepted by the insurance supervisory authorities, in conformity with law, where such filing and approval are required, any changes in the forms or endorsements attached to this Policy, or the rules or regulations applying thereto, by which this insurance could be extended or broadened, without increased premium charge, by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured as though such endorsement or substitution of form has been made.

14. Locked Vehicle Warranty

This clause does not apply to property which is under the control of a common carrier.

It is warranted by the Insured that any vehicle in which the insured property is carried is equipped with a fully enclosed body or compartment, and the Insurer shall be liable in case of loss by theft from an unattended vehicle only as a direct result of forcible entry (of which there shall be visible evidence) into such body or compartment, the doors of which are securely locked and the windows closed.

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15. Loss Clause

Any loss hereunder shall not reduce the amount of this Policy except for those perils to which an annual aggregate loss limit applies.

16. Loss Payable

Unless otherwise provided herein, loss, if any, is to be adjusted with the Named Insured and payable to the First Named Insured, whose receipt shall constitute a release in full of all liability under this Policy for such loss.

17. Misrepresentation or Fraud

This entire Policy shall be void if, before or after a loss, any Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of any Insured therein, or in case of any fraud, attempted fraud, or false swearing by any Insured relating thereto.

18. Mortgage Clause

a. Breach of Conditions By Mortgagor, Owner or Occupant

This insurance and every documented renewal thereof, as to the interest of the Mortgagee only therein, is and shall be in force notwithstanding any act, neglect, omission or misrepresentation attributable to the Mortgagor, owner or occupant of the property insured, including transfer of interest, any vacancy or non-occupancy, or the occupation of the property for purposes more hazardous than specified in the description of risk;

Provided always that the Mortgagee shall notify the Insurer (if known) of any vacancy or non-occupancy extending beyond thirty (30) consecutive days, or of any transfer of interest or increased hazard that shall come to his knowledge; and that every increase of hazard (not permitted by the Policy) shall be paid for by the Mortgagee, on reasonable demand, from the date such hazard existed, according to the established scale of rates for the acceptance of such increased hazard, during the continuance of this insurance.

b. Right of Subrogation

Whenever the Insurer pays the Mortgagee any loss award under this Policy and claims that, as to the Mortgagor or owner, no liability therefor existed, it shall be legally subrogated to all rights of the Mortgagee against the Insured; but any subrogation shall be limited to the amount of such loss payment and shall be subordinate and subject to the basic right of the Mortgagee to recover the full amount of its mortgage equity in priority to the Insurer; or the Insurer may at its option pay the Mortgagee all amounts due or to become due under the mortgage or on the security thereof, and shall thereupon receive a full assignment and transfer of the mortgage together with all Securities held as collateral to the mortgage debt.

c. Other Insurance

If there is other valid and collectible insurance upon the property with loss payable to the Mortgagee, at law or in equity, then any amount payable thereunder shall be taken into account in determining the amount payable to the Mortgagee.

d. Who May Give Proof of Loss

In the absence of the Insured, or the inability, refusal or neglect of the Insured to give notice of loss or deliver the required proof of loss under the Policy, then the Mortgagee may give notice upon becoming aware of the loss and deliver as soon as practicable the proof of loss.

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e. Termination

The term of this mortgage clause coincides with the term of the Policy;

Provided always that the Insurer reserves the right to cancel the Policy as provided by Statutory provision but agrees that the Insurer will neither terminate nor alter the Policy to the prejudice of the Mortgagee without the notice stipulated in such Statutory provision.

f. Foreclosure

Should title or ownership to said property become vested in the Mortgagee and/or assigns as owner or purchaser under foreclosure or otherwise, this insurance shall continue until expiry or cancellation for the benefit of the said Mortgagee and/or assigns.

Subject to the terms of this mortgage clause (and these shall supersede any Policy provisions in conflict therewith but only as to the interest of the Mortgagee), loss under Section B of this Policy is made payable to the Mortgagee.

19. No Benefit to Bailee

This insurance shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

20. No Control

The insurance shall not be affected by failure of the Insured to comply with any provision of this Policy in any portion of the Insured Location over which the Insured has no control.

21. Notice of Loss

The Insured will report in writing as soon as practicable to the Company or its agent every loss that the Insured has a reasonable basis to believe may become a claim under this Policy and shall also file with the Company or agent within sixty (60) days from date of discovery of loss, unless such time is extended in writing by the Company, a detailed sworn proof of loss. Failure by the Insured to report said loss and to file such sworn proof of loss as is hereinbefore provided shall invalidate any claim under this Policy for such loss.

Notice should be sent to us at the following address:

AXIS Reinsurance Company (Canadian Branch)
HSBC Building, 70 York Street, Suite 1010
Toronto, Ontario, Canada M5J 1S9

22. Other Insurance

The Company shall not be liable for loss or damage under this Policy if at the time of such loss or damage there is any other insurance which would attach if this insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributory insurance, and then only after all other insurance has been exhausted.

23. Pair, Set or Parts

In the event of loss or damage to:

- a. any article or articles which are a part of a pair or set, the measure of loss of or damage to such articles shall be a reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or

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- b. any part of property covered consisting, when complete for use, of several parts, the Company shall only be liable for the value of the part lost or damaged.

24. Property Protection Systems

It is agreed that the Insured shall notify the Insurer of any interruption to, or flaw or defect in, coming to the knowledge of any officer of the Insured, any:

- a. sprinkler or other fire extinguishing system; or
- b. fire detection system; or
- c. intrusion detection system;

and shall also immediately notify the Insurer of the cancellation or non-renewal of any contract that provides monitoring or maintenance services to any of these systems, or of the notification of the suspension of policy service in response to any of these systems.

25. Property Valuation

The value of the following property shall be determined as follows:

- a. Raw Stock, supplies and Merchandise: the replacement cost;
- b. Stock in Process: the value of Raw Stock and labour expended, plus the proper proportion of overhead charges;
- c. Finished Stock: the regular cash selling price at the Location where the loss occurred, less all discounts and charges to which such Finished Stock would have been subject had no loss occurred;
- d. on Valuable Papers, if not specifically declared, described and valued in an endorsement to this Policy, valuation shall be based on the lesser of:
 - i. the cost to repair or restore the valuable paper or record to the condition that existed immediately prior to the insured event; or
 - ii. the limit of liability shown in the Declarations.
- e. Electronic Data Processing Media: the cost of the blank Electronic Data Processing Media plus the cost of copying the Electronic Data or Electronic Computer Programs from back-up or from originals of the previous generation, even though Electronic Data and Electronic Computer Programs are not covered by this policy. These costs will not include research and engineering or any costs of restoring, gathering, assembling or recreating such Electronic Data or Electronic Computer Programs; nor does this policy insure any amount pertaining to the value of such Electronic Data or Electronic Computer Programs to the Insured or any other party, even if such Electronic Data or Electronic Computer Programs cannot be restored, recreated, gathered or assembled.

In no event shall the value include any additional cost directly or indirectly associated with the enforcement of any law or ordinance regulating the storage, processing, collection, transmission, recording, management, privacy or protection of Media, Electronic Data Processing Media, Data, Electronic Data, Programs or Electronic Computer Programs.

If the Electronic Data Processing Media is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank Electronic Data Processing Media.

- f. patterns and dies: the replacement cost if actually replaced; otherwise, at Actual Cash Value, at the time and place of loss.

- g. Improvements and Betterments:
 - i. if repaired or replaced at the expense of the Insured within two (2) years after such loss, the replacement cost of the damaged or destroyed Improvements and Betterments;
 - ii. if not repaired or replaced within two (2) years after such loss, that proportion of the original cost at time of installation of the damaged or destroyed Improvements and Betterments which the unexpired term of the Lease at the time of loss bears to the period(s) from the date(s) such Improvements and Betterments were made to the expiration date of the Lease;
 - iii. if repaired or replaced at the expense of others for the use of the Insured, there shall be no liability hereunder.
- h. property in transit shall be valued at the actual invoice cost, including prepaid freight, together with such costs and charges since shipment as may have accrued and become legally due thereon. If there is no invoice, the valuation of property covered hereunder shall be in accordance with the Actual Cash Value at the time and place of loss.
- i. Fine Arts: if not specifically declared, described and valued in an endorsement to this Policy, shall be valued at the least of the following:
 - i. the Actual Cash Value of the Fine Arts; or
 - ii. the cost of reasonably restoring the Fine Arts to its condition immediately before loss; or
 - iii. the cost of replacing the Fine Arts with substantially identical property; or
 - iv. the applicable sub-limit stated in the Declarations.

In the event of loss or damage, the value of Fine Arts will be determined as of the time of loss.
- j. where this Policy has been extended by Endorsement to include Mobile and/or Contractors Equipment: in case of loss, settlement shall be based on the Actual Cash Value of the property at the time loss or damage occurs but shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.
- k. any other property not otherwise provided for:

The least of:

 - i. the cost to rebuild or replace on the same site with new materials of like size, kind and quality;
 - ii. the cost to rebuild, repair or replace on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
 - iii. the selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
 - iv. the cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement;
 - v. the increased cost of demolition, if any, resulting from loss covered by this Policy, if such property is scheduled for demolition;
 - vi. the Actual Cash Value if such property is:
 - (a) useless to the Insured; or
 - (b) not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.

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26. Protection of Property

In case of actual or imminent insured direct physical loss or damage, the Insured will take reasonable steps to protect, recover or save the covered property and minimize any further or potential loss. The reasonable expenses incurred by the Insured in protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy. The acts of the Insured or the Company in protecting, recovering or saving the covered property will not be considered a waiver or an acceptance of abandonment.

27. Settlement of Claims

All adjusted claims shall be paid or made good to the Insured within 60 days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company.

28. Stated Amount Co-Insurance

In consideration of a statement of property values attested by the Insured and filed with the Insurer, the Insured shall maintain insurance concurrent with this insurance on the property insured, so that the total amount of insurance on the said property shall not be less than the amount stated in the statement of property values and that failing to do so, the Insured shall be a co-insurer to the extent of an amount sufficient to make the total insurance on the said property equal to the amount stated in the statement of property values and, in that capacity, shall bear their proportion of any loss that may occur.

If a statement of property values is not filed with the Insurer within 60 days of the inception date or renewal date effective date of this insurance the following clauses will apply:

This clause applies separately to each item and only applies where the amount of loss or damage exceeds the lesser of 2% of the applicable amount of insurance or \$5,000.

The Insured shall maintain insurance concurrent in form, range and wording with this insurance on property insured to the extent of at least the amount produced by multiplying the value of the property as determined in clause 25. of Section D of this Policy by the co-insurance percentage specified in the Declarations. If the Insured fails to do so, the Insured shall be entitled to recover only that portion of any loss that the amount of insurance in force at the time of loss bears to the amount of insurance required to be maintained by this clause.

29. Statutory Conditions

- a. **Misrepresentation:** If a person applying for insurance falsely describes the property to the prejudice of the Insured, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken, the contract is void to any property in relation to which the misrepresentation or omission is material.
- b. **Property of Others:** Unless otherwise specifically stated in the contract, the insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interested of the Insured therein is stated in the contract.

- c. Change of Interest: The insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.
- d. Material Change: Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the insurer or its local agent, and the insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the insurer an additional premium, and in default of such payment the contract is no longer in force and the insurer shall return the unearned portion, if any, of the premium paid.
- e. Termination:
 - i. This contract may be terminated
 - (a) by the insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
 - ii. Where this contract is terminated by the insurer,
 - (a) the insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
 - iii. Where this contract is terminated by the Insured, the insurer shall refund as soon as practicable the excess of the premium actually paid by the insurer over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
 - iv. The refund may be made by money, postal or express company money order or cheque payable at par.
 - v. The fifteen days mentioned in clause (a) of subcondition i. of this Condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.
- f. Requirements After Loss:
 - i. Upon the Occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of Conditions i, j and k,
 - (a) forthwith give notice thereof in writing to the insurer
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, cost, Actual Cash Value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,

- (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, Location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss;
- (b) deliver as soon as practicable to the insurer a proof of loss verified by a statutory declaration;
- (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, and Actual Cash Value;
- (d) if required and practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- ii. The evidence furnished under clauses (c) and (d) of subparagraph i. of this Condition shall not be considered proofs of loss within the meaning of Conditions l and m.
- g. Fraud: Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.
- h. Who may give notice and proof: Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.
- i. Salvage:
 - i. The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
 - ii. The insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph i. of this Condition according to the respective interests of the parties.
- j. Entry, Control, Abandonment: After loss or damage to insured property, the insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the insurer is not entitled to the control or possession of the insured property, and without the consent of the insurer there can be no abandonment to it of insured property.
- k. Appraisal: In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefor is made in writing and until after proof of loss has been delivered.

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- l. When Loss Payable: The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.
- m. Replacement:
 - i. The insurer, instead of making payment, may repair, rebuild or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
 - ii. In that event the insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.
- n. Action: Every action or proceeding against the insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.
- o. Notice: Any written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province. Written notice may be given to the Named Insured by letter personally delivered to it or by registered letter addressed to it at its last post office address notified to the insurer. In this Condition the expression "registered" shall mean registered within or without Canada.

30. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated to all the Insured's right of recovery therefor against any party, and the Company may require from the Insured an assignment of all rights of recovery against any party for loss to the extent that payment therefor is made by the Company. The Insured shall do nothing after loss to prejudice such rights; however, this insurance shall not be invalidated should the Insured waive in writing prior to a loss any or all rights of recovery against any party for loss or damage as insured against by this Policy.

31. Suit

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within 12 months next after discovery by the Insured of the Occurrence which gave rise to the claim, provided, however, that if by the laws of the province, territory or state within which this Policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding is commenced within the shortest limit of time permitted by the laws of such province, territory or state.

32. Titles of Paragraphs

The several titles of the various paragraphs of this form (and of endorsements and supplemental contracts, if any, now or hereafter attached to this Policy) are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

33. Underlying Insurance

Permission is granted the Insured to purchase insurance on all or any part of the deductibles of this Policy and the existence of such underlying insurance shall not prejudice any recovery otherwise payable under this Policy.

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Section E: Definitions

The following terms wherever used in this Policy shall mean as follows:

1. Actual Cash Value

Actual Cash Value means replacement cost new less depreciation.

2. Average Daily Value (ADV)

Average Daily Value (ADV) means the amount that would have been earned during the Period of Indemnity by use of the facilities at the Location where the physical loss or damage occurred, and all other Locations where Time Element loss ensues, divided by the number of working days in that period.

3. Bacteria

Bacteria means:

- a. any type or form of bacterium; or
- b. any by-product that is produced or released by such bacterium.

4. Business

Business means the Business of the Insured as specified in the Declarations.

5. Business Income

Business income means the amount by which the sum of the Revenue and the amounts of closing stock and work in progress shall exceed the sums of the amounts of opening stock and work in progress and the amount of the Variable Operating Expenses.

The amounts of opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's Normal accountancy methods, due provision being made for depreciation.

6. Business Income Percentage

Business Income Percentage means the percentage obtained by dividing the Business Income by the Revenue during the financial year immediately before the date of the insured loss or damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business either before or after the insured loss or damage or which would have affected the Business had the insured loss or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss or damage would have been obtained during the relative period after the loss or damage.

7. Company

Company means the company providing this insurance Policy.

8. Computer Operations

Computer Operations means Computer Systems or Electronic Data Communications System.

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9. Computer Systems

Computer Systems means computer hardware of any kind; Electronic Computer Programs; Electronic Data Processing Media; Electronic Data; operating system; media microchip; microprocessors (computer chips); integrated circuit or similar device; computer network and networking equipment; firmware; servers; websites; Extranet; and all input, output, processing, storage, and off-line media libraries.

10. Computer Virus

Computer Virus means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes, but is not limited to, 'Trojan Horses', 'worms' and 'time or logic bombs'.

11. Data

Data means information or knowledge.

12. Earthquake

Earthquake means any natural or man-made earth movement (except mudslide or mud flow caused by accumulation of water on or under the ground) including but not limited to Earthquake and resultant Earthquake sprinkler leakage, volcanic action, landslide, subsidence or tsunami, regardless of any other cause or event contributing concurrently or in any other sequence of loss.

Notwithstanding anything in the above to the contrary, to the extent mudslide or mud flow caused by accumulation of water on or under the ground is caused by or results from a tsunami, it shall be considered to be Earthquake as defined in this Policy.

13. Electronic Computer Programs

Electronic Computer Programs means computer software, applications, software and other recorded instructions for the processing, sequencing, collecting, transmitting, recording and retrieval or storage of Electronic Data.

14. Electronic Data

Electronic Data means Data recorded or transmitted in a form usable in Computer Systems, microchips, integrated circuits or similar devices in non-computer equipment, and which can be stored on Electronic Data Processing Media for use by Electronic Computer Programs.

15. Electronic Data Communications System

Electronic Data Communications System means any communication system, including Computer Systems and the Internet, which provides the Insured with access to other Computer Systems, microchips, integrated circuits or similar devices in non-computer equipment, or which provides any party access to the Insured's Computer Systems, microchips, integrated circuits or similar devices in non-computer equipment.

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16. Electronic Data Processing Media

Electronic Data Processing Media means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which Electronic Data or Electronic Computer Programs are recorded or transmitted, but not the Electronic Data or Electronic Computer Programs themselves. Money or Securities are not Electronic Data Processing Media.

17. Extra Expense

Extra Expense means the excess (if any) of the total cost incurred during the Period of Indemnity chargeable to the operation of the Insured's Business, over and above the total cost that would normally have been incurred during the same period had no damage occurred.

18. Extranet

Extranet means an internal computer network that has been selectively opened to suppliers, customers, or other third parties via the Internet or otherwise.

19. Expected Revenue

Expected Revenue means the Revenue during the period corresponding with the Period of Indemnity in the twelve months immediately before the date of the insured loss or damage, appropriately adjusted where the Period of Indemnity exceeds twelve (12) months, to which such adjustments shall be made as may be necessary to provide for the trend of the Business either before or after the insured loss or damage, or which would have affected the Business had the insured loss or damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the loss or damage, would have been obtained during the relative period after the loss or damage.

20. Fine Arts

Fine Arts means paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewellery, precious stones, precious metals, watercraft, aircraft, Money and Securities.

21. Finished Stock

Finished Stock means stock manufactured by the Insured which in the ordinary course of the Insured's Business is ready for packing, shipment or sale.

22. Fire Protection Equipment

Fire Protection Equipment means tanks, water mains, hydrants, valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include branch piping from a joint system where such branches are used entirely for purposes other than fire protection, nor any underground water mains or appurtenances located outside of the Insured Location and forming a part of the public water distribution system, nor any pond or reservoir in which the water is impounded by a dam, nor any aqueduct, pen stock or associated surge tanks.

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23. First Named Insured

First Named Insured means the individual or entity whose name appears first in the Named Insured provision of this Policy.

24. Flood

Flood means a general and temporary condition of partial or complete inundation of normally dry land areas from (1) the rising or overflow of inland or tidal waters, (2) the unusual and rapid accumulation of run off of surface waters from any source, or (3) mud slide (*i.e.*, mud-flow), meaning a river or flow of liquid mud proximately caused by flooding as defined in (1) above or by the accumulation of water under the ground, or (4) water that backs up from a sewer or drain.

To the extent that a condition described above is caused by or results from a tsunami, it shall not be considered to be Flood as defined in this Policy.

25. Improvements and Betterments

Improvements and Betterments means fixtures, alterations, installations, or additions comprising a part of the building occupied by the Insured and made or acquired at the expense of the Insured exclusive of rent paid by the Insured, but which are not legally subject to removal by the Insured.

26. Insured Location(s)

Insured Location(s) means a Location(s) listed on a schedule provided to the Company on the date noted in the Insured Location provision and within the Policy Territory, or covered as a Miscellaneous Unnamed Location, or covered under the terms and conditions of the Newly Acquired Property or Unintentional Errors or Omissions provisions.

27. Insured's Liability

Insured's Liability means liability imposed by law upon the Insured, or liability assumed by the Insured by specific agreement prior to loss for direct loss or damage of the type insured against.

28. Internet

Internet means the worldwide publicly accessible network of computers, which is commonly referred to as "The Internet" or "World Wide Web", or any other similar publicly accessible network hereafter to be developed.

29. Leakage from Fire Protection Equipment

Leakage from Fire Protection Equipment means the escape or passage of water or other substance used for fire protection through a breach or flaw in the fire protection system which is caused without the intervention of any other independent cause.

30. Lease

Lease means the lease or rental agreement, whether written or oral, in effect as of the time of loss.

31. Leasehold Interest

Leasehold Interest means the excess rent paid for either the same or similar replacement property over the amount of rent and other charges which would have been payable under the unexpired

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Lease plus bonuses or advance rent paid (including any maintenance, operating charges or taxes) for each month during the unexpired term of the Insured's Lease.

32. Location(s)

Location(s) means as listed on the schedule provided to the Company on the date noted in the Insured Location provision and within the Policy Territory; if not so specified or if a Miscellaneous Unnamed Location, a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative.

33. Media

Media means any item of tangible personal property on which Data or Programs can be recorded, but not the Data or Programs themselves. Money or Securities are not Media.

34. Merchandise

Merchandise means goods kept for sale by the Insured, which are not the product of manufacturing operations conducted by the Insured.

35. Miscellaneous Unnamed Location(s)

Miscellaneous Unnamed Location(s) means:

- a. property of the type covered, within the Policy Territory, in which the Insured has an insurable interest which existed prior to the inception date of this Policy and which is a) not listed on the schedule provided to the Company on the date noted in the Insured Location(s) provision of this Policy, or b) listed on the schedule provided to the Company on the date noted in the Insured Location provision of this Policy but for which the Insured has not submitted values for its interest, or c) not property covered under the terms and conditions of the Newly Acquired Property extension of coverage.
- b. property of the type covered at any exhibition, exposition, fair or trade show within the Policy Territory.

36. Mould or Other Fungi

Mould or Other Fungi means:

- a. any type of or form of mould or mildew;
- b. any other type or form of fungus; or
- c. any mycotoxin, spore, scent or by-product that is produced or released by such mould, mildew or other fungus.

37. Money

Money means currency, coins, bank notes and bullion; and travelers cheques, register cheques and money orders held for sale to the public.

38. Named Storm

Named Storm means a storm or weather disturbance that is named by the National Weather Service or other recognized authority. Such storm or weather disturbance includes all weather

phenomenon associated with or occurring in conjunction with the storm or weather disturbance, including, but not limited to Flood, wind hail, sleet, tornadoes, hurricane or lightning. Such storm or weather disturbance shall also include storm or weather disturbance occurring during the 72 hours immediately following the time when such storm or weather disturbance has been downgraded, meaning that the storm or weather disturbance is no longer considered by the weather services or authorities described above to be a hurricane, typhoon, tropical storm or cyclone.

39. Net Leasehold Interest

Net Leasehold Interest means the present value of the amount which, placed at four percent (4%) annual interest, would equal the Leasehold Interest (less any amounts otherwise payable hereunder).

40. Normal

Normal means the condition that would have existed had no loss occurred.

41. Occurrence

Occurrence means all covered loss, damage, or a sequence of losses or damages, casualties or disasters arising from a single event or catastrophe. When the term applies to loss or losses from the perils of Earthquake, Flood, Named Storm, wind, hurricane, tornado, cyclone, hail, riot, riot attending a strike, civil commotion, or vandalism and malicious mischief, a single event or catastrophe shall be construed to be all losses arising during a continuous period of seventy-two (72) hours. When filing proof of loss, the Insured may elect the moment at which the seventy-two (72) hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the covered property occurs.

However, the Company shall not be liable hereunder for any loss or damage:

- a. occurring before this Policy becomes effective; or
- b. arising from an Occurrence which is in progress at the time this Policy becomes effective, even if such loss or damage occurs after this Policy becomes effective; or
- c. occurring after the expiration of this Policy, except loss or damage arising from an Occurrence in progress at the time this Policy expires.

42. Ordinary Payroll Expense

Ordinary Payroll Expense means the entire payroll expense for all employees of the Insured, except officers, executives, department managers and employees under contract.

43. Period of Indemnity

Period of Indemnity means the period beginning with the Occurrence of the loss or damage and ending not later than the period specified in the Declarations thereafter during which the results of the Business shall be affected in consequence of the loss or damage.

For Electronic Data Processing Media, Period of Indemnity means:

- a. the time required with exercise of due diligence and dispatch to replace the Electronic Data Processing Media and copy from duplicates or from originals of the previous generation the Electronic Data or Electronic Computer Program made unavailable by physical loss or

damage of the type insured against to covered Electronic Data Processing Media. This time does not include research, engineering or any other time necessary to restore, gather, assemble or recreate such Electronic Data or Electronic Computer Programs, nor does it include any time directly or indirectly associated with the enforcement of any law or ordinance regulating the storage, processing, collection, transmission, recording, management, privacy or protection of Media, Electronic Data Processing Media, Data, Electronic Data, Programs or Electronic Computer Programs; or

- b. if, for whatever reason, the Electronic Data or Electronic Computer Programs are not copied from back-up or from originals of the previous generation, the time required with exercise of due diligence and dispatch to replace the Electronic Data Processing Media.

44. Period of Service Interruption

Period of Service Interruption means the period starting with the time when an interruption of specified services occurs, and ending when with due diligence and dispatch the service could be wholly restored and the Location receiving the service could or would have resumed Normal operations following the restorations of services.

The Period of Service Interruption is limited to only those hours during which the Insured would or could have used service(s) if it had been available.

The Period of Service Interruption does not extend to include the interruption of operations caused by any reason other than interruption of the specified services.

45. Policy

Policy means all parts of the document to which this form is attached including but not limited to Declarations-Section A, Property Damage-Section B, Time Element-Section C, General Conditions-Section D, Definitions – Section E and Endorsements.

46. Pollutants or Contaminant

Pollutants or Contaminant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to asbestos, smoke, vapour, soot fumes, acids, alkalis, chemicals and waste. Waste Pollutants means those Pollutants which are at any time transported, handled, stored, treated, disposed of or processed as waste by or for the Insured, or by those for whom the Insured is legally liable.

47. Program

Program means recorded instructions, whether digital or otherwise, for the processing, collecting, transmitting, recording, retrieval or storage of Data.

48. Property in the Course of Construction

Property in the Course of Construction means covered property at an Insured Location which is in the course of construction, installation, erection, start-up, commissioning, reconstruction, repairs, demolition, alteration, renovation and the like.

49. Raw Stock

Raw Stock means material in the state in which the Insured receives it for conversion by the Insured into Stock in Process or Finished Stock.

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50. Rental Value

Rental Value means the sum of:

- a. the total anticipated gross rental income from tenant occupancy of an Insured Location as furnished and equipped by the Insured; and
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Insured; and
- c. the fair Rental Value of any portion of said property which is occupied by the Insured.

51. Revenue

Revenue means the Money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Insured Location.

52. Revenue Shortfall

Revenue Shortfall means the amount by which the Revenue during the Period of Indemnity in consequence of insured loss or damage falls short of the Expected Revenue.

53. Securities

Securities means all negotiable and nonnegotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

54. Sinkhole Collapse

Sinkhole Collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations.

55. Stock in Process

Stock in Process means Raw Stock which has undergone any aging, seasoning, mechanical or other process of manufacture but which has not become Finished Stock.

56. Time Element

Time Element means coverages provided under Section C. of this Policy.

57. Variable Operating Expense

Variable Operating Expense means:

- a. all purchases (less discounts received);
- b. packing materials;
- c. delivery and freight (other than by own vehicles);
- d. Ordinary Payroll.

The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured.



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58. Valuable Papers and Records

Valuable Papers and Records means written, printed or otherwise inscribed documents including books, manuscripts, maps, drawings, exposed film and other photographically produced records such as slides and microfilms, and legal and financial agreements such as deeds and mortgages that can be replaced.

Specimen



Policy Number: CTB/

For the purposes of the Insurance Companies Act (Canada), this document was issued in the course of AXIS Reinsurance Company (Canadian Branch)'s insurance business in Canada.

In witness whereof, this Policy has been executed and attested by the undersigned in Toronto, Canada; however, this Policy will not be valid unless countersigned on the Declarations Page by one of our duly authorized representatives.

A handwritten signature in black ink, appearing to read "Andrew M. Weissert".

Andrew M. Weissert
Secretary

A handwritten signature in black ink, appearing to read "Robert Looney".

Robert Looney
President & CEO

A handwritten signature in black ink, appearing to read "Darin Scanzano".

Darin Scanzano
Chief Agent