"I" INSURANCE CONDITIONS

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"I" - INSURANCE CONDITIONS

The following Insurance Conditions apply to all contracts negotiated and agreed between the Owner and the Contractor as defined in the **Articles of Agreement**.

The Contractor must, at its own expense, obtain and maintain insurance in accordance with the "I" – Insurance Conditions with insurance companies approved by the Owner. The Contractor must also obtain and maintain any additional insurance as stated in the **Supplementary Conditions**.

PART I

GENERAL INSURANCE CONDITIONS (GIC)

GIC 1 INDEMNIFICATION

1.1 The Contractor shall defend, indemnify and hold harmless the Owner, its representatives and Her Majesty in Right of Canada from and against all claims, demands, losses, costs including judicial and extra-judicial costs arising from any legal action, damages, actions, suits or proceedings and by whomever made, bought, or prosecuted and in any manner based upon, occasioned by or attributable to any injury to or death of a person or damage to or loss of property resulting from any imprudence or lack of skill or any wilful or negligent act, omission or delay on the part of the Contractor, his representatives, employees, agents, suppliers, sub-contractors and their sub-contractors, or any other person under his direction and authority in performing the work or as a result of the work.

1.2 The Contractor shall also defend, indemnify and hold harmless the Owner, its representatives, and Her Majesty in Right of Canada from and against all costs, charges and expenses whatsoever that the Owner sustains or incurs from any claims, actions, suits, and proceedings for the use of the invention claimed in a patent, or infringement or alleged infringement or any patent or any registered industrial design or any copyright or any other kind of intellectual property resulting from the performance of the Contractor's obligations under the contract, and in respect of the use of or disposal by the Owner of anything furnished pursuant to the contract.

1.3 The Contractor's liability to indemnify or reimburse the Owner under the contract shall not affect or prejudice the Owner from exercising its statutory rights or any other rights under law.

GIC 2 CONTRACTOR

2.1 The Contractor shall, at its own expense, obtain and maintain insurance policies with insurer(s) licensed to conduct business in Canada for the duration of the contract. The insurance contracts shall contain the terms and conditions specified in the **"I" Insurance Conditions** and any additional coverages as shown in the **Supplementary Conditions**. Compliance with the insurance requirements does not release the Contractor from or reduce its liability under the contract.

2.2 The Contractor shall provide the Owner with a completed Notice of Compliance with **"I" Insurance Conditions** prior to entering the property of the Owner. The form signed by the Contractor and its insurance broker is considered proof that the Contractor's insurance policies meet or will meet the specified **"I" Insurance Conditions** and any supplementary insurance conditions and will be in force from commencement and up until completion of the contract.

2.3 The insurance coverage required by the provisions of the **"I" Insurance Conditions** shall not limit the Contractor's obligations under the contract. Any additional coverages the Contractor decide to obtain in order to fulfil the obligations under the contract and to ensure compliance with any applicable municipal by-laws or other laws shall be at the Contractor's own discretion and expense.

GIC 3 INSURANCE PROCEEDS

3.1 If a claim becomes payable under a Comprehensive General Liability Insurance or a wrap-up liability contract maintained by the contractor pursuant to Part II, the proceeds of the claim shall be paid by the insurer directly to the claimant or as directed by the owner.

GIC 4 NAMED INSURED/ADDITIONAL INSUREDS

4.1 All applicable insurance policies shall insure the Contractor as “Named Insured” and the Owner and Her Majesty in Right of Canada as “Additional Insureds”. The following clause must be added to all applicable insurance policies:

“It is hereby agreed that the St. Lawrence Seaway Management Corporation and Her Majesty in Rights of Canada are added as Additional Insureds but only with respect to liability arising out of the insured operation.”

GIC 5 CONTRACTOR’S RESPONSIBILITY FOR SUB-CONTRACTORS, THEIR SUB-CONTRACTORS AND SUPPLIERS

5.1 It is the responsibility of the Contractor to ensure that its sub-contractors, their sub-contractors and suppliers insure their exposures and maintain their insurance contracts up to the limits of the contractor in order to support the Contractors’ insurance requirements according to the terms and conditions specified in the **“I” Insurance Conditions**. Failure to do so does not relieve the Contractor of its legal responsibilities under the contract.

GIC 6 PERIOD OF INSURANCE AND PROOF OF INSURANCE

6.1 The required insurance policies shall attach from the date of the commencement of the contract and shall be maintained until the day of issue of the Owner’s Final Certificate of Completion.

6.2 Immediately following notification of contract award and preceding the start of an on-site work, the Contractor shall provide proof of insurance or a certificate of insurance attesting that coverages meet the specifications stipulated for said contract. The proof or certificate must be submitted and accepted by the Engineer or Owner(s) Representative prior the commencement of work.

GIC 7 NOTIFICATION

7.1 Each insurance policy shall contain a provision that sixty (60) days’ advance written notice by registered mail or equivalent mail shall be given by the insurer(s) to the Owner in the event of any material change in or cancellation of coverage. Any such notice received by the Contractor shall be transmitted immediately to the Owner.

GIC 8 PAYMENT OF DEDUCTIBLE

8.1 The Contractor shall solely bear the payment of any applicable deductible.

GIC 9 OTHER INSURANCE

9.1 If, loss or damage is incurred to property insured by the insurance policy evidenced to the Owner and there is in force any other insurance policies covering the same interest, the policy evidenced to the Owner shall be primary insurance. The Property/Boiler & Machinery insurance joint loss agreement shall be paramount to this clause.

GIC 10 AGENCY/TRUSTEE CLAUSE

10.1 It is understood and agreed that the insured who obtained the insurance policy and paid the premium did so on its own behalf and as agent or trustee of any other insureds mentioned in the policy. It is further acknowledged and agreed by the insurer(s), as evidenced by their acceptance of the premium paid, that any person, firm or corporation within the description of an unnamed person insured by the policy may confirm such agency or trusteeship at any time.

GIC 11 DEFINITIONS

11.1 “Contractor” shall mean any person, firm or corporation entering into a contract with or agreeing with or being requested by the Owner to provide, supply or lease work, services, materials or equipment or any combination thereof, in connection with the project shown in the Articles of Agreement.

11.2 “Sub-Contractor” shall mean (a) any person, firm or corporation entering into a contract with the Contractor, and (b) any person, firm or corporation entering into a contract derived through any such contract with a Contractor to provide, supply or lease work, services, materials or equipment, or any combination thereof, in connection with the project shown in the Articles of Agreement.

11.3 “Occurrence” shall mean any one loss, disaster or casualty or series of losses, disasters or casualties arising out of one event, if the same event continues for a period of time, the event shall be considered to be one occurrence. If the origin of the event causing the loss occurs prior to the date of the expiration of the policy evidenced to the Owner then the insurer(s) shall also be

liable for any loss and/or damages and/or costs incurred after the expiration of the insurance policy.

11.4 “Resultant Damage” shall mean damage to the insured property other than the cost of repairing or replacing the part or component of the insured property whose failure caused the loss or damage and which would have had to have been replaced or repaired even if no failure resulting in physical damage had occurred.

11.5 “Project site” shall mean the property within the property lines at the location of the project plus a further one (1) kilometre outside the property lines in all directions.

PART II

COMMERCIAL GENERAL LIABILITY (CGL)

CGL 1 SCOPE OF POLICY

1.1 The CGL policy, also known as Comprehensive General Liability, evidenced to the Owner shall provide for limits of liability on an occurrence basis as determined by the Owner in the Supplementary Conditions, but not less than $2,000,000 including bodily injury, death, and property damage for any one occurrence or series of occurrences arising out of one cause.

CGL 2 COVERAGES

The policy shall include but not be limited to the following coverages:

(a) Liability arising out of or resulting from the ownership, existence, maintenance or use of premises by the Contractor and operations necessary or incidental to the performance of this contract.

(b) “Broad Form” property damage including completed operations and the loss of use of property.

(c) Occurrence property damage.

(d) Removal or weakening of support of any building, structure or land whether such support is natural or otherwise.

(e) Liability to third parties for bodily injury, personal injury (while not limited to, the coverage must include violation of privacy, libel and slander, false arrest, detention or imprisonment and defamation of character), death, and property damage arising out of the use, maintenance, operation, including loading and unloading of vehicles and equipment which are not licensed for highway use and which are not covered by Automobile Liability insurance.

(f) Non owned automobile liability.

(g) Elevator Liability (including hoists and similar devices).

(h) Owner’s and Contractor’s protective liability.

(i) Contractual and assumed liabilities under this contract.

(j) Completed operations liability

The insurance, including all aspect of Part II of the “I” Insurance Conditions, shall continue for a period of at least one year beyond the date of the Owner’s Final Certificate of Completion for the Completed Operations.

(k) Severability of Insureds

The clause shall be written as follows:

“Except with respect to the limit of insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

a) As if each Named Insured were the only Named Insured; and

b) Separately to each insured against whom claim is made or legal action is brought”

(l) Cross Liability

The clause shall be written as follows:

"The insurance policy shall apply to any claim or action brought against anyone insured by any other insured. The coverage shall apply in the same manner and to the same extent as though a separate policy had been issued to each insured. The inclusion of more than one insured shall not increase the limit of the insurer's liability. Furthermore, any breach of a condition of this policy by any insured shall not affect the protection given by this policy to any other insured."

(m) Employer's Liability or confirmation that all employees are covered by Worker's Compensation (WSIB) or by the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) or similar program in which case contingent Employer's Liability is required.

CGL 3 ADDITIONAL EXPOSURES

The Contractor shall ensure that the insurance policy includes additional coverage(s), if the contract is subject to any of the following additional exposures:

(a) Blasting

(b) Pile driving and caisson work

(c) Underpinning

(d) Sudden and accidental pollution

(e) Damage to the existing building or structure directly associated with an addition, renovation, repair or installation contract. (The care, custody and control exclusion to be deleted.)

(f) Marine risks associated with the construction of piers, wharfs, walls and docks. A separate marine policy may be required by the Contractor.

(g) Where the Contractor uses "in-house" engineers or architects, or engages consulting engineers or architects for the purposes of the contract, the Professional Services Exclusion contained in the General Liability policy should be amended so it does not apply to such "in-house" services.

(h) Environmental Impairments Liability (EIL). A separate policy may be required.

(i) Radioactive contamination resulting from the use of commercial isotopes.

CGL 4 WRAP-UP LIABILITY POLICY

4.1. The following clauses are only applicable if a wrap-up liability policy is maintained.

4.2 The policy, including all aspect of Part II of the "I" Insurance Conditions shall continue for a period of at least one year beyond the date of the Owner's Final Certificate of Completion for the completed operations and the limit of liability is to be provided solely for the purpose of agreed contract.

4.3 In addition, the following coverages shall also apply:

(a) Amendments to the watercraft exclusion to extend to incidental repair operations onboard watercraft (if applicable).

(b) All Risk Tenants' Legal Liability (if applicable).

(c) Following are to be included as Additional Insureds: All contractors, sub-contractors, architects, engineers and consultants on the project site.

(d) The Contractor must carry and maintain a separate CGL policy as outlined in PART II to cover all third party claims that are not covered by the Wrap-Up Liability policy. In addition, sub-contractors must carry their own Commercial General Liability Insurance up to the limits of the Contract's coverage in order to support the Contractor's insurance requirements.

PART III

BUILDERS' RISK – INSTALLATION FLOATER ALL RISKS (BR)

BR 1 SCOPE OF POLICY

1.1 The policy shall be written on an "All Risk" basis granting coverages similar to those provided by the forms known and referred to in the insurance industry as "Builders' Risk Comprehensive Form" and/or Installation Floater "All Risks" including the risks of flood, sewer back-up, earthquake, testing and commissioning.

"I" - INSURANCE CONDITIONS

BR 2 PROPERTY INSURED

2.1 The property insured shall include:

(a) The work and all property, equipment and materials intended to become part of the finished work including off-site, while in transit and at the site of the project while awaiting, during and after installation, erection or construction including testing, commissioning and by-law coverage.

(b) Expenses incurred in the removal from the construction site of debris of the property insured, including demolition of damaged property, de-icing and dewatering, occasioned by loss, destruction or damage to such property and in respect of which insurance is provided by the policy.

BR 3 INSURANCE PROCEEDS

3.1 The policy shall provide that the proceeds thereof are payable to the owner unless otherwise directed by the owner and within thirty (30) days after filing of the proof of loss.

3.2 The Contractor shall provide all documents required to effect payment of the proceeds without any delay.

BR 4 AMOUNT OF INSURANCE

4.1 The amount of insurance shall be for the sum of the contract value plus the declared value (if any) mentioned in the contract documents of all material and equipment supplied by the Owner to be incorporated into and form part of the finished work. Settlement shall be on a replacement cost basis.

BR 5 SUBROGATION

The following clause shall be included in the policy:

“All rights of recovery against the Additional Insureds and their associated, affiliated and/or related companies are hereby waived.”

BR 6 COMPULSORY CLAUSES

6.1 The following clauses shall be inserted in the policy and shall be paramount to any other clauses in the policy:

6.2 Permissions

(a) The insurer(s) hereby grant permission to the insured to immediately carry out necessary and reasonable repairs for damage to the insured property where the damage does not exceed $100,000 and such damage is insured by this policy. Subject to the deductible and any limit of liability, the insurer(s) will reimburse the insured for their proportion of the actual cost of such repairs. Nothing in this clause shall be deemed to have waived the requirement that notice of loss is to be given immediately to the insurer(s).

(b) The insurer(s) hereby grant permission for partial or full occupancy of the insured project.

6.3 Liberalization

(a) If during the period that the policy is in force, or within forty-five (45) days prior to the inception date, the policy is extended or broadened, without increased premium charge, by endorsement or substitution of form, such extended or broadened insurance shall be to the benefit of the insured

6.4 Sue and Labour

(a) In the event of any imminent or actual loss or damage insured it shall be lawful and necessary for the insured, his or their employees, and assigns to sue, labour and travel for, in and about the defence, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the insured or the insurer(s), in recovering, saving and preserving the property insured in case of loss or damage to be considered a waiver or an acceptance of abandonment. The expense so incurred shall be borne by the insured and the insurer(s) proportionally to the extent of their respective interests.

(b) The coverage provided by this clause does not increase the amount of insurance provided by this policy and the limit of liability shown in the Declarations or amended by endorsement.

6.5 Breach of conditions clause

(a) Where a loss or damage occurs and there has been a breach of conditions prior to the loss or damage, the insurer(s) shall demonstrate that the loss or damage was caused by or contributed by the breach of conditions. Any alleged breach of condition occurring beyond the control of the insured shall not be attributed to the insured.

(b) Notwithstanding anything contained elsewhere in this policy, any act or any breach of condition by one of the parties insured shall not prevent recovery by any other party insured who is innocent of such act or breach.

6.6 Debris removal

(a) If off-site coverage is provided by the policy, coverage is extended to include the cost of removing debris of any damaged insured property and, with respect to property in transit, from the site of the accident.

PART IV AUTOMOBILE

LIABILITY (AL)

AL 1 SCOPE OF POLICY

1.1 The policy shall be written to cover all licensed automobiles, whether or not they belong to the Contractor, which are used directly, indirectly or incidentally, on the occasion of or in the performance by the Contractor of the work or operations mentioned in the contract.

AL 2 COVERAGES

2.1 The policy shall include but not be limited to the following coverages:

(a) Shall be written for a minimum amount of $1,000,000 per occurrence for bodily injury, death and property damage.

(b) Shall be subject to the provisions of the Automobile Insurance Act of Quebec or any successor legislation when the work is carried out in the Province of Quebec.

(c) Shall be subject to the provisions of the Compulsory Automobile Insurance Act of Ontario or any successor legislation when the work is carried out in the Province of Ontario.

AL 3 COVERAGE SUPPLIED BY EMPLOYEES OF THE CONTRACTOR

3.2 It is the Contractor's responsibility to ensure that their employees carry automobile insurance while on the owner's property

3.3 Employees of the Contractor who use their own vehicle or that of any other person for business-related activities while on the Owner's premises:

(a) Shall carry vehicle liability insurance for a minimum of $1,000,000 per occurrence for bodily injury, death and property damage.

(b) Shall be subject to the provisions of the Automobile Insurance Act of Quebec or any successor legislation when the work is carried out in the Province of Quebec

(c) Shall be subject to the provisions of the Compulsory Automobile Insurance Act of Ontario or any successor legislation when the work is carried out in the Province of Ontario.

PART V

MARINE – PROTECTION & INDEMNITY (P&I)

PI 1 SCOPE OF POLICY

1.1 The policy shall cover legal liability of the insured for loss, damage or expense arising out of, or incidental to, the ownership, operation, chartering, maintenance, use of any vessel, craft in use on inland waterways, including liability of the insured for personal injury, illness or death, or for loss or damage to the property of another person.

PI 2 COVERAGE

2.1 The policy shall include but not be limited to the following coverages:

(a) Hull and Machinery insurance (if applicable), shall be subject to Institute Times Clauses Hull, American Institute Hull or CBMU form, including Towers and Collision Liabilities.

(b) Protection and Indemnity insurance must be carried by the Contractor with respect to third party liabilities and include Towers and Collision Liabilities and excess Towers and Collision Liabilities, for a minimum limit as determined by the Owner in the Supplementary Conditions, but not less than $10,000,000 for any one accident or occurrence, including a Cross Liability clause.

(c) The Owner and Her Majesty in Right of Canada to be named as “Additional Insureds” under both Hull and Machinery and Protection and Indemnity insurance.

(d) Hull and Machinery insurers, Protection and Indemnity insurers and the Contractor are to waive their rights in subrogation against the Owner and Her Majesty in Right of Canada.

PART VI

WORKPLACE SAFETY AND INSURANCE BOARD (WSIB)

COMMISSION DES NORMES, DE L’ÉQUITÉ, DE LA SANTÉ ET DE LA SÉCURITÉ DU TRAVAIL (CNESST)

WC 1 CANADIAN COMPLIANCE

The contractor shall provide evidence of compliance with all requirements of the applicable WSIB or CNESST or Ordinance of the province concerned including payments due.

WC 2 USA COMPLIANCE

A U.S. Contractor shall provide evidence of compliance with all requirements of the applicable US Worker’s Compensation coverages required by the applicable U.S. statutes for the state of regulation.