

MULTINATIONAL PROGRAM – MASTER POLICY EXTENSION

This endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold have special meaning as defined below.

This Endorsement is attached to all Property; Equipment Breakdown; or Property and Equipment Breakdown Coverage Forms in the policy and is subject to all terms, conditions, limitations and exclusions of such Forms.

Whereas the Insurer, an Intact company, or a company the Insurer or the **Insured** has designated, has issued an insurance policy to the **Insured** in various countries as part of the **Insured's** Multinational insurance program (hereinafter described as a "**local insurance policy**"), which covers loss that would also have been covered by this Policy (hereinafter described as "**Master Policy**"), the following conditions shall apply:

1. DIFFERENCE IN CONDITIONS

In the event of covered physical loss of or damage to property insured under this **Master Policy**, it is agreed that if:

- 1.1. a **local insurance policy** is in place; and
 - 1.2. there is a difference in coverage, such that coverage of the loss or damage is covered under the terms of the **Master Policy**, but not covered under the terms of the **local insurance policy**, due to the fact that its terms, conditions, exclusions and definitions are not as broad as this **Master Policy**; or
 - 1.3. the coverage provided under the **local insurance policy** is not settled solely by reason of insolvency of the insurers of such **local insurance policy**;
- this **Master Policy** shall cover that part of the loss or damage that is not covered under the **local insurance policy**.

The most that shall be paid under this **Master Policy** is the limit of insurance applicable to the loss or damage covered under this **Master Policy**.

2. DIFFERENCE IN LIMITS

In the event of a covered physical loss of or damage to property insured under this **Master Policy**, it is agreed that if:

- 2.1. a **local insurance policy** in place covers the loss or damage; and
- 2.2. this **Master Policy** also covers the same loss or damage; and
- 2.3. the limits of insurance as provided under this **Master Policy** are greater than the limits of insurance available to the **Insured** under the **local insurance policy**;

this **Master Policy** will pay the difference between the **local insurance policy** limits applicable to the loss or damage and the limits of insurance applicable to the loss or damage under this **Master Policy**.

This Difference in Limits coverage is provided subject to following conditions:

- 2.4. the loss of or damage to insured property must be covered under both this **Master Policy** and the **local insurance policy**; and
- 2.5. the limits of insurance applicable to the covered loss or damage under the **local insurance policy** must be exhausted; and
- 2.6. any deductible, waiting period or other self-insurance under the **local insurance policy** must be applied.

These Difference in Conditions and Difference in Limits coverages described under 1. and 2. shall not apply if the **Insured** is unable to collect in full any loss payable under a **local insurance policy** due to the **Insured** not acquiring adequate insurance or not fully complying with the conditions of such **local insurance policy**.

It is also a condition of these Difference in Conditions and Difference in Limits coverages described under 1. and 2. that the **non-program policy** must be maintained in full force and effect during the full term of this **Master Policy**. Any renewals of such **non-program policy** cannot be more restrictive than the coverage provided by the expiring **non-program policy**. If, during the full term of this **Master Policy**, the **non-program policy** is not maintained in full force and effect, or if there are any reductions, without the consent of this **Master Policy** Insurer, in the coverage provided under the **non-program policy**, the coverage provided by this **Master Policy** will then apply in the manner as if the coverage had been maintained and unchanged.

Moreover, these Difference in Conditions and Difference in Limits coverages shall not apply to any additional coverage provided by the **non-program policy** that is not provided by this **Master Policy**.

3. COMPULSORY INSURANCE

- 3.1. The coverage provided by this **Master Policy** is not a substitute for any compulsory insurance which the **Insured** is required to purchase in any country or jurisdiction outside Canada. The **Insured** agrees to maintain all such compulsory insurance up to the minimum limits required by local law.
- 3.2. The **Insured's** failure to comply with paragraph 3.1 above will not invalidate the coverage afforded by this **Master Policy**, but the Insurer's liability will only be to the same extent as it would have been if the **Insured** had such compulsory insurance in force.

4. ADDITIONAL CONDITIONS

The following additional conditions apply to this **Master Policy**:

4.1. Adherence to Local Laws and Local Insurance Requirements

Nothing contained in this **Master Policy** can require anyone to commit any act that is contrary to the laws of any country or jurisdiction included in the **coverage territory**. In the event of a conflict between the insurance provided by:

- 4.1.1. this **Master Policy**; and
 - 4.1.2. any statute, law, ordinance, or regulation of any country or any province, territory, state or other administrative division of any country;
- the latter shall have precedence.

However, only that part of this **Master Policy** that is in conflict with such statute, law, ordinance, or regulations shall be modified to comply with such legal requirements in the event it is necessary. The remaining valid portions of this **Master Policy** shall remain in full force and effect.

4.2. Rate of Exchange

All payments will be calculated based on the rate of exchange provided under the Master Policy on the date immediately preceding the date the payment is processed (Ref: www.bloomberg.com/canada).

4.3. Combined Limits

All payments made under any **local insurance policy**, shall reduce the Limits of Insurance of this **Master Policy** in the same manner as if they were paid under this **Master Policy**. However, this reduction shall not be effected if such amount is not recovered solely by reason of insolvency of the insurers of such **local insurance policy**.

4.4. Payments

Any and all payments by the Insurer for any insured losses covered by these Difference in Conditions and Difference in Limits coverages shall be made to the **Insured Subsidiary**, where a **local insurance policy** is in force. In the event the Insurer is unable to make a payment to the **Insured Subsidiary** for any insured losses for the reasons described under paragraph 4.7 below, the provisions provided under paragraph 4.8 below shall apply.

4.5. Reimbursements to Insurer

If a combination of payments made under this **Master Policy** and any other **local insurance policy** or policies exceeds any Limit of Insurance specified in the Declaration Page(s) for this **Master Policy** to which this Endorsement is attached, the **First Named Insured** shall reimburse the Insurer in respect of the excess amount so paid. Any such reimbursement shall be paid to the Insurer by the **First Named Insured** within thirty (30) days of receiving written notice from the Insurer.

4.6. Prohibited Insurance Exclusion

The Insurer will not provide coverage under this **Master Policy** if the **Insured Subsidiary** cannot purchase local insurance coverage and limits similar to the **Master Policy** because the laws in the local country where the property insured is situated prohibits such insurance purchases.

4.7. Prohibited Jurisdiction Exclusion

The Insurer will not provide payment to an **Insured Subsidiary** for any insured loss of or damage to property of the type insurable under this **Master Policy**, if such property is situated at a location in a **prohibited jurisdiction**.

4.8. Financial Interest of the First Named Insured

The Insurer will pay for the financial loss of the **First Named Insured** that results from direct physical loss of or damage caused by a peril insured but not otherwise excluded by this **Master Policy** to property of the type insurable under this **Master Policy** in a **prohibited jurisdiction**. Payment will only be made to the **First Named Insured** as respects its insurable interest and only to the extent the loss is not otherwise insured, provided the local law in the **prohibited jurisdiction** prohibits coverage or payment for loss under this **Master Policy**.

The most the Insurer will pay under this coverage is the amount that would have been payable under this **Master Policy** if local law allowed coverage under or payment for loss under this **Master Policy**.

In order to benefit from the provisions set forth under this paragraph 4.8, the **First Named Insured** must ensure that the **Insured Subsidiary** adheres to any obligations that would have been imposed on the **Insured Subsidiary** under this **Master Policy**, had the **Insured Subsidiary** been insured under this **Master Policy**.

Solely for the purposes of this Financial Interest of the **First Named Insured** coverage, the **coverage territory** is Canada.

4.9. Government Program, Pool and Scheme Exclusion

This **Master Policy** excludes coverage for loss or damage that is covered under any government or national program, pool or scheme. This **Master Policy** shall apply as excess of any amounts recoverable under such programs, pools or schemes, subject to all of the **Master Policy** terms and conditions, including applicable exclusions, deductibles and limits, all as shown in this **Master Policy**.

4.10. Warranty Clause – Non-Program Policies

It is agreed that the **Insured** shall submit to the Insurer, within 90 days of the issuance of this **Master Policy**, a Schedule of all **non-program policies**. Any additional **non-program policy** shall also be reported by the **Insured** to the Insurer within 90 days of the effective date of such additional policy. Failure to comply with this paragraph 4.10 shall render these Difference in Conditions and Difference in Limits coverages in respect to any such additional policy null and void.

4.11. Additional Condition – Schedule of Local Policies

Subject to the provisions of paragraph 4.8. above, this **Master Policy** shall only provide the **First Named Insured** with these Difference in Conditions and Difference in Limits coverages for a **local insurance policy** listed in the **Schedule of Local Policies**.

5. DEFINITIONS

For the purposes of this endorsement:

5.1. **Coverage territory** means anywhere in the world excluding any country or jurisdiction which is the subject of trade or economic sanctions imposed by any applicable laws or regulations, to the extent such sanctions limit or prohibit this insurance.

The above definition shall have precedence over any provisions contained under the coverage forms to which this endorsement attaches.

5.2. **First Named Insured** means the first Named Insured shown on the Declarations Page.

5.3. **Insured** means the **First Named Insured** and any **Insured Subsidiary**.

5.4. **Insured Subsidiary** means any subsidiary of the **First Named Insured**, that is domiciled within the **coverage territory** and for which a **local insurance policy** has been issued.

5.5. **Local insurance policy** means insurance provided under either a **local program policy** or a **non-program policy** within the **coverage territory**.

5.6. **Local program policy** means a primary policy that has been issued within the **coverage territory** at the Insurer's discretion and control.

5.7. **Master Policy** means this insurance policy that has been issued by Intact Insurance Company in Canada, excluding **local insurance policies** issued within the **coverage territory**.

5.8. **Non-program policy** means a policy that has been issued within the **coverage territory**, without the Insurer's discretion and control.

5.9. **Prohibited jurisdiction** means any country or political subdivision, outside Canada, its territories and possessions, in which by that country's or political subdivision's insurance laws and regulations, the Insurer is not allowed to insure risks under this **Master Policy**.

5.10. **Schedule of Local Policies** means any **local insurance policy** listed in a Schedule of Local Policies attached to the present Endorsement, and any renewal thereof, to the extent in force at the time the **Master Policy** is in force.

All other terms and conditions of the Master Policy to which this endorsement applies remain unchanged.