

SCHEDULE 5
INSURANCE REQUIREMENTS
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SCHEDULE 5

INSURANCE REQUIREMENTS

1. INTERPRETATION

1.1 Definitions

In this Schedule, in addition to the definitions set out in Schedule 1 to this Agreement:

“**Construction CGL Policy**” has the meaning set out in Section 2.1 of this Schedule;

“**Construction Property Policy**” has the meaning set out in Section 2.2 of this Schedule;

“**HCPP**” means the British Columbia Health Care Protection Program;

“**Insuring Party**” has the meaning set out in Section 4.11 of this Schedule;

“**Lender Endorsements**” means the endorsements set out in Appendix 5A or in Appendix 5B; and

“**Non-Insuring Party**” has the meaning set out in Section 4.11 of this Schedule.

2. CONSTRUCTION-RELATED INSURANCE REQUIREMENTS

2.1 Wrap-Up Liability Insurance

During the Construction Period the Owner will take out and maintain in force, or will cause to be taken out and maintained, commercial general liability insurance on a wrap-up basis (the “**Construction CGL Policy**”) which will include the following terms:

- (a) coverage in an amount of not less than _____ inclusive per occurrence and _____ in the aggregate for bodily injury, death, and damage to property including loss of use thereof;
- (b) a deductible not exceeding _____ per occurrence;
- (c) [Intentionally Deleted];
- (d) include as named insureds, the Owner, Project Co, the Design-Builder, Design firms (but excluding their professional liability) and all Sub-Contractors, but excluding suppliers whose only function is to supply or transport products to the Site and security protection firms providing protection at the Site, and not extending to any activities, works, jobs or undertakings of any of the insureds other than those directly related to the Design and Construction;
- (e) include Lender Endorsements substantially in the form set out in Appendix 5A, including, without limitation, naming the Agent and Senior Lenders as additional insureds;
- (f) contain a waiver of subrogation against all insureds under the policy, except for claims arising out of the rendering of professional services from any architect, engineer, surveyor, or other professional design consultants; and
- (g) include coverage for:
 - (1) premises and operations liability;

- (2) damage to existing structures;
- (3) broad form completed operations for a period of _____ after Service Commencement;
- (4) blanket contractual liability;
- (5) cross liability/severability of interests;
- (6) owners' and contractors' protective liability;
- (7) contingent employer's liability;
- (8) personal injury liability;
- (9) shoring, blasting, excavating, underpinning, demolition, piledriving and caisson work, work below ground surface and grading, as applicable;
- (10) bodily injury or property damage resulting directly or indirectly from radioactive isotopes (away from a nuclear facility) which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial use;
- (11) liability with respect to non-owned licensed vehicles, with a sublimit of _____ ;
- (12) broad form property damage;
- (13) limited pollution liability (sudden and accidental with 120 hours) including hostile fire with a sublimit of _____ ;
- (14) blanket tenants' legal liability with a sublimit of _____ ;
- (15) use of attached machinery;
- (16) loading and unloading from automobiles;
- (17) loss of use without damage to property;
- (18) partial road use;
- (19) hoist collision liability;
- (20) intentional injury committed to protect persons or property;
- (21) watercraft (not in excess of 10m);
- (22) medical payments (_____ per person) _____ in the aggregate;
- (23) physical damage to non-owned auto (sublimit of _____);
- (24) forest fire fighting expenses with sublimit of _____ ; and
- (25) employee benefits administrative errors and omissions with a sublimit of _____

2.2 Course of Construction Coverage

During the Construction Period the Owner will take out and maintain in force, or will cause to be taken out and maintained, course of construction insurance against "All Risks" of direct physical loss or damage including flood and earthquake (the "**Construction Property Policy**") covering all materials, property, structures and equipment purchased for, entering into or forming part of the Facility including all Design and Construction, while located on Site during construction, erection, installation and testing of the Facility which will include the following terms:

- (a) coverage in an amount of not less than the replacement value of the Facility determined at the time of replacement with the following sublimits:
 - (1) for property insured under the policy and stored at an off Site location or in transit in Canada or the United States of America, a limit of not less than the total of all values stored at any single location, or the value of the largest single shipment to be transported by land to the Site if such transport by land is not covered by marine cargo insurance;
 - (2) the full replacement value of all material and equipment forming part of the Facility lifted on Site by cranes during Construction;
 - (3) professional fees to establish quantum of any covered loss, _____ ;
 - (4) fire fighting expense, _____ ;
 - (5) debris removal and clean up, _____ (maximum _____ of loss);
 - (6) expediting and extra expense, combined _____ ;
 - (7) immediate repairs, _____ ;
 - (8) testing and commissioning, _____ and _____
 - (9) first party pollution/contaminant clean up (_____ sublimit);
- (b) include coverage for:
 - (1) off premises service interruption, _____ (_____ radius, a deductible waiting period of 72 hours, minimum _____);
 - (2) soft costs;
 - (3) margin of profit;
 - (4) valuable papers, _____ ;
 - (5) accounts receivable, _____ ;
 - (6) damage resulting from frost/freezing to concrete;
 - (7) interruption by civil authority or apparent civil authority _____ (_____ , _____ radius, a deductible waiting period of 72 hours, minimum _____);
 - (8) escalation _____ ;

- (9) underground services, temporary buildings and structures, temporary boilers and pressure vessels, scaffolding, false work, forms, hoardings, excavation, site preparation, landscaping and similar work;
 - (10) electronic data processing equipment and media, including the cost to restore or recreate data;
 - (11) prevention of ingress or egress, , radius, a deductible waiting period of 72 hours, minimum);
 - (12) costs of demolition and the increased cost to repair or replace resulting from the application of bylaws or ordinances;
 - (13) no exclusion of loss or damage caused by electrical or mechanical breakdown, with such insurance included either in the Construction Property Policy or in a separate policy up until the Service Commencement Date; and
 - (14) no coinsurance clause or margin clause;
- (c) deductibles, per occurrence, not exceeding the following amounts and if more than one deductible applies, the highest one will apply:
- (1) for floods, ;
 - (2) for water damage and sewer back up, ;
 - (3) for testing and commissioning, ;
 - (4) Design Error, LEG 3/06, ;
 - (5) for soft costs, a deductible waiting period of 60 days (minimum);
 - (6) for earthquakes, the greater of or of the total insured value of the Facility at the time of the loss; and
 - (7) for all other insured perils, .
- (d) include, as named insureds, the Owner, Project Co, the Design-Builder and all Sub-Contractors, as their interests may appear, and not extending to any activities, works, jobs or undertakings of any of the insureds other than those directly related to the Design and Construction;
- (e) include Lender Endorsements substantially in the form set out in Appendix 5A, including, without limitation, naming the Agent and the Senior Lenders as additional insureds and loss payees;
- (f) exclusion for contractor's equipment of any description, except scaffolding, formwork, falsework and hoarding and of any medical equipment supplied, installed, tested or commissioned by the Owner and of any other property supplied by the Owner which will not form a permanent part of the real property of the Facility;
- (g) permit use and occupancy of the incomplete Facility by Project Co, the Design-Builder, the Sub-Contractors and the Owner prior to the Service Commencement Date for:
- (1) construction purposes;

- (2) office purposes;
 - (3) installing, testing and commissioning or storing of equipment or machinery; and
 - (4) staff orientation and training; and
- (h) contain a waiver of subrogation against all named insureds and additional named insureds other than architects or engineers who are not employees of a named insured or additional named insured for their liability in the event of loss caused by or resulting from any error in design or any other professional error or omission pertaining to the subject of such insurance.

2.3 Other Construction Period Coverage

During the Construction Period, Project Co will take out, maintain in force and renew or will cause to be taken out, maintained and renewed with respect to Design and Construction for the Facility:

- (a) contractors pollution liability insurance which will include the following terms:
- (1) coverage for clean up, removal, containment, transit or disposal of Hazardous Substances;
 - (2) coverage in an amount of not less than _____ inclusive per occurrence
 - (3) coverage for Project Co, the Design-Builder and all Sub-Contractors;
 - (4) include coverage against bodily injury, death and damage to property including loss of use thereof;
 - (5) the insurance will not be impaired by any time element limitations, biological contaminants (without limitation, mould and bacteria), asbestos, or lead-based paint exclusions;
 - (6) include the Owner as an additional insured;
 - (7) contain a waiver of subrogation against the Owner;
 - (8) any "insured vs. insured" exclusion shall not prejudice coverage for the Owner and shall not affect the Owner's ability to bring suit against Project Co, the Design-Builder and all Sub-Contractors as a third party; and
 - (9) bear an endorsement to the effect that the insurer will not effect cancellation of the policy without first giving at least 10 days prior written notice by registered mail to the Owner;
- (b) automobile liability insurance which will include the following terms:
- (1) coverage in an amount of not less than _____ inclusive per occurrence;
 - (2) coverage for Project Co, the Design-Builder and all Sub-Contractors, which coverage is not required to be in a single policy; and
 - (3) include coverage for third party property damage and bodily injury (including accident benefits) arising out of the use of any automobile used in connection with the Project;

- (c) if aircraft or watercraft are used in connection with the Project and except to the extent covered under the Construction CGL Policy, aircraft and watercraft (including owned and non-owned) liability insurance for bodily injury, death and damage to property including loss of use thereof and including aircraft passenger hazard if applicable which will include the following terms:
- (1) coverage in an amount of not less than _____ inclusive per occurrence;
 - (2) coverage for Project Co, the Design-Builder and all Sub-Contractors;
 - (3) include the Owner as an additional insured;
 - (4) contain a waiver of subrogation against the Owner;
 - (5) any "insured vs. insured" exclusion shall not prejudice coverage for the Owner and shall not affect the Owner's ability to bring suit against Project Co, the Design-Builder and all Sub-Contractors as a third party; and
 - (6) a deductible not exceeding _____ per occurrence;
- (d) if ocean marine cargo is used to transport any of the materials, equipment or property supplied under or used during the Project and which are critical to achieve Service Commencement, marine cargo insurance, covering all such materials, equipment and other property, which will include the following terms:
- (1) coverage in an amount not less than the full replacement value of the shipment;
 - (2) coverage for Project Co, the Design-Builder and all Sub-Contractors;
 - (3) include the Owner as an additional named insured;
 - (4) subject to the conditions of the Institute Cargo Clauses (All Risks), including war and strikes extensions, and including transit and storage where applicable;
 - (5) if an entire vessel is chartered for shipping materials, equipment or property then charterer's liability insurance will also be provided in amounts sufficient to protect and indemnify the Owner, Project Co, the Design-Builder and all Sub-Contractors from and against all liability arising out of the chartering of such vessel; and
 - (6) a deductible not exceeding _____ per occurrence;
- (e) "all risks" insurance covering all key construction equipment owned, leased or rented by Project Co, the Design-Builder or any Sub-Contractor for use during the Construction or for which any of them may be responsible which will include the following terms:
- (1) coverage in an amount of not less than actual cash value of such equipment;
 - (2) coverage for Project Co, the Design-Builder and all Sub-Contractors;
 - (3) contain a waiver of subrogation against the Owner; and
 - (4) a deductible not exceeding _____ per occurrence; and
- (f) workers' compensation insurance in accordance with Schedule 2 [Design and Construction Protocols].

2.4 Project Co Liability Insurance

From the Service Commencement Date until the Expiry Date, during which period the Construction CGL Policy will no longer be in force, Project Co will take out and maintain in force, or will cause to be taken out and maintained, commercial general liability insurance which will include the following terms:

- (a) coverage in an amount not less than _____ inclusive per occurrence and in the aggregate against bodily injury, personal injury and property damage and including liability assumed under this Agreement;
- (b) include the Owner, Agent and Senior Lenders as additional insureds;
- (c) be endorsed to provide the Owner with 30 days advance written notice of adverse material change or cancellation;
- (d) include a cross liability clause; and
- (e) include a waiver of subrogation in favour of the Owner, Agent and Senior Lenders.

The Owner will reimburse Project Co for the reasonable costs of taking out and maintaining such liability insurance.

3. PROVINCIAL INSURANCE PROGRAM

3.1 HCPP

During the Construction Period, the Owner may take out and maintain in force, or may cause to be taken out and maintained in force, under the HCPP, insurance covering equipment purchased for, entering into or forming part of the Facility, including medical equipment, that may not be covered by the Construction Property Policy, and such policy:

- (a) will be made available to Project Co by HCPP and HCPP's obligations under such policy will be supported by an indemnity from the Province of British Columbia in favour of HCPP;
- (b) will provide insurance coverage comparable to or better than the coverage required for such equipment under the Construction Property Policy as described in Section 2.2 of this Schedule;
- (c) will satisfy the requirements set out in Section 4 of this Schedule;
- (d) will be on terms comparable to or better than those offered by Qualified Insurers licensed in British Columbia; and
- (e) will include Lender Endorsements substantially in the form set out in Appendix 5B instead of Appendix 5A.

4. GENERAL INSURANCE PROVISIONS

4.1 Insurance Representative

Before commencing any Construction Project Co will appoint an insurance representative who will communicate with the Owner and keep the Owner advised of all material matters of insurance, including claims, possible claims and policy changes or amendments. Project Co will at all times maintain such a representative throughout the Term. Such representative will be an individual located in Canada and Project Co will advise the Owner promptly of any change in such representative during the Term.

4.2 Insurers and Terms of Policies

Each of Project Co and the Owner will ensure that all policies for the insurance they are respectively required to obtain pursuant to this Schedule are obtained and maintained with Qualified Insurers licensed in British Columbia (other than any policy placed under HCPP) and, subject to this Schedule, are in such forms and contain such terms and conditions which are equal to or better than those that would be obtained by prudent owners and operators of projects of similar scope and magnitude to the Project and, in addition to the required inclusions or permitted exclusions for each policy specifically described in this Schedule, include such other inclusions and exclusions as such prudent owner or operator would require or permit. Other than coverage placed under HCPP, to be eligible to provide insurance an insurer will have an A.M. Best Company Financial Strength Rating of not lower than "A-" or in the absence of an A.M. Best rating, Standard and Poor's rating of "A-" or an equivalent rating.

4.3 Additional Insurance

None of the insurance coverage amounts or sublimits specified in this Schedule limit the liability of Project Co with respect to any obligations of Project Co to the Owner arising under this Agreement. Project Co will obtain and maintain, or cause to be obtained and maintained, at its cost, all such other policies of insurance required by Law or which Project Co deems necessary having regard for the policies of insurance which prudent owners and operators of projects of similar scope and magnitude to the Project would maintain and obtain, or cause to be obtained and maintained, including:

- (a) directors and officers liability and corporate indemnification insurance; and
- (b) professional errors and omissions insurance covering professional error and omissions for which Project Co, the Design-Builder or any Design Professionals may be liable in connection with the Project.

4.4 Particular Requirements of Policies

Without limiting the generality of this Schedule and the provisions of Section 6 (Insurance, Damage and Destruction) of this Agreement:

- (a) each policy of insurance (other than those specified in Sections 2.3(a), 2.3(b), 2.3(e), 2.3(f) and 4.3 of this Schedule) required under this Agreement will:
 - (1) bear an endorsement to the effect that the insurer will not effect any adverse material change or amendment to the policy or any cancellation of the policy without first giving at least 30 days prior written notice by registered mail to the Owner and each of the other named insureds and loss payees, provided that the Construction CGL Policy and the Construction Property Policy will each bear an endorsement providing that the policy is non-cancellable by the insurer except for the following:
 - (A) non payment of the premium;
 - (B) bankruptcy or insolvency of the named insured;
 - (C) termination of the Project prior to the expiry date of the policy (termination does not refer to the early completion of the Project); or
 - (D) indefinite suspension of the Project,

and the Construction CGL Policy and the Construction Property Policy will each bear an endorsement providing that the insurers will not effect any material adverse change to either such policy;

- (2) contain an endorsement to the effect that the policy will not be invalidated and coverage thereunder will not be denied to any insureds by reason of any breach or violation of warranties, representations, declarations or conditions contained in the policy other than as a result of a negligent act, misrepresentation or omission of such insured; and
 - (3) be primary and not require the sharing of any loss by any insurer of the Owner or any other named insured;
- (b) each policy of liability insurance (other than those specified in Sections 2.3(a), 2.3(b), 2.3(f) and 4.3 of this Schedule) required under this Agreement will contain a cross liability and severability of interests endorsement to the effect that Project Co and the Owner and the other insureds will each be entitled to indemnification under such policy as if each were alone insured under such policy and notwithstanding that the claim in respect of which indemnification is sought is made by any other insured; and
- (c) each policy of property insurance required under this Agreement must be on a stated amount co-insurance basis, other than:
- (1) the contractor's equipment insurance described in Section 2.3(e) of this Schedule;
 - (2) any policy of insurance placed under HCPP; and
 - (3) the Construction Property Policy.

4.5 Evidence of Insurance

In respect of those policies of insurance:

- (a) required pursuant to this Schedule, other than those policies obtained pursuant to Section 2.1, Section 2.2 or under HCPP pursuant to Section 3 of this Schedule, upon the issue of and upon every renewal of each such policy, and otherwise upon request by the Owner, Project Co will deliver to the Owner a certificate of insurance of each such policy or other satisfactory evidence of adequate insurance; and
- (b) pursuant to Section 2.1, Section 2.2 or under HCPP pursuant to Section 3 of this Schedule, upon the issue of and upon every renewal of each such policy, and otherwise upon request by Project Co, the Owner will deliver to Project Co a certificate of insurance of each such policy or other satisfactory evidence of adequate insurance.

On request, the party responsible for obtaining any policy of insurance required under this Schedule will provide to the other party a certified copy of such policy within a reasonable period of such request provided that any policy obtained through HCPP will be subject to the requesting party agreeing to comply with all commercially reasonable confidentiality requirements required by HCPP.

No review or approval of any insurance certificate or insurance policy by either party will derogate from or diminish such party's rights under this Agreement.

4.6 Claims

Project Co will:

- (a) maintain a written register of all claims and incidents that might reasonably result in a claim under any of the policies of insurance required by this Agreement and will allow the Owner to inspect such register at any time; and
- (b) notify the Owner within 5 Business Days after making any claim under any of the policies for the insurance required by this Agreement where the value of the claim exceeds \$10,000 or (regardless of the value of the claim) the claim involves personal injury or death, accompanied by full particulars of the incident giving rise to the claim.

4.7 Project Co Deductibles

Subject to Section 4.8 of this Schedule, Project Co will be responsible for the deductible portion of, or waiting period for, any claim made on any policy of insurance maintained pursuant to this Schedule. If any such policy is maintained under HCPP, the deductibles in respect of each such policy will be the lesser of the amount specified:

- (a) in this Schedule; and
- (b) in the applicable HCPP policy.

4.8 Owner Deductibles

The Owner will be responsible for the deductible portion of, or waiting period for, any claim made on the policies of insurance maintained pursuant to this Schedule and made in respect of any:

- (a) earthquake or flood, except to the extent that the flood or the flood damage is caused by, attributable to or increased by the actions or inactions of Project Co or any Sub-Contractor; or
- (b) Compensation Event.

4.9 No Indemnification for Insured Claims

Subject to Sections 8.3, 8.4, and 8.7 of this Agreement, Project Co will not be entitled to claim compensation, indemnification or reimbursement from the Owner under this Agreement to the extent that Project Co:

- (a) is entitled to recover any such amounts under any insurance in force at the time of loss; or
- (b) would have been entitled to recover any such amounts under any insurance if it had complied with its obligation to take out and maintain, or cause to be taken out and maintained, insurance in accordance with this Agreement.

4.10 Compliance

- (a) Project Co will comply with the terms, conditions and requirements of all policies for the insurance required by this Schedule and will not do or omit to do, or permit to be done or omitted by any Project Co Person, anything on or with respect to the Facility or the Lands that could reasonably be expected to result in the cancellation of any insurance required by this Schedule, or that would reasonably be expected to entitle any insurer to refuse to pay any claim under the policy for any such insurance.

- (b) The Owner will not do, or permit to be done by any Owner Person, anything on or with respect to the Facility or the Lands that could reasonably be expected to result in the cancellation of any insurance required by this Schedule, or that would entitle any insurer to refuse to pay any claim under the policy for any such insurance.
- (c) The Owner and Project Co will, and Project Co will cause the Design-Builder and the Sub-Contractors to:
 - (1) comply with all insurance policy warranties made known to them; and
 - (2) take any and all special precautions necessary to prevent fires occurring in or about the Facility as required by the terms of the Construction Property Policy.

4.11 Failure to Insure

Subject to Section 6.15 (Consequences of Risks becoming Uninsurable), if either party (the “**Non-Insuring Party**”) fails or refuses to obtain or maintain in force any insurance required to be effected by it under this Schedule, or to provide evidence of such insurance and renewals in relation thereto as and when required and in accordance with this Schedule, the other party (the “**Insuring Party**”) will, without prejudice to any of its other rights under this Agreement or otherwise, have the right itself to procure such insurance, in which event any amounts paid by the Insuring Party for that purpose together with all reasonable costs incurred by the Insuring Party in procuring such insurance will become due and payable by the Non-Insuring Party to the Insuring Party.

4.12 Project Co Contractors and Sub-Contractors

Project Co will determine the applicable insurance coverage to be obtained by the Design-Builder and Sub-Contractors provided that such insurance coverages will be consistent with insurance that prudent Sub-Contractors would be required to maintain for projects of similar scope and magnitude to the Project.

5. INSURANCE PAYMENT

5.1 Project Co Premiums

Other than as set out in Section 5.2 of this Schedule, Project Co will pay all premiums payable under the policies of insurance required to be maintained pursuant to this Schedule.

5.2 Owner Premiums

The Owner will pay all premiums under the policies of insurance described in this Schedule other than the following in respect of which Project Co will pay all premiums:

- (a) those described in Section 2.3 (Other Construction Period Coverage), subject to Section 5.3 (Increases in Premiums) of this Schedule; and
- (b) any other policies of insurance obtained by Project Co pursuant to Section 4.3 (Additional Insurance) of this Schedule.

For any policy of insurance which Project Co is responsible for obtaining and the Owner is responsible for paying the premium under this Schedule (other than any policy obtained under the HCPP), Project Co will include with its invoice to the Owner, a copy of the premium invoice (including all applicable Taxes and reasonable brokerage commissions) from the respective insurance broker together with all other relevant documentation which the Owner may reasonably require and the Owner will pay such amount concurrently with the payment due to Project Co in accordance with Section 8 of Schedule 8 [Payments].

5.3 Increases in Premiums

If and to the extent any increase in the amount of any premium payable in respect of any policy of insurance the premium for which is to be paid by the Owner pursuant to Section 5.2 of this Schedule is reasonably attributable to the acts or omissions of Project Co or any Project Co Person, Project Co will pay the amount of any such increase.

APPENDIX 5A (NON-HCPP)

LENDER ENDORSEMENTS

With respect to any policy of insurance noted in Schedule 5 as requiring these Lender Endorsements, Project Co and the Owner will use all reasonable efforts to have the underwriters of such policies include terms and endorsements substantially similar to those set out in this Appendix 5A with such changes and amendments as may reasonably be required in the context of the coverage provided under, and the wording contained in, each such policy.

Notwithstanding any other provision of this Policy, the following endorsement shall apply:

Section I: Definitions

1. In this endorsement:

Agent means The Bank of Nova Scotia, in its capacity as administrative agent and as collateral agent for and on behalf of the Senior Creditors;

Credit Agreement means the credit agreement dated as of the Effective Date between Project Co, the lenders party thereto and the Agent;

Effective Date means February 24, 2021;

Insurance Account means the account described as such in the Credit Agreement;

Insured means those parties so described in the policy declarations;

Insurers means the insurer or insurers underwriting this insurance policy;

Owner means Providence Health Care Society;

Project means the project described in the declarations to this Policy;

Project Co means PCL NSP 2021 Ltd.; and

Senior Creditors has the meaning specified in the Credit Agreement.

Section II: Policy formation/basis

2. Separate Policy

All the provisions of this Policy (except for those relating to limits of liability) shall operate as if there were a separate policy covering each Insured. Accordingly, the liability of the Insurers under this Policy to any one of the Insured shall not be conditional upon the due observance and fulfilment of any other Insured of the terms of this Policy and of any duties imposed upon it relating thereto and shall not be affected by any failure in such observance or fulfilment of any such other Insured.

3. Interest of the Senior Creditors and the Owner

3.1 The Insurers acknowledge that the Senior Creditors and (in respect of third party liabilities) their respective officers, directors, employees, secondees and assigns are each additional insureds under this Policy and that the premium specified in this Policy provides consideration for their being insured parties.

3.2 The Insurers acknowledge that the Owner and (in respect of third party liabilities) its officers, directors, employees, secondees and assigns are each additional insureds under the sections of this Policy relating to property damage and third party liability risks and that the premium specified in this Policy provides consideration for their being insured parties.

4. Liability for premium

Neither the Agent, nor the Senior Creditors shall be liable for the payment of any premium under this Policy although they may choose to pay the premium.

5. Disclosure

5.1 The Senior Creditors shall have no duty of disclosure to Insurers in relation to the Policy.

5.2 The Insurers acknowledge to the Senior Creditors alone that (i) they have received adequate information in order to evaluate the risk of insuring Project Co in respect of the risks hereby insured on the assumption that such information is not materially misleading, (ii) there is no information which has been relied on or is required by Insurers in respect of their decision to co-insure the Senior Creditors or their directors, officers, employees or agents, and (iii) in agreeing to enter into this Policy, they have not relied upon or taken into account any information supplied to them by any Senior Creditor. The acknowledgements provided by the Insurers in this clause 5.2 shall have no effect on any rights that Insurers might have had under or in relation to the Policy against any party (including Project Co) other than the Senior Creditors and the Agent in the absence of such acknowledgements.

5.3 Non-disclosure or misrepresentation by one Insured shall not be attributable to any other Insured who did not actively participate in that non-disclosure or misrepresentation. Without prejudice to the protections afforded to the Insured by this endorsement, no one Insured represents or warrants the adequacy or accuracy of any information provided or representation made by or on behalf of any other Insured.

Section III: Rights to avoid/cancel or change Policy terms

6. Non-vitiation

6.1 The Insurers undertake to each Insured that the Policy will not be invalidated as regards the rights and interests of such Insured and that the Insurers will not seek to avoid any liability under this Policy because of any act, neglect, error or omission made by any other Insured, including any failure by any other Insured to disclose any material fact, circumstance or occurrence, any misrepresentation by any other Insured or any breach or non-fulfilment by any other Insured of any condition, warranty or provision contained in the policy.

6.2 The Insurers agree that no Insured shall be penalised or prejudiced in any way by any unintentional or inadvertent misrepresentation, non-disclosure, want of due diligence or breach of any declaration, terms, condition or warranty of this Policy (together "the Relevant Matter"), but that this shall not apply as regards the individual Insured responsible for the Relevant Matter if that Insured fails to notify the Insurers or the brokers through whom the Policy was placed as soon as reasonably practicable after the management or managers of that Insured become aware or are made aware of the Relevant Matter.

7. Cancellation

7.1 The Insurers agree that they shall not seek to cancel or suspend the construction phases of this insurance except: for non payment of premium;

7.2 The Insurers shall promptly notify the Agent and the Owner in writing of any default in the payment of premium and shall give the Agent and the Owner at least 30 days notice in writing before voiding this Policy for non-payment of premium, in order to give an opportunity for that premium to be paid within the notice period.

8. Changes in cover

The Insurers shall give the Agent and the Owner at least 30 days notice in writing before any reduction in cover or increase in excess or deductible under this Policy takes effect. Nothing in this clause shall give the Insurers any right which they do not otherwise have to reduce cover or increase any excess or deductible under this Policy.

9. Amendments to Endorsement

During the term of this Policy, the provisions of this endorsement may only be amended by written agreement between Project Co, the Insurers and the Agent, such amendment to be endorsed on the Policy.

Section IV: Claims

10. Notice of claims

10.1 Notice of claim by the Owner or the Senior Creditors or any other party entitled to indemnity under the Policy shall, in the absence of manifest error, be accepted by Insurers as a valid notification of claim on behalf of all other Insureds subject to the full terms of the Policy.

11. Claim Payments/Loss Payee

Payments made in accordance with this Clause 11 shall, to the extent of the payment, discharge the Insurers' liability to pay Project Co or any other Insured.

11.1 In respect of property and boiler and machinery risks only

All claim payments or return premium shall be paid into the Insurance Account or to such other account as the Agent may specify in writing.

11.2 In respect of the insurance under this Policy of third party liability risks only

All claim payments in respect of a third party liability shall be paid to person(s) whose claim(s) constitute the risk or liability insured against except in the case where the Insured has properly discharged its liability to such person(s), in which case the claim payment shall be paid to the Insurance Account or such account as the Agent directs in writing.

Any return premiums shall be paid to the Insurance Account or such other account as the Agent directs in writing.

11.3 In respect of the insurance under this Policy of loss of revenue risks only

All claim payments or return premiums shall be paid to the Insurance Account or such other account as the Agent directs in writing.

12. Waiver of subrogation

The Insurers waive all rights of subrogation howsoever arising which they may have or acquire against any Insured described within the appropriate Schedules arising out of any occurrence in respect of which any claim is admitted and is insured hereunder for the benefit of such Insured except against any:

- (i) such Insured (or officer, director, employee, agent or assign) who has caused or contributed to such an occurrence or claim by fraud, deliberate misrepresentation, deliberate non-disclosure or deliberate breach of policy condition; or
- (ii) consultant or equivalent professional party to the extent that their professional errors, omissions or activities not covered by this Policy have caused or contributed to a loss covered under this Policy; or
- (iii) supplier or manufacturer to the extent that their errors, omissions or activities not covered by this Policy have caused or contributed to a loss covered under this Policy; or
- (iv) such Insured to the extent that they are entitled to recover in respect of a loss under cover falling within sub-clause 13(a)–(e) below (or would be so insured if cover in the terms set out in this Policy had not been taken out).

13. Primary insurance

The Insurers agree that this insurance provides the primary cover for risks insured under this Policy. In the event that any risk insured under this Policy is also insured under any other policy of insurance effected by any Insured, the Insurers agree to indemnify the Insured as if such other policy of insurance did not exist except in respect of:

- (a) excess layers of third party cover effected specifically for the Project;
- (b) any third party liability claim against the Insured which exceeds the applicable limit of indemnity under this Policy, in which case the liability of the Insurers for additional legal costs and expenses shall be limited to the proportion that the applicable limit of indemnity bears to the total claim against the Insured;
- (c) any claim under this Policy to which a Marine 50/50 Clause applies, if any;
- (d) any claim made under a Contingent Motor Liability extension to this Policy, if any; or
- (e) any claim relating to a loss which is insured against (or would be insured but for a double insurance provision or similar or the application of a deductible) under:
 - (i) any other policy specifically effected for the construction or operational phase(s) of the Project; or
 - (ii) a latent or inherent defects policy or engineering or mechanical breakdown policy specifically effected for the Project;or a related business interruption insurance policy.

Section V: Miscellaneous

14. Notice of Security Interest

The Insurers acknowledge that by an assignment contained in a general security agreement dated on or about the Effective Date (the "Assignment"), Project Co assigned by way of security to the Senior Creditors all benefits and rights in respect of this insurance and all claims and returns of premiums in respect thereof to which the Insured is or may at a future time become entitled. The Insurers confirm that they have not been notified of any other assignment of or security interest in Project Co's interest in this insurance.

15. Notice

15.1 All notices or other communications under or in connection with the Policy will be in writing and will be considered to have been sufficiently given if delivered by hand or transmitted by electronic transmission as set out below. Any such notice given by Insurers will be deemed to be given on the earlier of:

- (a) if delivered by hand during business hours (and in any event, at or before 3:00 pm local time in the place of receipt) on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business hours on the next Business Day; and
- (b) if delivered by electronic mail during business hours (and in any event, at or before 3:00 pm local time in the place of receipt) on a Business Day, upon receipt, and if not delivered during business hours, upon the commencement of business hours on the next Business Day provided that:
 - (i) the receiving party has, by electronic mail or by hand delivery, acknowledged to the notifying party that it has received such notice; or
 - (ii) within 24 hours after sending the notice, the notifying party has also delivered a copy of such notice to the receiving party by hand delivery.

15.2 The address and email of the Agent for all notices under or in connection with the Policy are those notified from time to time by the Senior Creditors for this purpose to the insurance broker at the relevant time. The initial address and email of the Agent is as follows:

Address:

The Bank of Nova Scotia, as Agent
Corporate Banking – Loan Syndications
40 King Street West, 62nd Floor
Toronto, Ontario M5H 1H1

Attention: Director & Head of Agency Services
Email: agency.services@scotiabank.com

15.3 The address and email of the Owner for all notices under or in connection with the Policy are those notified from time to time by the Owner for this purpose to the insurance broker at the relevant time. The initial address and email of the Owner is as follows:

Address:

Providence Health Care Society
c/o St. Paul's Hospital
1081 Burrard Street
Vancouver, BC V6Z 1Y6

Attention: Office of the CEO
E-mail: officeoftheceo@providencehealth.bc.ca

16. Governing law & Jurisdiction

The Policy shall be governed and interpreted in accordance with the Law of British Columbia.

This endorsement overrides any conflicting provision in this Policy.

APPENDIX 5B (HCPP)
LENDER ENDORSEMENTS

Notwithstanding any other provision of this Coverage Agreement, the following endorsement shall apply:

Section I: Definitions

1. In this endorsement:

Agent means The Bank of Nova Scotia, in its capacity as administrative agent and as collateral agent for and on behalf of the Senior Creditors;

Credit Agreement means the credit agreement dated as of the Effective Date between Project Co, the lenders party thereto and the Agent;

Effective Date means February 24, 2021;

HCA means those parties so described in the Coverage Amount declarations;

Insurance Account means the account described as such in the Credit Agreement;

Owner means Providence Health Care Society;

Program means the Health Care Protection Program;

Project means the project described in the declarations to this Coverage Agreement;

Project Co means PCL NSP 2021 Ltd.; and

Senior Creditors has the meaning specified in the Credit Agreement.

Section II: Coverage Agreement formation/basis

2. Separate Coverage Agreement

All the provisions of this Coverage Agreement (except for those relating to limits of liability) shall operate as if there were a separate Coverage Agreement covering each HCA. Accordingly, the liability of the Program under this Coverage Agreement to any one of the HCA shall not be conditional upon the due observance and fulfilment of any other HCA of the terms of this Coverage Agreement and of any duties imposed upon it relating thereto and shall not be affected by any failure in such observance or fulfilment of any such other HCA.

3. Interest of the Senior Creditors and the Owner

3.1 The Program acknowledges that the Senior Creditors and (in respect of third party liabilities) their respective officers, directors, employees, secondees and assigns are each additional interests under this Coverage Agreement.

3.2 The Program acknowledges that the Owner and (in respect of third party liabilities) its officers, directors, employees, secondees and assigns are each additional interests under the sections of this Coverage Agreement relating to property damage and third party liability losses.

4. Disclosure

- 4.1 The Senior Creditors shall have no duty of disclosure to the Program in relation to the Coverage Agreement. Nevertheless, on the written request of the Program, the Senior Creditors shall provide the Program with access to any relevant due diligence report(s) commissioned by the Senior Creditors relating to the Project and the Program shall keep such report(s) confidential and shall accept such information without rights of recourse against the party / parties that prepared the said reports.
- 4.2 The Program acknowledges to the Senior Creditors alone that (i) they have received adequate information in order to evaluate the risk of insuring Project Co in respect of the risks hereby covered on the assumption that such information is not materially misleading, (ii) there is no information which has been relied on or is required by Program in respect of their decision to cover the Senior Creditors or their directors, officers, employees or agents, and (iii) in agreeing to enter into this Coverage Agreement, they have not relied upon or taken into account any information supplied to them by any Senior Creditor. The acknowledgements provided by the Program in this clause 4.2 shall have no effect on any rights that Program might have had under or in relation to the Coverage Agreement against any party (including Project Co) other than the Senior Creditors and the Agent in the absence of such acknowledgements.
- 4.3 Non-disclosure or misrepresentation by one party of the HCA shall not be attributable to any other party of the HCA who did not actively participate in that non-disclosure or misrepresentation. Without prejudice to the protections afforded to the HCA by this endorsement, no one HCA represents or warrants the adequacy or accuracy of any information provided or representation made by or on behalf of any other HCA.

Section III: Rights to avoid / cancel or change Coverage Agreement terms

5. Non-vitiation

- 5.1 The Program undertakes to each HCA party that the Coverage Agreement will not be invalidated as regards the rights and interests of such HCA party and that the Program will not seek to avoid any liability under this Coverage Agreement to such HCA party because of any act, neglect, error or omission made by any other HCA party, including any failure by any other HCA party to disclose any material fact, circumstance or occurrence, any misrepresentation by any other HCA party or any breach or non-fulfilment by any other HCA party of any condition, warranty or provision contained in the Coverage Agreement.
- 5.2 The Program agrees that no HCA party shall be penalised or prejudiced in any way by any unintentional or inadvertent misrepresentation, non-disclosure, want of due diligence or breach of any declaration, terms, condition or warranty of this Coverage Agreement (together “the Relevant Matter”), but that this shall not apply as regards the individual HCA party responsible for the Relevant Matter if that HCA party fails to notify the Program as soon as reasonably practicable after the management or managers of that HCA party become aware or are made aware of the Relevant Matter.

6. Cancellation

- 6.1 The Program shall promptly notify the Agent and the Owner in writing in the event of any
 - 6.1.1 suspension, cancellation, termination; or
 - 6.1.2 non-renewal of this Coverage Agreement by the Program or by the HCA. The cover provided by this Coverage Agreement shall continue in force and unaltered for at least 30 days after written notice of such suspension, cancellation, termination or non-renewal is

given to the Agent and the Owner. Nothing in this clause shall give the Program any right to suspend, cancel or terminate this Coverage Agreement which the Program does not otherwise have under this Coverage Agreement.

7. Changes in cover

The Program shall give the Agent and the Owner at least 30 days' notice in writing before any reduction in cover or increase in excess or deductible under this Coverage Agreement takes effect. Nothing in this clause shall give the Program any right which it did not otherwise have to reduce cover or increase any excess or deductible under this Coverage Agreement.

8. Amendments to Endorsement

During the term of this Coverage Agreement, the provisions of this endorsement may only be amended by written agreement between Project Co, the Program and the Agent, such amendment to be negotiated in good faith by such parties, acting reasonably, and endorsed on the Coverage Agreement.

Section IV: Claims

9. Notice of claims

Notice of claim by the Owner or the Senior Creditors or any other party entitled to indemnity under the Coverage Agreement shall, in the absence of manifest error, be accepted by Program as a valid notification of claim on behalf of all other HCAs subject to the full terms of the Coverage Agreement.

10. Claim Payments/Loss Payee

Payments made in accordance with this Clause 10 shall, to the extent of the payment, discharge the Program's liability to pay Project Co or any other HCA party.

10.1 In respect of property and boiler and machinery risks only

All claim payments or return premium shall be paid into the Insurance Account.

10.2 In respect of the coverage under this Coverage Agreement of third party liability risks only

All claim payments in respect of a third party liability shall be paid to person(s) whose claim(s) constitute the risk or liability covered against except in the case where the HCA party has properly discharged its liability to such person(s) and the Program has investigated such claim and agreed to the amount of such claim payment or settlement, in which case the claim payment shall be paid to the Insurance Account

10.3 In respect of the coverage under this Coverage Agreement of loss of revenue risks only

All claim payments shall be paid to the Insurance Account.

10.4 Set-off

Program shall not set off or deduct any amounts payable by Project Co under or in relation to the Coverage Agreement.

11. Waiver of subrogation

The Program waives all rights of subrogation howsoever arising which they may have or acquire against any HCA party described within the appropriate Schedules arising out of any occurrence in respect of which any claim is admitted and is covered hereunder for the benefit of such HCA party except against any:

- (i) such HCA party (or officer, director, employee, agent or assign) who has caused or contributed to such an occurrence or claim by fraud, deliberate misrepresentation, deliberate non-disclosure or deliberate breach of Coverage Agreement condition;
- (ii) such HCA party to the extent that they are entitled to recover in respect of a loss under cover falling within sub-clause 12(a)(a)– (d) below (or would be so covered if cover in the terms set out in this Coverage Agreement had not been taken out).

12. Primary Coverage

The Program agrees that this coverage agreement provides the primary cover for risks covered under this Coverage Agreement. In the event that any risk covered under this Coverage Agreement is also covered under any other coverage agreement or policy of insurance effected by any HCA party, the Program agrees to indemnify the HCA party as if such other coverage or insurance did not exist except in respect of:

- (a) excess layers of third party cover effected specifically for the Project;
- (b) any third party liability claim against the HCA party which exceeds the applicable limit of indemnity under this Coverage Agreement, in which case the liability of the Program for additional legal costs and expenses shall be limited to the proportion that the applicable limit of indemnity bears to the total claim against the HCA party;
- (c) any claim made under a Contingent Motor Liability extension (if any) to this Coverage Agreement, if any; or
- (d) any claim relating to a loss which is covered against (or would be covered but for a double insurance provision or similar or the application of a deductible) under:
 - (i) any other coverage or insurance specifically effected for the Project; or
 - (ii) a latent or inherent defects coverage or insurance, or engineering or mechanical breakdown coverage or insurance, specifically effected for the Project;or a related business interruption coverage or policy of insurance.

Section V: Miscellaneous

13. Notice of Security Interest

The Program acknowledges that by an assignment contained in a general security agreement dated on or about the Effective Date (the "Assignment"), Project Co assigned by way of security to the Senior Creditors all benefits and rights in respect of this Coverage Agreement and all claims in respect thereof to which the HCA is or may at a future time become entitled. The Program confirm that they have not been notified of any other assignment of or security interest in Project Co's interest in this Coverage Agreement.

14. Notice

14.1 All notices or other communications under or in connection with the Coverage Agreement will be in writing and will be considered to have been sufficiently given if delivered by hand or transmitted by electronic transmission as set out below. Any such notice given by Program will be deemed to be given on the earlier of:

- (a) if delivered by hand during business hours (and in any event, at or before 3:00 pm local time in the place of receipt) on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business hours on the next Business Day; and
- (b) if delivered by electronic mail during business hours (and in any event, at or before 3:00 pm local time in the place of receipt) on a Business Day, upon receipt, and if not delivered during business hours, upon the commencement of business hours on the next Business Day provided that:
 - (i) the receiving party has, by electronic mail or by hand delivery, acknowledged to the notifying party that it has received such notice; or
 - (ii) within 24 hours after sending the notice, the notifying party has also delivered a copy of such notice to the receiving party by hand delivery.

14.2 The address and email of the Agent for all notices under or in connection with the Coverage Agreement are those notified from time to time by the Senior Creditors for this purpose to the Program at the relevant time. The initial address and email of the Agent is as follows:

Address:

The Bank of Nova Scotia, as Agent
Corporate Banking – Loan Syndications
40 King Street West, 62nd Floor
Toronto, Ontario M5H 1H1

Attention: Director & Head of Agency Services
Email: agency.services@scotiabank.com

14.3 The address and email of the Owner for all notices under or in connection with the Coverage Agreement are those notified from time to time by the Owner for this purpose to the Program at the relevant time. The initial address and email of the Owner is as follows:

Address:

Providence Health Care Society
c/o St. Paul's Hospital
1081 Burrard Street
Vancouver, BC V6Z 1Y6

Attention: Office of the CEO
E-mail: officeoftheceo@providencehealth.bc.ca

15. Governing law & Jurisdiction

The Coverage Agreement shall be governed and interpreted in accordance with the Law of British Columbia.

This endorsement overrides any conflicting provision in this Coverage Agreement.