

BOARD MANUAL

SUBJECT: Indemnity for Directors and D&O Insurance Coverage for Directors and Non-Director Committee Members	NO.: 2-D-24
SECTION: Board Process	
APPROVED BY: Board of Directors	DATE: June 28, 2023

Policy

It is the responsibility of the Cambridge Memorial Hospital (CMH) to maintain errors and omissions liability insurance coverage for Directors and non-Director committee members. CMH also provides an Indemnity Agreement to Directors. Protection of Officers and Directors is described in the Corporation's Corporate By-law Article 6.

Procedure

Indemnity Agreement for Director

The Governance Committee shall review and update as necessary an Indemnity Agreement to be issued to Directors. The Indemnity Agreement shall be in the form attached as Appendix A. Any amendments to the Indemnity Agreement shall be approved by the Board prior to implementation.

At the time of appointment to the CMH Board, Directors are provided the Indemnity Agreement and are expected to review and sign two copies of the document within 2 weeks of appointment.

One signed copy of the Indemnity Agreement shall be retained in the Director's personnel file. One signed copy is retained by the Director.

Errors and Omission Liability Insurance for Directors and non-Director Committee members

CMH maintains errors and omissions liability insurance for Directors and non-Director committee members.

The Resources Committee reviews the coverage annually and recommends to the Board any changes to the insurance coverage. A copy of the current Certificate of Insurance is attached as Appendix B

Reference Information from HIROC

Reference information for HIROC is attached as Appendix C.

DEVELOPED: September 11, 2014		REVISED/REVIEWED:
September 24, 2014	January 24, 2018	November 25, 2020
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INDEMNITY AGREEMENT

THIS AGREEMENT is made as of this ____ of ____, 2024.

BETWEEN:

CAMBRIDGE MEMORIAL HOSPITAL, a corporation
governed by the laws of Ontario, (the “Corporation”)

- and -

_____, an individual principally resident in
Ontario
(the “Indemnified Party”)

RECITALS:

- A. The Indemnified Party is or has been a duly elected or appointed Director or officer of the Corporation;
- B. The Corporation considers it desirable and in the best interests of the Corporation to enter into this Agreement to set out the circumstances and manner in which the Indemnified Party may be indemnified in respect of certain liabilities or expenses which the Indemnified Party may incur as a result of acting as a Director or officer of the Corporation;
- C. The Indemnified Party has agreed to serve or to continue to serve as a Director or officer of the Corporation subject to the Corporation providing the Indemnified Party with directors’ and officers’ liability insurance coverage and an indemnity against certain liabilities and, in order to induce the Indemnified Party to serve and to continue to so serve, the Corporation has agreed to provide the indemnity in this Agreement;
- D. The By-Law of the Corporation contemplates that the Indemnified Party may be indemnified in certain circumstances.

THEREFORE, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

- (a) **“Act”** means the *Not For Profit Corporations Act* (Ontario), as the same exists on the date of this Agreement or may hereafter be amended;
- (b) **“Agreement”** means this agreement, including all schedules, and all amendments or restatements as permitted, and references to “Article” or “Section” mean the specified Article or Section of this Agreement;

- (c) **“Board”** means members of the governing body of the Corporation;
- (d) **“Bylaw(s)”** means unless otherwise specified, the By-laws of the Hospital from time to time in effect
- (e) **“Business Day”** means any day, other than a Saturday or Sunday, on which the Corporation’s Bank is open for commercial banking business during normal banking hours;
- (f) **“Certificate of Insurance”** means the Certificate of Insurance attached as Schedule A;
- (g) **“Claim”** includes any claim, demand, inquiry, civil, criminal, administrative, or investigative or other proceeding of any nature or kind whether anticipated, threatened, pending, commenced, continued, or completed, and any appeal or appeals therefrom in which the Indemnified Party is involved because of the Indemnified Party’s association with the Corporation;
- (h) **“Director”** means a member of the Board of the Corporation;
- (i) **“Corporation”** means the Cambridge Memorial Hospital;
- (j) **“Insurer”** means Health Insurance Reciprocal of Canada (“HIROC”), or the entity issuing a successor to the Policy in accordance with this Agreement;
- (k) **“Limit of Liability”** means the Insurer’s limit of liability of twenty five million dollars (\$25,000,000.00) as set out in the Certificate of Insurance;
- (l) **“Losses”** includes all costs, charges, and expenses whatsoever (including any legal, professional or advisory fees or disbursements), liabilities, amounts paid to settle or dispose of any Claim or satisfy any judgment, fines, penalties or liabilities, without limitation, and whether incurred alone or jointly with others, including any amounts which the Indemnified Party may reasonably suffer, sustain, incur or be required to pay in respect of the investigation, defence, settlement or appeal of or preparation for any Claim or in connection with any action to establish a right to indemnification under this Agreement, and for greater certainty, includes all taxes, interest, penalties and related outlays of the Indemnified Party arising from any indemnification of the Indemnified Party by the Corporation pursuant to this Agreement; and
- (m) **“Policy”** means HIROC master insurance policy (Certificate No. 107314) and any successor to such policy entered into by the Corporation.

1.2 Certain Rules of Interpretation

-In this Agreement:

- (a) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

- (b) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) **Number** – Unless the context otherwise requires, words importing the singular include the plural and *vice versa*.
- (d) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.
- (e) **Entire Agreement** – This Agreement, including Schedule A, constitutes the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.
- (f) **Schedules** – Schedule A is an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS

2.1 Representations of the Corporation in Respect of the Insurance Policy

The Corporation represents and warrants to the Indemnified Party that:

- (a) The Policy is in force unamended and the Corporation has paid all premiums owing under the Policy and is not otherwise in default under the terms of the Policy.
- (b) To the best knowledge of the Corporation, any statements made by or on behalf of the Corporation to the Insurer prior to the issuance of the Policy which form part of the Policy present a true and complete response to the questions posed by the Insurer as of the date such statements were made.
- (c) The Corporation shall as soon as practical provide the Indemnified Party written notice of any notice of cancellation of the Policy provided to the Insurer by the Corporation or received by the Corporation from the Insurer.

- (d) The Corporation shall disclose any Loss paid by the Insurer on behalf of the Corporation or an Insured which materially effects the coverage limit available to the Indemnified Party.
- (e) The Corporation shall use best efforts to obtain from the Insurer:
 - (i) a priority of payments endorsement which shall require, at the written request of the Indemnified Party, the Insurer to first pay all indemnifiable sums for which payment is due under the Policy to the Insureds, as that term is defined in the Coverage F of the Policy, before paying any other sum for which coverage is provided under the Policy; and
 - (ii) a severability endorsement which shall provide that in respect of Coverage F, the Application and Declaration shall be construed as a separate Application and Declaration by each of the Insureds, and with respect to statements and particulars made therein, no statements made or information possessed by any Insured shall be imputed to any other Insured(s) to determine whether coverage is available for any claim against such Insured.
- (f) The Corporation obtained advice from the Insurer that the insurance limit coverage for errors and omissions liability of twenty million dollars (\$20,000,000.00) ("Limit of Liability") set out in the Certificate of Insurance issued under the Policy is commercially reasonable for the Corporation and that the Corporation shall notify the Indemnified Party if the Limit of Liability is decreased.

2.2 Representations of the Indemnified Party

The Indemnified Party represents and warrants to the Corporation that the Indemnified Party is not an undischarged bankrupt.

2.3 Presumptions/Knowledge

- (a) For purposes of any determination hereunder the Indemnified Party will be deemed, subject to compelling evidence to the contrary, to have acted in good faith and/or in the best interests of the Corporation. The Corporation will have the burden of establishing the absence of good faith.
- (b) The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Corporation or any other entity will not be imputed to the Indemnified Party for purposes of determining the right to indemnification under this Agreement.
- (c) The Corporation will have the burden of establishing that any Claim it wishes to challenge is not reasonable.

**ARTICLE 3
INDEMNIFICATION BY CORPORATION AND
OBLIGATIONS OF INDEMNIFIED PARTY**

3.1 Indemnification

- (a) **General Indemnity** – Except as otherwise provided in this Agreement, the Corporation agrees to indemnify and hold the Indemnified Party and his or her heirs and legal representatives harmless, to the fullest extent permitted by law, including from and against any and all Losses which the Indemnified Party may reasonably suffer, sustain, incur or be required to pay in respect of any Claim, whether before or after the effective date of this Agreement and whether or not related to a Claim brought by the Corporation, provided that the indemnity provided for in this Section 3.1 will only be available if:
 - (i) the Indemnified Party was acting honestly and in good faith with a view to the best interests of the Corporation;
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the Indemnified Party had reasonable grounds for believing that the Indemnified Party's conduct was lawful;
 - (iii) the Loss was not occasioned by his or her own wilful neglect or wilful default;
 - (iv) the Claim was not related to losses in respect to proceedings or claims initiated or brought voluntarily by the Director and not by way of defence, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement, the Act or the By-Law; and
 - (v) in so acting, the Indemnified Party was not in breach of the Indemnified Party's obligations under this Agreement.
- (b) **Indemnity as of Right** – Notwithstanding anything in this Agreement, the Indemnified Party is entitled to an indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the Indemnified Party in connection with the defence of any Claim, if the Indemnified Party:
 - (i) fulfils the conditions set out in Section 3.1(a) above.
- (c) **Partial Indemnification** – If the Indemnified Party is determined to be entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the Losses incurred in respect of any Claim but not for the total amount thereof, the Corporation shall nevertheless indemnify the Indemnified Party for the portion thereof to which the Indemnified Party is determined by a court of competent jurisdiction to be so entitled.
- (d) **Advance of Expenses**

- (i) The Corporation shall, at the request of the Indemnified Party, arrange to advance funds to, or to pay on behalf of or reimburse the Indemnified Party for any costs, charges or expenses reasonably incurred or to be incurred by the Indemnified Party in investigating, defending, appealing, preparing for, providing evidence in or instructing and receiving the advice of the Indemnified Party's counsel or other professional advisors in regard to any Claim or other matter for which the Indemnified Party may be entitled to an indemnity or reimbursement under this Agreement, and such amounts shall be treated as a non-interest bearing advance or loan to the Indemnified Party, provided the Indemnified Party provides an undertaking to repay all such amounts if the Indemnified Party is not entitled to be indemnified in respect of such costs, charges or expenses.
- (ii) In the event that the Corporation advances amounts to or on behalf of the Indemnified Party under Section 3.1(d)(i) and it is ultimately determined by a court of competent jurisdiction that the Indemnified Party did not fulfil the conditions set out in Section 3.1 above, or that the Indemnified Party was not entitled to be fully so indemnified, such loan or advance, or the appropriate portion thereof shall, upon written notice of such determination being given by the Corporation to the Indemnified Party detailing the basis for such determination, be repayable on demand and shall bear interest from the date of such notice at the prime rate prescribed from time to time by the Corporation's bankers.

3.2 Notice of Proceedings

The Indemnified Party shall give notice in writing to the Corporation as soon as practicable but upon being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing, threatening or continuing any Claim involving the Corporation or the Indemnified Party which may result in a claim for indemnification under this Agreement, and the Corporation agrees to give the Indemnified Party notice in writing as soon as practicable but in any event, within the time required in order to make a claim under the Policy upon it being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing or continuing any Claim involving the Indemnified Party. Such notice shall include a description of the Claim or threatened Claim, a summary of the facts giving rise to the Claim or threatened Claim and, if possible, an estimate of any potential liability arising under the Claim or threatened Claim. Failure by the Indemnified Party to so notify the Corporation of any Claim shall not relieve the Corporation from liability under this Agreement.

3.3 Investigation by Corporation

The Corporation may conduct any investigation it considers appropriate of any Claim of which it receives notice under Section 3.2, and will pay all costs of that investigation. Upon receipt of reasonable notice from the Corporation, the Indemnified Party will, acting reasonably, co-operate fully with the investigation provided that the Indemnified Party will not be required to provide assistance that would materially prejudice:

- (i) his or her defence;
- (ii) his or her ability to fulfill his or her business obligations; or
- (iii) conduct his or her business and/or personal affairs.

The Indemnified Party will, for the period of time that s/he cooperates with the Corporation with respect to an investigation, be compensated by the Corporation at a reasonable rate determined by the Board plus reasonable out-of-pocket expenses actually incurred provided that the Indemnified Party will not be entitled to the per diem if he/she is employed as an officer of the Corporation when co-operation is sought.

3.4 Subrogation

- (a) **Subrogation – The Corporation:** Promptly after receiving written notice from the Indemnified Party of any Claim or threatened Claim (other than a Claim by or on behalf of the Corporation to procure a judgment in its favour against the Indemnified Party), the Corporation may, and upon the written request of the Indemnified Party shall, by notice in writing to the Indemnified Party, assume conduct of the defence thereof in a timely manner and retain counsel on behalf of the Indemnified Party who is reasonably satisfactory to the Indemnified Party, to represent the Indemnified Party in respect of the Claim. On delivery of such notice by the Corporation, the Corporation shall not be liable to the Indemnified Party under this Agreement for any fees and disbursements of counsel the Indemnified Party may subsequently incur with respect to the same matter except as provided in section 3.10. In the event the Corporation assumes conduct of the defence on behalf of the Indemnified Party, the Indemnified Party consents to the conduct thereof and of any action taken by the Corporation, in good faith, in connection therewith, and the Indemnified Party shall fully cooperate in such defence including, without limitation, the provision of documents, attending examinations for discovery, making affidavits, meeting with counsel, testifying and divulging to the Corporation all information reasonably required to defend or prosecute the Claim.
- (b) **Subrogation – The Insurance Company:** In the event of any payment under the Policy, the Indemnified Party agrees that the Insurer making such payment shall be subrogated to all of the Indemnified Party's rights of recovery and the Indemnified Party shall, upon request of the subrogated Insurer or the Corporation, execute all papers required and shall do everything necessary to secure and preserve such rights of recovery, including the execution of such documents necessary to enable the subrogated Insurer effectively to bring suit in the name of the Indemnified Party.

3.5 Settlement of Claim

No admission of liability and no settlement of any Claim in a manner adverse to the Indemnified Party shall be made without the consent of the Indemnified Party, acting reasonably. No admission of liability shall be made by the Indemnified Party without the consent of the Corporation and the Corporation shall not be liable for any settlement of any Claim made without its consent.

3.6 Determination of Right to Indemnification

If the payment of an indemnity or the advancement of funds under this Agreement requires the approval of a court, under the provisions of the Act or otherwise, either the Corporation or the Indemnified Party may apply to a court of competent jurisdiction for an order approving such indemnity or the advancement of such funds by the Corporation pursuant to this Agreement.

3.7 Other Rights and Remedies Unaffected

The indemnification and payment provided in this Agreement shall not derogate from or exclude any other rights to which the Indemnified Party may be entitled under any provision of the Act or otherwise at law, the articles or by-laws of the Corporation, any applicable policy of insurance, or otherwise, both as to matters arising out of the Indemnified Party's capacity as a Director or officer of the Corporation.

3.8 Approvals

The Corporation shall use its best efforts to obtain any approval(s) required under the Act or otherwise in respect of the indemnification received under this Agreement.

3.9 After Tax

Any indemnity payment made pursuant to this Agreement shall be grossed up by the amount of any tax payable by the Indemnified Person in respect of such payment.

3.10 Right to Independent Legal Counsel

Notwithstanding section 3.4(a), if the Indemnified Party is named as a party or a witness to any proceeding, or the Indemnified Party is questioned or any of his or her actions, omissions or activities on behalf of, or directly relating to, or for the Corporation are in any way investigated, reviewed or examined in connection with or in anticipation of any actual or potential proceeding, the Indemnified Party will be entitled to retain independent legal counsel at the Corporation's expense to act on the Indemnified Party's behalf to provide an initial assessment to the Indemnified Party of the appropriate course of action for the Indemnified Party. The Indemnified Party will be entitled to continued representation by independent counsel at the Corporation's expense beyond the initial assessment unless the parties agree that there is no conflict of interest between the Corporation and the Indemnified Party that necessitates independent representation.

ARTICLE 4 INSURANCE

4.1 Insurance

- (a) **The Policy** – The Corporation shall pay all premiums payable under the Policy and take all steps necessary to maintain the coverage provided under the Policy.
- (b) **Variation of Policy** – So long as the Indemnified Party is a Director or officer of the Corporation, the Corporation shall not seek to amend or discontinue the Policy or allow the Policy to lapse without the Board of Directors approval, acting

reasonably provided that such insurance is, in the Corporation's sole discretion, available on commercially reasonable terms.

- (c) **Currency of Policy** – So long as the Indemnified Party is a Director or officer of the Corporation, upon the receipt of a written request from the Indemnified Party at any time during the term of this Agreement, the Corporation shall provide proof to the Indemnified Party that all premiums payable by the Corporation in respect of the Policy have been paid.
- (d) **Run-Off Coverage** – In the event the Policy is discontinued for any reason, and the Corporation's new Insurer does not agree to provide coverage for events that occurred or are alleged to have occurred prior to the Policy being discontinued and for which no notice has been provided to the Insurer or claims have been made, the Corporation shall purchase, maintain and administer, or cause to be purchased, maintained and administered for a period of six (6) years, after such discontinuance, insurance for the benefit of the Indemnified Party (the "Run-Off Coverage"), on such terms as the Corporation then maintains in existence for its Directors and officers, to the extent permitted by law and provided such Run-Off Coverage is available on commercially acceptable terms and premiums (as determined by the board of Directors in its sole judgement). The Run-Off Coverage shall provide coverage only in respect of events occurring prior to the discontinuance of the Policy.
- (e) **Exclusion of Indemnity** – Notwithstanding any other provision in this Agreement to the contrary, the Corporation shall not be obligated to indemnify the Indemnified Party under this Agreement for any Losses which have been paid to, or by or on behalf of, the Indemnified Party under the Policy or any other applicable policy of insurance maintained by the Corporation.
- (f) **Deductible under Directors and Officers Insurance** – If for any reason whatsoever, any directors' and officers' liability Insurer asserts that the Indemnified Party is subject to a deductible under any existing or future directors' and officers' liability insurance purchased and maintained by the Corporation for the benefit of the Indemnified Party and the Indemnified Party's heirs and legal representatives, the Corporation shall pay the deductible for and on behalf of the Indemnified Party.

ARTICLE 5

MISCELLANEOUS MATTERS

5.1 Corporation and Indemnified Party to Cooperate

The Corporation and the Indemnified Party shall, from time to time, provide such information and cooperate with the other, as the other may reasonably request, in respect of all matters under this Agreement.

5.2 Effective Time

This Agreement shall be deemed to have effect as and from the first date that the Indemnified Party became a Director or officer of the Corporation.

5.3 Insolvency

The liability of the Corporation under this Agreement shall not be affected, discharged, impaired, mitigated or released by reason of the discharge or release of the Indemnified Party in any bankruptcy, insolvency, receivership or other similar proceeding of creditors.

5.4 Multiple Proceedings

No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto shall be a bar or defence to any further action or proceeding which may be brought under this Agreement.

ARTICLE 6 GENERAL

6.1 Term

This Agreement shall survive until ten (10) years after the Indemnified Party has ceased to act as a Director or officer of the Corporation provided that the obligations in Article 3 and Article 4 shall survive termination of this Agreement. For greater certainty, termination of this Agreement in accordance with its terms does not affect any obligation of the Corporation in favour of the Indemnified Party arising prior to termination, including without limitation any obligation to indemnify by reason of a matter which has arisen or circumstances which have occurred prior to termination.

6.2 Deeming Provision

The Indemnified Party shall be deemed to have acted or be acting at the specific request of the Corporation upon the Indemnified Party's being appointed or elected as a Director or officer of the Corporation.

6.3 Assignment

Neither Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the other Party.

6.4 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and the heirs, attorneys, guardians, estate trustees, executors, trustees, administrators and permitted assigns of the Indemnified Party and the successors (including any successor by reason of amalgamation) and permitted assigns of the Corporation.

6.5 Amendments

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be so bound. For greater certainty, the rights of the Indemnified Party under this Agreement shall not be prejudiced or impaired by permitting or consenting to any assignment in bankruptcy, receivership, insolvency or any other creditor's proceedings of or against the Corporation or by the winding-up or dissolution of the Corporation.

6.6 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "Notice") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

- (a) in the case of a Notice to the Indemnified Party at:

Address:

E-mail:

- (b) in the case of a Notice to the Corporation at:

700 Coronation Blvd
Cambridge ON N1R 3G2

Attention: Patrick Gaskin
President and CEO

E-mail: pgaskin@cmh.org

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with the provisions of this Section.

6.7 Further Assurances

The Corporation and the Indemnified Party shall, with reasonable diligence, do all things and execute and deliver all such further documents or instruments as may be necessary or desirable for the purpose of assuring and conferring on the Indemnified Party the rights created or intended by this Agreement and giving effect to and carrying out intention or facilitating the performance of the terms of this Agreement, or evidencing any loan or advance made pursuant to Section 3.1(d) hereof.

6.8 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles together shall constitute one and the same agreement.

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

CAMBRIDGE MEMORIAL HOSPITAL

By:

Authorized signing officer

By:

Authorized signing officer

Witness

[DIRECTOR]

Schedule “A”

CERTIFICATE OF INSURANCE

POLICY RENEWAL

CERTIFICATE NUMBER:

107314

NAME AND POSTAL ADDRESS OF SUBSCRIBER

Cambridge Memorial Hospital
700 Coronation Boulevard
Cambridge, Ontario N1R 3G2

HEAD OFFICE OF INSURER

Healthcare Insurance Reciprocal of Canada
4711 Yonge Street, Suite 1600
Toronto, Ontario M2N 6K8

Tel: 416-733-2773

INSURANCE PERIOD

12:01 A.M. STANDARD TIME AT THE POSTAL ADDRESS OF THE NAMED INSURED AS STATED HEREIN	FROM			TO		
	DAY	MO	YEAR	DAY	MO	YEAR
	01	01	2025	01	01	2026

Premium:	\$806,217	PREMIUM INCLUDES APPLICABLE RISK MANAGEMENT DISCOUNT AND EXCLUDES TAXES
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This Certificate is evidence that the above Subscriber to the Healthcare Insurance Reciprocal of Canada, and in consideration of the premium shown above, is insured under Master Policy No. 2021/1 issued by the Insurer for the Limits of Liability shown below.

Section 1

		<u>Limit</u>
A	Bodily Injury	\$25,000,000
A1	Advertising Injury Liability	\$25,000,000
B	Third Party Property Damage	\$25,000,000
B1	Tenant's Legal Liability	\$25,000,000
C	Healthcare Professional Liability	\$25,000,000
C1	Blood Transfusion Legal Liability	\$25,000,000
D	Contingent Employer's Liability	\$25,000,000
E	Employee Benefits Liability	\$25,000,000
F	Errors & Omissions/Directors & Officers Liability	\$25,000,000
G	Environmental Impairment Liability	\$25,000,000
H	Non-Owned Automobile Insurance	\$25,000,000

Section 2

		<u>Limit</u>
I	Crime Insurance:	
	- Employee Dishonesty	\$2,000,000
	- Loss Inside the Premises	\$200,000
	- Loss Outside the Premises	\$200,000
	- Money Orders and Counterfeit Paper Currency	\$200,000
	- Depositor's Forgery	\$200,000
	- Credit Card Forgery	\$200,000
	- Third Party Computer and Funds Transfer Fraud	\$200,000
	- Social Engineering Fraud	\$200,000

Section 3

J	Property Insurance (Purchased separately through HIROC Brokerage IF APPLICABLE)	
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Section 4

		<u>Limit</u>
K	Cyber Liability Insurance	
	- Network Security Liability	\$5,000,000
	- Multimedia and Intellectual Property Liability	\$5,000,000
	- Event Support Expenses	\$500,000
	- Privacy Regulatory Defense and Penalties	\$500,000
	- Network Extortion Reimbursement	\$75,000

PRIVATE & CONFIDENTIAL



Certificate of Insurance Number 107314, issued December 6, 2024, continued:

**SECTION 1 (LIABILITY) and SECTION 4 (CYBER LIABILITY):
THE LIMITS SHOWN ABOVE ARE THE MAXIMUM AMOUNTS PAYABLE ANY ONE OCCURRENCE
AND/OR EVENT (ALL COVERAGES COMBINED).**

**THE HIROC POLICY PROVIDES A COMBINED LIMIT OF \$500,000 FOR EVENT SUPPORT EXPENSES AND PRIVACY
REGULATORY DEFENSE AND PENALTIES. THE ABOVE ITEMS ALONG WITH NETWORK EXTORTION REIMBURSEMENT
ARE ALL SUBJECT TO AN ANNUAL AGGREGATE LIMIT OF \$500,000.**

"THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE".

The Insurance as described in the above schedule evidenced by this Certificate of Insurance is subject to all the conditions, limits, provisions, agreements, exclusions, definitions, statements and declarations of the Master Policy.

December 6, 2024

Date Issued

A handwritten signature in blue ink that reads "O. Gaulton". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Attorney

Cambridge Memorial Hospital – Certificate No. 107314

WHO IS COVERED?

The subscriber's (including their foundation's) directors, officers, trustees, employees, members of boards and committees, as well as officers and board members of volunteer and auxiliary associations, are covered by Errors & Omissions/Directors & Officers Liability insurance.

Spouses, heirs and executors are also additional insureds under this section of the policy, subject to some conditions.

WHAT IS THE LIMIT OF LIABILITY?

The limit of liability for Errors & Omissions/Directors & Officers Liability, Coverage F is the same limit purchased for other liability insurance covers. The limit is on a per occurrence and/or event basis.

The limit of liability purchased by **Cambridge Memorial Hospital** is **\$20 million** any one occurrence and/or event with no annual aggregate.

WHAT RISKS ARE COVERED?

Losses, including damages, settlements and defence costs, for wrongful acts which give rise to a claim and for which the Insured person is legally obligated to pay are covered. The policy defines a wrongful act as any actual alleged error, or any misstatement, misleading statement or act, any omission or neglect or breach of duties in the discharge of duties, individually or collectively, or liability imposed by statute upon the Insured or any matter claimed against them solely by reason of their being or having been insured during the policy period.

WHO IS LIABLE?

The Insureds as defined in this coverage are held personally and individually liable for their actions as well as their lack of action, in managing the organization. A Board member is obligated to apply diligence, obedience, honesty and loyalty in the performance of his or her duties. Each Board member is expected to act in good faith and in the best interest of the organization within the scope of authority granted to him.

ON WHAT GROUNDS MAY LAWSUITS BE BASED?

Directors and officers of a non-profit entity are vulnerable to lawsuits on any number of grounds. These are just a few possibilities: irregular attendance at Board meetings, mismanagement of funds, conflicts of interest, unwarranted salaries, misrepresentation, misstatement of financial condition, misleading statements, discriminatory practices, self-dealing, and actions beyond granted authority. Not all causes for action are insurable.

WHO INITIATES THESE LAWSUITS?

Lawsuits against non-profit boards can be initiated by a variety of individuals who have contact with the entity. Here are some examples:

- (a) a donor who feels his contribution has not been used the further the aims of the organization;
- (b) a disgruntled employee can charge the Board with discrimination in its employment practices;
- (c) an entity's clients can bring a suit charging they are not getting the services to which they are entitled.

WHAT RISKS ARE EXCLUDED?

Exclusions include bodily injury and property damage; dishonest, fraudulent or malicious acts, except for the Insured's not having knowledge of or being a party to such acts; fines and penalties, claims resulting from the gaining of personal profit to which the Directors and Officers were not legally entitled.

Additional exclusions include claims that are insured by another valid policy; liability assumed under contract.

IS MEMBERSHIP IN ANOTHER NON-PROFIT BOARD COVERED?

The Errors & Omissions/Directors & Officers Liability Section has been extended to include membership in the board of another non-profit entity, if membership has been requested by the Named Insured.

Please refer to the policy for further details.

Date Issued: March 18, 2019