

DECLARATIONS

Insurance Policy No.:
CPA member No.:

ITEM 1 | NAMED INSURED

ITEM 2 | PROFESSIONAL ADDRESS OF THE NAMED INSURED

ITEM 3 | TYPE OF COVERAGE

Professional Liability Insurance for Chartered Professional Accountants of Quebec

ITEM 4 | POLICY PERIOD

From 12:01 a.m. April 1, 2024 to 12:01 a.m. April 1, 2025, Standard Time at the mailing address of the **Insurer** mentioned below

ITEM 5 | PREMIUM PER POLICY PERIOD

Amount (before taxes):

ITEM 6 | LIMITS OF COVERAGE

Coverage A: COVERAGE FOR DAMAGES RESULTING FROM A FAULT MADE WITHIN THE SCOPE OF PROFESSIONAL SERVICES

- \$1,000,000.00 per **Loss**
- \$2,000,000.00 per **Loss** for all **Insureds**, when the **Named Insured** is an employer of at least one other **Insured** or that two or more **Insureds** are employed within a same company and that the **Claim** is filed against more than one of these **Insureds**

Coverage B: COVERAGE FOR THE PREVENTION OF LOSS ARISING OUT OF PROFESSIONAL SECRECY

- \$10,000,00 per **Loss**

ITEM 7 | DEDUCTIBLE

Deductible per **Loss**:

ITEM 8 | NOTICES TO THE INSURER

Must be sent to:

Fonds d'assurance responsabilité professionnelle des CPA du Québec
5, Place Ville Marie, bureau 800
Montréal (Québec) H3B 2G2

Issued on

GENERAL TERMS AND CONDITIONSⁱ

PART I | DEFINITIONS

The terms which appear in bold type in the contract have the following meaning:

1.01 | INFORMATION ASSETS

Any document, any data and any information or communication technology, IT system or infrastructure, IT equipment or peripheral (including mobile devices), network, operating system, software, website, and application (including mobile applications).

1.02 | INSURED

1. The **Named Insured**
2. Your legal heirs or assigns, in their capacity as such and for any liability they may incur as a result of **Professional Services** rendered by the **Named Insured**;
3. Persons who are or were employees, partners, shareholders, officers, directors or managers of the **Named Insured** or of the company within which the **Named Insured** practises their profession, in their capacity as such and for the liability they may incur as a result of the duties performed while working for the **Named Insured**; and
4. The company within which the **Named Insured** practises their profession, but only for the liability that it could incur as a result of faults committed by the latter.

The words *you* and *your* refer to the **Insured**.

1.03 | NAMED INSURED

The insured named in Item 1 of the Declarations page.

1.04 | INSURER

The **Order** through its **Fonds**. The words *we* and *our* refer to the **Insurer**.

1.05 | MALICIOUS CODE

A computer virus, worm, Trojan horse or logic bomb or similar application for unauthorized access; a program, software, code or script that causes the alteration, damage, destruction, deletion or breach of an **Information Asset**.

1.06 | DAMAGES

Compensatory damages.

1.07 | INTELLECTUAL PROPERTY RIGHT

Any right relating to intellectual property, including but not limited to trademarks, copyrights, trade secrets and patents.

1.08 | FONDS

The Fonds d'assurance de la responsabilité professionnelle des comptables professionnels agréés du Québec.

1.09 | NON-PARTICIPATING MEMBER

A member who is an employee, partner, shareholder, officer or director within a company and who, pursuant to the *Règlement sur l'assurance de la responsabilité professionnelle des comptables professionnels agréés du Québec* or the *Règlement sur l'assurance de la responsabilité professionnelle des membres de l'Ordre des comptables professionnels agréés du Québec*, has been denied subscription to the **Fonds** or to the group plan contract for professional liability insurance entered into by the **Order**.

1.10 | ORDER

The Ordre des comptables professionnels agréés du Québec, or if the context requires, its predecessors (either the Ordre des comptables agréés du Québec, the Ordre des comptables généraux accrédités du Québec or the Ordre des comptables en management accrédités du Québec).

1.11 | POLICY PERIOD

The period indicated in Item 4 of the Declarations page.

1.12 | EMPLOYMENT PRACTICES

The management of human resources for yourself, the company within which you practise your profession, or for others, including, without limiting the foregoing: hiring, refusal to hire, failure to promote, dismissal, workplace harassment, disciplinary measures, discrimination and work-related invasion of privacy.

1.13 | CLAIM

- a) Any demand filed for the award of **Damages**; or
- b) Any reproach concerning the quality of your **Professional Services** which could reasonably suggest that a demand for the award of **Damages** could be filed against you; or
- c) Any fact or circumstance reasonably likely to give rise to a demand for the award of **Damages**.

1.14 | PROFESSIONAL SERVICES

All the services you have rendered or which should have been rendered in the practice of the profession of chartered professional accountant and as a member in good standing of the **Order** and while you were authorized to practise this profession.

Services rendered as an accredited mediator duly authorized by the **Order** are considered as **Professional Services**. Services rendered as a mediator accredited by another professional order or organization are not **Professional Services**.

Services rendered on or before September 30, 2022, as a financial planner duly authorized by the **Order** are considered as **Professional Services**. Services rendered on or after October 1, 2022, as a financial planner are not considered as **Professional Services**.

Services rendered as an arbitrator are only considered as **Professional Services** if the arbitration agreement contains a provision intended to offer you immunity.

1.15 | LOSS

One or more **Claims** arising from the same facts and circumstances or related facts and circumstances.

When faults committed within the same facts and circumstances or related facts and circumstances give rise to several **Claims**, our obligations are determined by the contract which was in force at the time we received notice of the first claim. Only that contract applies.

1.16 | COMPUTER SYSTEM

Any computer, computer hardware, software, communication system, electronic device (including smart phones, laptops, tablets, wearable devices), servers, cloud or microcontroller or any configuration of the products mentioned above and including any device for data input-output and compilation, network equipment or backup.

1.17 | POLICY TERRITORY

Canada.

Any request for the exemplification or recognition of a foreign judgment before a court in Canada is deemed to constitute a remedy exercised outside Canada.

PART II | TYPE AND SCOPE OF COVERAGE

2.01 | CONDITIONS

The policy provides several types of coverage. They are described below.

Each one is subject to the following conditions:

- a) **Claims** must be made within the **Policy Territory**; and
- b) They must:
 - i) Have been submitted to you for the first time during the **Policy Period** or its extension; or
 - ii) Have been submitted to you before the **Insurance Period** without having been the subject of a report or notification to another insurer; and
- c) They must have been reported to us during the **Policy Period** or its extension.

2.02 | OUR COMMITMENT

Coverage A: COVERAGE FOR DAMAGES RESULTING FROM A FAULT COMMITTED WITHIN THE SCOPE OF PROFESSIONAL SERVICES

Subject to the other provisions of the policy, we undertake to pay on your behalf, up to the limits indicated in the Declarations page, the sums that you may be required to pay to third parties due to **Damages** resulting from a fault committed within the scope of **Professional Services**.

Coverage B: COVERAGE FOR THE PREVENTION OF LOSSES ARISING OUT OF PROFESSIONAL SECRECY

Subject to the other provisions of the policy, we undertake to pay on your behalf, up to the limits indicated in the Declarations page, the cost of the fees invoiced by the persons we have designated in order to assist you in the context of any request for the communication of information or documents likely to be protected by the professional secrecy enjoyed by your client or of all facts and circumstances reasonably likely to give rise to such communication.

To be covered, the dispute or possible dispute must stand a good chance of success.

Coverage also extends to the appellate level provided we recognize that the appeal stands a good chance of success.

Appraisal of the chances of success of a challenge or appeal are at the **Fond's** sole discretion, acting reasonably.

2.03 | ADDITIONAL COVERAGE

Our obligations extend to the following additional coverage:

- a) We will handle your defence against any **Claim** for the award of **Damages** due to a fault committed within the scope of **Professional Services** to the extent that it is made in the **Policy Territory**.

We have the right to investigate as we see fit and to determine the type of defence measures to be implemented. We may consult you on this matter, but are not required to do so.

We will assist you with such **Claims** when they are brought before a court whose jurisdiction threshold prohibits legal representation.

We will pay the costs of investigation, defence, trial or settlement (excluding your salary or fees as well as those of your employees, present or past) relating to any **Claim** covered by our policy, and the costs that will be taxed against you.

We will also pay the costs of arbitrators and mediators whose services we have retained in order to dispose of a **Claim**. However, we are not bound by this obligation when recourse to arbitration or mediation is required by a contract which you concluded before the **Loss**.

- b) We will pay the interest cost that you may be required to pay as a result of a judgment or out-of-court settlement, in addition to the benefit we will be called upon to pay.

Our obligation to pay such interest is, however, limited to the covered portion of any conviction or settlement.

- c) We will pay the premium for any bond required to obtain the release of a foreclosure or to which a right of appeal is subject provided the amount of such bond does not exceed the amount of the applicable coverage limits. Our commitment is limited to the payment of the premium. We are under no obligation to seek, obtain or provide any such bond.

- d) We do not accept any obligation with regard to costs that have been incurred without our prior knowledge and before our consent.

For greater certainty, our obligations end upon the exhaustion of applicable coverage limits due to payments made pursuant to a judgment or settlement.

PART III | EXCLUSIONS

3.01 | EXCLUSIONS

The coverage offered to you is subject to certain exclusions. They apply to all the liabilities provided by the policy, unless otherwise provided for.

This contract does not apply to a **Claim** or portion of a **Claim**:

- a) That has been reported or notified to another insurer before the **Policy Period** described in the Declarations page.
- b) Made by, or on behalf of:
 - i) Any business in which you have any interest whatsoever, other than a reporting issuer.
 - ii) Any business in which your father, mother, spouse or child or your spouse's father, mother or child has any interest, other than a reporting issuer.

- iii) Any employer, present or past, any business linked in any way to an employer, as well as any business to which your services are or have been borrowed or leased by an employer.
 - iv) Any past or present employee, director, partner, officer, shareholder, syndic, receiver or receiver manager of any entity described in sections 3.01b)i), 3.01b)ii) or 3.01b)iii) above.
- c) Arising out of any fault, error, omission, negligence, misrepresentation or breach of duty or other act, actually or allegedly committed as a director or officer, in particular any **Claim** arising from any law thereby imposing to directors and officers a responsibility with regard to the payment of salaries, vacations, tax breaks, taxes or any other similar obligation.
- d) Arising out of:
- i) Any dishonest, fraudulent or criminal act.
 - ii) Any intentional fault.
 - iii) Any false statement, affirmation or representation made knowingly.
 - iv) Misappropriation of sums intended to be deposited in a trust account or which have actually been deposited on such account.

This exclusion is, however, unenforceable against any **Insured** who is not the author of or accomplice.

- e) Related to **Employment Practices**.
- f) Arising from the breach of a contract that you have entered into or of a contract entered into by a legal person of which you are or were a director or officer on the date it occurred.
- g) Made as a result of **Professional Services** rendered by you:
- i) While you were a **Non-Participating Member**.
 - ii) For the benefit or account of a **Non-Participating Member** or the Company within which one or more **Non-Participating Members** practise their profession; or
 - iii) before April 1, 2008, for the benefit of a Company within which, as from April 1, 2008, one or more **Non-Participating Members** practised their profession.
- h) Arising from any infringement or violation of an **intellectual property right**.
- i) Arising from any publishing, radio, television or chat activity.
- However, damages resulting from **Professional Services** rendered during such activities remain covered.
- j) Arising from any obligation:
- i) Relating to the compensation of a third party or the handling of its defence after a **Claim** has been made; or
 - ii) By which you have undertaken to achieve a specific result, when this commitment modifies the accountability regime to which you would otherwise be bound.
- k) Arising from financial loss related to the sale of financial products and services.
- l) Arising from any real estate brokerage transaction as defined by the *Real Estate Brokerage Act*, CQLR, c. C-73.2.

This exclusion does not apply to brokerage transactions covered by paragraph 3 of section 3 of the *Real Estate Brokerage Act*, i.e. brokerage transactions ancillary to a contract concerning the purchase or sale of an enterprise, a promise to purchase or sell an enterprise, or the purchase or sale of such a promise.

m) Aimed at:

- i) Granting punitive or exemplary damages.
- ii) Payment of a fine or penalty imposed on any **Insured**; or
- iii) Relating in any way whatsoever to your fees, including in particular any **Claim** aimed at obtaining a reduction or reimbursement, in whole or in part;
- iv) Or being based on a profit or advantage to which you are not legally entitled.

n) Arising from any recommendation or advice relating to the nature, adequacy or scope of any damage insurance.

o) Covered by another primary insurance policy, whatever its form or nature.

This coverage only comes into effect in excess of this other insurance.

p) For the award of damages due to the sale, supply, provision of services for the development, programming, integration, installation, hosting, maintenance or support of software or accounting or other software packages, websites, mobile applications, hardware, equipment or **Computer systems** and the failure, anomalies, defects, vulnerability, breakdowns or deficiencies relating to such software services, software packages, websites, mobile applications, hardware, equipment or **Computer systems**.

This exclusion does not apply to **Damages** arising from a fault in connection with management advice, including reviewing a company's operations or processes, evaluating and advising on such operations, planning, or implementing changes to such operations.

q) Based on the knowledge of a coverage or representations related to the performance of a property, the quality of a service or the return on an investment, whatever its form or nature.

r) Arising from the services you have rendered as administrator of the property of others responsible for the simple administration of a condominium within the meaning of the relevant provisions of the *Civil Code of Québec*.

However, the services you have rendered as manager of the day-to-day affairs of the condominium remain covered.

s) Arising from your acts or omissions as a member of a pension committee established under the *Supplemental Pension Plans Act*, CQLR, c. R-15.1, or any other similar committee.

t) Arising from services rendered as a broker within the meaning of the legislation and regulations on securities applicable in Canada.

u) For the award of **Damages** resulting from:

- i) The loss, loss of use, deterioration, destruction, corruption or inaccessibility of **Information Assets** or the impossibility of handling them.
- ii) The infringement of the right to privacy and infringement of the confidentiality, integrity or availability of the **Information Assets** arising from:

- a. An unauthorized access or use of a **Computer System**.
- b. A **Malicious Code** having infected a **Computer System**.
- c. A social engineering attack; or

iii) Any action taken to control, prevent, eliminate or remedy a situation described in paragraphs i) or ii).

PART IV | LIMITS OF COVERAGE AND DEDUCTIBLE

4.01 | LIMITS OF COVERAGE

The limits of the coverage are in excess of the **Deductible** specified in the Declarations page, if any.

4.02 | LIMIT OF COVERAGE PER LOSS

The limit of coverage per **Loss** specified in the Declarations page represents the maximum amount that we will pay for a single **Loss**, regardless of the number of **Insureds**, **Claims**, faults committed or claimants.

4.03 | LIMIT OF COVERAGE FOR THE TERM OF THE POLICY PERIOD

The limit of coverage for the term of the **Policy Period** specified in the Declarations page represents the maximum amount that we will pay for all **Losses** occurring during this period, regardless of the number of coverages, of **Insureds** or of claimants.

4.04 | MULTIPLE INSURED

If one or more of the **Claims** arising from one or the same **Professional Service(s)** is submitted to you and is submitted to a Chartered Professional Accountant:

- i) Who is or was your employer or who practises or practised their profession within the same company as yours; and
- ii) Is insured by any other policy issued by the **Fonds**; and
- iii) Covering the same facts and circumstances or related facts and circumstances.

There shall be no total aggregation of the limits of coverage set out by this Insurance Policy and those of any other insurance policy regardless of the number of chartered professional accountants being your employer or practising their profession within the same company as you. The limits of coverage applicable are then set at \$2,000,000 per **Loss** for all Chartered Professional Accountants involved in the **Claim(s)** arising from one or the same **Professional Service(s)**.

In the event that the **Insureds** only benefit from a common limit of coverage by application of this Section, they are jointly and severally liable for the payment of the **Deductible**, if any, subject to the rights that they could assert between them. The amount of the **Deductible** then corresponds to the average of the **Deductibles** provided for in each of the applicable policies.

We are not bound by any obligation and there is no coverage with regard to the remedies that could result from the determination of the share of each of the **Insureds** in the payment of the **Deductible**.

4.05 | CANCELLATION

The **Fonds** may not cancel the insurance policy during the term of the insurance policy, unless you are struck off the Roll of the **Order**.

4.06 | CHOICE OF LAW AND JURISDICTION

The insurance policy is governed by the laws of Quebec and the federal laws of Canada applicable to Quebec and the parties agree that any dispute arising there from and concerning the obligations incumbent on them will be subject to the exclusive jurisdiction of the Quebec authorities.

PART V | POLICY EXTENSION

5.01 | Extension

If the **Named Insured** dies, ceases permanently or for a limited period to practise their profession, resigns or is struck off the Roll of the **Order** or continues to practise their profession while benefiting from an exemption from purchasing insurance from the **Fonds** (hereinafter: the “termination of practice”), the coverage offered by this policy on the date of the termination of practice remains in force for the following six (6) years. The policy extension is made at no additional cost and is effective exclusively with regard to **Claims** based on **Professional Services** rendered prior to the termination of the professional practice.

For the purposes of this policy, the words *Limit of Coverage for the Term of the Policy Period* contained in the policy are amended to read *Limit of Coverage for the Term of the Extension Period*.

PART VI | GENERAL PROVISIONS

6.01 | NOTICE OF CLAIM

You must notify us in writing of:

- a) Any demand for the award of **Damages**.
- b) Any reproach concerning the quality of your **Professional Services** which could reasonably suggest that you could receive a demand for the award of **Damages**; or
- c) All facts and circumstances you became aware of and reasonably likely to give rise to a demand for the award of **Damages**.

This notification must be made as soon as you become aware of the facts and circumstances. You must also promptly provide us with the relevant documents, including the pleadings.

Any delay in sending or failure to give the notice required by this provision will result in forfeiture of your rights if we are prejudiced.

In the absence of prejudice, if the notice sent hereunder concerns a **Claim** that you were aware of before the entry into force of this **Policy Period**, we will then consider that this **Claim** is governed by the policy, if it is, which was in effect at the time you had to give us the notice required.

6.02 | FORM OF NOTICES

All notices should be sent to the address indicated in Item 8 of the Declarations page.

The notices that we are required to send to you from time to time will be communicated to you at the address indicated in Item 2 of the Declarations page or at any address which will have been notified to us in writing.

6.03 | NATURE OF NOTICE

You must provide us with all the information and documents required so that we can understand the **Loss**, determine whether it falls within the coverage offered to you and, if applicable, assess your professional liability.

We may ask you to provide us with this information in a duly-sworn form.

You must also, when we request it, give us at your expense a complete copy of your file and your fees.

6.04 | CO-OPERATION

You must assist us in the investigation, settlement or defence. Failure to do this shall result in the forfeiture of your rights.

6.05 | ADMISSION OF LIABILITY

You cannot voluntarily admit your liability and you should refrain, except with our consent, from offering or making any settlement and incurring any expense.

6.06 | CLAIMS OF SETTLEMENT

We cannot reach a settlement without your prior consent. Your consent is not to be unreasonably withheld.

If you unreasonably withhold consent to a settlement from us, you will have to pay for the conduct of the defence. Our liability will be limited to the amount of the settlement that could have been concluded, plus interest on this sum if it were subsequently to be paid to third parties.

Under no circumstances can you be issued the amount we were prepared to pay. It will be sent directly to the claimant upon proof of a lawful transaction or of a final judgment.

6.07 | INSURER SUBROGATION RIGHTS AGAINST THE INSURED

We reserve the right to exercise subrogation rights against you when we suffer prejudice due to a breach of this contract and you are the author of or accomplice.

6.08 | REFUND OF DEDUCTIBLE

We will ask you to pay the **Deductible** amount directly to the claimant. If we were to pay this **Deductible** ourselves on your behalf, you will have to reimburse this amount to us upon our request.

CHAPTER VII | COMPENSATION PROCESS

7.01 | OPENING OF A CLAIM FILE

We proceed to the opening of a **Claim** file as soon as we receive notice of a **Claim**.

We are required to acknowledge receipt to the **Insureds**, or as the case may be the third party claiming **Damages**, within ten (10) days of the date on which we are notified.

7.02 | REVIEW

We review the **Claim** submitted to us as quickly as possible. We undertake to inform you or, as the case may be, the third party, of the arrangements we intend to take with regard to the **Claim**, the type of coverage provided and the possible payment of a compensation.

7.03 | RIGHT TO RETAIN EXPERTS AND OTHER ADVISORS

We may, at any time and at our sole discretion, retain the services of experts or other advisors to assist us in processing a **Claim**.

ⁱ In case of a discrepancy between the French and English versions, the French version shall prevail.