

Notice to Policyholders

Coverage under this **Policy** is provided on a claims made and reported basis. This Policy applies only to **Claims** first made against the **Insured** during the **Policy Period** and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, or to **Loss** first discovered by the **Insured** and notified in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, and subject to all other terms.

Any obligation or payment owed by the **Company** shall in every case be subject to the Limits of Liability as stated in the Declarations. **Defense Expenses** shall reduce the applicable Limits of Liability, subject to any applicable **Retention**, and may completely exhaust the Maximum Policy Aggregate Limit of Liability. This **Policy** only affords coverage under those Insuring Agreements below that are indicated as purchased in Item 5 of the Declarations.

Please review the coverage afforded under this **Policy** carefully, and discuss it with your insurance agent or broker.

SPECIMEN

CORVUS SMART CYBER INSURANCE

In consideration of the payment of premium, reliance upon the **Application**, and subject to all terms of this Policy, the **Company** agrees to indemnify the **Insured** in excess of the **Retention** or after the expiration of the **Waiting Period**, as indicated in Item 6 of the Declarations page, for:

THIRD PARTY INSURING AGREEMENTS

I. Amounts which the **Insured** is legally obligated to pay as a direct result of a **Claim** first made against the **Insured** during the **Policy Period**, and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, for:

A. **Network Security and Privacy Liability**

Damages and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Claim** arising from a **Security Breach** or **Privacy Breach**.

B. **Regulatory Investigations, Fines, and Penalties**

Regulatory Fines and Penalties and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Claim** arising from a **Security Breach** or **Privacy Breach**.

C. **Media Liability**

Damages and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Claim** arising from **Media Activities**.

D. **PCI DSS Assessment Expenses**

PCI DSS Assessment Expenses and **Defense Expenses** which the **Insured** is legally obligated to pay as a result of a **Claim** arising from a **Security Breach** or **Privacy Breach**.

E. **Breach Management Expenses**

Breach Management and Incident Response Expenses which the **Insured** has contractually indemnified a **Third Party** for a **Security Breach** or **Privacy Breach** when the **Insured** has a legal obligation to notify affected individuals.

FIRST PARTY INSURING AGREEMENTS

II. **Loss**, first discovered by the **Control Group** during the **Policy Period** and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, for:

A. **Business Interruption**

Business Income Loss and **Extra Expenses** incurred during the **Interruption Period** directly as a result of the total, or partial, or intermittent interruption or degradation in service of an **Insured's Computer System** caused directly by a **Privacy Breach**, **Security Breach**, **Administrative Error** or **Power Failure**.

B. Contingent Business Interruption

Business Income Loss and **Extra Expenses** incurred during the **Interruption Period** caused directly as a result of the total, partial, or intermittent interruption or degradation in service of the **Computer System** of an **Outsourced Service Provider** caused directly by a **Privacy Breach**, **Security Breach**, or **Administrative Error** at that **Outsourced Service Provider**.

C. Digital Asset Destruction, Data Retrieval and System Restoration

Digital Asset Loss and **Related Expenses** incurred as a direct and necessary result of a **Privacy Breach**, **Security Breach** or **Administrative Error**.

D. System Failure Coverage

Business Income Loss, **Extra Expenses**, and **Digital Asset Loss** incurred during the **Interruption Period** directly as a result of an unintentional or unplanned outage caused by **Administrative Error**, **Unintentional Damage or Destruction**, or **Computer Crime and Computer Attacks**.

E. Social Engineering and Cyber Crime Coverage

Financial Fraud Loss, **Telecommunications Fraud Loss**, **Phishing Attack Loss**, theft of **Funds Held in Escrow**, or theft of **Personal Funds** incurred directly as a result of **Financial Fraud**, **Telecommunications Fraud**, or **Phishing Attack**.

F. Reputational Loss Coverage

Reputational Loss incurred during the **Interruption Period** as a direct result of a **Media Event** arising from a **Privacy Breach**, **Security Breach**, **Cyber Extortion Threat**, or **Phishing Attack**.

G. Cyber Extortion and Ransomware Coverage

Extortion Expenses and **Extortion Payment** incurred directly as a result of a **Cyber Extortion Threat**.

H. Breach Response and Remediation Expenses

Breach Management and Incident Response Expenses incurred directly as a result of a **Privacy Breach** or **Security Breach**.

I. Court Attendance Costs

Expenses incurred to attend court for any tribunal, arbitration, adjudication, mediation or other hearing in connection with any **Claim** for which the **Insured** is entitled to indemnity under this policy.

DYNAMIC LOSS PREVENTION SERVICES

III. Consultative and support services requested by the **Insured** prior to notifying the **Company** of a potential **Loss** or **Claim**, including:

A. **IT Security Assessments**

The **Insured** shall have access to network security assessments and recommendations provided by the **Company's** data provider throughout the **Policy Period**. The **Insured** may request assessments as frequently as once every fourteen (14) business days.

B. **Pre-Claim Support Services**

If the **Company** is provided with notice of a potential Loss or of a **Claim** that is not yet a Loss or **Claim** under this policy and the **Insured** requests the Company's assistance to mitigate against such a **Claim** or Loss, the **Company** may agree to pay for up to \$1,000,000 in Breach Management and Incident Response Expenses. Any such fees must be incurred with the **Company's** prior written consent by an attorney or consultant we have mutually agreed upon. Such attorney's and consultant's fees will be considered **Claim** expenses or Loss and will be subject to the Limits of Liability that would be applicable if a covered **Claim** is made and is also subject to the Policy's Aggregate Limit of Liability.

EXCLUSIONS

The **Company** shall not be liable for any **Claim, Damages, Defense Expenses** or **Loss** based upon, arising out of, or in any way attributable to:

1. **Prior Knowledge or Notification**

Any act, fact, error, omission, event, incident, occurrence, claim or circumstance that could reasonably be expected to give rise to a claim notified to a previous insurer, or which occurred or commenced prior to the inception date of this **Policy** if at the inception date the **Control Group** knew or which could have reasonably expected that the act, fact, error, omission, event, incident, occurrence, claim or circumstance could result in as likely to form the basis for a **Claim** or **Loss** under this **Policy**;

2. **Deliberate Acts**

The **Insured's** willful deliberate, malicious, fraudulent, dishonest, or criminal act or violation of law with the knowledge, connivance or acquiescence of any member of the **Control Group**; however, this exclusion shall not apply to **Defense Expenses** incurred in defending any such **Claim** until such time that there is final adjudication establishing such conduct, at which time the **Insured** shall reimburse the **Company** for all **Defense Expenses** incurred. Facts, or knowledge possessed by the **Control Group** regarding the foregoing conduct shall be imputed to other **Insureds**;

3. **Insured. vs Insured**

Any **Claim** made by or on behalf of an **Insured** against another **Insured**. This exclusion shall not apply to any **Claim** brought by an **Employee** outside of the **Control Group** as a result of a **Privacy Breach** or **Security Breach**;

4. **Bodily Injury**

Physical injury, sickness, disease, or death sustained by any individual and, where resulting from such physical injury only, mental anguish, mental injury, shock or emotional distress;

5. **Property Damage**

Physical Injury to, or impairment, destruction or corruption of, any tangible property, including personal property in the care, custody or control of the **Insured**. **Data** and **Digital Assets** are not tangible property;

6. **Employment Practices**

Any employer-employee relations, policies, practices, acts or omissions, any actual or alleged refusal to employ any persons or any misconduct, including physical or sexual, with respect to **Employees**, including negligent employment, investigation, supervision, hiring, training or retention of any **Employee, Insured** or person for whom the **Insured** is legally responsible. However, this exclusion does not apply to a **Privacy Breach**;

7. **Breach of Contract**

Any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. This exclusion does not apply to:

- a. Any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Policy;
- b. A breach of the **Insured's** privacy policy; or
- c. An otherwise covered **Claim** under Insuring Agreement I. D. PCI DSS Assessment Expenses;

8. **Description of Price of Goods**

Actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products, or services, including cost guarantees, cost representations, contract price, or cost estimates being exceeded;

9. **Discrimination**

Any actual or alleged discrimination of any kind, including but not limited to age, color, race, gender, religion, creed, national origin, marital status, sexual orientation, sexual preference, disability, financial condition, or pregnancy, including violations of civil rights or discrimination or retaliatory conduct of any kind;

10. **Government Intervention**

Non-discriminatory measures of a government taken in the public interest for the purposes of ensuring public safety, raising revenues, protecting the environment or regulating economic activities;

11. **Patent Infringement**

The actual or alleged:

- a. Infringement of any patent or patent rights or misuse or abuse of a patent; or
- b. The misappropriation, theft, copying, display or publication of any trade secret, unless arising out of a Privacy Breach or Security Breach;

12. **Bankruptcy**

The insolvency, liquidation or bankruptcy of any person or entity, including any **Insured** to the extent permitted by law, or the failure, inability or unwillingness of any person or entity or **Insured** to make payments or perform obligations or conduct business because of insolvency, liquidation, or bankruptcy; However, the **Insured's** insolvency will not relieve the **Company** of any legal obligation under this contract of insurance where this insolvency does not give rise to a claim under this policy;

13. **Loss of Funds**

- a. Loss, decrease in value or theft of securities or currency;
- b. Trading losses, liabilities or changes in trading account value; or
- c. The value of electronic funds, money, securities or wire transfer;

14. **Force Majeure**

Any loss incurred as a result of a natural disaster, including fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or any other natural physical event however caused;

15. **Payment Card Industry**

The failure by the **Insured** to comply with or follow the Payment Card Industry Data Security Standards, Merchant Services Agreements or any Payment Card Company rules, or the failure to implement, maintain or comply with any payment card industry security measures or standards. However, this exclusion does not apply to Insuring Agreement I.D. PCI DSS Assessment Expenses;

16. **Pollutants**

Any actual or alleged or threatened presence, discharge, dispersal, release, escape or failure to detect pollutants or solid, liquid, gaseous or thermal irritant or contaminant of any kind, including smoke, vapor, soot, fumes, other air emission, acids, toxic chemicals, alkalis, mold, spores, fungi germs, odor, waste, water, oil or oil product, infectious or medical waste, asbestos or asbestos product, lead or lead product, noise, and electric, magnetic, or electromagnetic field chemicals, or waste (including waste material to be recycled, reconditioned, or reclaimed), whether or not such presence, discharge, dispersal, release, escape or failure to detect results from the **Insured's** activities or the activities of others of whether such presence happened suddenly, gradually, accidentally or intentionally. This exclusion shall not apply to an otherwise covered claim under Insuring Agreement I. A. Security and Privacy Liability and I. B. Regulatory Investigations, Fines, and Penalties;

17. **Satellite, Electrical or Mechanical Failures**

Satellite failures; electrical or mechanical failures including spike, brownout or blackout; failures of overhead or subterranean transmission and distribution lines; or outage to utility infrastructure, including gas, water, telecommunications, telephone, internet, or cable, unless such infrastructure is under the **Insured's** direct operational control;

18. **Specific Legislation**

- a. The actual or alleged purchase, sale, or offer of, or solicitation of an offer to purchase or sell securities, or violations of any securities law including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes Oxley Act of 2002, including "Blue Sky" laws;
- b. The actual or alleged violation of the Organized Crime Control Act of 1970 (RICO);
- c. The actual or alleged government enforcement of any state or federal law or regulation including law or regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Commission; however, this exclusion does not apply to Insuring Agreement II. B. Regulatory Investigations, Fines, and Penalties;

- d. Any breach or alleged breach of any workers' compensation, unemployment compensation, disability benefits or similar laws, including the Federal Employers Liability Act, the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970;
- e. Any violation of any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds, or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974 and/or the Pension Protection Act of 2006;
- f. The violation of, or the exposure of the **Insured** or **Company** to, any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, UK, or USA;
- g. The Telephone Consumer Protection Act of 1991 or CAN-SPAM Act of 2003 or any similar state or federal statute, law, regulation or rule with regard to unsolicited distribution of email, text messages, direct mail, facsimiles, spam, actual or alleged wiretapping, audio or video recording, or telemarketing;

19. **Terrorism**

Any act of terrorism, except for a terrorist event perpetrated by electronic or internet based applications or means;

20. **Unauthorized Trading**

Any and all trading by an **Insured**, including trade that at the time of the trade is:

- a. In excess of permitted financial limits; or
- b. Outside of permitted product lines;

21. **Anti-Trust Laws and Unfair Competition**

Any actual or alleged violation of any anti-trust statute, legislation or regulation including the Sherman Anti-Trust Act, the Clayton Act or any similar provisions of any federal, state or local statutory law or common law; or unfair competition, price fixing, deceptive trade practices;

22. **Use of Illegal or Unlicensed Programs**

Use of illegal or unlicensed programs or software;

23. **War**

Confiscation, nationalization, requisition, strikes, labor strikes or similar labor actions; war, invasion, or warlike operations, civil war, mutiny, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military coup or usurped power;

24. Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to, by, or arising from:

- a. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste;
- b. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;
- e. Any chemical, biological, bio-chemical or electromagnetic weapon;

DEFINITIONS

Administrative Error

An error or omission by an **Employee** or member of the **Control Group** in the input, processing or output of the **Insured's Digital Assets** of the **Insured's Computer System** operation or maintenance; With respect to Insuring Agreement II. B. Contingent Business Interruption, **Administrative Error** includes error or omission by an employee of an Outsourced Service Provider in the input, processing or output of the **Insured's Digital Assets** or the **Outsourced Service Provider's Computer System** operation or maintenance.

Application

All information provided by or on behalf of the **Insured** to the **Company** as part of any request for this **Policy**, including any supplemental information submitted therewith; All of the above are deemed attached to, material and incorporated into this **Policy**;

Breach Management and Incident Response Expenses

- a. Costs of an external IT security expert to determine the cause, scope and extent of the **Privacy Breach** or **Security Breach** or any immediate actions necessary to mitigate ongoing harm to the **Insured's Computer System**;
- b. Costs and expenses of a legal firm to determine any actions necessary to comply with **Privacy Regulations**;
- c. Notification costs and related expenses to notify:
 - I. Individuals who are required to be notified in compliance with **Privacy Regulations** mandating notifications; or
 - II. Any individual affected by the actual or suspected cyber event or to send email notices or issue substitute notices;
 - III. Costs of setting up a telephone call center in order to support notified individuals and to provide credit file monitoring services and/or identity theft assistance;
- d. **Crisis Management Expenses**;
- e. Costs to provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals for up to 24 months.
- f. Access to **Company's** 24/7 Cyber Incident Response Hotline;
- g. Costs to obtain initial report support and assistance from the **Company**;

- h. Costs to conduct a forensic investigation of the **Insured's Computer System** where reasonable and necessary or as required by law or a regulatory body (including a requirement for a PCI Forensic Investigator);
- i. Costs to contain and remove any malware discovered on the **Insured's Computer Systems**;
- j. Costs to complete an information security risk assessment;
- k. Costs to conduct an information security gap analysis;

Business Income Loss

- a. The net profit before income taxes that the **Insured** is prevented from earning during the **Interruption Period**; and
- b. Normal operating expenses incurred by the **Insured** (including payroll), but solely to the extent that such operating expenses must continue during the **Interruption Period** and would have been incurred had there been no interruption or degradation in service;

Business Income Loss does not include any:

- I. Contractual penalties;
- II. Costs or expenses incurred to update, restore, replace or improve a **Computer System** to a level beyond that which existed just before the Interruption of Service;
- III. Expenses incurred to identify or remediate software program errors or vulnerabilities;
- IV. Legal costs or expenses;
- V. Loss arising out of liability to any third party;
- VI. Other consequential loss or damage; or
- VII. Extra Expenses;

'Business Income Loss', as used in item a. Shall mean:

- a. For manufacturing operations, the net sales value of production less the cost of all raw stock, materials and supplies used in such production;

Claim

The following, when first received in writing or by electronic notice by any **Insured** during the **Policy Period** or, if applicable, an Extended Reporting Period.

- a. A notice of an intention to hold the **Insured** responsible for **Damages**, including the service of legal proceedings, the institution of arbitration or mediation, or a written request to toll or waive a statute of limitations against any of the **Insureds**;
- b. A request for information, civil investigative demand, formal civic administrative proceeding or formal regulatory action only to the extent covered by Insuring Agreement I. B. Regulatory Investigations, Fines, and Penalties;
- c. A demand for **PCI DSS Assessment Expenses** only to the extent covered by Insuring Agreement I. D. PCI DSS Assessment Expenses.

First receipt by any **Insured** is deemed to be first receipt by all **Insureds**.

Company

The Insurer listed under Item 3 of the Declarations Page.

Computer Crime and Computer Attacks

An unintentional or negligent act, error or omission by an **Insured**, or an **Outsourced Service Provider** in the operation of an **Insured's Computer System** or in the handling of **Digital Assets**, which fails to prevent or hinder attacks on an **Insured's Computer System**, including, but not limited to **Denial of Service** attacks, unauthorized access, infection of malicious computer code, unauthorized use or an act of cyber terrorism.

Computer System

A system of interconnected hardware and peripherals, and associated software, including Internet of Things (IoT) devices, systems and application software, terminal devices, related communication networks, mobile devices, storage and back-up devices, operated by the **Insured** or an **Outsourced Service Provider**; With respect to Insuring Agreement II. A. Business Interruption, a **Computer System** will not include devices, systems, software, or networks operated by an **Outsourced Service Provider**;

Control Group

Any of the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Operating Officer, Chief Information Security Officer, Chief Legal Officer/General Counsel, Risk Manager or functional equivalent;

Crisis Management Expenses

Expense reasonably incurred by the **Insured** and approved in writing in advance by the **Company** for the employment of a public relations consultant if the **Insured** reasonably considers that action is needed in order to avert or mitigate a **Business Income Loss** or **Media Event**;

Cyber Extortion Threat

A credible threat or series of credible threats, that includes a demand for **Extortion Payment**, to:

- a. Release, disseminate, destroy or corrupt the **Insured's Digital Assets**;
- b. Introduce **Malicious Code** into the **Insured's Computer System**;
- c. Corrupt, damage or destroy the **Insured's Computer System**;
- d. Electronically communicate with the **Insured's** customers and falsely claim to be the **Insured** or to be acting under the **Insured's** direction in order to falsely obtain personal confidential information of the **Named Insured's** customers (also known as "pharming," "phishing," or other types of false communications); or
- e. Restrict or hinder access to the **Insured's Computer System**, including the threat of a criminal or malicious **Denial of Service**;

Damages

The amount an **Insured** is legally obligated to pay in respect of: a **Claim**, including a monetary judgement, award or settlement, interest and a claimant's legal costs; punitive and exemplary damages, to the extent such damages are insurable under the law pursuant to which this **Policy** is construed; **Regulatory Fines and Penalties** only to the extent covered by Insuring Agreement I. B. Regulatory Investigations, Fines, and Penalties; and PCI DSS Assessment Expenses only to the extent covered by Insuring Agreement I. D.; **Damages** shall not include:

- a. Future profits or royalties, restitution, or disgorgement of the **Insured's** profits;
- b. The cost of complying with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
- c. Loss of the **Insured's** fees or profits, return or offset of the **Insured's** fees or charges (invoiced or not), or the **Insured's** commissions or royalties provided or contracted to be provided;
- d. Fines, taxes or loss of tax benefits, sanctions unless covered under Insuring Agreement I.B. Regulatory Investigations, Fines, and Penalties and unless covered under Insuring Agreement I.D. Payment Card Industry Fines, Assessments and Expenses;
- e. Liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement, unless covered under Coverage I.D. Payment Card Industry Fines, Assessments and Expenses;
- f. Any amount which the **Insured** is not legally obligated to pay; and
- g. Amounts which are uninsurable under the law pursuant to which this **Policy** is construed;

Data

Information represented, transmitted or stored electronically, or digitally including code, or a series of instructions, operation systems program, software and firmware;

Defense Expenses

Reasonable and necessary: fees charged by an attorney to defend a **Claim**, and costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** incurred with the **Company's** prior written consent, or such fees and costs incurred by an attorney from the Pre-Approved Vendors specified on the Declarations page;

Denial of Service

Unauthorized interference or malicious attack that restricts or prevents access to the **Insured's Computer System** for entities authorized to gain access;

Digital Asset Loss

Expenses incurred to restore, recreate, or replace **Digital Assets** or **Computer Systems** directly impacted by a **Privacy Breach** or **Security Breach**. If it is determined that **Digital Assets** or a **Computer System** cannot be restored, recreated, or replaced, the **Company** will only reimburse the **Insured's** losses or expenses incurred up to the date of such determination;

Digital Assets

The **Insured's** digital files including **Data**, computer programs, electronic documents and audio content stored by the **Insured's Computer System**;

E-Media

Hard drives, CD ROMs, magnetic tapes, magnetic discs or any other media on which electronic **Data** is stored;

Employee

Any individual whose labor or service is engaged by and directed by the **Insured**, including volunteers and part-time, seasonal, temporary or leased workers, and independent contractors;

Extra Expenses

Reasonable and necessary extra costs incurred by the **Insured** to temporarily continue as nearly normal as practicable in the conduct of the **Insured's** business during the **Interruption Period**, less any value remaining at the end of the **Interruption Period** for property or services obtained in connection with such costs; "Normal" shall mean the condition that would have existed had no **Privacy Breach**, **Security Breach**, **Administrative Error** or **Power Failure** occurred;

Extortion Expenses

Reasonable and necessary expenses incurred to avoid a **Privacy Breach**, **Security Breach** or the disruption failure of the **Insured's Computer System**, resulting directly from a **Cyber Extortion Threat**;

Extortion Payment

The payment of a ransom demand to avoid a **Privacy Breach**, **Security Breach** or the disruption or failure of the **Insured's Computer System**, resulting directly from a **Cyber Extortion Threat**. The **Insured** must report any payments to legal or federal law enforcement authorities.

Financial Fraud

- a. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit the **Insured's** account and to transfer, pay or deliver money or securities from the **Insured's** account, which instruction purports to have been transmitted by the **Insured**, an **Executive**, or an **Employee**, but was in fact fraudulently transmitted by a **Third Party** without the **Insured's** knowledge or consent; or
- b. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution by an **Executive** or **Employee** as a result of that **Executive** or **Employee** receiving intentional, misleading or deceptive telephonic or electronic communications from a **Third Party** falsely purporting to be the **Insured** or the **Insured's** client, vendor, **Executive** or **Employee**, and which directs the financial institution to debit the **Insured's** account and to transfer, pay or deliver money or securities from the **Insured's** account; or
- c. The theft of money or securities from the **Insured's** bank account or corporate credit cards by electronic means;

Financial Fraud Loss

Insured's loss of money, securities, or **Specified Property** which is directly caused by **Financial Fraud**;

Financial Fraud Loss does not include any amounts reimbursed to the **Insured** by any financial institution;

Funds Held In Escrow

Money or securities belonging to a **Third Party**;

Insured

- a. The entity specified in Item 1 of the Declarations Page;
- b. Any **Subsidiary** but only during the time period such qualifies as a **Subsidiary**;
- c. Any past, present or future officer, director, trustee, court-appointed receiver, or **Employee** of any of (a) and (b) above, but only while acting solely within the scope of their duties as such;
- d. Any general or managing partner, principal, stockholder, or owner of any of (a) and (b) above, but only while acting solely within the scope of their duties as such;

- e. Any legal entity required by contract to be named as an **Insured** under this **Policy** if agreed in advance and in writing by the **Company**, but only for the acts of any above parties (a) through (d), as detailed under the Insuring Agreements purchased;
- f. Any agent or independent contractor, including distributors, licensees, and sublicensees, but only while acting on behalf of, at the direction of, or under the control of any party of (a) through (2) above; however, not including any **Outsourced Service Provider**;

Interruption Period

Under Insuring Agreement II. A. Business Interruption, Insuring Agreement II. B. Contingent Business Interruption, and Insuring Agreement II. D. System Failure, the period of time that commences when the partial or complete interruption, degradation or failure of the **Computer System** begins, and ends on the earlier of:

- a. The date of full system restoration of the **Computer System** plus up to 30 days thereafter if necessary to allow for restoration of the **Insured's** business; or
- b. The maximum Period of Indemnity as stated in Item 6 of the Declarations Page;

Under Insuring Agreement II. D. Reputational Loss, the period of time that commences on the date of the earliest **Media Event** and ends after the maximum indemnity period as stated in Item 6 of the Declarations Page;

Loss

Breach Management and Incident Response Expenses, Crisis Management Expenses, Digital Asset Loss, Extortion Expenses, Extra Expenses, Extortion Payment, Business Income Loss, Financial Fraud Loss, Phishing Attack Loss, Related Expenses, Telecommunications Fraud Loss, and theft of **Funds Held In Escrow**;

Malicious Code

Software intentionally designed to damage **Digital Assets** or a **Computer System** by a variety of forms including, but not limited to, virus, worms, Trojan horses, spyware, dishonest adware, ransomware and crimeware;

Media Activities

The release or display of any **Media Material** that is under the direct sole control of the **Insured** and directly results in any of the following:

- a. Defamation, libel, slander, product disparagement or trade libel;
- b. Infringement, interference, or invasion of an individual's right or privacy or publicity, including false light, intrusion upon seclusion, commercial misappropriation of likeness, and public disclosure of private facts;
- c. Plagiarism, piracy, or misappropriation of ideas under an implied contract;

- d. Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service names; or
- e. Domain name infringement or improper deep-linking or framing;

Media Event

A report in the media of a **Privacy Breach** or **Security Breach** including via newspapers, radio, television, internet, blogging, and social media that has an adverse impact on the **Insured's** business or reputation;

Media Material

Communicative material of any kind or nature for which the **Insured** is responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **Data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended. **Media Material** does not include any tangible goods or products that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by the **Insured** or others trading under the **Insured's** name;

Named Insured

The entity listed in Item 1 of the Declarations page;

Outsourced Service Provider

An independent service provider that provides information technology services or business processing outsourcing services, including, but not limited to hosting, security management, colocation, call center services, fulfillment services, logistical support, and data storage, for the benefit of the **Insured** under a written contract with the **Insured**;

Personal Funds

Money, securities, or financial assets from a personal bank account belonging to the **Control Group**;

PCI DSS Assessment Expenses

Payment Card Industry forensic investigation costs, fines or penalties, assessments, including fraud loss recoveries and card replacement costs, and administrative costs that the **Insured** is legally obligated to pay under the terms of a Merchant Services Agreement as a result of the **Insured's** actual or alleged non-compliance with Payment Card Industry Data Security Standards. **PCI DSS Assessment Expenses** does not include any ongoing obligation or audit following the imposition of an assessment, fine or penalty;

Phishing Attack

The use of fraudulent electronic communications or malicious websites to impersonate the **Insured**, the **Insured's** brand, or any of the **Insured's** products or services, in order to solicit **Protected Personal Information**;

Phishing Attack Loss

- a. Expenses the **Insured** incurs, with the **Company's** prior written consent, to create and issue a specific press release or to establish a specific website to advise the **Insured's** customers and prospective customers of a **Phishing Attack**; and
- b. The cost of reimbursing the **Insured's** existing customers for their losses arising directly from a **Phishing Attack**;
- c. The cost of reimbursing the **Insured's** existing customers for their financial loss arising directly from the fraudulent communications;
- d. **Insured's** direct loss of profits for 120 days following the **Insured's** discovery of the fraudulent communications as a direct result of the fraudulent communications;
- e. External costs associated with the removal of websites designed to impersonate the **Insured**;

Policy or Insurance

This contract of insurance including the **Application**, any Declarations and Declarations Pages, and any endorsements or variations, all material to and forming part hereof;

Policy Period

The period of time between the Inception Date and Time and the Expiration Date and Time specified in Item 2 of the Declarations unless terminated earlier, and specifically excluding any Extended Reporting Period;

Power Failure

Failure in electrical power supply caused by a **Security Breach**, but only where such power is under the direct operational control of the **Insured** or the equipment necessary to supply the power is under the direct operational control of the **Insured**;

Privacy Breach

- a. A breach of confidentiality, or infringement or violation of any right to privacy, or a breach of the **Named Insured's** privacy policy or of **Privacy Regulations**; or
- b. An accidental release, unauthorized disclosure, loss, theft or misappropriation of **Protected Personal Information** or confidential corporate information in the care, custody or control of an **Insured** Entity or **Outsourced Service Provider**;

Privacy Regulations

Statutes, laws and regulations associated with the confidentiality, access, controls and use of personally identifiable, non-public information, including:

- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191);
- b. Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999;
- c. State and federal statutes and regulations regarding the security and privacy of consumer information;
- d. Governmental privacy protection regulations, statutes, or laws associated with the control and use of personal information;
- e. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act;
- f. Children's Online Privacy Protection Act;
- g. The EU Data Protection Act or other similar privacy laws worldwide;

Protected Personal Information

With respect to natural persons, any private, non-public information of any kind in an **Insured's** care, custody, or control, regardless of the nature or form of such information, including but not limited to the following, but only if such information allows an individual to be uniquely identified:

- a. Social security number;
- b. Medical service or healthcare data;
- c. Driver's license or state identification number;
- d. Equivalents of any of the information listed in a.-c. above;
- e. Account, credit card, or debit card number, alone or in combination with any information that permits access to an individual's financial information, including, but not limit to, security or access code or password; and
- f. Other-non-public information to the extent prescribed under **Privacy Regulations**;

However, **Protected Personal Information** does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records;

Regulatory Fines and Penalties

Civil fines, monetary penalties payable or a monetary amount which the **Insured** is legally obligated to deposit in a fund as equitable relief as imposed by a governmental agency or regulatory authority as a result of a breach of the **Privacy Regulations**;

Related Expenses

Reasonable and necessary costs and expenses the **Insured** incurs to:

- a. Prevent, preserve, minimize, or mitigate any further damage to **Digital Assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
- b. Preserve critical evidence of any criminal or malicious wrongdoing;
- c. Purchase replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **Loss**; or
- d. Notify affected individuals of a total or partial interruption, degradation in service, or failure of an **Insured's Computer System** resulting from a **Loss**;

Reputational Loss

Provable and determinable **Business Income Loss** during the **Interruption Period**;

Reputational Loss shall not mean, and no coverage shall be available for, any of the following:

- a. Loss arising out of any liability to a **Third Party**;
- b. Legal costs or legal expenses of any type;
- c. Loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss;
- d. Loss, liability, or expense incurred in connection with a **Media Event** that also affects or refers in similar terms to a general security issue, an industry, or the **Insured's** specific competitors without any specific allegations regarding a **Security Breach, Privacy Breach, Extortion Threat, or Phishing Attack** committed by an **Insured**, or by others acting on your behalf, for whom you are legally responsible, including **Outsourced Service Providers**;
- e. Costs or expenses the **Insured** incurs to identify, investigate, respond to or remediate a **Privacy Breach, Security Breach, Extortion Threat or Phishing Attack**;

Retention

The figures specified in Item 6 of the Declarations Page that is payable by the **Insured** in respect of every **Claim** and **Loss**;

Security Breach

- a. The use of the **Computer System** by an unauthorized person or persons, or by an authorized person in an unauthorized manner, including social engineering techniques;
- b. A **Denial of Service** attack or DDoS attack;
- c. Transmission of **Malicious Code**;
- d. The failure to prevent or hinder participation in a **Denial of Service** attack from a **Computer System**;

A series of continuing **Security Breaches**, or related or repeated **Security Breaches** arising from the same sequence of events, shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**;

Specified Property

Any tangible property, other than money or securities, which has intrinsic value;

Subsidiary

Any corporation, limited liability company, or partnership while more than 50% of the outstanding voting securities or shares that represent the present right to vote for the election or appointment or designation of such entity's directors, managers or equivalent are directly owned or controlled by the **Insured**; or any joint venture while the **Named Insured** has managerial control, or while it has the right to elect or designate or otherwise appoint or directly control the appointment of more than 50% of such entity's directors, trustees, managers or equivalent;

Telecommunications Fraud

The intentional, unauthorized and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of an **Insured Telecommunications System**;

Telecommunications Fraud Loss

Charges the **Insured** incurs for unauthorized calls directly resulting from **Telecommunications Fraud**;

Telecommunications Systems

Any telephone network or system that the **Insured** owns, rents, licenses, or borrows.

Third Party

Any person who is not an **Employee** or any legal entity that is not the **Insured**.

Unintentional Damage or Destruction

- a. Accidental physical damage to, or destruction of, **E-Media** so that stored **Digital Assets** are no longer machine-readable; Accidental damage to, or destruction of, computer hardware so that stored **Data** is no longer machine-readable;
- b. Failure in power supply or under/over voltage, but only if such power supply, including back-up generators, is under the **Insured's** direct operational control;
- c. Electrostatic build-up and static electricity.

Waiting Period

Under Insuring Agreement II. A. Business Interruption and Insuring Agreement II. B. Contingent Business Interruption, the period of time that commences when the partial or complete interruption, degradation or failure of the **Computer System** begins, and expires after the number of hours specified in Item 6 of the Declarations Page. Under Insuring Agreement II. F. Reputational Loss, the period of time that commences when the **Media Event** occurs and expires after the number of hours specified in Item 6 of the Declarations Page. **Business Income Loss** incurred during the **Waiting Period** is uninsured.

CLAIMS CONDITIONS

1. Subrogation

If any payment is made under this **Policy**, the **Insured** shall maintain all rights of recovery against any **Third Party**. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights, and shall do nothing to prejudice such rights. Any recoveries shall be applied first in payment of the **Company's** subrogation expenses, secondly to **Loss, Damages, Defense Expenses**, or any other amounts paid by the **Company**, thirdly to any uninsured amount, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Insured**.

2. Notice of Claim, Loss or Circumstance

- a. If, during the **Policy Period**, the **Control Group** becomes aware of a **Claim** or **Loss**, the **Insured** must forward details to the **Company** as soon as practicable during the **Policy Period** or the Extended Reporting Period, if applicable, through the persons named in the Declarations Page. The **Insured** must report a **Claim** or **Loss** regardless of whether the **Claim** or **Loss** arises out of any previously reported incident, circumstances, acts, errors or omissions, or related **Claim** or **Loss**.
- b. If during the **Policy Period**, the **Control Group** becomes aware of any incidents, circumstances, acts, errors or omissions that could reasonably result in a **Claim** or **Loss**, the **Insured** must forward details to the **Company** as soon as practicable during the **Policy Period** through the persons named in the Declarations Page. Any **Claim** or **Loss** arising out of such reported incidents, circumstances, acts, errors or omissions will be deemed to have been made or incurred when the **Company** first received notice complying with this paragraph.
- c. Any **Loss, Claim** or incidents, circumstances, acts, errors or omissions that could reasonably result in **Loss** or a **Claim** shall be considered properly reported to the **Company** when notice is first given, as specified under Item 4 of the Declarations page.

3. Dispute Resolution

- a. No legal action shall be instituted by any **Insured** against the **Company** in any court in respect of any alleged **Defense Expenses** or indemnity payable by the **Company** in respect of any **Claim** unless, as a condition precedent thereto, there has been full compliance with all the terms of the **Policy** and the amount of the **Insured's** obligation to pay the relevant **Third Party Claim** shall have been finally determined by judgement or award against the **Insured** after actual trial or arbitration, or by written agreement of the **Insured**, the claimant and the **Company**.
- b. Any person or organization of the legal representative thereof who has secured such judgement, award, or written agreement shall thereafter be entitled to make a **Claim** under this **Policy** to the extent of the insurance afforded by this **Policy**. No person or organization shall have any right under this policy to join the **Company** as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability,

nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the **Company** of their obligations hereunder.

- c. Mediation. If any dispute arises between any **Insured** and the **Company** involving **Loss** or a **Claim** under this **Policy**, such dispute shall be referred by the parties to a qualified mediator to negotiate a resolution of the dispute in good faith, prior to the initiation of any arbitration or other judicial proceedings. The party electing to mediation shall provide written notice to other party of its request to mediate with a brief statement regarding the issue to be mediated. The **Named Insured** is authorized and directed to accept such Notice of Mediation on behalf of any **Insured**.
- d. In the event that non-binding Mediation does not resolve or settle the dispute between any **Insured** and the **Company**, after 30 days from the date of the Mediation, either party may:
 - (1) commence a judicial proceeding; or
 - (2) seek agreement to submit the matter to final and binding arbitration before either a single mutually agreed arbitrator or a three arbitrator panel whereby the **Insured** selects one arbitrator, the **Company** select one arbitrator and the two selected arbitrators agree upon the selection of the third arbitrator.

Defense, Settlement and Investigation of Claims

- a. The **Company** shall have the right and duty to defend any **Claim** against the **Insured**, even if any of the allegations of the **Claim** are groundless, false, or fraudulent, subject to the Limit of Liability, Exclusions and other terms and conditions of this **Policy**.
- b. Unless defense counsel or breach counsel is chosen from the list of PreApproved vendors specified on the Declarations Page, defense counsel or breach counsel shall be appointed with the **Company's** prior written consent. Such consent shall not be unreasonably withheld. However, in the absence of agreement the **Company's** decision shall be final.
- c. The **Company** shall have the right to make any investigation they deem necessary including with respect to the **Application** or to coverage.
- d. If the **Insured** refuses to consent to a settlement that the **Company** recommends, and that the claimant will accept, the **Insured** must then defend, investigate or settle the **Claim** at the **Insured's** own expense. As a consequence of the refusal to settle as per **Company's** recommendation, **Company's** liability for any **Claim** shall not be more than the amount of the initial recommended settlement plus up to 70% of any additional costs incurred by the **Insured** above this amount in order to settle this matter, subject always to the limit of the Policy.

- e. No **Insured** may incur any **Defense Expenses, PCI DSS Assessment Expenses**, or admit liability for, or settle, any **Claim**, without the **Company's** written consent, which shall not be unreasonably withheld. Provided that, if a proposal settlement amount, when combined with any **Defense Expenses** or **PCI DSS Assessment Expenses** incurred, does not exceed 50% of the applicable **Retention** set forth in the Declarations Page, the **Insured** may settle a **Claim**, or accept an offer of settlement, without the prior written consent of the **Company**. Such settlement must fully resolve the **Claim** with respect to the **Insured** and the **Company**.

GENERAL CONDITIONS

The **Company** has no duty to provide coverage under this Policy unless there has been full compliance with all the conditions contained in this Policy. Any clause designated as a condition precedent shall require the entity to which it applies to comply specifically and completely with it and any breach or failure to do so shall entitle the **Company** to reject all or part of the **Claim, Damages, Defense Expenses** or **Loss** or any related **Claim** or **Loss** whether or not such breach or failure causes loss, prejudice or damage.

1. Policy Limits

The Aggregate Limit specified in Item 5 of the Declarations Page shall be the maximum liability of the **Company** under this **Policy**. The sublimits for each Insuring Agreement specified in Item 5 of the Declarations Page form part of, and are not in addition to, such Aggregate Limit.

After the **Policy** Limit of Liability has been exhausted, the **Company** has no obligations to pay any **Damages, Defense Expenses, Loss** or any other amounts under the **Policy**, and shall have the right to withdraw from the defense.

2. Retention and Waiting Period

The **Retention** amount specified in Item 5 of the Declarations Page for each Insuring Agreement apply separately to each and every **Loss** and **Claim** and shall be satisfied in full by the **Insured's** monetary payments of **Loss, Damages, or Defense Expenses**.

The **Company** shall only be liable for amounts in excess of the **Retention**, subject to the Limit of Liability.

For Insuring Agreements subject to a **Waiting Period**, the **Company** will only become liable for any **Loss** upon expiration of the applicable **Waiting Period**. Any Loss incurred during the **Waiting Period** is uninsured.

In the event of a **Claim** or **Loss** attaches to more than one Insuring Agreement, only the highest **Retention** or the longer **Waiting Period** will apply to that **Claim** or **Loss**.

The **Insured's** payment of the applicable **Retention** is a condition precedent to the payment by the **Company** of any amounts covered under the **Policy**. The **Insured** shall make direct payments within the **Retention** to the appropriate parties as designated by the **Company**.

3. Related Claims and Loss

All **Claims** and **Loss** arising out of the same related or continuing acts, facts, circumstances or events shall be considered a single **Claim** or **Loss**, without regard to the number of **Insureds**, **Claims** or claimants. All such **Claims** or **Loss** shall be deemed to have been made at the time of the first such **Claim** or **Loss**.

4. Cancellation

If this **Policy** is cancelled by the **Named Insured**, the **Company** will refund the unearned premium computed at the **Company's** short rate then in force. No premium will be refunded where any **Claim** or circumstance has been notified under this **Policy**, whether or not it has been accepted for coverage.

5. Other Insurance

This **Policy** is excess to any other valid and collectible insurance (or other indemnity) available to the **Insured**.

6. Inspection and Audit

The **Company** shall be permitted, but not obligated, to inspect any of the **Insured's** property, operations, or records and take copies of same at any time at the **Insured's** cost.

7. Mergers and Acquisitions

If any **Named Insured** completes the legal acquisition of another entity during the **Policy Period**, then that acquired entity will automatically be included as an **Insured** but only with respect to **Claims** or **Loss** sustained or occurring after the date of the acquisition and otherwise qualifying for coverage under this **Policy**, unless:

- a. That acquired entity has an annual revenue of more than 20% of the **Named Insured's** annual revenue (evaluated according to the last set of audited accounts formally filed by that entity against the information provided by the **Named Insured** when applying for this **Policy**); or
- b. Unless that acquired entity stores a total number of unique, personally identifiable records that are in excess of 20% of the total unique, personally identifiable records that the **Named Insured** stores (as at the date of completion of such acquisition).

If the above cover is not automatically provided to the newly acquired entity, to obtain cover the **Named Insured** must notify and obtain the written consent of the **Company** prior to the acquisition, and agree to pay any additional premium required.

8. Assignment

The interest hereunder is not assignable by any qualifying **Insured**.

9. Innocent Insured

- a. Whenever coverage under this **Policy** would be excluded, suspended, or lost owing to non-compliance with **Claims** Conditions 2. Notice of claim or circumstance, with respect to which any other **Named Insured** shall be in default solely as a result of such non-compliance, then such insurance as would otherwise be afforded under this **Policy** shall cover and be payable to those **Insureds** who did not personally commit or personally participate in committing or personally acquiesce in such failure to give notice, provided that **Insured** entitled to the benefit of this provision shall comply with **Claims** Conditions 2. Notice of **Claim** or Circumstance promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

Any insurance afforded by this provision shall not cover a **Claim** if a member of the **Control Group** knew or should reasonably have known of a **Claim** or circumstance that could reasonably form the basis of a **Claim** or **Loss** and failed to give notice as required by **Claims** Conditions 2.

Notwithstanding the above, the reporting of any such **Claim** or **Loss** must be made during the **Policy Period** or Extended Reporting Period, if applicable.

- b. Whenever coverage this **Policy** would be excluded, suspended, or lost because of the Insured Misconduct Exclusion, then such insurance as would otherwise be afforded under this **Policy** shall converge and be payable with respect to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof, provided that the **Insured** entitled to the benefit of this provision shall comply with **Claims** Conditions 2. Notice of **Claim** or Circumstance promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

10. Extended Reporting Period

- a. Automatic Extended Reporting Period

The **Named Insured** shall have a period of sixty (60) days following the end of the **Policy Period** in which to give written or electronic notice to the **Company** of any **Claim** or **Loss**, but only in respect of any:

- I. **Claim** first made during the **Policy Period** or Automatic Extended Reporting Period when such **Claim** is based upon a **Security Breach, Privacy Breach** or **Media Activity** prior to the end of the **Policy Period** or
- II. Loss based upon a **Security Breach, Privacy Breach, Administrative Error, Power Failure, Unintentional Damage or Destruction, Computer Crime and Computer Attacks, Financial Fraud, Telecommunications Fraud, Phishing Attack** or **Cyber Extortion Threat** during the **Policy Period** when first discovered by the **Control Group** during the **Policy Period** or Automatic Extended Reporting Period and which is otherwise covered by this **Policy**.

b. Optional Extended Reporting Period

In the event of cancellation or non-renewal of this **Policy**, the **Named Insured** shall have the right to purchase an Optional Extended Reporting Period for additional premium, as stated in Item 8 of the Declarations Page. Once purchased, the premium for the Extended Reporting Period will be deemed fully earned. The **Company** must receive the **Named Insured's** request for the Optional Extended Reporting Period by written or electronic notice within thirty (30) days of such cancellation or non-renewal that it requires, and the **Company** shall provide, an Optional Extended Reporting Period commencing at the end of the **Policy Period** in which to give written or electronic notice to the **Company** of any:

- I. **Claim** first made during the **Policy Period** or Optional Extended Reporting Period when such **Claim** is based upon a **Security Breach, Privacy Breach** or **Media Activity** prior to the end of the **Policy Period**, or
- II. Loss based upon a **Security Breach, Privacy Breach, Administrative Error, Power Failure, Unintentional Damage or Destruction, Computer Crime and Computer Attacks, Financial Fraud, Telecommunications Fraud, Phishing Attack** or **Cyber Extortion Threat** during the **Policy Period** when first discovered by the **Control Group** during the **Policy Period** or Optional Extended Reporting Period and which is otherwise covered by this **Policy**. The payment of the additional premium for the Optional Extended Reporting Period must be paid to the **Company** within thirty (30) days of the non-renewal or cancellation.

c. The Limit of Liability for any Extended Reporting Period shall be part of, and not in addition to, the Limit of Liability for the **Policy Period**.

d. The right to any Extended Reporting Period shall not be available to the **Insured** where cancellation or non-renewal by the **Company** arises through non-payment of premium or the **Insured's** failure at any time to pay amounts within the applicable **Retention**.

11. **Change of Control**

In the event of the **Named Insured's** acquisition by or merger into another entity, or the **Named Insured's** liquidation or dissolution, the **Named Insured** may notify the **Company** within sixty (60) days of the actual change of control of the **Named Insured's** election for an Extended Reporting Period of twelve (12) months from the date of such change of control. Such Extended Reporting Period shall cover **Claims** reported or **Loss** notified to the **Company** during this change of control Extended Reporting Period, but only in respect of any **Claim** made during the **Policy Period** or **Loss** incurred during the **Policy Period** which is otherwise covered by this **Policy**.

12. Assistance and Cooperation

- a. The **Insured** shall cooperate with the **Company** in all investigations relating to this **Policy**. The **Insured** shall execute or cause to be executed all documents and papers and render all assistance as requested by the **Company**, including providing copies of a **Third Party's** system security and event logs.
- b. Upon the **Company's** request, the **Insured** shall assist in making settlements, in the conduct of all third party dispute resolution procedures and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this **Policy**, and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insured's** own cost.
- c. It is a condition precedent to the **Company's** liability that the **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgement or award, or dispose of any **Claim** without the **Company's** prior written consent. However, the prompt public admission of a **Privacy Breach** potentially impacting non-public personally identifiable information as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring the **Company's** prior consent.
- d. The **Company** shall have the right to make any investigation they deem necessary with respect to coverage including the **Application**.
- e. The **Insured** shall submit for examination under oath by the **Company's** representative, if requested, in connection with all matters relating to this **Policy**.

13. Warranty by the Named Insured

By acceptance of this **Policy**, all **Insureds** agree that the statements in the **Application** are their agreements and representations, which shall be deemed material to the risk, and that this **Policy** is issued in reliance upon the truth thereof. The misrepresentation or non-disclosure in the **Application** of any material matter by the **Insured** or its agent will render the **Policy** null and void and relieve the **Company** from all liability under the **Policy**.

14. Forfeiture

Any:

- a. Action or failure to act by the **Insured** with the intent to defraud the **Company**; or
- b. Material misrepresentation or non-disclosure of any material fact or claims by the **Insured** in the **Application** or in any supplemental materials submitted to the **Company**:

Shall render this **Policy** null and void, and all coverage hereunder shall be forfeited.

15. Construction and Interpretation

- a. Any reference to legislation, statute, regulation or law includes any similar or related law, statute, ordinance, or regulation, any amendments, and any rules or regulations or executive orders promulgated thereunder, or by a federal, state, local or other agencies or similar bodies thereof. Any reference to a regulatory or investigative or other state or local governmental body includes any similar, subsidiary or related agency or body.
- b. All or part of any provision of this **Policy** which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable.

16. Coverage Territory

Coverage under this **Policy** applies anywhere in the world.