



Ascot CYNERGY Pro

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Cyber & Professional Liability Insurance Policy

Bolded words are defined in the DEFINITIONS section of the policy. The titles of any parts to this policy are intended solely for convenience and reference and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the policy. Whenever the singular form of a word is used in this policy, the same will include the plural when required by context.

If an Insuring Agreement has not been purchased, coverage under that Insuring Agreement will not apply.

INSURING AGREEMENTS

Cyber Liability Insuring Agreements

Privacy & Cyber Breach Liability	The Insurer will pay on behalf of the Insured : Claim Expenses and Damages resulting from a Claim for a Privacy Event or Cyber Breach Event that is first made during the Policy Period , or applicable extended reporting period.
Privacy Regulatory	Claim Expenses and Regulatory Fines resulting from a Regulatory Action that is first requested during the Policy Period , or any applicable extended reporting period, for a Cyber Breach Event .
Payment Card Liability	PCI Fines, Expenses and Costs resulting from a Claim that is first made during the Policy Period , or any applicable extended reporting period for a Cyber Breach Event .

Cyber First Party Insuring Agreements

Breach Response	The Insurer will pay on behalf of the Insured for Breach Response Expenses resulting from an actual or suspected Cyber Breach Event that is discovered during the Policy Period .
Cyber Extortion & Ransomware	The Insurer will reimburse the Insured for Cyber-extortion Expenses resulting from a Cyber-extortion Threat or Ransomware that is discovered during the Policy Period .

Business Interruption Insuring Agreements:

Business Interruption

The **Insurer** will reimburse the **Insured** for **Business Interruption Loss** that the **Insured Company** actually sustains as a direct result of:

1. the necessary total or partial interruption of the **Insured Company's** business operations; or
2. the total or partial voluntary interruption of the **Insured Company's** business operations, but only if such total or partial interruption is at the direction of a member of **Management** in order to mitigate, reduce or avoid other potential **Loss** under this policy,

due to a **Cyber Breach Event** that the **Insured** discovers during the **Policy Period**.

System Failure

The **Insurer** will reimburse the **Insured** for **Business Interruption Loss** that the **Insured Company** actually sustains as a direct result of the necessary interruption of the **Insured Company's** business operations due to a **System Failure** that the **Insured** discovers during the **Policy Period**.

Dependent Business Interruption

The **Insurer** will reimburse the **Insured** for **Business Interruption Loss** that the **Insured Company** actually sustains as a direct result of:

1. the necessary total or partial interruption of the **Insured Company's** business operations; or
2. the total or partial voluntary interruption of the **Insured Company's** business operations, but only if such total or partial interruption is at the direction of a member of **Management** in order to mitigate, reduce or avoid other potential **Loss** under this policy,

due to a **Dependent Business Interruption** that the **Insured** discovers during the **Policy Period**.

Dependent System Failure

The **Insurer** will reimburse the **Insured** for **Business Interruption Loss** that the **Insured Company** actually sustains as a result of the necessary interruption of the **Insured Company's** business operations due to a **Dependent System Failure** that the **Insured** discovers during the **Policy Period**.

Data Recovery

The **Insurer** will pay on behalf of the **Insured** for **Data Recovery Expenses** directly resulting from a **Cyber Breach Event** or **System Failure** that the **Insured** discovers during the **Policy Period**.

Criminal Reward

The **Insurer** will pay on behalf of the **Insured** for **Criminal Reward Funds** directly resulting from a **Cyber Breach Event** that the **Insured** discovers during the **Policy Period**.

Cyber Crime Insuring Agreements:

Social Engineering Fraud

The **Insurer** will reimburse the **Insured** for the **Insured Company's** direct financial **Loss** resulting from **Social Engineering Fraud** that the **Insured** discovers during the **Policy Period**.

Funds Transfer Fraud

The **Insurer** will reimburse the **Insured** for the **Insured Company's** direct financial **Loss** resulting from **Funds Transfer Fraud** that the **Insured** discovers during the **Policy Period**.

Utility Fraud

The **Insurer** will reimburse the **Insured** for the **Insured Company's** direct financial **Loss** resulting from **Utility Fraud** that the **Insured** discovers during the **Policy Period**.

Invoice Manipulation

The **Insurer** will reimburse the **Insured** for the **Insured Company's** direct financial **Loss** resulting from **Invoice Manipulation** that the **Insured** discovers during the **Policy Period**.

Professional Liability Insuring Agreements

Technology Errors & Omissions

The **Insurer** will pay on behalf of the **Insured** for **Claim Expenses** and **Damages** resulting from a **Claim** first made during the **Policy Period**, or applicable extended reporting period, for a **Technology E&O Wrongful Act** that first occurred on or after the **Retroactive Date**.

Media Liability

The **Insurer** will pay on behalf of the **Insured** for **Claim Expenses** and **Damages** resulting from a **Claim** first made during the **Policy Period**, or applicable extended reporting period, for a **Media Liability Wrongful Act** that first occurred on or after the **Retroactive Date**.

Miscellaneous Professional Liability

The **Insurer** will pay on behalf of the **Insured** for **Claim Expenses** and **Damages** resulting from a **Claim** first made during the **Policy Period**, or applicable extended reporting period, for a **Professional Services Wrongful Act** that first occurred on or after the **Retroactive Date**.

SUPPLEMENTAL COVERAGE

Mitigation Coverage

The **Insurer**, at its discretion, will reimburse the **Insured Company** for reasonable and necessary costs to limit or reduce a circumstance that may reasonably be expected to be the basis of a potentially covered **Claim** against the **Insured** under the Technology Errors & Omissions, Media Liability or Miscellaneous Professional Liability Insuring Agreements, provided that the **Named Insured** gives the **Insurer** prompt notice of the circumstance as required under NOTICE, Section A. Notice of Circumstance and:

- a. obtains the **Insurer's** consent before incurring any amounts under this Supplemental Coverage; or
- b. establishes to the **Insurer's** satisfaction within 30 days of first learning of the circumstance that such amounts were reasonably incurred.

The **Insurer** will only reimburse the **Insured Company** for amounts under this Supplemental Coverage if such amounts are less than the likely **Claim Expenses** or **Damages** resulting from the circumstance and the **Insured** is legally unable to

recover such amounts from any client, subcontractor or third party involved in the circumstance.

This Supplemental Coverage will not include any: lost profits or business of any **Insured**; fees due any **Insured**; payment recoverable by any **Insured** from any client or any other party; or salaries, wages, benefits, expenses, overtime or overhead of an **Insured**.

DEFENSE AND SETTLEMENT

- A. The **Insurer** will have the right and duty to defend any **Claim** against the **Insured** seeking **Damages** or **Regulatory Fines** which are payable under the terms of this policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The **Insurer's** duty to defend any **Claim** will end upon exhaustion of the limit of insurance applicable to such **Claim**.
- B. Defense counsel will be mutually agreed upon between the **Named Insured** and the **Insurer**, but in the absence of such agreement, the **Insurer's** consent cannot be unreasonably withheld. Any agreed upon defense counsel must adhere to the **Insurer's** litigation management guidelines.
- C. The **Insurer** agrees that the **Insured** may settle any **Claim** where the **Loss** does not exceed the retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all the **Insureds** from all claimants.

LIMIT OF INSURANCE AND RETENTION

A. Limit of Insurance

- 1. The policy aggregate limit of insurance set forth in Item 5. of the Declarations will be the **Insurer's** maximum aggregate limit of insurance for all **Loss** payable under this policy. The **Insurer** will not be obligated to pay any further **Loss** or to undertake or continue defense of any suit or proceeding after the policy aggregate limit of insurance has been exhausted by payment of **Loss**. Once the policy aggregate limit of insurance is exhausted, the premium is fully earned.
- 2. Each sublimit of insurance stated in Item 6. of the Declarations is the aggregate sublimit of insurance payable under the corresponding Insuring Agreement of this policy and will be part of, and not in addition to, the policy aggregate limit of insurance. Upon exhaustion of any sublimit of insurance, the **Insurer** will not be liable to pay any further **Loss** under the corresponding Insuring Agreement.
- 3. Any expenses incurred under the Mitigation Coverage are subject to the sublimit of insurance stated in Item 6. of the Declarations and payable under the corresponding Insuring Agreement of this policy.

B. Retentions

- 1. The retention listed in the Declarations applies separately to each incident, event, or series of related incidents or events giving rise to a **Claim** or **Loss**. The **Insured** is responsible for payment of such retention, and the retention cannot be insured. The **Insurer's** obligation to pay any amounts under this policy is excess of the applicable retention. The limits of insurance will not be reduced by the payment of any retention.
- 2. With respect to **Business Interruption Loss**, the retention will be the amount of **Business Interruption Loss** incurred during the **Waiting Period**.
- 3. If any **Loss** arising out of an incident, event, or **Claim**, or a series of related incidents or events, is subject to more than one retention, the retention for each applicable Insuring Agreement will apply to such **Loss**, provided that the sum of such retention(s) will not exceed the largest applicable individual retention amount.
- 4. The Aggregate Cyber Retention set forth on the Declarations is the most the **Insured** will be required to pay under the Cyber Insuring Agreements (with the exception of the Business Interruption Insuring Agreements, inclusive of **Business Interruption, System Failure, Dependent Business Interruption** and **Dependent System Failure**) to the policy, regardless of the number of **Claims** or **First Party Incidents**. The aggregate cyber retention will not apply to **Business Interruption Loss**.

DEFINITIONS

A. Breach Response Expenses

The following reasonable and necessary costs charged by “qualified breach response providers” with the **Insurer’s** consent to:

1. engage an attorney to provide legal advice to the **Insured Company** regarding its obligations under any applicable breach notice laws or a **Merchant Services Agreement**, determine the **Insured Company’s** responsibilities under the indemnification provisions of a written agreement between the **Insured Company** and any other person or entity with respect to a **Cyber Breach Event**, and to assist the **Insured Company** with the provision of the services described in Parts 2 – 8 below;
2. perform computer forensics to determine the existence, cause and scope of a **Cyber Breach Event**;
3. notify those individuals whose **Personally Identifiable Information** was or may have been impacted by a **Cyber Breach Event**, regardless of whether such notifications are legally required or voluntary;
4. operate a call center to manage questions from individuals regarding a **Cyber Breach Event**;
5. provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **Personally Identifiable Information** was or may have been impacted by a **Cyber Breach Event**;
6. provide medical identity restoration for those individuals whose **Personally Identifiable Information** was or may have been impacted by a **Cyber Breach Event**;
7. minimize reputational harm to the **Insured Company** by hiring a public relations or crisis communications firm; and
8. to perform a PCI forensic investigation to determine the existence, cause and scope of a breach or suspected breach of cardholder data pursuant to a **Merchant Services Agreement**.

The **Insured** has the **Insurer’s** consent to incur **Breach Response Expenses** provided by a firm on the **Insurer’s** approved panel. Any “qualified breach response provider” that is not on the approved panel must be pre-approved in writing by the **Insurer** and provide comparable services to the providers on the **Insurer’s** approved panel at rates that do not exceed the rates the **Insurer** has pre-negotiated with the approved panel.

B. Business Interruption Loss

1. **Loss of Business Income**; and
 2. **Extra Expenses**
- actually sustained during the **Period of Restoration**.

Business Interruption Loss also includes reasonable and necessary costs of retaining a forensic accountant to assist in the preparation of a proof of loss setting forth any **Loss of Business Income** and **Extra Expenses**.

Business Interruption Loss will not include any: (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; or (v) **Data Recovery Costs**.

C. Claim

1. A written demand for money, services, non-monetary relief or injunctive relief;
2. A written request for mediation or arbitration, including any appeal therefore;
3. A request to toll or waive an applicable statute of limitations; or
4. With respect to the Privacy Regulatory Insuring Agreement only, a **Regulatory Action**.

A **Claim** will be deemed made on the earliest date a member of **Management** receives notice of such **Claim**. Multiple **Claims** arising from the same, continuing, or series of related or repeated acts, errors or omissions will be considered a single **Claim** for the purposes of this policy, irrespective of the number of claimants or **Insureds** involved in the **Claim**. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

D. **Claim Expenses**

The following amounts incurred with the **Insurer's** consent:

1. reasonable and necessary fees for the defense of a **Claim** incurred by an attorney in accordance with DEFENSE AND SETTLEMENT, as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **Claim**; and
2. premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, the **Insurer** is not obligated to apply for or furnish any such bond.

E. **Computer Network**

A connected network of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory Control And Data Acquisition systems), other peripheral devices, hosted computer resources or authorized personal devices, under the ownership, operation, approval or control of, or leased by an **Insured Company**.

F. **Criminal Reward Funds**

Any amount offered and paid by the **Insured Company** with the **Insurer's** prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this policy; but will not include any amount based upon information provided by the **Insured**, the **Insured's** auditors or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this policy must expire no later than 6 months following the end of the **Policy Period**.

G. **Cyber Breach Event**

Any:

1. actual or suspected theft, loss, unauthorized disclosure, or unauthorized access of **Personally Identifiable Information** or **Private Business Information** that is in the care, custody or control of the **Insured Company** or a third-party for whom the **Insured Company** is legally liable; or
2. failure of **Computer Network** security that results in:
 - (a) the unauthorized access or use of the **Computer Network**;
 - (b) the inability of an authorized user to gain access to a **Computer Network**;
 - (c) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on a **Computer Network**, including a ransomware attack; or
 - (d) the transmission of malware from a **Computer Network** to third parties.

H. **Cryptojacking**

The unauthorized use of or access to a **Computer Network** by a third party to mine cryptocurrency or any other digital or electronic currency.

I. **Cyber-extortion Expenses**

The following amounts incurred with the **Insurer's** prior written consent:

1. reasonable and necessary money (including any form of cryptocurrency or other form of digital or electronic currency), goods, property or services surrendered as payment by or on behalf of the **Insured Company** in order to prevent, limit or respond to a **Cyber-extortion Threat or Ransomware**; and
2. reasonable and necessary costs charged by qualified third parties to conduct an investigation and advise the **Insured Company** how to respond to and resolve a **Cyber-extortion Threat or Ransomware**.

J. **Cyber-extortion Threat or Ransomware**

A threat made by a third party or rogue employee demanding payment in consideration for the elimination, mitigation, or removal of a **Cyber Breach Event** or a threat to commit a **Cyber Breach Event**.

K. Damages

A monetary judgment or award that the **Insured** is legally obligated to pay, including pre-judgment or post-judgment interest, punitive or exemplary damages or any damages which are a multiple of compensatory damages to the extent insurable under any applicable jurisdiction that most favors coverage; or a negotiated monetary settlement agreed to by the **Insured**, including service credits, with the **Insurer's** consent.

Damages do not include:

1. future profits, restitution, or disgorgement of unjust enrichment or profits by an **Insured**;
2. the costs of complying with orders granting injunctive or equitable relief;
3. return or offset of fees, charges, or commissions for the provision of goods or services;
4. taxes or loss of tax benefits;
5. any other fines, sanctions or penalties;
6. discounts, coupons, prizes, awards or other incentives;
7. liquidated damages, but only 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;
8. royalties, return or offset of royalties, fees, deposits, commissions or charges or any award, calculation or determination of damages based on royalties, licensing fees or profits;
9. any amounts attributable to loss of, theft or the fluctuation in the value of, monies or **Securities**;
10. any amounts owed under a **Merchant Services Agreement**; or
11. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.

L. Data Recovery Expenses

Reasonable and necessary costs incurred by the **Insured Company** with the **Insurer's** consent to:

1. determine whether damaged, destroyed or stolen computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
2. replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the network to substantially the form in which it existed immediately prior to a **Cyber Breach Event** or **System Failure**.

Data Recovery Expenses do not include:

1. the monetary value of any computer programs, software or electronic data, including the value of any trade secrets or other proprietary information;
2. any profits, royalties or lost market share related to computer programs, software or electronic data;
3. any legal costs or expenses;
4. any wages, benefits or overhead the **Insured Company** ordinarily would have incurred; or
5. **Cyber-extortion Expenses**.

M. Dependent Business

Any entity that is not part of the **Insured Company** and which provides necessary computer services to the **Insured Company** pursuant to a written contract.

Dependent Business does not include any provider of electrical, mechanical, Internet, telecommunication, cable or satellite services.

N. Dependent Business Interruption

A failure of computer security to prevent a breach of computer systems operated by a **Dependent Business**.

O. Dependent System Failure

An unintentional and unplanned interruption of computer systems operated by a **Dependent Business**.

Dependent System Failure will not include any interruption of computer systems resulting from (i) a **Dependent Business Interruption** or (ii) the interruption of computer systems that are not operated by a **Dependent Business**.

P. Extra Expenses

Reasonable and necessary expenses incurred by the **Insured Company** to minimize the interruption of the **Insured Company's** business that are over and above those expenses the **Insured Company** ordinarily would have incurred to conduct its business had no **Cyber Breach Event, System Failure, Dependent Business Interruption or Dependent System Failure** occurred.

Q. Financial Institution

A bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Insured Company** maintains a bank account.

R. First Party Incident

Any **Cyber Breach Event, Cyber-extortion Threat or Ransomware, System Failure, Dependent Business Interruption, Dependent System Failure, Social Engineering Fraud, Funds Transfer Fraud, Utility Fraud or Invoice Manipulation**.

S. Funds Transfer Fraud

The loss of money or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay or deliver money or **Securities** from any account maintained by the **Insured Company** at such institution, without the **Insured Company's** knowledge or consent.

T. Insured

1. The **Insured Company**;
2. Any past or present employee, director, officer, member, principal, partner, trustee, leased, temporary, seasonal employee/worker and volunteer of the **Insured Company** acting in their capacity as such;
3. Any independent contractor performing services for the **Insured Company** under a written contract with the **Insured**, but only with respect to **Claims** against such person for acts, errors or omissions of the **Insured Company**;
4. Any entity that is required by written contract with an **Insured Company** to be insured under the policy, but only with respect to **Claims** against such entity for acts, errors or omissions of the **Insured Company**;
5. The parent company of the **Named Insured**, but only with respect to **Claims** against such company for acts, errors or omissions of the **Insured Company**; and
6. The lawful spouse (including a domestic partner), but only with respect to **Claims** against such **Insured's** lawful spouse for acts, errors or omissions of the **Insured Company**.

Provided, however a rogue employee is not an **Insured** pursuant to this definition.

U. Insured Company

The **Named Insured** and any **Subsidiary**.

V. Insurer

The insurance company stated on the Declarations.

W. Invoice Manipulation

The amount of uncollectable accounts receivable (not including any gross profit margin or loss of profits) for which the **Insured Company** is unable to collect payment, solely as the result of unauthorized access to and manipulation of a **Computer Network** from a remote location which results in the release of a fraudulent invoice or payment instruction to a third-party for actual amounts owed to the **Insured Company** for its products or services. Provided, the **Insured Company** must first make reasonable efforts to recover the amounts owed to the **Insured Company**, including seeking the third-party's assistance in such efforts.

X. **Loss**

Damages, Claim Expenses, PCI Fines, Expenses and Costs, Regulatory Fines, Breach Response Expenses, Cyber-extortion Expenses, Business Interruption Loss, Data Recovery Expenses, Criminal Reward Funds, direct financial loss paid under the Cyber Crime Insuring Agreement, and any amounts paid under the Mitigation Coverage.

Y. **Loss of Business Income**

1. Net income (net profit or net loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided; and
2. Continuing normal operating expenses incurred by the **Insured Company** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

Z. **Management**

Any past, present, duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Information Security Officer, Chief Technology Officer, Risk Manager, General Counsel and/or in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing, of the **Insured Company**.

AA. **Management Control**

1. Ownership interests representing more than fifty percent of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of any entity, to select, appoint or designate a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company.

BB. **Matter**

Any information, including words, sounds, numbers, images or graphics, but does not include computer software or the actual goods, products or services described, illustrated or displayed in such **Matter**.

CC. **Media Liability Wrongful Act**

One or more of the following acts committed by, or on behalf of, the **Insured Company** in the course of creating, displaying, broadcasting, disseminating or releasing **Matter** to the public:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark or service name;
7. improper deep-linking or framing;
8. false arrest, detention or imprisonment;
9. invasion of or interference with any right to private occupancy, including trespass, wrongful entry or eviction; or
10. unfair competition, if alleged in conjunction with any of the acts listed in parts 5. or 6. above.

DD. **Merchant Services Agreement**

Any agreement between an **Insured** and a **Financial Institution**, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card and/or other payment cards for payments or donations.

EE. Named Insured

The entity stated in Item 1. of the Declarations.

FF. PCI Fines, Expenses and Costs

1. The monetary amount owed by the **Insured Company** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Cyber Breach Event**. With the prior consent of the **Insurer**, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Insured Company** to appeal or negotiate an assessment of such monetary amount; and
2. The reasonable and necessary costs for a qualified computer expert to recertify the **Insured Company's** compliance with the PCI Data Security Standards following a **Cyber Breach Event**.

PCI Fines, Expenses and Costs will not include any charge backs, interchange fees, discount fees or other fees unrelated to a **Cyber Breach Event**.

GG. Period of Restoration

The period beginning after the expiration of the **Waiting Period** and continues until 90 days after the date and time that the **Insured Company's** business operations are restored, or could have been restored had the **Insured** acted with due diligence and dispatch, to the condition that existed immediately prior to the **Cyber Breach Event, System Failure, Dependent Business Interruption** or **Dependent System Failure**. In no event will the **Period of Restoration** exceed 365 days following a **Cyber Breach Event, System Failure, Dependent Business Interruption** or **Dependent System Failure**.

HH. Personally Identifiable Information

The following in any format:

1. information that alone or in conjunction can be used to uniquely identify an individual;
2. information relating to a natural person that is defined as personal information under a breach notice law;
3. financial account information of an individual that would enable use of or access to that individual's financial accounts; and
4. protected and individually identifiable health information as those terms are defined by Health Information Technology for Economic and Clinical Health Act of 2009, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto.

Personally Identifiable Information does not include any information that is publicly available.

II. Policy Period

The period of time stated in Item 3. of the Declarations, beginning on the effective date and expiring on the date of termination, expiration or cancellation of this policy, whichever is earliest.

JJ. Privacy Event

Any:

1. violation of any law or regulation that requires the **Insured** to provide notification to affected persons of a suspected breach of such person's **Personally Identifiable Information**;
2. negligent failure to implement privacy or security practices required by law or regulation following, or in connection with, a **Cyber Breach Event**; or
3. failure to comply with those provisions of the **Insured Company's** publicly posted privacy policy which:
 - (a) prohibit or restrict the **Insured Company's** disclosure, sharing or selling of **Personally Identifiable Information**;
 - (b) require the **Insured Company** to provide an individual access to **Personally Identifiable Information**;
 - (c) require the **Insured Company** to correct inaccurate **Personally Identifiable Information** after an individual makes such a request; or
 - (d) mandate procedures and requirements to prevent the theft or loss of **Personally Identifiable Information**.

KK. Privacy Regulatory Fines

A civil monetary fine or penalty, including amounts deposited in a consumer redress fund, imposed on an **Insured Company** by a governmental or regulatory authority. The insurability of **Privacy Regulatory Fines** will be determined under any applicable venue that most favors coverage.

Privacy Regulatory Fines do not include any other amounts, including any payments to charitable organizations, costs to comply with any injunctive or equitable relief, or costs for remediation, training, corrective action plans, audits, assessments, compliance or reporting.

LL. Private Business Information

A third party's or **Insured's** private or confidential information that is in the care, custody, or control of the **Insured Company**, or a service provider acting on behalf of the **Insured Company**.

MM. Professional Services

Only those services specified in Item 7. of the Declarations performed for others for compensation by an **Insured** or by any other person or entity for whom the **Insured** is legally liable.

Professional Services do not include any legal, accounting, architectural, engineering, health care, actuarial, licensed insurance or real estate agent or broker, certified financial planner, securities or investment advisor or broker/dealer services.

NN. Professional Services Wrongful Act

Any actual or alleged negligent act, error, omission, misstatement, misleading statement or personal injury committed by the **Insured** or by any other person or entity for whom the **Insured** is legally liable in the performance of or failure to perform **Professional Services**.

OO. Regulatory Action

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority.

PP. Retroactive Date

The applicable date, if any, stated in Item 6. of the Declarations.

QQ. Securities

Negotiable and non-negotiable instruments or contracts representing either money or tangible property that has intrinsic value.

RR. Social Engineering Fraud

The transfer, payment or delivery of money (including any form of cryptocurrency or other form of digital or electronic currency) or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

Social Engineering Fraud does not include fraudulent instructions received by the **Insured** which are not first authenticated via a method other than the original means of request to verify the authenticity or validity of the request.

SS. Subsidiary

1. Any entity over which the **Named Insured**, directly or indirectly, has or had **Management Control** through or by way of one or more subsidiaries on or before the effective date of the **Policy Period**;

2. Any entity in which the **Named Insured** acquires **Management Control** during the **Policy Period** either directly or indirectly, whose gross revenue does not exceed fifteen percent (15%) of the gross revenue of the **Insured Company**; or
3. Any entity of which the **Named Insured** acquires **Management Control** during the **Policy Period**, either directly or indirectly, whose gross revenue exceeds fifteen percent (15%) of the gross revenue of the **Insured Company**:
 - (a) however, only for a period of 60 days following the **Named Insured's** direct or indirect ability to exert **Management Control**; and
 - (b) after such 60 day period if and only if the **Named Insured**: (i) provides the **Insurer** with full particulars of such entity; (ii) agrees to remit any additional premium; (iii) agrees to any amendments to the policy relating to such entity; and (iv) the **Insurer** agrees to add such entity as a **Subsidiary** by a written agreement and/or endorsement to the policy.

For purposes of this definition, revenue is measured by the most recent fiscal year prior to the effective date of the policy.

Notwithstanding the above, coverage afforded by this policy will apply only to any acts, events or incidents occurring while the **Insured Company** has **Management Control** of such **Subsidiary**.

TT. System Failure

An unintentional and unplanned measurable interruption of a **Computer Network**. **System Failure** will not include any interruption caused by a **Cyber Breach Event** or any breach or interruption of a third-party's computer systems.

UU. Technology E&O Wrongful Act

The following conduct by an **Insured** or by a person or entity for whom an **Insured** is legally liable, in the performance of **Technology Services**:

1. any negligent act, error or omission, including any negligent act, error or omission resulting in a breach of contract or in a failure of **Technology Products** to perform the function or serve the purpose intended;
2. libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct;
3. invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness;
4. infringement copyright with respect to software **Technology Products**; or
5. development, creation, dissemination or publication of **Matter** that results in: (a) infringement of title, slogan, trademark, trade name, trade dress, service mark or service name, including any related misuse of such intellectual property rights in **Matter**; (b) infringement of copyright, including any related misuse of such intellectual property rights in **Matter**; or (c) false attribution of authorship, passing off, plagiarism or misappropriation of ideas under implied contract, including any related misuse of such intellectual property rights in **Matter**.

VV. Technology Products

Any computer hardware, firmware, software, or related electronic product, equipment or device, specifically designed or intended for use in connection with any **Technology Services**, telecommunication systems or telecommunication service that is created, manufactured, developed, distributed, licensed, leased or sold:

1. by the **Insured**;
2. for any Insured by others acting under the **Insured's** trade name.

WW. Technology Services

The following services performed for others for compensation by an **Insured** or by any other person or entity for whom the **Insured** is legally liable:

1. analysis, design, integration and conversion of computer and electronic technology systems;
2. designing, developing, programming, servicing, distributing, licensing, installing, maintaining and repairing computer software, computer code and computer firmware or hardware;
3. education and training in the use of computer hardware or software;
4. information services;
5. computer consulting;
6. data processing in connection with any of the above listed services, including but not limited to storing, collecting, compiling, processing, mining, conversion, encryption, recording or analysis of data;
7. computer and network security services including but not limited to providing content filtering, patch administration and security audits; or
8. internet services

XX. Transfer Account

An account maintained by the **Insured Company** at a **Financial Institution** from which the **Insured Company** can initiate the transfer, payment or delivery of money or **Securities**.

YY. Utility Fraud

The unauthorized use of or unauthorized access to a **Computer Network** by a third party, resulting in an increase in expenses incurred by the **Insured Company** as a result of the unauthorized use of any of the following services or resources:

1. electricity, natural gas or oil;
2. water or sewage;
3. internet
4. telephone, or
5. cable or satellite television.

Provided such expenses: (i) are charged to the **Insured Company** in a billing statement by the provider of such services or resources pursuant to a contract or agreement between the **Insured Company** and the provider that was executed before the **Utility Fraud** first occurred; and (ii) are not charged a flat fee that does not scale with the rate of use of such service or resource.

Utility Fraud includes **Cryptojacking**.

ZZ. Waiting Period

The number of hours stated in Item 6. of the Declarations.

EXCLUSIONS

The policy does not apply to any **Claim** or **Loss**:

A. Conduct

alleging, arising out of, based upon, or attributable to:

1. any dishonest, fraudulent, criminal, malicious or intentional act, error or omission, or any intentional or knowing violation of the law by an **Insured**; or
2. the gain of any profit, remuneration or financial advantage to which any **Insured** was not legally entitled.

However, this exclusion will not apply to **Claim Expenses** or the **Insurer's** duty to defend any such **Claim**, until there is a final, non-appealable adjudication against, binding arbitration against, adverse admission by, finding of fact against, or plea of nolo contendere or no contest by, the **Insured** as to such conduct or violation, at which time the **Insured** will reimburse the **Insurer** for any **Claim Expenses** paid by the **Insurer**. Provided that: (i) no conduct pertaining to any natural person **Insured** will be imputed to any other natural person **Insured**; and (ii) any conduct pertaining to any past, present, or future member of **Management** will be imputed to the **Insured Company**.

B. Bodily Injury and Property Damage

alleging, arising out of, based upon, or attributable to any physical injury:

1. to the body, or sickness or disease sustained by a person, including death resulting therefrom. Including mental injury or mental anguish, and emotional distress, whether or not resulting from injury to the body, sickness, disease or death of any person; or
2. to tangible property and any resulting loss or corruption of data or information, including all resulting loss of use of that property, data or information. However this does not mean the loss, corruption or destruction of data or information when the tangible property on which the data or information resides or resided is not physically injured.

However, this exclusion does not apply to mental injury or mental anguish, including emotional distress if directly resulting from an act, error, omission, **Cyber Breach Event** or **Privacy Event** that gives rise to a **Claim**.

C. Owned or Affiliated Entity

alleging, arising out of, based upon, or attributable to any **Claims** against the **Insured** if, at the time of the acts, errors, omissions, events or incidents giving rise to such **Claim**:

1. the **Insured** controlled, owned, operated or managed the claimant;
2. the **Insured** was an owner, partner, director or officer of the claimant; or
3. for any entity which is under common ownership or control with any **Insured**.

For the purpose of this exclusion, a ten percent (10%) or more owner of the voting stock of a publicly held corporation, or a forty percent (40%) or more owner of the voting stock of a privately held corporation will be deemed to control, own, operate or manage any such entity making such **Claim**.

D. Insured v. Insured

alleging, arising out of, based upon, or attributable to **Claims** made against an **Insured** and brought by, or on behalf of an **Insured** or parent company, successor or assignee of an **Insured**. However this exclusion will not apply to:

1. an **Insured** under parts 3 or 4 the definition of **Insured**; and
2. an otherwise covered **Claim** made by any past or present officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of the **Insured Company**: (a) when the **Claim** is made outside of their capacity and pursuant to their authority as such; or (b) against an **Insured** alleging a **Privacy Event** or **Cyber Breach Event**.

E. Discrimination or Employment Practices

alleging, arising out of, based upon or attributable to any:

1. discrimination or discriminatory practices; or
2. the **Insured's** employment of any individual or any of an **Insured's** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim). However, this exclusion E.2 is not applicable to an otherwise covered **Claim** under the Privacy & Cyber Liability Insuring Agreement.

F. ERISA

alleging, arising out of, based upon or attributable to acts of the **Insured** related to any **Insured Company's** pension, healthcare, welfare, profit sharing, mutual or investments plans, funds or trusts; or any alleged violation of any provisions of the Employee Retirement Income Security Act of 1974 or any amendment of or addition to such laws or any violation of any order, rulings or regulation issued pursuant thereto. However, this exclusion will not apply to an otherwise covered **Claim** under the Privacy & Cyber Breach Liability Insuring Agreement.

G. Securities

alleging, arising out of, based upon, or attributable to any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, any United States' state blue sky or Securities law or any similar law or any amendment of or addition to such laws or any violation of any order, ruling or regulation issued pursuant thereto. However, this exclusion will not apply to an otherwise covered **Claim** under the Privacy Regulatory Insuring Agreement provided that no member of **Management** participated or colluded in the **Cyber Breach Event**.

H. RICO

alleging, arising out of, based upon, or attributable to any violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or "RICO") and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory, or common law. However, this exclusion will not apply to an otherwise covered **Claim** under the Privacy Regulatory Insuring Agreement provided that no member of **Management** participated or colluded in the **Cyber Breach Event**.

I. Antitrust and Unfair Competition

alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, unfair, deceptive or fraudulent business practices or violation of the Sherman Act, the Clayton Act or the Robinson-Patman Act. However, this exclusion will not apply to an otherwise covered **Claim** under the Privacy & Cyber Breach Liability or Privacy Regulatory Insuring Agreements.

J. Consumer Protection

alleging, arising out of, based upon, or attributable to false advertising, misrepresentation in advertising or a violation of any consumer protection or consumer fraud laws or regulation. However, this exclusion will not apply to an otherwise covered **Claim** under the Privacy & Cyber Breach Liability or Privacy Regulatory Insuring Agreements.

K. Unsolicited Communications

alleging, arising out of, based upon, or attributable to any violation of the Telephone Consumer Protection Act, the CAN-Spam Act of 2003 or any other similar law or regulation. However, this exclusion will not apply to an otherwise covered **Claim** under the Privacy & Cyber Breach Liability or Privacy Regulatory Insuring Agreements.

L. Intellectual Property

alleging, arising out of, based upon or attributable to any actual or alleged infringement, contributory infringement, misappropriate or theft of:

1. patent or patent rights;
2. trade secret, except this exclusion does not apply to any otherwise covered **Claim** directly arising out of a **Privacy Event** or **Cyber Breach Event**; or
3. copyright, trademark, service mark, trade dress or trade slogan, except this exclusion does not apply to any otherwise covered **Claim** under the Technology Errors & Omissions, Media Liability or Miscellaneous Professional Liability Insuring Agreements.

M. Pollution

alleging, arising out of, based upon, or attributable from:

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. any fungi, molds, spores, or mycotoxins of any kind;
3. any electromagnetic field, electromagnetic radiation, or electromagnetism; or
4. any pollutants, such as solids, liquids, gaseous or thermal irritants or contaminants including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes, or waste (including waste to be recycled, reconditioned, or reclaimed).

N. Contractual

alleging, arising out of, based upon, or attributable to any obligation an **Insured** has under contract, including any warranties, representations, guarantees or promises. However, this exclusion will not apply to:

1. liability an **Insured** would have in the absence of such contract, warranty, representation, guaranty or promise;
2. to an otherwise covered **Claim** under the Privacy & Cyber Breach Liability or Payment Card Liability Insuring Agreements; or
3. an **Insured's**:
 - (a) breach of an exclusivity or confidentiality provision contained in a written agreement;
 - (b) violation of an intellectual property right except a violation of a patent right;
 - (c) negligent performance of **Technology Services** or **Professional Services** for a client or customer; or
 - (d) provision of **Technology Products** to a client or customer which contain a material defect.

O. Cost of Recall or Correction

alleging, arising out of, based upon, or attributable to an **Insured's** production costs or the cost of recall, return, reproduction, reprinting or correction of any content or **Technology Products** by any **Insured** or indemnitee. However, this exclusion will not apply to any **Business Interruption Loss** due to a **Cyber Breach Event**, **System Failure**, **Dependent Business Interruption** or **Dependent System Failure**.

P. Act of God

alleging, arising out of, based upon, or attributable to fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

Q. War

alleging, arising out of, based upon, or attributable to war, whether declared or not, invasion, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions. However, this exclusion will not apply to "Cyber Terrorism." For purposes of this exclusion only, "Cyber Terrorism" means any actual, alleged or threatened attack against a **Computer Network** with the intention to cause harm to further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.

R. Infrastructure Failure

alleging, arising out of, based upon, or attributable to any electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under the direct operational control of the **Insured**, however caused, including any electrical power interruption, short-circuit, surge, brownout or blackout.

S. Governmental Actions

alleging, arising out of, based upon, or attributable to any **Claim** brought by or on behalf of any state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity, including any seizure, confiscation, nationalization, destruction, or loss of use of any **Computer Network** or electronic data due to any action by a governmental authority. However, this exclusion will not apply to an otherwise covered **Claim**:

1. under the Privacy Regulatory Insuring Agreement; or
2. made against the **Insured** for a **Professional Services Wrongful Act** or a **Technology E&O Wrongful Act** by a governmental entity solely in its capacity as a customer or client if such entity brings the **Claim** solely in its capacity as the client or customer.

T. Over-Redemption

alleging, arising out of, based upon, or attributable to any contests, discounts, coupons, rebates, prizes, games of chance, sweepstakes, awards or other related incentives.

U. Unauthorized Collection and Use

alleging, arising out of, based upon, or attributable to:

1. the unlawful use or collection of **Personally Identifiable Information** or other personal information; or
2. the failure to provide adequate notice that **Personally Identifiable Information** or other personal information is being collected or used,

by an **Insured**, with knowledge of any member of **Management**. However, this exclusion will not apply to an otherwise covered **Claim** for a **Cyber Breach Event**.

V. Prior Notice, Knowledge & Prior Litigation

arising out of, based upon, or attributable to any:

1. **Claim, Loss**, incident or circumstance for which notice has been given and accepted under any prior policy of which this policy is a renewal or replacement;
2. **Claim** first made against the **Insured** before the inception date of this policy; or
3. act, error, omission, incident or event committed or occurring prior to the first inception date of this policy, or the first policy of which this is a continuous renewal or a replacement, if any member of **Management** knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim** or **Loss**.

W. Cyber Crime Exclusions

Solely with respect to the Cyber Crime Insuring Agreements, this policy does not apply to any **Loss** alleging, arising out of, based upon, or attributable to any:

1. use of credit, debit, charge, access, convenience, customer identification or other card;
2. liability to a third party (except for direct compensatory damages arising directly from **Funds Transfer Fraud**); legal costs or expenses; punitive, exemplary or multiplied damages; fines, penalties or loss of any tax benefit; or indirect or consequential loss of any kind;
3. costs to prove or establish the existence of **Social Engineering Fraud, Funds Transfer Fraud, Utility Fraud or Invoice Manipulation**;
4. any gross profit margin or loss of profit associated with any products or services provided by an **Insured**;
5. with respect to a **Social Engineering Fraud** only, any:
 - (a) transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured's** authentication mechanism;
 - (b) processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts; or
 - (c) accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
6. with respect to **Funds Transfer Fraud** only, any:
 - (a) amount covered by any other bond or commercial crime policy;
 - (b) fraudulent, dishonest or criminal act or omission by, or involving, any natural person **Insured**;
 - (c) theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
 - (d) forged, altered or fraudulent negotiable instruments, **Securities**, documents or instructions; or
 - (e) transfer, payment or delivery of any form or cryptocurrency or other form of digital or electronic currency.

NOTICE

A. Notice of Circumstance

If during the **Policy Period** an **Insured** first becomes aware of any circumstance that may reasonably be expected to be the basis of a **Claim** against an **Insured** and if during the **Policy Period** the **Insured** elects to provide the **Insurer** written notice of such circumstance then any resulting **Claim**, which is subsequently made against an **Insured** and reported to the **Insurer** that arises out of such circumstance, will be considered made at the time such notice of circumstance was provided. Notice of such circumstance should be reported to the **Insurer** as stated in Item 9. of the Declarations and must include: (i) a description of the act, error, omission, event or incident and the reasons for expecting such **Claim**; and (ii) all relevant dates, persons and entities involved.

B. Notice of Claim

As a condition precedent to the obligations of the **Insurer** under this policy, the **Insured** must provide written notice to the **Insurer** as soon as reasonably practicable, but in no event, later than the end of the **Policy Period** or any applicable Extended Reporting Period of a **Claim** first made against an **Insured** after a member of **Management** becomes aware of such **Claim**.

C. Notice of First Party Incident

As a condition precedent to the obligations of the **Insurer** under this policy, the **Insured** must provide written notice to the **Insurer** as soon as reasonably practicable, but in no event, later than the end of the **Policy Period** of a **First Party Incident** after a member of **Management** first discovers and/or becomes aware of such **First Party Incident**.

If a **First Party Incident** involves facts that are subject to a law enforcement hold, the **Insured** must give written notice as soon as reasonably practicable once such court order or hold is no longer in effect.

D. Notice to Whom

1. Notice of a **Claim** and/or **First Party Incident** must be provided to the **Insurer** as stated in Item 9. of the Declarations.

2. In addition to the notice requirement above, notice of a **Cyber Breach Event** may be provided to the **Insurer** via the phone number as stated in Item 9. of the Declarations. Notice to any breach hotline alone will not serve as proper notice under this policy.
3. The email/certified post mail will be deemed effective when received by the **Insurer**.

E. Insured's Claim and First Party Incident Obligations

In connection with any:

1. **Claim**, the **Insured** is obligated to provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **Claim** and the manner in which the **Insured** first became aware of the **Claim**; and
2. **First Party Incident**, the **Insured** is obligated to provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **First Party Incident** and the manner in which the **Insured** first became aware of the **First Party Incident**.
3. **Business Interruption Loss** or any financial loss under the Cyber Crime Insuring Agreement, the **Insured Company** must provide to the **Insurer** a written proof of loss sworn to by a member of **Management** and providing full details regarding: (i) the time, place and cause of the event or circumstances resulting in the **Business Interruption Loss** or claimed financial loss under the Cyber Crime Insuring Agreement, and any other potentially applicable insurance; and (ii) the **Insured's** calculation of the **Business Interruption Loss** or financial loss being submitted, including copies of any backup documentation, reports, invoices or services agreement in support thereof.

CANCELLATION AND NON-RENEWAL

A. Cancellation by the Named Insured

Except for nonpayment of premium, as set forth below, the **Named Insured** has the exclusive right to cancel the policy. Cancellation may be effected by mailing to the **Insurer** written notice stating when such cancellation will be effective. In such event, the **Insurer** will retain the pro-rata portion of earned premium.

B. Cancellation by the Insurer

The **Insurer** may only cancel this policy for nonpayment of premium. The **Insurer** will provide not less than 15 days written notice stating the reason for cancellation and when the policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

C. Non-Renewal of Coverage

The **Insurer** is under no obligation to renew the policy upon its expiration. If the **Insurer** elects to non-renew the policy, the **Insurer** will deliver or mail to the **Named Insured** written notice stating such at least 90 days prior to the policy's expiration date, as stated in Item 3. of the Declarations. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, retention or premium, will not constitute a refusal to renew or a cancellation of the policy.

EXTENDED REPORTING PERIOD

A. Automatic Extended Reporting Period

Effective upon the date of expiration or cancellation of the policy for any reason other than nonpayment of premium, the **Named Insured** will automatically be provided a period of 60 days in which to give written notice to the **Insurer** of **Claims** or **First Party Incidents** first made against the **Insured** during the **Policy Period** or the Automatic Extended Reporting Period for an act, error, omission, incident or event that takes place prior to the end of the **Policy Period**.

B. Optional Extended Reporting Period

Effective upon the date of expiration or cancellation of the policy for any reason other than nonpayment of premium, the **Named Insured** will have the right to purchase an Optional Extended Reporting Period of one, two, or three years in which to provide written notice to the **Insurer** of a **Claim** first made against the **Insured** during the Optional Extended Reporting Period for an act, error, omission, incident or event that takes place prior to the end of the **Policy Period**. Such right must be exercised by

the **Named Insured** within 60 days of the date of expiration or cancellation of the policy by providing written notice to the **Insurer** and remitting the amount of additional premium described below:

1. one year, one hundred percent (100%) of the policy annual premium;
2. two years, one hundred fifty percent (150%) of the policy annual premium; or
3. three years, one hundred seventy-five percent (175%) of the policy annual premium.

C. Application of Extended Reporting Period

1. The Automatic Extended Reporting Period and the Optional Extended Reporting Period cannot be canceled and any additional premium charged for the Optional Extended Reporting Period will be fully earned at inception.
2. The first 60 days of the Optional Extended Reporting Period, if purchased, will run concurrently with the Automatic Extended Reporting Period.
3. The limit of insurance of the **Insurer** under the Automatic Extended Reporting Period and the Optional Extended Reported Period will be part of and not in addition to the limits of liability for the policy.

CONDITIONS

A. Change in Control

If, during the **Policy Period**, the **Named Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, or if any entity acquires the **Named Insured**, then the policy will remain in full force but only with respect to an act, error or omission and **First Party Incidents** involving the **Named Insured** that took place prior to the date of the consolidation, merger, sale or acquisition of the **Named Insured**.

The above provision may be waived in writing by the **Insurer**.

B. Action Against the Insurer

No action may be brought against the **Insurer** unless: (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the policy; and (2) the **Insured's** obligation has been finally determined, either by judgment against the **Insured** after a trial and appeal or by written agreement by the claimant, **Insured** and **Insurer**.

No person or entity will have the right under the policy to: (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability; or (2) implead the **Insurer** or its agents and representatives in any such action.

The **Insured's** bankruptcy or insolvency or of the **Insured's** estate will not relieve the **Insurer** of its obligations hereunder.

C. Other Insurance

This policy is excess over any other valid and collectible insurance, unless such other insurance is expressly written to be excess of this policy.

D. Subrogation

In the event of payment of **Loss** by the **Insurer** under the policy, the **Insurer** is subrogated to all of the **Insured's** rights of recovery against any person or entity to the extent of such payment. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute and collect on such rights. The **Insured** further warrants and agrees not to prejudice such rights. If, prior to any act, error, omission, incident or event giving rise to a **Claim** or **Loss**, the **Insured Company** has waived its rights to recovery against a third-party in any written contract or agreement, then the **Insurer** will waive its rights to subrogation against such person or entity to the same extent as the **Insured Company's** waiver.

Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by the **Insurer**, and lastly to the retention. Any additional amounts recovered will be paid to the **Named Insured**.

E. Territory, Valuation and Currency

This policy applies to **Claims** made, acts, errors or omissions committed, or **Loss** occurring anywhere in the world

All premiums, limits, deductibles, **Loss**, and other amounts under this policy are expressed and payable in the currency of the United States. If judgment is rendered, settlement is denominated or another element of **Loss** under this policy is stated in a currency other than United States dollars or is paid in a currency other than United States dollars, payment under this policy will be made in United States dollars at the rate of exchange published in the Wall Street Journal on the date the judgment becomes final or payment of the settlement or other element of **Damages** or **Loss** is due or, with respect to **Claim Expenses**, the date they are paid.

If any **Cyber-extortion Expenses** are paid by or on behalf of the **Insured Company** in digital currency, payment by the **Insurer** under this policy will be made in United States Dollars equal to the US Dollar-value of the digital currency at the time such payment is made (that is, at the time that such digital currency is first recorded in a public ledger of transactions for such digital currency).

F. Representation & Severability Clause

1. In issuing the policy, the **Insurer** has relied upon all materials and information, including all signed applications and any materials attached or incorporated, submitted to the **Insurer** in connection with the underwriting of this policy. The **Insured** warrants that the content of the materials provided to the **Insurer** are true, accurate and complete, and acknowledges and agrees that the content of the materials are material to the **Insurer's** acceptance of the risk to which the policy applies.
2. Any material misrepresentation, concealment or misstatement by the **Insured** will render the policy null and void with respect to any natural person **Insured** who knew of such material misrepresentation, concealment or misstatement, and with respect to the **Insured Company** if any member of **Management** knew of such material misrepresentation, concealment or misstatement, and will relieve the **Insurer** from all obligations and liability herein with regard to said **Insured** parties.

G. Notices & Sole Agent

Notices to the **Insureds** will be delivered by prepaid express courier or certified mail to the **Named Insured** at its address as stated on the Declarations. Such notices are deemed to be received and effective upon actual receipt by the addressee or one day following the date such notices are sent, whichever is earlier.

The **Named Insured** will pay to the **Insurer** the amount of premium stated on the Declarations. The premium may be adjusted at any time during the **Policy Period** or any extensions of the **Policy Period** based upon changes in the provisions of this policy, as may be agreed upon by the **Named Insured** and the **Insurer**.

H. Policy Changes

By acceptance of this policy, all **Insureds** agree that this policy embodies all agreements between the **Insurer** and the **Insured**. Notice to any agent of the **Insurer** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the policy, and will not prevent or preclude the **Insurer** from asserting or invoking any right or provision of the policy. None of the provisions of the policy will be waived, changed or modified except by a written agreement and/or endorsement issued by the **Insurer** to form a part of the policy.

I. Assignment

The **Insured** may not assign any rights, remedies, privileges or protections under the policy.

J. Dispute Resolution

Any dispute arising out of or relating to the policy, including its construction, application and validity, or any breach thereof, will first be submitted to non-binding mediation. No award of punitive damages will be made in any such mediation. Each party will

bear its own fees and costs in connection with any such mediation. However, the costs incurred through the mediation facility, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise.

In the event such non-binding mediation does not result in a settlement of the dispute, either party has the right to commence a judicial proceeding in a court of competent jurisdiction in the United States.

K. Estates, Heirs, Legal Representatives and Domestic Partners

In the event of an **Insured's** death, incapacity, or bankruptcy, this policy will afford coverage to his or her estate, legal representative, legal spouse, domestic partner, or party to a civil union; or assignee, but only to the extent that there would have been coverage for the **Insured**.

L. Conditions Applicable to Cyber-extortion Expenses

The following are conditions precedent to the payment by the **Insurer** of any **Cyber-extortion Expenses** under this policy:

1. the **Insured** must keep the **Insurer** fully informed of all developments concerning the Cyber-extortion Threat or Ransomware and must obtain the **Insurer's** agreement regarding the timing and manner of any ransom payment prior to making any ransom payment; and
2. in the event that any goods, property, or services are surrendered, the value of the corresponding **Cyber-extortion Expenses** will be the fair market value at the time of surrender of such goods, property, or services.

M. Sanction Limitation Clause

The **Insurer** will not be liable to pay any **Loss** or provide any benefit under this policy to the extent that the provision of such benefit or payment of such **Loss** would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations.

N. Assistance and Cooperation

1. The **Insured** will reasonably cooperate with the **Insurer** and upon request of the **Insurer**:
 - (a) assist the **Insurer** in the investigation of any **Claim** or **First Party Incident**, including allowing a computer forensics expert access to systems, files and information;
 - (b) attend hearings, depositions and trials;
 - (c) assist the **Insurer** in defending and effecting settlements of **Claims**;
 - (d) secure and provide evidence, including obtaining the attendance of witnesses;
 - (e) allow the **Insurer** to participate in the handling and **Management** of any suit or proceeding; and
 - (f) assist the **Insurer** in enforcing any right, contribution or indemnity against a third party which may be liable to the **Insured**.

The **Insured** agrees not to take any action which in any way increases the **Insurer's** exposure under this policy and will take all reasonable steps to limit and mitigate any **Loss** arising from any act, error, omission or **First Party Incident** for which coverage may be or is sought under the policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the policy or in any way prejudices the **Insurer's** potential or actual rights of recovery. Except as provided in DEFENSE AND SETTLEMENT, Part C, and with respect to **Business Interruption Loss**, the **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the prior written consent of the **Insurer**.