

# CYBER INSURANCE POLICY WORDING

Bank of Baroda

## POLICY FORM

In consideration of the payment of the premium and reliance upon the statements made by **You** in the **Application** and subject to the Limit of Liability, exclusions, conditions and other terms of this Policy, it is agreed as follows:

## COVERAGES

### A. TECHNOLOGY/PROFESSIONAL ERRORS & OMISSION

**We** shall pay on behalf of **You** those amounts, in excess of the applicable retention, which **You** become legally obligated to pay as **Damages** and **Claim Expenses** resulting from a **Claim** first made against **You** and reported to **Us** during the **Policy Period** or **Extended Reporting Period** arising out of any **Technology/Professional Wrongful Act** on or after the **Retroactive Date** and before the end of the **Policy Period** by or on behalf of the **Insured**.

### B. SECURITY & PRIVACY LIABILITY (INCLUDING EMPLOYEE PRIVACY)

**We** shall pay on **Your** behalf **Damages** and **Claim Expenses** that **You** become legally obligated to pay in excess of the applicable retention resulting from a **Claim** first made against **You** and reported to **Us** during the **Policy Period** or **Extended Reporting Period** arising out of a **Privacy Wrongful Act** and/or a **Security Wrongful Act** on or after the **Retroactive Date** and before the end of the **Policy Period**.

### C. PRIVACY REGULATORY CLAIMS COVERAGE

**We** shall pay on **Your** behalf **Regulatory Fines**, **Consumer Redress Funds** and **Claim Expenses** that **You** become legally obligated to pay in excess of the applicable retention resulting from a **Regulatory Claim** first made against **You** and reported to **Us** during the **Policy Period** or **Extended Reporting Period** arising out of a **Privacy Wrongful Act** on or after the **Retroactive Date** and before the end of the **Policy Period**.

### D. SECURITY BREACH RESPONSE COVERAGE

**We** shall reimburse **Your Organization** for **Crisis Management Costs** and **Breach Response Costs** in excess of the applicable retention that **Your Organization** incurs in the event of a **Security Breach** with respect to **Private Information**.

**We** will not make any payment under this Coverage unless the **Security Breach** first occurs on or after the **Retroactive Date** and before the end of the **Policy Period** and **You** first learn of the **Security Breach** within the **Policy Period** and report the **Security Breach** to **Us** as soon as practicable within the **Policy Period**.

### E. MULTIMEDIA LIABILITY

**We** shall pay on **Your** behalf **Damages** and **Claim Expenses** that **You** become legally obligated to pay in excess of the applicable retention resulting from a **Claim** first made against **You** and reported to **Us** during the **Policy Period** or **Extended Reporting Period** arising out of a **Multimedia Wrongful Act** on or after the **Retroactive Date** and before the end of the **Policy Period**.

### F. CYBER EXTORTION

**We** shall reimburse **Your Organization** for the **Cyber-Extortion Expenses** and **Cyber-Extortion Payments** that **Your Organizations** actually pays directly resulting from a **Cyber-Extortion Threat** that **Your Organization** first receives and reports to **Us** during the **Policy Period**.

## G. BUSINESS INCOME AND DIGITAL ASSET RESTORATION

1. We shall pay the **Business Income Loss** that **Your Organization** sustains during a **Period of Restoration** resulting directly from a **Network Disruption** that commences during the **Policy Period**, but only if the duration of such **Period of Restoration** exceeds the waiting period set forth in the Risk Details and such **Network Disruption** results solely and directly from a **Security Compromise** that commenced on or after the **Retroactive Date**.
2. We shall reimburse **Your Organization** for the **Restoration Costs** that **Your Organization** incurs because of the alteration, destruction, damage or loss of **Digital Assets** that commences during the **Policy Period** resulting solely and directly from a **Security Compromise**, but only if such **Security Compromise** commenced on or after the **Retroactive Date**.

## H. PCI DSS ASSESSMENT

We shall pay on **Your** behalf those amounts in excess of the applicable retention, which **You** are legally obligated to pay as a **PCI DSS Assessment** resulting from a **Security Breach** that is reported to **Us** during the **Policy Period** or **Extended Reporting Period**, provided such **Security Breach** takes place on or after the **Retroactive Date** set forth in the Declarations and before the end of the **Policy Period**.

## I. CYBER CRIME

We shall pay on **Your** behalf **Crime Loss** resulting from **Computer Misuse** committed by any person (other than an identifiable member of the **Control Group**) acting alone or in collusion with others, provided **Discovery** takes place before the end of the **Policy Period**.

- A. **LOSS OF FUNDS OR PROPERTY WHETHER THE BANK'S OWN OR BANK'S CUSTOMERS.**
- B. **THEFT LOSS** -The Company shall pay **Theft Loss** which is discovered during the **Policy Period**.
- C. **COMMUNICATIONS LOSS** -The Company shall pay **Communications Loss** which is discovered during the **Policy Period**.
- D. **THREAT LOSS**-The Company shall pay **Threat Loss** solely and directly as a result of a threat made directly to an **Insured** during the **Policy Period**.
- E. **VANDALISM LOSS**-The Company shall pay **Vandalism Loss** which is discovered during the **Policy Period**.

## J. REWARD EXPENSES

We shall pay **Reward Expenses** on **Your** behalf.

## DEFENSE, SETTLEMENT, AND INVESTIGATION OF CLAIMS

- A. Subject to the provisions of paragraphs B. to D. below, it shall be **Your** duty to defend, subject to the applicable **Policy Aggregate Limit** and applicable **Sublimits of Liability**, exclusions and other terms and conditions of this Policy, any **Claim** against **You** seeking **Damages** which are payable under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false, or fraudulent. **We** shall not have a duty to defend such **Claim**.
- B. **You** and **We** shall mutually agree on counsel to defend **Claims**. **You** shall not formally appoint defense counsel without **our** consent, which shall not be unreasonably withheld. However, in the absence of such agreement, **our** decision shall be final.

C. **We** agree that **You** may settle any **Claim** where the **Damages** and **Claim Expenses** do not exceed 50% of the retention, provided the entire **Claim** is resolved and **You** receive a full release from all claimants. For any **Claim** which exceeds 50% of the retention, **You** agree not to settle, or convey any offer of settlement to any claimant, incur any **Claim Expenses**, or otherwise assume any contractual obligation or admit any liability without **Our** prior written consent, which shall not be unreasonably withheld. Further, with respect to such **Claim**, **You** shall provide **Us** with all information, assistance and co-operation which **We** reasonably require.

**We** shall have the right to make any investigation **We** deem necessary, including, without limitation, any investigation with respect to the **Application** and statements made in the **Application** and with respect to coverage.

The applicable **Policy Aggregate Limit** and **Sublimits of Liability** available to pay **Damages** and **Losses** shall be reduced and may be completely exhausted by payment of **Claim Expenses**. **Damages, Losses** and **Claim Expenses** shall be applied against the applicable retention **You** pay.

D. If **You** refuse to consent to a settlement or compromise **We** recommend and acceptable to the claimant and **You** elect to contest such **Claim**, then subject to the applicable limit of liability, **Our** liability for any **Damages** and **Claim Expenses** shall not exceed:

- i. the amount for which the **Claim** could have been settled, plus the **Claim Expenses** incurred prior to the date of such refusal; and
- ii. fifty percent (50%) of the **Damages** and **Claim Expenses** in excess of the amount in a. above incurred in such **Claim**; provided that **You** bear the remaining 50% of the **Damages** and **Claim Expenses** in excess of the amount in a. above incurred in such **Claim** uninsured and at **Your** own risk; and

This clause shall not apply to any settlement where the total of the proposed settlement and incurred **Claim Expenses** do not exceed all applicable retentions.

E. **We** shall not be obligated to pay any **Damages, Losses** or **Claim Expenses** after the applicable **Policy Aggregate Limit** or applicable **Sublimits of Liability** has been exhausted by payment of **Damages, Losses** and/or **Claim Expenses** or after deposit of the applicable limit of liability in a court of competent jurisdiction, and that upon such payment or deposit.

## TERRITORY

This insurance applies to **Claims** made and acts, errors or omissions committed or alleged to have been committed anywhere in the world.

## EXCLUSIONS

The coverage under this Policy shall not apply to any **Damages, Claim Expenses** or **Loss** incurred with respect to any **Claim**, or any **Crisis Management Costs, Breach Response Costs, PCI DSS Assessments** or other amounts, arising out of or resulting, directly or indirectly, from:

- A. **Bodily Injury** or **Property Damage**;
- B. **Your** employment practices or any alleged or actual discrimination against any person or entity on any basis, including without limitation, race, creed, color, religion, ethnic background, national origin, age, handicap, disability, sex, sexual orientation, or pregnancy. However, this exclusion shall not apply to any **Claim** alleging a **Privacy Wrongful Act** or **Security Wrongful Act** in connection with an **employee's** or prospective **employee's** employment;

- C. the failure, malfunction or inadequacy of any satellite; any electrical or mechanical failure and/or interruption, including but not limited to electrical disturbance, spike, brownout or blackout; or any outage to gas, water, telephone, cable, telecommunications or other infrastructure, unless such infrastructure is under **Your** operational control; however this exclusion shall not apply to any **Privacy Wrongful Act** that is caused by such electrical or mechanical failure or that is caused by such failure of telephone lines, data transmission lines or other infrastructure comprising or supporting the **Internet**;
- D. fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or any other physical event, however caused;
- E. breach of any express, implied, actual or constructive contract, agreement, warranty, guarantee or promise, provided, however, this exclusion shall not apply to:
  - i. any liability or obligation **You** would have in the absence of such contract or agreement;
  - ii. any breach of **Your** privacy statement, or other customer or **Employee** facing representation regarding protection or use of **Private Information**;
  - iii. any indemnity by **You** in a written contract or agreement with **Your** client regarding any **Privacy Wrongful Act** or **Security Wrongful Act** by **You** in failing to preserve the confidentiality or **Private Information**; or
  - iv. with respect to Coverage A., for any unintentional **Breach of Contract**.
  - v. Solely with respect to Coverage H, any indemnity by **You** in a written contract with an **Acquiring Bank** regarding a **PCI DSS Assessment**
- F. any of the following:
  - i. Any presence of pollutants or contamination of any kind;
  - ii. Any actual, alleged or threatened discharge, dispersal, release, or escape of pollutants or contamination of any kind;
  - iii. Any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants or in any way respond to or assess the effects of pollutants or contamination of any kind;
  - iv. Manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, materials, or products containing asbestos, asbestos fibers or dust;
  - v. Ionizing radiation or contamination by radioactivity from any nuclear fuel or any nuclear waste from the combustion of nuclear fuel;
  - vi. Actual, potential or alleged presence of mold, mildew or fungi of any kind;
  - vii. The radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or
  - viii. The existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment or that affects the value, marketability, condition or use of any property;

G. any of the following:

- i. Purchase, sale, offer of or solicitation of an offer to purchase or sell securities, or alleged or actual violation of any securities law, including but not limited to the provisions of the Securities Act of 1933, or the Securities Exchange Act of 1934, as amended, the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any federal, state, local or foreign laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law;
- ii. Alleged or actual violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended, or any regulation promulgated thereunder, or any federal, state, local or foreign law similar to the foregoing statute, whether such law is statutory, regulatory or common law;
- iii. Alleged or actual violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended; or
- iv. Alleged or actual anti-trust violations, restraint of trade or unfair competition, including without limitation, violations of the Sherman Act, the Clayton Act or the Robinson-Patman Act, or any other federal, state, local, or foreign laws regulating the same or similar conduct; provided, however, this exclusion G.4 shall not apply to a **Claim for a Multimedia Wrongful Act or Regulatory Claim**;

However this exclusion G does not apply to:

- a. Coverage I;
- b. any otherwise covered **Claim** under Coverages B and D that results from a **security breach**, provided that no member of the **Control Group** participated, or is alleged to have participated or colluded, in such **security breach**.

H. any of the following:

- i. Any circumstance occurring, or act, error, or omission committed, prior to the **Continuity Date**, if on or before the **Continuity Date** of this Policy, the **Control Group** knew or could have reasonably foreseen that such circumstance or **Wrongful Act** would be the basis of a **Claim**;
  - ii. Any **Claim** or circumstance previously notified to a prior insurer that could reasonably be expected to be a **Claim** or loss covered by this Policy; or
  - iii. Any circumstance occurring, or act, error, or omission committed prior to the **Retroactive date**;
  - iv. With respect to Coverage I, **Discovery** occurring prior to the inception date of the **Policy Period**.
- I. any criminal, dishonest, intentional violation of the law, unfair or deceptive business practice, fraudulent or malicious act, error or omission committed by **You** with actual criminal, dishonest, fraudulent or malicious purpose or intent; provided, however, this exclusion shall not apply to:
- i. **Claim Expenses** incurred in defending any such **Claim** until there is a final adjudication, judgment, binding arbitration decision or conviction against **You** in such **Claim** or an admission by **You** establishing such conduct, or a plea of *nolo contendere* or no contest by **You** regarding such conduct, in which event **You** shall reimburse **Us** for all **Claim Expenses**

that **We** have paid and **We** shall have no further liability for **Claim Expenses** from such **Claim**;

- ii. any of **You** who did not personally commit or personally participate in committing or personally acquiesce in such conduct, except that the exclusion shall apply with respect to **Your Organization** if an admission, final adjudication, or finding in a proceeding separate or collateral to the **Claim** establishes that a current principal, partner, director, or officer of **Your Organization** in fact engaged in such conduct; and
- iii. Coverage F and Coverage G

However, with respect to Coverage I, this Exclusion J shall only apply to the aforementioned intentional violations, practices, acts, errors or omissions committed by an identifiable member of the **Control Group**;

- J. **Your** activities as a trustee, partner, officer, director, or **Employee** of any employee trust, charitable organization, corporation, company or business other than **Your Organization**;
- K. any alleged or actual infringement or violation of patent rights or misappropriation, theft, copying, display or publication of any trade secret by, or with active cooperation, participation, or assistance of, **You**, any of **Your** former **Employees**, **Subsidiaries**, directors, officers, partners, trustees, or any of **Your** successors or assignees; provided, however this exclusion shall not apply to misappropriation of any trade secret obtained as a result of a **Privacy Wrongful Act** or a **Security Wrongful Act**;
- L. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services; or as a result of the **Insured Organization's** cost guarantees, cost representations, contract price, estimates of probable costs or cost estimates being exceeded;
- M. any costs or expenses incurred or to be incurred by **You** or others for the withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of work product resulting from or incorporating the results of **Technology/Professional Services** or any product or other property on which **Technology/Professional Services** were performed; however this exclusion shall not apply to a third party **Claim** for the resulting loss of use of the work product resulting from such **Technology/Professional Services**;
- N. any actual or alleged obligation to make licensing fees or royalty payments, including but not limited to the timeliness of such payments;

With respect to Insuring Coverage G only this Policy does not apply to any **Loss** arising out of, or resulting, directly or indirectly, from:

- O. any costs of updating, upgrading or remediation of **Your Computer Systems** or **Your Digital Assets**; provided, however, this exclusion shall not apply to **Restoration Costs** otherwise covered under Coverage G.2.;
- P. any seizure, confiscation, nationalization, or destruction of, or damage to or loss of use of any **Digital Asset** or **Your Computer Systems** by order of any governmental authority;
- Q. ordinary wear and tear or gradual deterioration of **Digital Assets** or **Computer Systems** on which **Digital Assets** are processed or stored, whether owned by **You** or others;

- R. the physical loss of, damage to or destruction of tangible property, including the loss of use thereof; provided, however, “tangible property” does not include **Digital Assets**, but does include all computer hardware;

With respect to Insuring Coverage I only this Policy does not apply to any **Crime Loss** arising out of, or resulting, directly or indirectly, from:

- S. **Your Organization** (or a financial organisation acting on **Your Organization’s** behalf) having acted or relied upon electronic data (including data contained in a third party originated **Electronic Communication**) provided to **Your Organization** (or a financial organisation acting on **Your Organization’s** behalf) which electronic data represents fictitious, dishonest or fraudulent:
- a. financial accounts or financial records;
  - b. statements of account;
  - c. valuations or investments or real property;
  - d. other statements of condition intended to obtain or gain access to:
    - i. loan or guarantee;
    - ii. actual or committed investment funds;
- iii. the proceeds of insurance or assurance policies, held by, or from, **Your Organization**.

## DEFINITIONS

- A. **Acquiring Bank** means a bank or financial institution that accepts credit and or debit card payments (including credit cards, debit cards, stored value cards and pre-paid cards) for products or services on behalf of a merchant, including processing and crediting those payments to a merchant’s account.
- B. **Application** means all applications, including any attachments thereto, and all other information and materials submitted by **You** or on **Your** behalf to **Us** in connection with the underwriting of this Policy. All such applications, attachments, information and materials are deemed attached to and incorporated into this Policy.
- C. **Bodily Injury** means injury to the body, sickness, or disease sustained by any person, and where resulting from such injuries, mental anguish, mental injury, shock, humiliation, emotional distress, loss of consortium, or death.
- D. **Breach of Contract** means the actual or alleged unintentional breach of a written contract with a client or customer to provide **Technology/Professional Services** due to the:
1. **Technology/Professional Services** not confirming to any written specifications and performance standards forming part of the written contract
  2. **Technology/Professional Services** being negligently performed or containing a material defect;
  3. **Technology/Professional Services** failing to meet any implied statutory term concerning necessary quality, safety or fitness for a particular express purpose or failing to meet an implied duty to exercise a degree of care or skill consistent with applicable industry standards;
  4. **Technology/Professional Services** failing to comply with legal or statutory requirements;



5. Breach of any hold harmless or indemnity provision regarding infringement of intellectual property rights, breach of security or the confidentiality of information.

E. **Breach Response Costs** means the following fees, costs, charges or expenses, if reasonable and necessary, that **You** incur in responding to a **Security Breach** during the period of twelve (12) months after **You** first learn of such **Security Breach**:

1. forensic professional fees and expenses to determine the cause and extent of such **Security Breach** and terminate the **Security Breach** (however, betterment of the **Computer System** is not covered);
2. legal fees and expenses to determine whether **You** are obligated under applicable **Privacy Regulations** to notify applicable regulatory agencies or individuals affected or reasonably believed to be affected by such **Security Breach**, effect compliance with any applicable **Privacy Regulations**, draft the text of privacy notifications to individuals affected or reasonably believed to be affected by such **Security Breach**, evaluate contractual obligations relating to such a **security breach** and coordinate the investigation of such **Security Breach**;
3. costs to notify individuals affected or reasonably believed to be affected by such **Security Breach**, including printing costs, publishing costs, postage expenses, call center costs or costs of notification via phone or e-mail;
4. costs to change the records of the individuals affected or reasonably believed to be affected by such **Security Breach**;

5. **Credit Monitoring Expenses**

**You** are able to incur any costs under F.1 (forensic) and F.2 (legal advice) without **Our** prior written consent if **You** use a vendor from the **Breach Response Panel**. A use of a vendor not on the **Breach Response Panel** is permitted, but only with **Our** prior written consent.

Provided, however, **We** shall have no obligation to reimburse **You** for such **Breach Response Costs** as identified under F.3 and/or F.4 unless:

1. **You** provide an opinion from legal counsel that **You** were obligated under applicable **Privacy Regulations** to notify applicable regulatory agencies or individuals affected or reasonably believed to be affected by such **Security Breach** of such **Security Breach**; or
2. **You** voluntarily incur with **Our** prior written consent such **Breach Response Costs** (including **Credit Monitoring Expenses**), such as in a jurisdiction where **You** have no obligation to notify applicable regulatory agencies or individuals affected or reasonably believed to be affected by such **Security Breach** of such **Security Breach** or where **You** wish to voluntarily notify to help protect and mitigate any damage to **Your** brand and reputation.

**Breach Response Costs** do not include **Your** overhead expenses or any salaries, wages, fees, or benefits of **Your Employees**.

F. **Breach Response Panel** means the breach vendors as identified in the attached Breach Vendor Panel

G. **Business Income Loss** means:

1. **Earnings Loss**; and/or
2. **Expenses Loss**.

**Business Income Loss** does not include:

1. any contractual penalties;
2. any costs or expenses incurred to update, upgrade, replace, restore or otherwise improve any **Computer System** to a level beyond that which existed prior to a **Network Disruption**;
3. any costs or expenses incurred to identify, remove or remediate computer program errors or vulnerabilities, or costs to update, upgrade, replace, restore, maintain or otherwise improve any **Computer System**;
4. any legal costs or expenses or **Loss** arising out liability to any third party; or
5. any **Loss** incurred as a result of unfavorable business

conditions. **H. Claim** means:

1. A written demand received by **You** for money or services, including the service of a civil suit or institution of arbitration, mediation, conciliation or other dispute resolution proceedings;
2. Initiation of a civil suit against **You** seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction);
3. Solely with respect to Coverage C., a **Regulatory Claim** made against **You**; or
4. A criminal proceeding; or
5. An extradition proceeding

Multiple **Claims** arising from the same or a series of related or repeated acts, errors, or omissions or from any continuing acts, errors, or omissions shall be considered a single **Claim** for the purposes of this Policy, irrespective of the number of claimants or **You** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim** was made or deemed made under Section IX.A.

I. **Claim Expenses** means:

1. reasonable and necessary fees charged in the defense or settlement of a **Claim** by an attorney;
2. all other legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, if incurred by **Us** or by **You** with **Our** prior written consent; however, **Claim Expenses** do not include **Your** overhead expenses or any salaries, wages, fees, or benefits of **Your Employees** for any time spent in cooperating in the defense or investigation of any **Claim** or circumstance that might lead to a **Claim**;
3. reasonable and necessary fees charged in the defense or settlement of a **PCI DSS Assessment** by an attorney whom **We** designate or whom **You** designate with our prior written consent, such consent not to be unreasonably withheld; and
4. reasonable and necessary costs, charges and fees resulting from any **Employee**, director, officer, or trustee of **Your Organization** lawfully opposing, challenging, resisting or defending against any request for or any effort to obtain the extradition of such person; or appealing any order or other grant of extradition of such person.

5. the reasonable premium (not including collateral) for a bond or other financial instrument to guarantee any **Employee's**, director's, officer's, or trustee's of **Your Organization** contingent obligation for bail required by a court in respect of any criminal or extradition proceeding including a premium paid for appeal, attachment or similar bonds.

**J. Computer Misuse means:**

1. the **Impairment** of any electronic data (including any electronic data contained in **Electronic Communications**);
2. the **Impairment** of any computer program;
3. the introduction or activation of **Malicious Code**;
4. the **Impairment** of any **Uncertificated Security**;
5. **Your Organization**, or any organisation acting on behalf of **Your Organization**, having acted or relied upon any **Electronic Communications** which have been the subject of **Impairment**;
6. **Your Organization**, or any organisation acting on behalf of **Your Organization**, having acted or relied upon any **Electronic Communications** purporting to have been, but were not, sent by:
  1. another office or department of **Your Organization** (including, but not limited to, any **Employee**);
  2. financial organisation;
  3. client or customer of **Your Organization**, or a person providing services or goods to **Your Organization**;
  4. **Service Provider**; or
7. a organisation, a client or customer of Your Organization, a person providing goods or services to Your Organization or a Service Provider having acted or relied upon any Electronic Communications purporting to have been, but were not, sent by Your Organization, or any financial organisation acting on behalf of Your Organization.

**K. Computer System** means electronic, wireless, web or similar systems (including all hardware and software) used to process data or information in an analog, digital, electronic or wireless format, including computer programs, electronic data, operating systems, and components thereof, including but not limited to laptops, personal digital assistants, cellular phones, media storage and peripheral devices, media libraries, associated input and output devices, networking equipment, and electronic backup equipment. With respect to Insuring Coverage G only **Computer System** means a **Computer System**, over which **You** have direct operational control or that is under the direct operational control of a **Service Provider**, used to process, maintain or store **Your Digital Assets**.

**L. Consumer Redress Funds** means any sums of money **You** are legally required to deposit in a fund for the payment of consumer **Claims** due to a settlement of, or an adverse judgment in, a **Regulatory Claim**.

**M. Continuity Date** means the date specified in the Risk Details.

- N. **Control Group** means the Chief Executive Officer, Chief Financial Officer, General Counsel, Risk Manager, Chief Operating Officer, Chief Information Officer, Chief Privacy Officer, President and Chief Technology Officer and their functional equivalents in any jurisdiction of the **Named Insured**.
- O. **Credit Monitoring Expenses** means the reasonable and necessary expense of providing free credit report, identity theft protection services, credit monitoring services, ID theft restoration mitigation and restoration services, credit freezes, fraud alerts or call center services for customers affected or reasonably believed to be affected by a **Security Breach**; provided, however, **We** shall not be obligated to reimburse **You** for more than one (1) year of credit monitoring services or identity theft protection services for customers who are at least eighteen (18) years old unless there is a rule, regulation, court ruling, requirement by a regulator or statutory requirement or advice from breach response counsel from the **Breach Response Panel** requiring otherwise.
- P. **Crime Loss** means direct financial loss sustained by **Your Organization** and shall include, but not be limited to, the loss of funds and property either in physical or electronic form:
1. owned by **Your Organization**;
  2. in which **Your Organization** has an interest;
  3. held by **Your Organization**;
  4. held by someone else under circumstances which make **Your Organization** responsible for the funds or property prior to the occurrence of the loss.
- Q. **Crisis Management Costs** means any other reasonable and necessary fees and expenses **You** incur with **Our** prior written consent to avert or mitigate any material damage to any of **Your** brands due to a **Newsworthy Event** that has arisen due to a **Security Breach** or a **Claim** or **Regulatory Claim** for a **Privacy Wrongful Act**, regardless of whether the expenses are incurred prior or subsequent to any such **Claim** or **Regulatory Claim** being made against **You**.
- R. **Cyber-Extortion Expenses** means the reasonable and necessary expenses **You** incur with **Our** approval in evaluating and responding to a **Cyber-Extortion Threat**, including, but not limited to, loss resulting directly from the actual destruction, disappearance, confiscation or wrongful abstraction of funds or property intended as an extortion payment, while being held or conveyed by any person duly authorized by **Your Organization** to have custody of such funds or property. However, **Cyber-Extortion Expenses** do not include **Your** overhead expenses or any salaries, wages, fees, or benefits of **Your Employees**.
- S. **Cyber-Extortion Payment** means any sum paid to or at the direction of any third party, including money used to purchase cryptocurrency, that **You** reasonably believe to be responsible for a **Cyber-Extortion Threat**; provided that:
1. **You** obtain **Our** written consent prior to making such **Cyber-Extortion Payment**;
  2. **You** make such **Cyber-Extortion Payment** to terminate the **Cyber-Extortion Threat**; and
  3. the **Cyber-Extortion Payment** does not exceed the amount **We** reasonably believe would have been incurred had such **Cyber-Extortion Payment** not been made.
- T. **Cyber-Extortion Threat** means a credible threat or connected series of threats made by someone other than a director, trustee or partner of **Your Organization**:
1. to introduce or activate a **Malicious Code** into **Your Computer System**;

2. to interrupt **Your Computer System** or interrupt access to **Your Computer System**, such as through a **Denial of Service Attack**;
3. to corrupt, damage or destroy **Your Computer System**; or
4. to disseminate, divulge, or improperly utilize any **Private Information** on **Your Computer Systems** taken as a result of a **Network Disruption**.

U. **Damages** means:

1. Solely with respect to Coverages A, B and E, a monetary judgment, compensation award or settlement, including:
  - a. pre-judgment interest;
  - b. post-judgment interest that accrues after entry of the judgment or award and before **We** have paid, offered to pay or deposited in court that part of the judgment or award within the applicable limit of liability; and
  - c. subject to this Policy's terms, conditions, and exclusions, punitive or exemplary **Damages** (where insurable by the applicable law that most favors coverage for such **Damages**);
2. Solely with respect to Coverage C, **Regulatory Fines** and **Consumer Redress Funds**; and

**Damages** shall not include or mean:

1. **Your** future profits, restitution, or disgorgement of profits; or **Your** cost to comply with any order granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
2. **Your** return or offset of fees, charges, royalties, or commissions for goods or services already provided or contracted to be provided;
3. Fines or penalties of any nature, except **Regulatory Fines** and **Consumer Redress Funds** as identified above;
4. Any amount **You** are not financially or legally obligated to pay;
5. Multiple **Damages**;
6. Any donations or contributions to any charitable organization or any discounts, coupons, prizes, awards or other incentives offered to the **Your** customers or clients; or
7. **PCI DSS Assessments**
8. Matters that may be deemed uninsurable under the law pursuant to which this Policy may be construed.

V. **Denial of Service Attack** means inability of a third party to gain access to **Your Computer Systems** through the **Internet** due to unauthorized attacks or deliberate overloading of bandwidth connections and/or web servers by means of the sending of substantial quantities of repeat or irrelevant communication or data with the intent of blocking access to the **Computer System** by third parties.

W. **Digital Assets** means any electronic data, including personally identifiable, non-public information, or computer software over which **You** have direct control or for which such control has been

contractually assigned by **Your Organization** to a **Service Provider**. **Digital Assets** do not include computer hardware of any kind.

- X. Discovery or Discovered** means the date when any member of **Your Control Group** first becomes aware of or has knowledge of any act, omission or event which could reasonably be foreseen to give rise to a **Crime Loss** covered by this Policy, even though the exact amount or details of such **Crime Loss**, act, omission or event are not known at the time of such date.
- Y. Earnings Loss** means the difference between the revenue that **Your Organization** would have earned, based on reasonable projections and the variable costs that would have been incurred, but which **Your Organization** would have saved as a result of not earning that revenue.
- Z. Electronic Communications** means instructions, messages, information or payments that have been transmitted digitally or communicated through:
1. an **Electronic Communication System**; or
  2. through the physical delivery of electronic media.
- AA. Electronic Communication System** means systems which permit the digital transmission of instructions, messages, information or payments, including:
1. touch tone telephone communication (including Voice over Internet Protocol (VOIP) or other forms of IP or broadband telephony) systems;
  2. telex, telefacsimile;
  3. **Computer Systems** which operate automated teller machines or point of sale terminals; and
  4. the **Internet**.

The digital transmission of instructions, messages, information or payment through those **Electronic Communication Systems** as described in sub-paragraphs 1. and 2.

- BB. Employee** means any individual in **Your Organization's** service, including any part-time, seasonal, and temporary **Employee**, who is compensated by salary, wages, fees or commissions and over whom **You** have the right to direct and control, but excluding any member of the **Control Group**. This includes any voluntary individuals.
- CC. Expenses Loss** means the additional expenses **Your Organization** incurred to minimize the suspension of business and to continue operations during the **Period of Restoration** that are over and above the cost that **Your Organization** reasonably and necessarily would have incurred to conduct **Your** business had no **Network Disruption** occurred. These additional expenses do not include any **Restoration Costs** or any actual, reasonable and necessary expenses **You** incur in response to a **Network Disruption** in order to prevent, minimize or mitigate any further damage to **Your Digital Assets**, minimize the duration of a **Network Disruption** or preserve critical evidence of any wrongdoing.
- DD. Extended Reporting Period** means the period of time after the end of the **Policy Period** for reporting **Claims** as provided in Section VIII. of this Policy.
- EE. Impairment** means fraudulent, dishonest, malicious or criminal:
1. deletion;
  2. preparation, in relation to computer programs only;

3. input;
4. corruption;
5. modification; or
6. extraction, whether  
actual or attempted.

FF. **Intranet** means a private computer network inside a company or organization that uses the same kinds of software found on the **Internet**, but only for internal use.

GG. **Internet** means the worldwide public network of computer networks which enables the transmission of electronic data between different users, commonly referred to as the **Internet**, including a private communications network existing within a shared or public network platform.

HH. **Loss(es)** means:

1. **Business Income Loss;**
2. **Restoration Costs;**
3. **Cyber-Extortion Payments and Cyber-Extortion Expenses;** and
4. **Crime Loss**

All **Losses** arising from the same or related underlying facts, circumstances, situations, transactions or events or related **Security Compromises** shall be deemed a single **Loss**.

II. **Malicious Code** means any unauthorized and corrupting or harmful computer code, including but not limited to computer viruses, spyware, Trojan horses, worms, logic bombs, and mutations of any of the proceeding.

JJ. **Media Content** means data, digital code, images, graphics, sounds, text or any other similar material.

KK. **Multimedia Wrongful Act** means any of the following acts committed in the ordinary course of **Your Organization's** business in gathering, communicating, reproducing, publishing, disseminating, displaying, releasing, transmitting or disclosing **Media Content** via any **Computer System** that **You** own or operate or is operated on **Your** behalf by a third party, including any web-based social media authorized or operated by **Your Organization** or any **Internet** or **Intranet** website or via any non-electronic media:

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. invasion of or interference with the right to privacy or publicity;
3. false arrest, detention or imprisonment or malicious prosecution;
4. infringement of any right to private occupancy, including trespass, wrongful entry, eviction or eavesdropping;
5. infringement of copyright, domain name, trade dress, title or slogan, symbol or the dilution or infringement of trademark or design right, service mark, collective mark, service name or trade name;
6. infringement of the name of a product, service, or organization;

7. infringement of the title of an artistic or literary work;
8. plagiarism, piracy or misappropriation of ideas; or
9. liability regarding any **Media Content** for which **You** are responsible;

provided always that any **Multimedia Wrongful Act** was committed or alleged to have been committed by **You**, or any person for whom or entity for which **You** are legally responsible, including an independent contractor or outsourcing organization.

LL. **Newsworthy Event** means an event that has been caused by a **Claim** or **Security Breach** within one of the coverages which **You** have purchased, that has been, or will be publicized through any media channel, including television, print media, radio or electronic networks, the **Internet**, and/or electronic mail.

MM. **Network Disruption** means any of the following events:

1. A failure, interruption or degradation of the operation of **Your Computer System**; or
2. The denial, restriction or hindrance of access to or use of **Your Computer System** or **Your Digital Assets** by any party who is otherwise authorized to have access.

More than one such event that results from the same or related underlying facts, circumstances, situations, transactions or **Security Compromises** shall be considered a single **Network Disruption** which commences on the date of the earliest of such events.

NN. **PCI DSS Assessment(s)** means a written demand received by **You** from **Your Acquiring Bank** or a card association (MasterCard, VISA, Discover, American Express or JCB) for monetary fines, penalties, reimbursements, PFI fees/expenses, fraud recoveries or assessments due to **Your** non-compliance with **PCI Data Security Standards** following a **Security Breach**. This does not include any charge backs, interchange fees, discount fees or prospective services fees.

OO. **PCI Data Security Standards** (known as PCI DSS) means the published data security standard in effect now or as hereafter amended that all merchants and processors must follow when storing, processing and transmitting cardholder data.

PP. **Period of Restoration** means the time period from the commencement of a **Network Disruption** to the earlier of:

1. the date that **Your Computer System** is, or with reasonable diligence could have been, restored to the condition and functionality that existed immediately prior to the **Network Disruption**; or
2. one hundred and twenty (120) consecutive days after the termination of the **Network Disruption**.

QQ. **Policy Period** means the period of time from the effective date to the expiration date specified in the Risk Details, or any earlier cancellation date.

RR. **Privacy Breach** means a common law breach of confidence, infringement, or violation of any rights to privacy, including but not limited to breach of **Your** privacy statement, breach of a person's right of publicity, false light, intrusion upon a person's seclusion, public disclosure of **Private Information**, wrongful collection of **Private Information** or misappropriation of a person's picture or name for commercial gain.



SS. **Privacy Regulations** means any federal, state, local or foreign statute or regulation requiring **You** to limit or control the collection, use of, or access to, **Private Information** in **Your** possession or under **Your** control, or obligating **You** to inform individuals of the **Unauthorized Access** to or disclosure of such personally identifiable, non-public information, including the following statutes and regulations:

1. The Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), including Title II requiring protection of confidentiality and security of electronic protected health information, and as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), any rules and regulations promulgated thereunder as they currently exist and as amended, and any related state medical privacy laws as they currently exist and as amended;
2. The Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder as they currently exist and as amended;
3. Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. 45(a), but solely with respect to alleged unfair or deceptive acts or practices in or affecting commerce;
4. Federal, state or local privacy protection regulations or laws, such as the California Database Protection Act of 2003 (previously called SB 1386), as they currently exist now or may be amended, associated with the control and use of, or limiting **Unauthorized Access** to, personal information, including but not limited to requirements to post privacy policies, adopt specific privacy controls, or inform customers of breaches of security that has or may impact their personal information;
5. Federal, state or local data breach regulations or laws, as they currently exist now or in the future, imposing liability for failure to take reasonable care to guard against **Unauthorized Access** to credit or debit account information that is in **Your** possession or under **Your** control;
6. Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;
7. Federal and state consumer credit reporting laws, such as the Federal Fair Credit Reporting Act (FCRA) and the California Consumer Credit Reporting Agencies Act (CCCRAA);
8. the Children’s Online Privacy Protection Act of 1998; or
9. Privacy protection regulations or laws adopted by countries outside of the United States, such as the EU Data Protection Directive, the Canadian Personal Information Protection and Electronic Documents Act and the Australian Privacy Act, or any similar regulation or law in any jurisdiction worldwide as they currently exist now or may be amended, associated with the collection, control and use of, or limiting **Unauthorized Access** to, personal information.

TT. **Privacy Wrongful Act** means any **Privacy Breach** or breach of **Privacy Regulations** committed by **You** or by any person or entity for which **You** are legally responsible, including an independent contractor or outsourcing organization.

UU. **Private Information** means any:

1. proprietary or confidential information owned by a third party or **You**

2. information that can be used to determine, distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual

VV. **Property Damage** means physical injury to or destruction of any tangible property, including the loss thereof. Data is not considered tangible property.

WW. **Regulatory Claim** means:

1. any request for information, civil investigative demand or formal investigation of **You** by an administrative or regulatory agency or similar governmental body concerning a **Privacy Breach** or possible breach of **Privacy Regulations**; or
2. any administrative adjudicative proceeding against **You** by an administrative or regulatory agency or similar governmental body for a breach of **Privacy Regulations**.

A **Regulatory Claim** shall not include a **PCI DSS Assessment**.

XX. **Regulatory Fines** means fines, penalties, or sanctions awarded for a violation of any **Privacy Regulation**. However, **Regulatory Fines** do not include a **PCI DSS Assessment**.

YY. **Reward Expenses** means the reasonable amount paid by **You** with **Our** prior consent to an informant for information not otherwise available which leads to the arrest and conviction of persons responsible for a **Security Breach**, act of **Computer Misuse** or a **Cyber-Extortion Threat** otherwise covered under this policy.

ZZ. **Restoration Costs** means the actual, reasonable and necessary costs **You** incur to replace, restore, or re-create **Your Digital Assets** to the level or condition at which they existed prior to sustaining any **Loss**. If such **Digital Assets** cannot be replaced, restored or recreated, then **Restoration Costs** will be limited to the actual, reasonable and necessary costs **You** incur to reach this determination.

**Restoration Costs** do not include:

1. any costs **You** incur to replace, restore or recreate any of **Your Digital Assets** that were not subject to regular network back-up procedures at the time of the **Loss**;
2. any costs or expenses incurred to update, upgrade, replace, restore or otherwise improve **Your Digital Assets** to a level beyond that which existed prior to sustaining any **Loss**;
3. any costs or expenses incurred to identify, remove or remediate computer program errors or vulnerabilities, or costs to update, upgrade, replace, restore, maintain or otherwise improve any **Computer System**; or
4. the economic or market value of any **Digital Assets**, including trade secrets.

AAA. **Retroactive Date** means the date specified in the Risk Details.

BBB. **Security Breach** means:

1. the loss or disclosure of **Private Information** in **Your** care, custody or control, including such information stored on paper or on a **Computer System** operated by **You** or on **Your** behalf; or
2. **Theft of Data, Unauthorized Access** to or **Unauthorized Use** of **Private Information** in **Your** care, custody or control, including such information stored on paper or on a **Computer System** operated by **You** or on **Your** behalf;

More than one **Security Breach** arising from the same or a series of continuous, repeated or related acts, errors, or omissions shall be considered a single **Security Breach**, which shall be deemed to have first occurred at the time of the first such **Security Breach**.

**CCC. Security Compromise means:**

1. the **Unauthorized Access** or **Unauthorized Use** of **Your Computer System** or **Your Digital Assets**;
2. the unauthorized transmission of computer code into **Your Computer System** that causes **Loss** or damage to **Your Digital Assets**;
3. a **Denial of Service Attack** on **Your Computer System** that causes **Loss** or damage to **Your Digital Assets**;
4. accidental physical damage or destruction of **electronic media**, so that stored **Digital Assets** are no longer machine-readable;
5. failure in power supply or under/over voltage only if such power supply is under **Your** direct operational control. Direct operational control includes back-up generators;
6. electrostatic build-up and static electricity; or
7. an accidental, unintentional or negligent act, mistake, error or omission by **Your Employee** or a **Service Provider** in:
  - i. the entry, or modification of **Your Digital Assets**;
  - ii. the creation, handling, development or maintenance of **Your Digital Assets**; or
  - iii. on-going **Computer System** operation or maintenance, excluding the design, architecture or configuration of **Your Computer System**.

**DDD. Security Wrongful Act means any act, error, or omission committed by You or a person or entity for which You are legally responsible, including an independent contractor or outsourcing organization, in the conduct of Computer Systems Security and the protection of the security and confidentiality of Private Information, that results in:**

1. the inability of a third party, who is authorized to do so, to gain access to **Your Computer Systems**;
2. the failure to prevent or hinder **Unauthorized Access** to or **Unauthorized Use** of a **Computer System** operated by **You** or on **Your** behalf, the failure to prevent physical theft of hardware or firmware **You** control, the failure to prevent people or processes security failures, or the failure to prevent false communications designed to trick the user into surrendering **Private Information** (such as “phishing”, “pharming” or “vishing”), any of which results in:
  - i. the alteration, copying, corruption, destruction or deletion of, or damage to, electronic data on a **Computer System** operated by **You** or on **Your** behalf;
  - ii. unauthorized disclosure of **Private Information**;
  - iii. **Theft of Data** (including identity theft); or
  - iv. **Denial of Service Attacks** against **Internet** sites or **Computer Systems** of a third party; or

3. the failure to prevent transmission of **Malicious Code** from a **Computer System** operated by **You** or on **Your** behalf to a third party's **Computer System**.

**EEE. Service Provider** means any third party that is responsible for the processing, maintenance, protection or storage of **Your Digital Assets** pursuant to a written contract directly with **Your Organization**. A **Service Provider** does not include any provider of telecommunications services, including Internet access, to **You**.

**FFF. Subsidiary** means any entity:

1. where more than 50% of the outstanding securities representing the present right to vote for the election of such corporation's directors are owned by the **Named Insured** directly or indirectly, if such corporation was so owned on the inception date of this Policy;
2. which becomes so owned after the inception date of this Policy, provided the revenues of the newly acquired corporation do not exceed 15% of **Your Organization's** annual revenues as set forth in its most recent audited financial statement; or
3. which becomes so owned after the inception date of this Policy, provided that if the revenues of the newly acquired corporation exceed 15% of **Your Organization's** annual revenues as set forth in its most recent audited financial statement, the provisions of Section IX. I. 1. must be fulfilled.

**GGG. Technology/Professional Services** means those **Technology/Professional Services** stated in the **Risk Details**, provided by **You** for others for a fee or other compensation (or for free if provided in conjunction with other fee based services or provided to potential or existing customers as an encouragement to purchase such services), and further includes, but is not limited to the creation, manufacture, development, distribution, license, lease, sale or training of any information technology, data processing, information services, installation, design, development, integration, or configuration of a **Computer System**.

**HHH. Technology/Professional Wrongful Act** means:

1. negligent act, error or omission or negligent misrepresentation, or
2. any unintentional **Breach of Contract**

in rendering or failure to render **Technology/Professional Services**.

**III. Theft of Data** means the unauthorized taking, misuse or disclosure of information on **Computer Systems**, including but not limited to charge, debit, or credit information, banking, financial and investment services account information, proprietary information, and **Private Information**

**JJJ. Unauthorized Access** means the gaining of access to a **Computer System** by an unauthorized person or persons or an authorized person or persons in an unauthorized manner.

**KKK. Unauthorized Use** means the use of a **Computer System** by an unauthorized person or persons or an authorized person or persons in an unauthorized manner.

**LLL. Uncertificated Security** means a share, participation or other interest in property of an enterprise of the issuer or an obligation of the issuer which:

1. is not represented by an instrument; or
2. is part of a master or global certificate; or

3. represents a paper certificate that has been surrendered and which paper certificate has been combined into a master depository note and the paper certificates are immobilised.

MMM. **We, Us or Our** means the underwriters providing this insurance.

NNN. **You or Your or Yours** means:

1. the entity named in the Risk Details (“**Named Insured**”), and all **Subsidiaries** (together “**Your Organization**”);
2. any present or future director, officer, or trustee of **Your Organization**, but only with respect to the performance of his or her duties as such on behalf of **Your Organization**;
3. any present or future **Employee** of **Your Organization** but only with respect to work done while acting within the scope of his or her employment and related to the conduct of **Your Organization’s** business;
4. the lawful spouse, including any natural person qualifying as a domestic partner of any person identified in 2. or 3. above, but solely by reason of any act, error or omission of **You** other than such spouse or domestic partner;
5. in the event that the **Named Insured** is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, or owner thereof, but only while acting within the scope of his or her duties as such;
6. any person who previously qualified as **You** under 2, 3, or 4 above prior to the termination of the required relationship with **Your Organization**, but only with respect to the performance of his or her duties as such on behalf of **Your Organization**;
7. the estate, heirs, executors, administrators, assigns and legal representatives of any of **You** in the event of **Your** death, incapacity, insolvency or bankruptcy, but only to the extent that **You** would otherwise be provided coverage under this insurance;
8. any agent or independent contractor, including any distributor, licensee or sub-licensee, but only while acting on **Your** behalf, at **Your** direction, and under **Your** control; and
9. any natural person or entity that **You** have expressly agreed in writing to add as an additional Insured under this Policy prior to the commission of any act for which such person or entity would be provided coverage for under this Policy, but only to the extent that **You** would have been liable and coverage afforded under the terms and conditions of this Policy had such **Claim** been made against **You**. Nothing herein shall confer any rights, duties or obligations to such third party entity under this Policy and there shall be no coverage afforded to such entity as a result of any independent acts committed by such third party.

## LIMITS OF LIABILITY

- A. The amount indicated in the Risk Details as stated within the Limits of Liability (herein the “**Policy Aggregate Limit**”) is the most **We** will pay in the aggregate under this Policy, under all coverages combined, for:
  1. all **Damages**, including **Regulatory Fines**, **Consumer Redress Funds** and all **Claim Expenses** from all **Claims**;
  2. all **Crisis Management Costs** and **Breach Response Costs** from all **Security Breaches**; and
  3. all **Losses**

regardless of the number of acts, errors, or omissions, persons or entities covered by this Policy, claimants, **Claims, Losses** or **Security Breaches**, or Coverages triggered.

- B. When purchased as indicated in the Risk Details as stated within the Limits of Liability the amount indicated as the sublimit (herein the “**Sublimit of Liability**”) applicable to a Coverage, is the most **We** will pay under this Policy in the aggregate under the individual coverage, regardless of the number of acts, errors, or omissions, persons or entities covered by this Policy, claimants, **Claims, Losses** or **Security Breaches**. This **Sublimit of Liability** is part of and not in addition to the **Policy Aggregate Limit**
- C. If any **Claim** or any single **Claim** is covered under more than one coverage, the highest applicable **Sublimit of Liability** shall be the most **We** shall pay as to such **Claim** or single **Claim** and such **Claim** or single **Claim** shall be subject to the highest applicable retention.

## RETENTIONS

- A. The retention for each Coverage is stated in the Risk Details. The applicable retention shall be first applied to **Damages, Claim Expenses, Losses, Crisis Management Cost & Breach Response Costs** covered by this Policy and **You** shall make direct payments within the retention to appropriate other parties designated by **Us**. **We** shall be liable only for the amounts in excess of the retention, not to exceed the applicable **Sublimit of Liability** or **Policy Aggregate Limit**.
- B. With respect to Coverages A, B, C, E G and H the retention shall be satisfied by **Your** payments of **Damages** and **Claim Expenses** resulting from **Claims** first made and reported to **Us** during the **Policy Period** or **Extended Reporting Period**. With respect to Coverage D, the retention shall be satisfied by **Your** payments of **Crisis Management Costs** and **Breach Response Costs** resulting from a **Security Breach** that occurred during the **Policy Period** and is reported by **You** to **Us** during the **Policy Period** or **Extended Reporting Period**. With respect to Coverage G.1, the retention shall be satisfied once the **Period of Restoration** resulting from a **Network Disruption** has exceeded the waiting period in hours set forth in the Risk Details. With respect to Coverage I, the retention shall be satisfied by **Your** payments of **Crime Loss**. One retention shall apply to each single **Claim** or **Loss** under such Coverages as per VI.C.
- C. At **Our** sole and absolute discretion, **We** may pay all or part of the applicable retention, in which case **You** agree to repay **Us** immediately after **We** notify **You** of the payment. The applicable retention shall first be applied to any **Loss** covered by this Policy that is paid by **Us**, or by **You** with **Our** prior written consent.

## EXTENDED REPORTING PERIOD

- A. **Basic Extended Reporting Period:**

In the event of cancellation or non-renewal of this Policy by **You** or **Us**, an **Extended Reporting Period** of ninety (90) days immediately following such cancellation or non-renewal shall be automatically granted hereunder at no additional premium. Such **Extended Reporting Period** shall cover **Claims** first made and reported to **Us** and **Crime Loss Discovered** and reported to **Us** during such ninety (90) day **Extended Reporting Period** but only in respect of any act, error, or omission committed prior to the date of cancellation or non-renewal, and subject to all other terms, conditions, and exclusions of this Policy. No **Claim** or **Crime Loss** in such ninety (90) day extended reported period shall be covered under this Policy if **You** are entitled to indemnity under any other insurance or would have been entitled to indemnity under such insurance but for the exhaustion thereof.

**B. Optional Extended Reporting Period:**

In the event of cancellation or non-renewal of this Policy by **You** or **Us**, **You** shall have the right, upon payment in full and not proportionally or otherwise in part, the percentage of the annual premium shown below, to have issued an endorsement providing an optional **Extended Reporting Period** from the cancellation or non-renewal date, as below:

12 months – 100% of the annual premium shown in the Risk Details

24 months – 150% of the annual premium shown in the Risk Details

36 months – 200% of the annual premium shown in the Risk Details

Such optional **Extended Reporting Period** shall cover **Claims** made and reported to **Us** and **Crime Loss Discovered** and reported to **Us** during this optional **Extended Reporting Period**, but only in respect of any **Claim** or **Discovery** arising out of any act, error, or omission committed prior to the date of cancellation or non-renewal, and subject to all other terms, conditions, and exclusions of the Policy.

In order for **You** to invoke the optional **Extended Reporting Period**, the payment of additional premium as stated in this provision must be paid to **Us** within thirty (30) days of the non-renewal or cancellation.

At the commencement of the optional **Extended Reporting Period**, the entire premium shall be deemed fully earned, and in the event **You** terminate the optional **Extended Reporting Period** for whatever reason prior to its natural expiration, **We** will not be liable to return any premium paid for the optional **Extended Reporting Period**.

**C. Terms and conditions of basic and optional Extended Reporting Period**

1. At renewal of this Policy, **Our** quotation of different premium, retention or limit of indemnity or changes in policy language shall not constitute non-renewal by **Us** for the purposes of granting the optional **Extended Reporting Period**.
2. The right to the **Extended Reporting Period** shall not be available to **You** where **We** cancel or non-renew due to non-payment of premium.
3. The limit of liability for the **Extended Reporting Period** shall be part of, and not in addition to, the limit of liability for the **Policy Period**.
4. All notices and premium payments with respect to the **Extended Reporting Period** shall be directed to **Us** through the entity named in the Risk Details.

## TERMS AND CONDITIONS

**A. NOTICE OF CLAIM, DISCOVERY OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM**

1. If any **Claim** is made against **You** during the **Policy Period**, then as soon as practicable after **Your Control Group** first becomes aware of such **Claim** and no later than 90 days after the expiry of the **Policy Period**, **You** must forward to **Us** through persons named in the Risk Details every demand, notice, summons or other process **You** or **Your** representative receive.
2. With respect to Coverage I, If **Discovery** occurs during the **Policy Period**, then as soon as practicable after such **Discovery** and no later than 90 days after the expiry of the **Policy Period**, **You** must forward to **Us** through persons named in the Risk Details written notice of such **Discovery**.

3. If during the **Policy Period**, **Your Control Group** first becomes aware of any act, error or omission that might reasonably give rise to a **Claim** or **Loss**, **You** may give written notice to **Us** through persons named in the Risk Details as soon as practicable during the **Policy Period** of:
  - a. the specific details of the act, error or omission that might reasonably give rise to a **Claim** or **Loss**;
  - b. the possible damage which may result or has resulted from the act, error or omission;
  - c. the facts by which **You** first became aware of the act, error, omission or **Loss**; and
  - d. any **Computer System** security and event logs which provide evidence of the act, error or omission.

Any subsequent **Claim** made against **You** arising out of such act, error or omission or **Loss** which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to **Us**.

4. A **Claim** or **Loss** shall be considered to be reported to **Us** when notice is first given to **Us** through persons named in the Risk Details or when notice of a Wrongful Act which might reasonably give rise to a **Claim** is first provided in compliance with IX.A.2 above.
5. If **You** report any **Claim**, **Loss** or request any payment under this Policy knowing such **Claim**, **Loss** or request to be false or fraudulent, as regards amounts or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.
6. Whenever coverage under this Policy would be lost because of non-compliance of:
  - a. Section IX.A.1. relating to the giving of notice of **Claim** or **Loss** to **Us**; or
  - b. Section IX.A.2. relating to the giving of notice of **Discovery** to **Us**,

with respect to which any other of **You** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more of **You** responsible for the loss or damage otherwise insured hereunder, then **We** agree that such insurance as would otherwise be afforded under this Policy shall cover and be paid with respect to those of **You** who did not personally commit or personally participate in committing or personally acquiesce in such failure to give notice, provided that those of **You** entitled to the benefit of this provision under Section IX.A.1. or Section IX.A.2 (as applicable) have complied with such applicable condition promptly after obtaining knowledge of the failure of any others of **You** to comply therewith, and any such **Claim** or **Loss** was reported during the **Policy Period** or **Extended Reporting Period**, if applicable.

However, such insurance as afforded by this provision shall not cover a **Claim** or **Loss** against **Your Organization** if a current principal, partner, director, or officer failed to give notice as required by Section IX.A.1. or Section IX.A.2 (as applicable) for a **Claim** or **Loss** against **Your Organization** arising from acts, errors, or omissions that were known to a current principal, partner, director, or officer.



## **B. ASSISTANCE AND COOPERATION**

1. **You** shall cooperate with **Us** in all investigations. **You** shall execute or cause to be executed all papers and render all assistance as requested by **Us**. Part of this assistance may require **You** to provide soft copies of **Your** system security and event logs.
2. **You** shall not admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without **Our** written consent, unless otherwise provided under Section II and/or as per the provisions of **Breach Response Costs** definition.
3. As soon as practicable after **You** give **Us** notice of any **Claim**, circumstance, **Loss**, or **Security Breach**, **You** must also give **Us** copies of reports, photographs, investigations, pleadings and all other papers in connection therewith, including allowing **Us** to question **You** under oath at such times as may be reasonably required regarding **Your Organization's** books, records, and any other matters relating to such **Security Breach** or **Claim**.
4. In the event of a **Security Breach** or **Loss**, **You** must take all reasonable steps to protect **Computer Systems** and personally identifiable, non-public information from further access, disclosure, loss or damage.

## **C. DUTIES IN THE EVENT OF A LOSS (applicable to Coverage G only)**

**You** must see that the following are done if **You** send **Us** a **Loss** Notification:

1. At **Our** request, notify the police, FBI, CERT or other applicable law enforcement authority, central reporting or investigative organization that **We** may designate, if it appears that a law may have been broken;
2. Immediately take all reasonable steps and measures necessary to limit or mitigate the **Loss**;
3. Send **Us** copies of every demand, notice, summons, or any other applicable information **You** receive;
4. If requested, permit **Us** to question **You** under oath at such times and places as may be reasonably required about matters relating to this insurance, including **Your** books and records;
5. Send **Us** a sworn statement of **Loss** containing the information **We** request to resolve, settle or otherwise handle the **Loss**. **We** will provide **You** with the necessary forms;
6. Cooperate with **Us** and counsel **We** may appoint in the investigation of any **Loss** covered by this Policy;
7. Assist **Us** and counsel **We** may appoint in the investigation or settlement of **Losses**;
8. Assist **Us** in protecting and enforcing any right of subrogation, contribution or indemnity against any person, organization or other entity that may be liable to **You**, including attending depositions, hearings and trials; and
9. Otherwise assist in securing and giving documentation and evidence, and obtaining the attendance of witnesses.

## **D. SUBROGATION**

In the event of any payment under this policy, **We** shall be subrogated to the extent of such payment to all of **Your** rights of recovery, and **You** shall execute all papers required and shall do

everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable **Us** to effectively to bring suit in **Your** name.

#### **E. INSPECTIONS AND SURVEYS**

**We** may choose to perform inspections or surveys of **Your** operations, conduct interviews and review documents as part of **Our** underwriting, **Our** decision whether to provide continued or modified coverage, or **Our** processing of any **Loss**. If **We** make recommendations as a result of these inspections, **You** should not assume that every possible recommendation has been made or that **Your** implementation of a recommendation will prevent a **Loss**. **We** do not indicate by making an inspection or by providing **You** with a report that **You** are complying with or violating any laws, regulations, codes or standards.

#### **F. OTHER INSURANCE**

This insurance shall apply in excess of any other valid and collectible insurance available to **You**, including any retention or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the limit of liability of this Policy.

#### **G. ACTION AGAINST US**

No action shall lie against **Us** or **Our** representatives unless, as a condition precedent thereto: (1) there shall have been full compliance with all terms of this insurance; and (2) until the amount of **Your** obligation to pay shall have been finally determined either by judgment or award against **You** after trial, regulatory proceeding, arbitration or by written agreement between **You**, the claimant, and **Us**.

Any person or organization or the legal representative thereof who has secured such judgment, 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 the right under this Policy to join **Us** as a party to an action or other proceeding against **You** to determine **Your** liability, nor shall **We** be impleaded by **You** or **Your** legal representative.

**Your** bankruptcy or insolvency shall not relieve **Us** of **Our** obligations hereunder.

#### **H. ENTIRE AGREEMENT**

By acceptance of the Policy, **You** agree that this Policy embodies all agreements between **You** and **Us** relating to this insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop **Us** from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by **Us**.

#### **I. NEW SUBSIDIARIES/CHANGES IN NAMED INSURED OR YOUR ORGANIZATION**

1. During the **Policy Period**, if **You** acquire another corporation whose annual revenues are more than fifteen percent (15%) of **Your Organization's** annual revenues as set forth in its most recent audited financial statements there shall be no coverage under this Policy for acts, errors, or omissions committed or allegedly committed by the newly acquired **Subsidiary** unless **You** give **Us** written notice of the acquisition containing full details thereof, and **We** have agreed to add coverage for the newly acquired **Subsidiary** upon such terms, conditions, and limitations of coverage and such additional premium as **We**, in **Our** sole discretion, may require.

2. During the **Policy Period**, if the **Named Insured** consolidates or merges with or is acquired by another entity, or sells substantially all of its assets to another entity, or a receiver, conservator, trustee, liquidator, or rehabilitator, or any similar official is appointed for or with respect to the **Named Insured**, then all coverage under this Policy shall continue to the expiration of the **Policy Period**. However, coverage shall only apply for losses, acts, errors, or omissions that occurred prior to the date of such consolidation, merger or appointment. Unless the **Named Insured**:
  - a. gives written notice **Us** within thirty (30) days of such consolidation, merger or appointment;
  - b. promptly provides **Us** with all such further information as **We** shall require;
  - c. obtains **Our** written consent to continue some or all of the coverages provided by this Policy;
  - d. accepts any special terms, conditions, exclusions and other modifications to coverage required by **Us**; and
  - e. pays any additional premium required by **Us**
3. Should a corporation cease to be a **Subsidiary** after the inception date of this Policy, coverage with respect to such corporation shall continue as if it was still a **Subsidiary** until the expiration date of this Policy, but only with respect to a **Claim** that arises out of any act, error, or omission committed by such corporation prior to the date that it ceased to be a **Subsidiary**.
4. All notices and premium payments made under this paragraph shall be directed to **Us** through the entity named in the Risk Details.

**J. ASSIGNMENT**

**Your** interest under this Policy may not be assigned to any other person or organization, whether by operation of law or otherwise, without **Our** written consent. If **You** shall die or be adjudged incompetent, such insurance shall cover **Your** legal representative as **You** as would be covered under this Policy.

**K. CANCELLATION**

1. This Policy may be cancelled by **You**, by surrender thereof to **Us** or by mailing to **Us** through the entity named in the Risk Details, written notice stating when the cancellation shall be effective.
2. This Policy may be cancelled by **Us** by mailing to **You** at the address shown in the Risk Details written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. However, if **We** cancel this Policy because **You** have failed to pay a premium when due, this Policy may be cancelled by **Us** by mailing a written notice of cancellation to **You** at the address shown in the Risk Details stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. Mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery (where permitted by law) of such written notice either by **You** or by **Us** shall be equivalent of mailing.

3. If **You** cancel this Policy, the earned premium shall be computed in accordance with the Lloyd's short rate table (NMA45, as attached) and procedure, provided that the premium shall be deemed fully earned if any **Claim** has been notified to **Us** under this Policy. In that event, **We** agree that the Policy will not be cancelled midterm solely on the basis of any valid **Claim** notified to **Us**.
4. If **We** cancel this Policy prior to any **Claim** or **Security Breach** being reported under this Policy, the earned premium shall be computed pro rata. The premium shall be deemed fully earned if any **Claim** or **Security Breach** under this Policy is reported to **Us** on or before the date of cancellation.
5. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

**L. WORDS AND TITLES OF PARAGRAPHS**

The titles of paragraphs, section, provisions, or endorsements of or 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 herein, the same shall include the plural when required by context.

**M. NAMED INSURED AUTHORIZATION**

The **Named Insured** first specified in the Risk Details has the right and duty to act on **Your** behalf for:

1. the giving and receiving of notice of cancellation;
2. the payment of premiums, including additional premiums;
3. the receiving of any return premiums;
4. the acceptance of any endorsements added after the effective date of coverage;
5. the payment of any retentions;
6. the receiving of any loss payments; and
7. otherwise corresponding with **Us**.

**N. CHOICE OF LAW**

As per Risk Details.

**O. DISPUTE RESOLUTION**

**We** and **You** agree to submit any dispute arising out of or relating to this Policy, including but not limited to its construction, application and validity, or any breach thereof, to non-binding mediation or binding arbitration in accordance with the commercial arbitration rules of the appropriate Arbitration Association ("AA") of the country that is identified as **Your** address in this Policy, in effect at the time of the dispute. If all parties agree, a different form of alternative dispute resolution ("ADR") may be used.

**You** shall have the right to choose the type of ADR process to resolve a dispute under this Policy.

Each party shall bear its own fees and costs in connection with any ADR process, but the costs incurred through AA, including the fees and expenses of the arbitrator, shall be shared equally by the parties, unless the arbitration award provides otherwise. All arbitration proceedings shall be held only in a city where either **We** or **You** has a place of business in that country, at the election of the party commencing arbitration. The decision of the arbitrator/s is final and binding and any award may be confirmed and enforced in any court of competent jurisdiction.

Nothing in this Section shall prevent the parties from litigating a dispute in an appropriate court in the event non-binding ADR fails to produce a resolution.