



IRONSHORE SPECIALTY INSURANCE COMPANY

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Policy Number:

ENTERPRISE PRIVAPROTECTOR 9.0® Network Security and Privacy Insurance Policy

IMPORTANT NOTICE (Claim Expenses are Within the Limit of Liability)

THIS IS A CLAIMS MADE AND REPORTED POLICY. PORTIONS OF THIS POLICY APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR, AS APPROPRIATE, TO THE APPLICABLE EXTENDED REPORTING PERIOD. CLAIM EXPENSES ARE PART OF AND NOT IN ADDITION TO THE LIMITS OF LIABILITY. THE PAYMENT OF CLAIM EXPENSES SHALL REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS. PLEASE READ THE ENTIRE POLICY CAREFULLY.

TERMS THAT APPEAR IN **BOLDFACE** TYPE HAVE SPECIAL MEANING. PLEASE REFER TO SECTION II. DEFINITIONS OF THIS POLICY.

- I. **INSURING AGREEMENTS**
- II. **DEFINITIONS**
- III. **COVERAGE EXTENSIONS**
- IV. **EXCLUSIONS**
- V. **DEFENSE AND SETTLEMENT OF CLAIMS**
- VI. **WHERE AND WHEN POLICY APPLIES**
- VII. **LIMITS AND RETENTIONS / WAITING PERIOD**
- VIII. **CONDITIONS**

In consideration of the **Insured's** payment of the premium and in reliance on all statements made and information and materials provided to the **Insurer**, including but not limited to the statements contained in or provided with the **Application**, which is made a part of this Policy, and subject to all terms, conditions and other provisions of this Policy, the **Insurer** agrees with the **Insured** as follows:

- I. **INSURING AGREEMENTS**
 - A. **NETWORK SECURITY LIABILITY COVERAGE**

The **Insurer** shall pay on behalf of the **Insured** all **Loss** that the **Insured** is legally obligated to pay as a direct result of a **Claim** alleging a **Network Security Wrongful Act** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** pursuant to Section VIII.B.

- B. **PRIVACY LIABILITY COVERAGE**

The **Insurer** shall pay on behalf of the **Insured** all **Loss** that the **Insured** is legally obligated to pay as a direct result of a **Claim** alleging a **Privacy Wrongful Act** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** pursuant to Section VIII.B.

C. PRIVACY BREACH EXPENSES COVERAGE

The **Insurer** shall pay **Privacy Breach Expenses** the **Company** incurs as a direct result of a **Privacy Incident**, provided such **Privacy Incident** is discovered during the **Policy Period** and is reported to the **Insurer** in accordance with Section VIII.C.

D. REGULATORY FINES AND PROCEEDING COVERAGE

The **Insurer** shall reimburse the **Insured** for all

1. contributions by the **Insured** to a **Consumer Redress Fund**,
2. **Regulatory Fines**; and
3. **Claim Expenses**

the **Insured** incurs in responding to any **Regulatory Proceeding** first brought against the **Insured** during the **Policy Period** for a **Wrongful Act** which results in a **Privacy Incident**, provided such **Wrongful Act** first occurs on or after the applicable Retroactive Date shown in Item 5. of the Declarations and prior to the Policy's expiration date.

E. INTERNET MEDIA LIABILITY COVERAGE

The **Insurer** shall pay on behalf of the **Insured** all **Loss** that the **Insured** is legally obligated to pay as a direct result of a **Claim** alleging an **Electronic Publishing Wrongful Act** first made against the **Insured** during the **Policy Period** and reported to the **Insurer** in accordance with Section VIII.B.

F. DIGITAL ASSET EXPENSES COVERAGE

The **Insurer** shall pay **Digital Asset Expenses** the **Company** incurs as a direct result of the corruption, damage, impairment, destruction or deletion of **Digital Assets** caused by a **Network Security Incident**, provided such **Network Security Incident** first occurs during the **Policy Period** and is reported to the **Insurer** in accordance with Section VIII.C.

G. BUSINESS INTERRUPTION INCOME LOSS, DEPENDENT BUSINESS INTERRUPTION INCOME LOSS COVERAGE AND EXTRA EXPENSES

The **Insurer** shall pay **Business Interruption Income Loss, Dependent Business Interruption Income Loss** and **Extra Expenses** the **Company** sustains during the **Period of Restoration** as a direct result of an **Interruption in Services**, provided such **Interruption in Services** first occurs during the **Policy Period** and is reported to the **Insurer** in accordance with Section VIII.B.

H. NETWORK AND DATA EXTORTION THREAT AND REWARD PAYMENTS COVERAGE

The **Insurer** shall pay **Extortion Expenses** and **Extortion Payments** actually paid by the **Company** as a direct result of a **Network and Data Extortion Threat** that occurs during the **Policy Period**, that is reported to the **Insurer** in accordance with Section VIII.C., and to which the **Insurer** consents in writing prior to the offering of such reward.

These **Extortion Expenses** and **Extortion Payments** shall include any reward the **Company** pays to any person or entity, other than law enforcement officers, government or regulatory officials, an external auditor or investigator of the **Company**, or an **Insured Person** who is an internal auditor or investigator of the **Company** or who supervises or manages an external auditor or investigator of the **Company**, for information leading to the arrest and conviction of any person who is making or has made any **Network and Data Extortion Threat**.

II. DEFINITIONS

- A. Application** means the signed application for the Policy including any information, documents, attachments and other materials submitted in conjunction with the signed application. The **Insurer** shall be deemed to have relied upon the completeness and accuracy of the signed application in binding the insurance, whether this is the first policy, a renewal policy or replacement policy.

B. Bodily Injury means injury to the body, sickness or disease, and death. **Bodily Injury** also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease or death of any person.

C. Business Interruption Income Loss means the:

1. net profit before income taxes that the **Company** is prevented from earning due to an **Interruption in Services**; and
2. normal operating expenses incurred by the **Company**, including payroll, but solely to the extent that such operating expenses must continue during the **Period of Restoration** and would have been incurred had there been no **Interruption in Services**.

Business Interruption Income Loss does not include:

1. any cost or expenses incurred to update, restore, replace, modify or otherwise improve **Digital Assets** or any **Computer System of the Company** to a level beyond that which existed just before the **Interruption in Services** or **Loss** event;
2. any costs or expenses to correct any deficiencies, identify or remediate **Software** errors or vulnerabilities, or costs to update, replace, modify, upgrade, restore, maintain or improve any security system or **Computer System of the Company**;
3. any expense incurred to research and develop **Digital Assets**, including trade secrets;
4. the economic or market value of **Digital Assets**, including trade secrets;
5. **Loss** arising out of liability to any third party;
6. any contractual penalties;
7. any **Claim, Claim Expenses, Damages, Digital Asset Expenses, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident, Regulatory Proceeding**;
8. investment or trading losses, or any loss arising from any missed business opportunity; or
9. any other consequential loss or damage.

D. Claim means a civil, criminal, governmental, regulatory, administrative, or arbitration proceeding made against any **Insured** seeking monetary, non-monetary, injunctive or declaratory relief and commenced by the service of a complaint or similar proceeding or the return of an indictment, or other written demand for monetary or non-monetary relief made against any **Insured**, based on any actual or alleged **Wrongful Act**.

E. Claim Expenses means the reasonable and necessary legal fees, costs and expenses incurred in the investigation, adjustment, defense or appeal of a **Claim**. **Claim Expenses** includes the cost of any bond or appeal bond required in any defended suit; provided that the **Company** shall not be obligated to apply for or furnish any such bond.

Claim Expenses shall not include:

1. salaries, wages, fees, expenses, overhead or benefit expenses of any kind;
2. any **Regulatory Fine**, penalty, forfeiture, sanction, tax, liquidated damages, costs or expenses.
3. any non-monetary or equitable relief or redress awarded against any **Insured**, including but not limited to any cost or expense of complying with any injunctive, declaratory, regulatory or administrative relief or specific performance award;
4. any payment, restitution, return or disgorgement of fees, profits, royalties, commissions, charges or any funds allegedly wrongfully or unjustly held or obtained;

5. any fee, profit, royalty, commission, charge, cost or expense incurred to obtain a license or right to use or promote the use of any property, data or information of any type, nature or kind, including but not limited to any **Electronic Data** or **Electronic Publishing**;
 6. any loss, cost or expense of updating, upgrading, enhancing, restoring, reprinting, recalling, removing, disposing, withdrawing, repairing, replacing, reproducing, correcting, modifying, improving, performing, completing, adjusting, inspecting, investigating, researching or developing any product, service, property, data or information of any type, nature or kind, including but not limited to any **Computer System of the Company**, security system and **Electronic Publishing**;
 7. any discount, coupon, prize, award, redemption or other incentive;
 8. **Bodily Injury or Property Damage**;
 9. **Business Interruption Income Loss, Claim, Damages, Dependent Business Interruption Income Loss, Digital Asset Expenses, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident, Regulatory Proceeding.**
- F. **Company** means the **Named Insured** and its **Subsidiaries**.
- G. **Computer System** means computer hardware and **Software**, and the **Electronic Data** stored thereon, as well as associated input and output devices, terminal devices, data storage devices, networking equipment, components, firmware and electronic backup facilities, including systems accessible through the internet, intranets, extranets or virtual private networks.
- H. **Computer System of the Company** means a **Computer System** the **Company** leases, owns or operates or that is operated by a **Service Provider**.
- I. **Consumer Redress Fund** means any sum of money the **Insured** is 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 Proceeding**.
- J. **Confidential Corporate Information** means corporate information, in any format, that has been provided to the **Insured** by a third party which is not available to the general public and is subject to a mutually executed written confidentiality agreement or which the **Insured** is legally required to maintain in confidence.
- K. **Cyberterrorism** means the premeditated use of disruptive activities against any **Computer System** or network, or the explicit threat to use such activities, with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives.
- L. **Damages** means a monetary judgment (including pre-judgment and post-judgment interest), settlement, punitive, exemplary or multiple damages, which an **Insured** is legally obligated to pay, **Regulatory Fines** or **Consumer Redress Fund**, to the extent such **Damages** or penalties are insurable under the internal laws of any applicable jurisdiction most favorable to the **Insured**.

Damages shall not include:

1. remuneration, salaries, wages, fees, expenses, overhead or benefit expenses of any **Insured**;
2. any civil or criminal fines, penalties, forfeitures, sanctions, taxes, costs expenses or liquidated damages and any matters deemed uninsurable under law pursuant to which the Policy shall be construed; provided however, this shall not apply to **Regulatory Fines** or any monetary amounts an **Insured** is required or has agreed to by settlement to deposit into a **Consumer Redress Fund**;
3. any non-monetary or equitable relief or redress awarded against any **Insured**, including but not limited to any cost or expense of complying with any injunctive, declaratory, regulatory or administrative relief or specific performance award;
4. any payment, restitution, return or disgorgement of fees, profits, royalties, commissions, charges or any funds allegedly wrongfully or unjustly held or obtained;

5. any fee, profit, royalty, charge, cost or expense incurred to obtain a license or right to use or promote the use of any property, data or information of any type, nature or kind, including but not limited to any **Electronic Data** or **Electronic Publishing**;
6. any loss, cost or expense of updating, upgrading, enhancing, restoring, reprinting, recalling, removing, disposing, withdrawing, repairing, replacing, reproducing, correcting, modifying, improving, performing, completing, adjusting, inspecting, investigating, researching or developing any product, service, property, data or information of any type, nature or kind, including but not limited to any **Computer System of the Company**, security system and **Electronic Publishing**;
7. any discount, coupon, prize, award, redemption or other incentive;
8. **Bodily Injury or Property Damage**;
9. **Business Interruption Income Loss, Claim Expenses, Dependent Business Interruption Income Loss, Digital Asset Expenses, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident, Regulatory Proceeding.**

M. Denial of Service Attack means:

1. the inability of an authorized third party to access the **Computer System of the Company**; and
2. the inability of an authorized third party to access his or her **Computer System**, where such inability is caused by the **Computer System of the Company**.

N. Dependent Business Interruption Income Loss means the **Business Interruption Income Loss** sustained by the **Company** as a direct result of an **Interruption in Services** caused by a **Network Security Incident** to the **Service Provider's Computer System** but only if such **Network Security Incident** would have been covered under the Policy had the **Service Provider** been entitled to insurance in accordance with the terms, conditions and other provisions of the Policy.

O. Digital Assets means **Electronic Data, Software**, audio files, and image files stored on the **Computer System of the Company**. **Digital Assets** do not include money, funds, debt, credit, bond, equity instruments, accounts, bills, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they have been converted to **Electronic Data**, and then only in that form.

P. Digital Asset Expenses means the reasonable and necessary expenses the **Company** incurs to replace or restore **Digital Assets** from written records or partially or fully matching **Electronic Data** due to their corruption or deletion as the result of a **Network Security Incident**, including any disaster recovery or computer forensic investigation efforts, subject to Section VIII.

Digital Asset Expenses do not include:

1. any cost or expenses incurred to update, restore, replace, modify or otherwise improve **Digital Assets** or any **Computer System of the Company** to a level beyond that which existed just before the **Interruption in Service** or **Loss** event;
2. any costs or expenses to correct any deficiencies, identify or remediate **Software** errors or vulnerabilities, or costs to update, replace, modify, upgrade, restore, maintain or improve any security system or **Computer System of the Company** to a level beyond that which existed just before the **Interruption in Service** or **Loss** event;
3. any expense incurred to research and develop **Digital Assets**, including trade secrets;
4. the economic or market value of **Digital Assets**, including trade secrets;
5. **Loss** arising out of liability to any third party;
6. any contractual penalties;
7. **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident,**

Regulatory Proceeding; or

8. any consequential loss or damage.

Q. Domestic Partner means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the **Insured**.

R. Electronic Data means any data, text, sounds, images or similar matter, including **Non-Public Personal Information, Confidential Corporate Information** and confidential and proprietary marketing and financial information that exists on the **Computer System of the Company**.

Electronic Data does not include **Software**, money, funds, debt, credit, bond, equity instruments, accounts, bills, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they have been converted to **Electronic Data**, and then only in that form.

S. Electronic Publishing means the reproduction, publication, dissemination, transmission or release of information, including **Electronic Data**, image files, audio files or text, on a website operated and owned by the **Company** or **Computer System of the Company**; provided that such information must have been developed by or for the **Insured** or acquired by the **Insured** for a fee and exclusively for the benefit of the **Insured**.

T. Electronic Publishing Wrongful Act means any actual or alleged unintentional:

1. libel, slander, trade libel or disparagement resulting from the **Insured's Electronic Publishing** of material that defames a person or organization or disparages a person's or organization's goods, products or services;
2. plagiarism, false light, false arrest, detention, imprisonment or malicious prosecution resulting from the **Insured's Electronic Publishing**;
3. violation of the right of privacy or seclusion or right of publicity of any person other than an **Individual Director** and **Officer** or an **Individual Insured** resulting from the **Insured's Electronic Publishing** of material that publicly discloses **Non-Public Personal Information** concerning such person or commercially appropriates such person's name or likeness for financial gain;
4. infringement of a copyright, title, slogan, trademark, trade name, trade dress, service mark or service name including, without limitation, infringement of domain name, deep-linking or framing, resulting from the **Insured's Electronic Publishing**;
5. unauthorized use of titles, formats, performances, style, characters, plots or other protected material resulting from the **Insured's Electronic Publishing**;
6. **Personal Injury** resulting from the **Insured's Electronic Publishing**; or
7. **Cyberterrorism** to the **Insured's Electronic Publishing**.

U. Extended Reporting Period means that period described in Section VI.C. of the Policy.

V. Extortion Expenses means the reasonable and necessary expenses incurred by the **Company**, with the prior written consent of the **Insurer** that are attributable to a **Network and Data Extortion Threat**.

Extortion Expenses do not include:

1. any cost or expenses incurred to update, restore, replace, modify or otherwise improve **Digital Assets** or any **Computer System of the Company** to a level beyond that which existed just before the **Interruption in Service** or **Loss** event;
2. any costs or expenses to correct any deficiencies, identify or remediate **Software** errors or vulnerabilities, or costs to update, replace, modify, upgrade, restore, maintain or improve any security system or **Computer System of the Company**;
3. any expense incurred to research and develop **Digital Assets**, including trade secrets;

4. the economic or market value of **Digital Assets**, including trade secrets;
 5. **Loss** arising out of liability to any third party;
 6. any contractual penalties;
 7. **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Extortion Payments, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident; Regulatory Proceeding;** or
 8. any other consequential loss or damage.
- W. Extortion Payments** means monies paid to a third party whom the **Company** reasonably believes to be responsible for a **Network and Data Extortion Threat**; provided that:
1. the **Insurer's** prior written consent is obtained prior to making such **Extortion Payments**; and
 2. such **Extortion Payments** are made to terminate the **Network and Data Extortion Threat**.
- X. Extra Expenses** means the reasonable and necessary expenses incurred by the **Company** during the **Period of Restoration** to minimize, avoid or reduce an **Interruption in Services**, provided that such expenses are over and above the **Company's** normal operating and payroll expenses and do not exceed the amount of **Loss** that otherwise would have been payable as **Business Interruption Income Loss** or **Dependent Business Interruption Income Loss**.
- Extra Expenses** does not include:
1. any cost or expenses incurred to update, restore, replace, modify or otherwise improve **Digital Assets** or any **Computer System of the Company** to a level beyond that which existed just before the **Interruption in Service** or **Loss** event;
 2. any costs or expenses to correct any deficiencies, identify or remediate **Software** errors or vulnerabilities, or costs to update, replace, modify, upgrade, restore, maintain or improve any security system or **Computer System of the Company**;
 3. any expense incurred to research and develop **Digital Assets**, including trade secrets;
 4. the economic or market value of **Digital Assets**, including trade secrets;
 5. **Loss** arising out of liability to any third party;
 6. any contractual penalties;
 7. **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Extortion Expenses, Extortion Payments, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident; Regulatory Proceeding;** or
 8. any other consequential loss or damage.
- Y. Individual Director or Officer** means any past, present or future partner, director, officer, member or board member of the **Company**, but only for acts within their capacity and the scope of their duties as such and on behalf and for the benefit of the **Company** or, with respect to a **Subsidiary** incorporated outside the United States, the functional equivalent of a director or officer acting in such capacity.
- Z. Individual Insured** means any past, present or future employee of the **Company**, but only for acts within his or her capacity and the scope of his or her duties as such and on behalf and for the benefit of the **Company** or, with respect to a **Subsidiary** incorporated outside the United States, the functional equivalent of an employee acting in such capacity; and an independent contractor of the **Company** who are natural persons, but only with respect to a **Wrongful Act** committed within his or her capacity and the scope of his or her duties as such and on behalf and for the benefit of the **Company** pursuant to a written contract and for a fee.

- AA. Insured(s)** refers individually and collectively to:
1. the **Company**;
 2. **Individual Director(s) or Officer(s)**; and
 3. **Individual Insured(s)**.
- BB. Insurer** means the underwriting company providing the insurance as shown in the Declarations.
- CC. Interrelated Claims** means **Claims** based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in consequence of, or in any way involving the same or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events or the same or related series of acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events, whether related logically, causally, or in any other way.
- DD. Interrelated Losses** means **Damages** and **Claim Expenses** based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in consequence of, or in any way involving the same or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events or the same or related series of acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events, whether related logically, causally, or in any other way.
- EE. Interrelated Network Security Incidents** means any **Network Security Incident** based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in consequence of, or in any way involving the same or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events or the same or related series of acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events, whether related logically, causally, or in any other way.
- FF. Interrelated Wrongful Act** means any **Wrongful Act** based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in consequence of, or in any way involving the same or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events or the same or related series of acts, errors, omissions, facts, circumstances, situations, transactions, decisions, or events, whether related logically, causally, or in any other way.
- GG. Interruption in Services** means the actual and measurable interruption, suspension, failure, degradation or delay in the performance of the **Computer System of the Company**, if caused by a **Network Security Incident**.
- HH. Loss** means **Damages** and **Claim Expenses**.
- II. Malicious Code** means the unauthorized corrupting of **Software**, including but not limited to computer viruses, Trojan horses, keystroke loggers, cookies, spyware, adware, worms, and logic bombs.
- JJ. Named Insured** means the entity specified in Item 1. of the Declarations.
- KK. Network and Data Extortion Threat** means a credible threat or connected series of credible threats made by a natural person to an **Insured** where such natural person:
1. introduces or threatens to introduce **Malicious Code** into the **Computer System of the Company**;
 2. interrupts or threatens to interrupt the **Computer System of the Company** through a **Denial of Service Attack**;
 3. disseminates, divulges, or improperly utilizes or threatens to disseminate, divulge or improperly utilize any **Non-Public Personal Information** or **Confidential Corporate Information** in any format; or
 4. engages in **Cyberterrorism**.
- LL. Network Security** means the use of hardware, **Software**, firmware and written security policies and procedures by the **Company**, or others acting on behalf of the **Company**, to protect against **Unauthorized Access** to or the **Unauthorized Use** of the **Computer System of the Company**, including the use of the **Computer System of the Company** in a **Denial of Service Attack**.

MM. Network Security Incident means any **Unauthorized Access** to, **Unauthorized Use** of, introduction of **Malicious Code** into, or **Denial of Service Attack** upon, or **Cyberterrorism** to, the **Computer System of the Company**, that directly results in: an **Interruption in Services**; or the corruption or deletion of **Digital Assets**.

NN. Network Security Wrongful Act means any actual or alleged act, error, omission, neglect, or breach of duty by an **Insured** or a **Service Provider** which results in a breach of the **Company's Network Security** that results in:

1. the theft, corruption or deletion of **Electronic Data** from the **Computer System of the Company**;
2. the **Unauthorized Access** to or **Unauthorized Use** of the **Computer System of the Company**;
3. the denial of an authorized user's access to the **Computer System of the Company**, unless such denial of access is caused by a mechanical or electrical failure outside the control of the **Insured**;
4. the participation by the **Computer System of the Company** in a **Denial of Service Attack** directed against a third party's **Computer System**;
5. the transmission of **Malicious Code** from the **Computer System of the Company** to a third party's **Computer System**;
6. **Personal Injury**; or
7. **Cyberterrorism**.

OO. Non-Public Personal Information means individual information, in any format, not available to the general public from which an individual may be identified, including without limitation, an individual's name, telephone number, social security number, protected healthcare information, student information, driver's license number, passport number, account number, credit and debit card number, user name or password, or any other personal information, including those defined in **Privacy Regulations**.

Non-Public Personal Information does not include information that is lawfully available to the general public, including but not limited to information from any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity or tribunal.

PP. Period of Restoration means the period from the date and time that the **Computer System of the Company** first suffered an **Interruption in Services** to the date and time such **Computer System** was restored, or could have been restored with reasonable speed, to substantially the level of operation that had existed prior to such **Interruption in Services**; provided, however, that in no event shall such period exceed thirty (30) days.

QQ. Personal Injury means injury arising out of one or more of the following actual or alleged offenses:

1. false arrest, detention or imprisonment;
2. malicious prosecution;
3. libel, slander, or other defamatory or disparaging material;
4. publication or an utterance in violation of an individual's right to privacy; or
5. wrongful entry or eviction, or other invasion of the right to private occupancy.

RR. Policy Period means the period of time shown in Item 2. of the Declarations, or a shorter period resulting from the cancellation of the Policy.

SS. Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, silica, noise, fungus (including mold, mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi, but not any fungi intended by the **Insured** for consumption) and electric or magnetic or electromagnetic field. Such matters shall include, without limitation, solids,

liquids, gaseous, thermal, biological, nuclear or radiological irritants, contaminants or smoke, soot, fumes, acids, alkalis, chemicals or waste materials.

TT. Privacy Breach Expenses means the reasonable and necessary fees, costs, charges and expenses incurred by the **Company** in the event of a **Privacy Incident** for the purposes of retaining an accountant, attorney, public relations consultant or other third party with the prior written consent of the **Insurer**, such consent not to be unreasonably withheld, as follows:

1. Attorneys / Privacy Breach Coach

To access a privacy breach coach through Ironshore's e-Risk Hub to create a privacy breach response and remediation plan to:

- (a) determine if the **Insured** is obligated to notify affected individuals or applicable government agencies of such **Privacy Incident**;
- (b) examine the **Insured's** indemnification rights and obligations under any written contract with respect to a **Wrongful Act** by the **Service Provider** in connection with such **Privacy Incident**; and
- (c) review compliance with any **Privacy Regulation** under the applicable **Privacy Regulation** most favorable to the individuals affected by such **Privacy Incident**;

2. Forensics

To conduct a computer forensic analysis to investigate the **Computer System of the Company** to determine the cause and extent of such **Privacy Incident**;

3. Public Relations

To plan, implement, execute and manage a public relations campaign to counter or minimize any actual or anticipated adverse effects of negative publicity from such **Privacy Incident** or to protect or restore the **Insured's** business reputation in response to negative publicity following such **Privacy Incident**;

4. Notification Expenses:

To notify the **Insured's** affected employees, clients, customers and applicable government agencies, on a voluntary or mandatory basis, of such **Privacy Incident**;

5. Identity Monitoring, Credit Monitoring and Identity Restoration Services

To procure identity monitoring, credit monitoring, call center, identity restoration services and establish new account numbers for the **Insured's** affected employees, clients and customers affected by such **Privacy Incident**;

6. Credit Freeze and Thaw

To procure credit freezes and/or credit thaws sealing and/or unsealing credit reports for the **Insured's** affected employees, clients and customers affected by such **Privacy Incident**; and

7. PCI Fines and Penalties

To reimburse the **Company** for monetary assessments, contractual fines and penalties levied by a card association against the **Company** where insurable by law, as the result of such **Privacy Incident**. Such monetary assessments, contractual fines and penalties levied by a card association against the **Company** shall be limited to the aggregate amount of \$10,000.

Privacy Breach Expenses do not include:

1. remuneration, salaries, wages, fees, expenses, overhead or benefit expenses of any **Insured**;
2. any cost or expenses incurred to update, restore, replace, modify or otherwise improve **Digital Assets** or any **Computer System of the Company** to a level beyond that which existed just before the **Interruption in Service** or **Loss** event;

3. any costs or expenses to correct any deficiencies, identify or remediate **Software** errors or vulnerabilities, or costs to update, replace, modify, upgrade, restore, maintain or improve any security system or **Computer System of the Company**;
 4. any expense incurred to research and develop **Digital Assets**, including trade secrets;
 5. the economic or market value of **Digital Assets**, including trade secrets;
 6. **Loss** arising out of liability to any third party;
 7. any contractual penalties except for those monetary assessments, contractual fines and penalties levied by a card association as covered and sub-limited in Section II.TT.7. PCI Fines and Penalties;
 8. **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Extortion Expenses, Extortion Payments, Network and Data Extortion Threat, Network Security Incident, Privacy Incident; Regulatory Proceeding**; or
 9. any other consequential loss or damage.
- UU. Privacy Incident** means the **Insured's** unintentional and unauthorized disclosure or loss of **Non-Public Personal Information** or **Confidential Corporate Information** in the care, custody or control of any **Insured** or **Service Provider**; or a violation of any **Privacy Regulation** or failure to comply with the **Company's** own privacy policies; or **Personal Injury** resulting from any of the foregoing.
- VV. Privacy Regulation** means any of the following statutes, including any amendments thereto or regulations thereunder, associated with the control and use of personally identifiable financial, medical or other sensitive information:
1. Health Information Technology for Economic and Clinical Health Act (HITECH) (American Recovery and Reinvestment Act of 2009);
 2. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
 3. Gramm-Leach Bliley Act of 1999;
 4. California Security Breach Notification Act (CA SB 1386), CA AB 211 and CA SB 541;
 5. Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), but solely for alleged unfair or deceptive acts or practices in or affecting commerce;
 6. Massachusetts 201 CMR 17;
 7. the Identity Red Flags under the Fair and Accurate Credit Transactions Act of 2003; and
 8. any similar state, federal or foreign identity theft or privacy protection statute.
- WW. Privacy Wrongful Act** means any actual or alleged act, error, omission, neglect or breach of duty by an **Insured** or a **Service Provider** or **Cyberterrorism** that results in a **Privacy Incident**.
- XX. Professional Services** means those acts or services requiring specialized knowledge, skill or professional judgment which the **Insured** renders to others pursuant to a written agreement and for a fee or other consideration.
- YY. Property Damage** means physical injury or loss or destruction of tangible property, including all resulting loss of use of that property, or loss of use of tangible property that has not been physically injured; provided however, **Property Damage** does not mean the corruption or deletion of **Electronic Data**.
- ZZ. Regulatory Fines** means any civil money penalty imposed by a federal, state, local or foreign governmental entity in such entity's regulatory or official capacity pursuant to its order under a **Regulatory Proceeding**. **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, payment, restitution, return or disgorgement of fees, profits, royalties, commissions, charges or any funds allegedly wrongfully or unjustly held or obtained, or multiple damages.

AAA. Regulatory Proceeding means a formal investigation of or request for information from an **Insured** by an administrative or regulatory agency or similar governmental body concerning a **Privacy Incident**; or an administrative adjudicative proceeding against an **Insured** by an administrative or regulatory agency or similar governmental body for a **Privacy Wrongful Act** or **Network Security Wrongful Act**, including an appeal thereof, commenced by the **Insured's** receipt of a subpoena, formal investigative demand, complaint or similar document.

BBB. Retroactive Date means the date specified in Item 5. of the Declarations.

CCC. Service Provider means a business the **Company** does not own, operate or control, but that the **Company** hires for a fee pursuant to a written contract to perform services related to the **Company's** business, including but not limited to

1. maintaining, managing, or controlling **Computer Systems**;
2. hosting or facilitating the **Company's** internet website;
3. handling, managing, storing or destroying the **Company's Non-Public Personal Information** and **Confidential Corporate Information**; or
4. providing other information technology services to the **Company**,

but only with respect to services performed for the benefit of and at the written request of the **Insured**.

DDD. Software means operations, applications, codes, scripts and programs by which **Electronic Data** are electronically collected, transmitted, processed, stored or received. **Software** does not include **Electronic Data**.

EEE. Subsidiary(ies) means any entity listed on the **Application** in which the **Named Insured**, as of the effective date of the Policy, either directly or indirectly owns more than fifty percent (50%) of the issued and outstanding voting equity securities; or controls voting rights representing the present right to vote for election or to appoint more than fifty percent (50%) of the directors or trustees. If however, any entity becomes a **Subsidiary** after the effective date of this Policy, and if that entity's gross revenues exceed fifteen percent (15%) of **Insured's** annual gross revenues at the inception date of this Policy, then the entity shall only be deemed a **Subsidiary** under this Policy for a period of ninety (90) days from the date it became a **Subsidiary**.

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

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

HHH. Waiting Hours Retention means the dollar amount of **Business Interruption Income Loss, Dependent Business Interruption Income Loss** and **Extra Expenses** incurred by an **Insured** during the Waiting Period shown in Item 4.G. of the Declarations.

III. Wrongful Act means a **Network Security Wrongful Act, Privacy Wrongful Act** or **Electronic Publishing Wrongful Act**.

The foregoing definitions apply equally to the singular and plural forms of the respective words.

III. COVERAGE EXTENSIONS

A. ESTATES, HEIRS, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** of **Insureds** shall be considered **Insureds** under this Policy, but coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** only for a **Claim** arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where the **Claim** seeks **Damages** from marital community property, jointly held property or property transferred from the **Insured** to the spouse or **Domestic Partner**. No coverage is provided for any **Wrongful Act** of an estate, heirs, legal representatives, assigns, spouses or **Domestic Partner**. All of the terms and conditions of this Policy including, without limitation, the Retention shown in Item 4. of the Declarations applicable to **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Extortion Expenses, Extortion Payments, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident or Regulatory Proceeding** incurred by **Insureds**, shall also apply to **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Extortion Expenses, Extortion Payments, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident or Regulatory Proceeding** incurred by such estates, heirs, legal representatives, assigns, spouses and **Domestic Partners**.

IV. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** alleging, arising out of, based upon or attributable to:

- A.
 1. any dishonest, fraudulent, criminal, or malicious **Wrongful Act** committed by an **Insured**;
 2. any intentional or knowing violation of law committed by an **Insured**;
 3. any gaining of any profit, remuneration, or financial or non-financial advantage by an **Insured** to which the **Insured** was not legally entitled; or
 4. any **Unauthorized Use** or **Unauthorized Access** by or on behalf of or in the name or right of any **Insured** of any **Computer System of the Company**;

provided, however, the **Insurer** shall pay **Claim Expenses** and defend such **Claim** until there is a final adjudication, judgment, binding arbitration decision or conviction against such **Insured** or an adverse admission or plea of *nolo contendere* or no contest by such **Insured** which establishes such dishonest, fraudulent, criminal or malicious **Wrongful Act**, intentional or knowing violation of law, or gaining of profit, remuneration, or advantage or **Unauthorized Use** or **Unauthorized Access**. In this event, the **Insured** shall reimburse the **Insurer** for any **Claim Expenses** paid by the **Insurer** on behalf of such **Insured** resulting from such **Claim**. In applying this exclusion, no **Wrongful Act** of, or knowledge possessed by, an **Insured** shall be imputed to any other **Insured**. However, the **Wrongful Act** of, or knowledge possessed by the Chief Executive Officer, Chief Financial Officer, General Counsel or Risk Manager of the **Company**, or any **Insured** in a functionally equivalent position, shall be imputed to the **Company**.

- B. any actual or alleged **Bodily Injury**, mental anguish, emotional distress, pain and suffering, shock, or humiliation, sickness, disease, or death of any person or **Property Damage**; provided, however, this exclusion does not apply to mental anguish, emotional distress, pain and suffering, or shock resulting from the **Insured's Electronic Publishing** or from a **Privacy Incident**.
- C. any **Claim** or matter asserted or brought by or on behalf of, or at the behest or for the benefit of any **Insured**; provided, however, this exclusion shall not apply to any **Claim** brought by any **Insured** in his or her capacity as a customer or client of the **Company** for a **Privacy Incident** relating to the unauthorized disclosure of such **Insured** customer's or client's **Non-Public Personal Information** or **Confidential Corporate Information**; or as an **Insured** for a **Privacy Incident** relating to the unauthorized disclosure of such **Insured's Non-Public Personal Information** or **Confidential Corporate Information**. Notwithstanding the foregoing, there shall be no coverage for collusive litigation brought for the purpose of imposing upon the **Insured** the responsibility for paying any **Loss**.
- D.
 1. any actual or alleged liability assumed by or on behalf of or in the name or right of any **Insured** under any express, implied, actual, constructive, written, or oral contract, agreement, warranty, guarantee, assurance, covenant, representation, or promise; provided, however, that this exclusion shall not

apply (a) only with respect to the coverage provided pursuant to Insuring Agreement A and B, to any obligation of the **Insured** to maintain the confidentiality or security of **Non-Public Personal Information** or of **Confidential Corporate Information**, (b) only with respect to Insuring Agreement E, for misappropriation of ideas under implied contract; (c) PCI Fines and Penalties, or (d) to the extent such liability which would have attached in the absence of such contract or agreement;

2. any express, implied, actual, constructive, written, or oral contract, agreement, warranty, guarantee, assurance, covenant, representation, or promise: (a) for or involving any cost savings, performance, time of delivery, investment, or profit; or (b) that creates or requires compliance with any duty to exercise a degree or standard of care or skill higher than applicable industry standards;
 3. any fee, expense, cost guarantee, cost representation, price guarantee, price representation, contract price, estimate of probable cost, or cost estimate actually or allegedly being exceeded or any actual or alleged inaccurate, inadequate, or incomplete description with respect to any good, product, or service, including but not limited to the price of any good, product or service;
 4. any actual or alleged obligation to make or pay any fee, profit, royalty, commission, charge, cost, or expense incurred to obtain a license or right to use or promote the use of any good, product, service, property, data, or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Electronic Publishing**;
 5. any updating, upgrading, enhancing, researching, or developing of any good, product, service, property, data or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Electronic Publishing**;
 6. any reprinting, recalling, removing, disposing, withdrawing, repairing, restoring, replacing, reproducing, correcting, completing, adjusting or inspecting of any good, product, service, property, data or information of any type, nature, or kind, including but not limited to any **Electronic Data** or **Electronic Publishing**, except with respect to the coverage provided under Insuring Agreements I.E. and I.F. and;
 7. the rendering of or failure to render **Professional Services**, however, this exclusion shall not apply to that portion of any such **Claim** that alleges a **Network Security Wrongful Act** or a **Privacy Wrongful Act**.
- E.** any **Claim** or matter asserted or brought by or on behalf of or in the name or right of any local, state, federal, or foreign administrative, governmental, or regulatory agency, body, entity, or tribunal; however, this exclusion shall not apply to a covered **Regulatory Proceeding**.
- F.** any **Claim** or matter asserted or brought by or on behalf of or in the name or right of any trade or licensing agency, body, entity, society, or tribunal, including but not limited to the American Society of Composers, Authors and Publishers, the Society of European State Authors and Composers, the Recording Industry Association of America, or Broadcast Music, Inc.
- G.** any actual or alleged violation of any responsibility, duty, or obligation imposed under:
1. the Employee Retirement Income Security Act of 1974 or any similar local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law including, but not limited to, any amendment thereto or any regulation promulgated thereunder; provided, however, this exclusion shall not apply to any **Claim** by an employee of a company for a **Privacy Incident** relating to the unauthorized disclosure of such employee's **Non-Public Personal Information**;
 2. the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisors Act of 1940, any Blue Sky or other securities law, or any similar local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law, including, but not limited to, any amendment thereto or any regulation promulgated thereunder;
 3. the Interstate Commerce Act of 1887, the Sherman Antitrust Act of 1906, the Clayton Act of 1914, the Robinson-Patman Act of 1936, the Cellar-Kefauver Act of 1950, the Federal Trade Commission Act of 1914, the Racketeer Influenced and Corrupt Organizations Act of 1970, any law involving or prohibiting any antitrust activity, price fixing (including, but not limited to, horizontal or other price

fixing of wages, hours, salaries, compensation, benefits, or other terms or conditions of employment), price discrimination, predatory pricing, monopoly or monopolization, restraint of trade, unfair competition, conspiracy, collusion, or unfair, false, deceptive or misleading trade or business practices or advertising, or any similar local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law, including but not limited to any amendment thereto or any regulation promulgated thereunder; however, this exclusion does not apply to any **Regulatory Proceeding** or **Regulatory Fine** for the **Insured's** unauthorized disclosure or loss of **Non-Public Personal Information** or **Confidential Corporate Information** in the care, custody or control of any **Insured** or **Service Provider**; or

4. Sections 605 and 616 of the Fair Credit Reporting Act, 15 U.S.C. Section 1681 et seq., or any other similar federal or state provisions.
- H. any wrongful refusal to hire, wrongful dismissal, discharge or termination of employment, violation of employment-related practices or policies, wrongful demotion, evaluation, reassignment or discipline, retaliation, discrimination, malicious prosecution or employment-related defamation, harassment, humiliation, invasion of privacy, defamation or infliction of emotional distress; provided, however, this exclusion shall not apply to any **Claim** by an **Individual Insured** or an **Individual Director or Officer** for a **Privacy Incident** relating to the unauthorized disclosure of such employee's **Non-Public Personal Information**.
- I. any unsolicited electronic dissemination of faxes, emails, or other communications by the **Insured** or any other third party, including actual or alleged violations of:
1. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
 2. the CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
 3. any other federal, state or foreign anti-spam statute or any other similar federal, state or foreign statute, law, ordinance or regulation.

Provided, however, this exclusion shall not apply to the extent any **Claim** alleges a **Network Security Wrongful Act** or the **Insured** suffers **Business Interruption Income Loss** attributable to a **Denial of Service Attack**.

- J. any actual or alleged theft, infringement, dilution, violation, misuse, misappropriation, gaining or taking of or any inducement to infringe any patent, trade secret, copyright, service mark, service name, title, slogan, trade name, trademark, trade dress, confidential or proprietary information, process, idea, style of doing business or other intellectual property of any third party; provided, however, this exclusion shall not apply to the extent any **Claim** alleges an inadvertent disclosure of a trade secret that constitutes a **Privacy Incident** or any **Claim** that alleges copyright, service mark, service name, title, slogan, trade name, trademark or trade dress infringement or misappropriation resulting from an **Electronic Publishing Wrongful Act**.
- K. any actual or alleged theft, infringement, dilution, violation, misuse, misappropriation, gaining or taking or any inducement to infringe any patent, trade secret, copyright, service mark, service name, title, slogan, trade name, trademark, trade dress, confidential or proprietary information, process, idea, style of doing business or other intellectual property of **Software** or software technology, or upon data, sound, images or similar matter incorporated into or otherwise part of the **Insured's** products; provided, however, this exclusion shall not apply to any **Claim** that alleges copyright, service mark, service name, title, slogan, trade name, trademark or trade dress infringement or misappropriation resulting from an **Electronic Publishing Wrongful Act**.
- L. any actual or alleged gambling, contest, lottery, sweepstake, coupon, promotional game, or other game of chance, including but not limited to any redemption in connection therewith.
- M. any mechanical or electrical failure, interruption or outage, however caused, including any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or

outage to gas, water, telephone, wireless communications, data transmission lines, cable, satellite, telecommunications, the internet or any component thereof including hardware, **Software** or any other infrastructure, services, equipment or facilities; provided, however, this exclusion shall not apply to any failure, interruption, or outage of telephone, cable or telecommunications under the **Insured's** direct control which is the result of an **Insured's Wrongful Act** or a **Denial of Service Attack** directed against the **Computer System of the Company**.

N. any fact, circumstance, situation, transaction, event, act, error or omission or **Wrongful Act** which has been the subject of any notice given under any insurance policy or any policy of which this Policy is a direct or indirect renewal or replacement, or any policy expiring prior to the inception date of the Policy involving, whether in whole or in part:

1. any fact, circumstance, situation, transaction, event, act, error or omission or **Wrongful Act** occurring prior to (a) the inception date of the Policy, (b) the inception date of the first policy in an uninterrupted series of privacy and security liability insurance policies continuously issued by the **Insurer** to the **Company** of which this Policy is a renewal, whichever inception date is earlier, or (c) the Retroactive Date shown in Item 5. of the Declarations, if on or before such earlier inception date or Retroactive Date the **Insured** knew or could have reasonably foreseen that such fact, circumstance, situation, transaction, event, act, error or omission or **Wrongful Act** would give rise to a **Business Interruption Income Loss, Dependent Business Interruption Income Loss, Digital Asset Expenses, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident, Regulatory Proceeding;**
2. any fact, circumstance, situation, transaction, event, act, error or omission or **Wrongful Act** which was first made in whole or in part prior to the **Retroactive Date; or.**
3. any written demand, litigation, suit, alternative dispute resolution, regulatory investigation, arbitration or mediation or proceeding pending, or order, decree or judgment entered, against any **Insured on** or prior to the effective date of this Policy or the effective date of any policy issued by the **Insurer of** which this Policy is a continuous renewal, replacement, or is alleging or derived from the same or substantially the same **Wrongful Act, Interrelated Wrongful Acts,** any fact, circumstance, situation, transaction, event, act, error or omission or **Wrongful Act** underlying or alleged therein.

Solely with respect to this exclusion, only facts and knowledge possessed by the person(s) who signed the **Application** or any Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Security Officer, Chief Privacy Officer, President, General Counsel, Risk Manager, principal, partner, director or officer of an **Insured** shall be imputed to other **Insureds**.

- O.** the actual, alleged or threatened indoor or outdoor discharge, release, escape, seepage, migration or disposal of **Pollutants** to or on real or personal property, water or the atmosphere; or any direction or request that any **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so.
- P.** any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism.
- Q.** war including undeclared or civil war, warlike action by a military force including action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents, or insurrection, rebellion, revolution, riot, usurped power, or action taken by governmental authority in hindering or defending against any of these; however, this exclusion shall not apply to actual, alleged or threatened **Cyberterrorism**.
- R.** seizure, confiscation, expropriation, nationalization, or destruction of a **Computer System** or **Electronic Data** by order of any governmental authority.
- S.** fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused.

T. gradual deterioration, wear or tear, malfunction, mechanical failure, or defect of any **Computer System of the Company**, including but not limited to any hardware, network terminal device, data storage devices, input and output device, back up facility, application, program, **Software**, script, or data of any type, nature, or kind, including, but not limited to, any **Electronic Data** or **Digital Assets**; provided, however, this exclusion shall not apply to any failure, interruption, or outage of telephone, cable or telecommunications under the **Insured's** direct control which is the result of an **Insured's Wrongful Act** or a **Denial of Service Attack** directed against the **Computer System of the Company**.

U. unlawful or unauthorized gathering, collecting, acquiring, using, obtaining or taking of any **Non-Public Personal Information** or **Confidential Corporate Information**, including the collection of **Non-Public Personal Information** or **Confidential Corporate Information** using cookies or **Malicious Code**; or failure to comply with any local, state, federal or foreign act, statute, rule, regulation, requirement, ordinance, common law, or other law requiring that individuals be provided with the ability to assent, consent to, or opt-in or withhold or withdraw assent to, consent to, or opt-out from the gathering, collecting, acquiring, using, obtaining, or taking of any information of any type, nature, or kind, including but not limited to **Non-Public Personal Information** or **Confidential Corporate Information**; provided, however, this exclusion shall not apply to the **Company** if the collection of **Non-Public Personal Information** or **Confidential Corporate Information** is by an **Individual Insured** acting without the knowledge or approval of the Chief Executive Officer, Chief Financial Officer, General Counsel or Risk Manager of the **Company**, or any **Insured** in a functionally equivalent position.

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** for:

V. (1) the theft of money or securities from an **Insured**; or (2) the transfer or loss of money or securities from or to an **Insured's** accounts or accounts under an **Insured's** control, including customer accounts. For purposes of this exclusion, the term accounts shall include but are not limited to, deposit, credit, debit, prepaid and securities brokerage accounts.

V. DEFENSE AND SETTLEMENT OF CLAIMS

A. With respect to any covered **Claim** to which this insurance applies, other than a **Regulatory Proceeding**, the **Insurer** has the right and duty to defend such **Claim**, even if the allegations are groundless, false or fraudulent. The **Insured** may not incur any **Claim Expenses** or settle any such **Claim**, or otherwise admit or assume any liability or obligation, without the **Insurer's** prior written consent. The **Insurer** will not be liable for any **Claim Expenses**, settlement, liability or obligation to which it has not consented in writing. The duty of the **Insurer** ends when the Policy's applicable Limit of Liability has been exhausted or the Policy's remaining applicable Limit of Liability has been deposited with a court of competent jurisdiction. The **Insurer** has no duty to defend any **Claim** for which coverage is excluded or not otherwise afforded by the Policy and is not obligated to pay any **Claim Expenses** incurred by the **Insured** in the defense of any **Claim** excluded or not otherwise covered by the Policy.

The **Insurer** may investigate any such **Claim** as it deems appropriate and make any settlement or compromise of such **Claim** as it deems expedient with the **Insured's** prior written consent, but the **Insurer's** right and duty to defend ends when the applicable Limit of Liability is exhausted by payment of **Loss**. If the **Insurer** recommends a settlement in any such **Claim** acceptable to the claimant and the **Insured** refuses to consent to such settlement then, subject to the applicable Limit of Liability, the **Insurer's** liability for such **Claim** will not exceed:

1. the amount for which such **Claim** could have been settled by the **Insurer** plus **Claim Expenses** up to the date the **Insured** refused to consent to settle such **Claim**; plus
2. fifty percent (50%) of any **Claim Expenses** in excess of 1. above incurred in such **Claim**. The remaining fifty percent (50%) of any such **Claim Expenses** will be borne by the **Insured** at its own expense.

B. The **Insurer** shall have the right, but not the duty to defend or associate in the defense of, and may investigate, as it deems appropriate, any covered **Regulatory Proceeding** to which this insurance applies. The **Insured** may not incur any **Claim Expenses** in any **Regulatory Proceeding** without the **Insurer's** prior

written consent, such consent not to be unreasonably withheld. The **Insurer** is not obligated to pay any **Claim Expenses** incurred by the **Insured** in the defense of any **Claim** excluded or not otherwise covered by the Policy or after the Policy's applicable Limit of Liability has been exhausted or the Policy's remaining applicable Limit of Liability has been deposited with a court of competent jurisdiction.

VI. WHERE AND WHEN POLICY APPLIES

A. TERRITORY

The Policy applies to **Wrongful Acts** occurring, **Claims** made and reported, **Business Interruption Income Loss, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Digital Asset Expenses, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident, Regulatory Proceeding** and any other loss, cost, expense or damage claimed under any other insurance coverage, anywhere in the world, to the extent permitted by applicable law. If **Business Interruption Income Loss, Claim, Claim Expenses, Damages, Dependent Business Interruption Income Loss, Digital Asset Expenses, Extortion Payments, Extortion Expenses, Extra Expenses, Network and Data Extortion Threat, Network Security Incident, Privacy Breach Expenses, Privacy Incident** or **Regulatory Proceeding** are paid in a currency other than United States of America dollars, then the payment under this Policy will be considered to have been made in United States of America dollars at the conversion rate that was used for the payment.

B. WHEN

1. Claims First Made and Reported

The Policy applies to **Claims** first made and reported during the **Policy Period**. The **Insurer** will consider a **Claim** to be first made against an **Insured** when a written **Claim** is first received by an **Insured** during the **Policy Period**. All terms and conditions in effect on the date the **Claim** is made will apply to the **Claim**. The **Insurer** will consider a **Claim** to be reported to it upon receipt of notice in conformance with Section VIII. B. of this Policy.

2. Wrongful Acts

Subject to all terms, conditions and other provisions of the Policy, the Policy applies to **Claims** arising from **Wrongful Acts** that first occur after the **Retroactive Date** and before the expiration date of the Policy.

With respect to all **Wrongful Acts** for which coverage is sought under the Policy, the **Insured** must provide the **Insurer** with written notice during the **Policy Period** of the **Wrongful Act**. The notice must include (a) the identity of the Claimant, and (b) reasonably obtainable information concerning the time, place and other details of the **Wrongful Act** and **Claim** or Potential **Claim**.

C. EXTENDED REPORTING PERIOD

1. Automatic Extended Reporting Period

If the **Insurer** or the **Named Insured** cancels or does not renew this Policy, other than for non-payment of premium, the **Insurer** will provide an automatic extension of coverage for a period of sixty (60) days immediately after the termination of the **Policy Period** with respect to any **Claim** first made against any **Insured** and reported to the **Insurer** in writing within such sixty (60) day period ("Automatic Extended Reporting Period"), but only with respect to any **Wrongful Act** committed on or after the applicable **Retroactive Date** and before the earlier of a Change in Operations as defined in Section VIII.I., if applicable, or the termination of the **Policy Period**. No additional premium shall be payable for such Automatic Extended Reporting Period.

2. Optional Extended Reporting Period

If the **Insurer** or the **Named Insured** cancels or does not renew this Policy, other than for non-payment of premium, the **Company** shall have the right, upon payment of the percentage shown in Item 6. of the Declarations of the annual premium, to an extension of the coverage granted by this Policy for the period shown in Item 6. of the Declarations immediately following the termination of the **Policy Period** with respect to any **Claim** first made against any **Insured** and reported to the **Insurer** in writing within such period ("Optional Extended Reporting Period"), but only with respect to any **Wrongful Act** committed on or after the applicable **Retroactive Date** and before the earlier of a Takeover as defined in Section VIII.I.3.d., if applicable, or the termination of the **Policy Period**. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is given to the **Insurer** within sixty (60) days following the effective date of cancellation or non-renewal. In the event of the purchase of the Optional Extended Reporting Period, the entire premium for the Optional Extended Reporting Period shall be deemed earned at its commencement.

3. The Automatic Extended Reporting Period and the Optional Extended Reporting Period, if purchased, shall be collectively referred to in this Policy as the **Extended Reporting Period**. Any **Claim** first made during the **Extended Reporting Period**, if applicable, as a result of a **Wrongful Act** committed on or after the applicable **Retroactive Date** and before the earlier of a Takeover as defined in Section VIII.I.3.d., if applicable, or the termination of the **Policy Period** shall be considered having been made during the **Policy Period**. The **Extended Reporting Period** does not reinstate or increase the Limits of Liability, nor extend the **Policy Period**. If the Optional Extended Reporting Period is purchased, the Automatic Extended Reporting Period shall be included within and not in addition to the Optional Extended Reporting Period. A change in Policy terms, conditions, exclusions and other provisions or premium shall not be considered a nonrenewal for purposes of triggering the rights to the **Extended Reporting Period**.

D. INTERRELATED CLAIMS, INTERRELATED LOSSES, INTERRELATED NETWORK SECURITY INCIDENTS AND LOSSES SUSTAINED

1. Multiple **Claims**

All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** will be considered to have been made on the earlier of the following times:

- (a) the date the first of those **Claims** is made against an **Insured**; or
- (b) the date the **Insurer** first receives written notice from an **Insured** of the **Wrongful Act** or a circumstance(s) or incident(s) that reasonably could be expected to lead to a **Claim**. The provisions of the Policy in effect on that date will apply.

2. All **Interrelated Claims**, whenever made, shall be deemed to be a single **Claim**, regardless of:

- (a) the number of **Interrelated Claims**;
- (b) the number or identity of claimants;
- (c) the number or identity of **Insureds** involved or against whom **Interrelated Claims** have been or could have been made;
- (d) whether the **Interrelated Claims** are asserted in a class action or otherwise; or
- (e) the number and timing of the **Interrelated Claims**, even if the **Interrelated Claims** comprising such single **Claim** were made in more than one **Policy Period**.

All **Interrelated Claims** will be treated as a single **Claim** made when the earliest of such **Interrelated Claims** was first made, or when the earliest of such **Interrelated Claims** is treated as having been made in accordance with Section VIII. B of the Policy, whichever is earlier.

3. All **Interrelated Losses**, whenever made, shall be deemed to be a single **Loss**, regardless of:
 - (a) the number of **Interrelated Losses**;
 - (b) the number or identity of **Insureds** involved;
 - (c) whether the **Interrelated Losses** are asserted in a class action or otherwise; or
 - (d) the number and timing of the **Interrelated Losses**, even if the **Interrelated Losses** comprising such single **Loss** were made in more than one **Policy Period**.

All **Interrelated Losses** will be treated as a single **Loss** occurring when the earliest of such **Interrelated Losses** first occurred.

4. **Interrelated Network Security Incidents**

Interrelated Network Security Incidents shall be deemed one **Network Security Incident** and shall be deemed to occur at the time the earliest **Network Security Incident** of the **Interrelated Network Security Incidents** first occurs.

VII. LIMITS AND RETENTIONS/WAITING PERIOD

A. LIMIT OF LIABILITY

1. **Policy Aggregate Limit of Liability**

The maximum aggregate limit of liability of the **Insurer** for all payments under all Coverages purchased under this Policy is the amount shown in Item 3. of the Declarations as the Policy Aggregate Limit of Liability (All Coverages Purchased).

2. **Network Security Liability Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Loss** from each **Claim** and all **Claims** in the aggregate under Section I.A. Network Security Liability Coverage is the amount shown in Item 4.A. of the Declarations as the Coverage A. Applicable Limit of Liability. This Network Security Liability Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

3. **Privacy Liability Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Loss** from each **Claim** and all **Claims** in the aggregate under Section I.B. Privacy Liability Coverage is the amount shown in Item 4.B. of the Declarations as the Coverage B. Applicable Limit of Liability. This Privacy Liability Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

4. **Privacy Breach Expenses Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Loss** from each **Claim** and all **Claims** in the aggregate under Section I.C. Privacy Breach Expenses Coverage is the amount shown in Item 4.C. of the Declarations as the Coverage C. Applicable Limit of Liability. This Privacy Breach Expenses Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

5. **Regulatory Fines and Proceeding Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Loss** from each **Regulatory Proceeding** and from all **Regulatory Proceedings** in the aggregate under Section I.D. Regulatory Fines and Proceeding Coverage is the amount shown in Item 4.D. of the Declarations as the Coverage D. Applicable Limit of Liability. This Regulatory Fines and Proceeding Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

6. **Internet Media Liability Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Loss** from each **Claim** and all **Claims** in the aggregate under Section I.E. Internet Media Liability Coverage is the amount shown in Item 4.E. of the Declarations as the Coverage E. Applicable Limit of Liability. This Internet Media Liability Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

7. **Digital Asset Expenses Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Digital Asset Expenses** in any one **Network Security Incident** is the amount shown in Item 4.F. of the Declarations as the Coverage F. Applicable Limit of Liability. This Digital Asset Expenses Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

8. **Business Interruption Income Loss, Dependent Business Interruption Income Loss and Extra Expenses Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Business Interruption Income Loss, Dependent Business Interruption Income Loss and Extra Expenses** in any one **Network Security Incident** is the amount shown in Item 4.G. of the Declarations as the Coverage G. Applicable Limit of Liability. This Business Interruption Income Loss, Dependent Business Interruption Income Loss and Extra Expenses Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

9. **Network and Data Extortion Threat Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all **Extortion Expenses and Extortion Payments** in any one **Network and Data Extortion Threat** is the amount shown in Item 4.H. of the Declarations as the Coverage H. Applicable Limit of Liability. This Network and Data Extortion Threat Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

10. **Reward Payments Coverage**

Subject to Section VII.A.1. above, the maximum limit of liability of the **Insurer** for all reward payments in any one **Network and Data Extortion Threat** is the amount shown in Item 4.H. of the Declarations as the Coverage H. Applicable Limit of Liability and is part of the **Network and Data Extortion Threat Coverage** Limit of Liability. This Rewards Payments Coverage Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit of Liability referenced at Section VII.A.1. above.

11. **Claim Expenses Within Limit of Liability**

With respect to **Claims** for which coverage is sought under the Policy, **Claim Expenses** are part of, and not in addition to, the Policy Aggregate Limit of Liability reference at Section VII.A.1. above, and payment of **Claim Expenses** by the **Insurer** will reduce and may exhaust the Policy Aggregate Limit of Liability.

B. RETENTIONS/WAITING PERIOD AND INTERRELATED NETWORK SECURITY INCIDENTS

1. The **Insurer** will pay only **Loss** in excess of the Applicable Retention for each **Claim**, up to the Applicable Limit of Liability. The **Insurer** will contribute to a **Consumer Redress Fund** from each **Regulatory Proceeding** and all **Regulatory Proceedings** in the aggregate in excess of the Applicable Retention for each **Regulatory Proceeding**, up to the Applicable Limit of Liability. The **Insurer** may, however, elect to pay all or any part of the Retention with respect to any matter covered hereunder and, upon notice of such payment by the **Insurer**, the **Insured** must promptly reimburse the **Insurer** for the Retention paid by the **Insurer**.
2. The **Insurer** will pay only **Privacy Breach Expenses** in excess of the Applicable Retention for each **Privacy Incident** up to the Applicable Limit of Liability.

3. The **Insurer** will pay only **Regulatory Fines** and **Regulatory Proceeding Claims Expenses** in excess of the Applicable Retention for each **Regulatory Proceeding** up to the Applicable Limit of Liability.
4. The **Insurer** will pay **Digital Asset Expenses** resulting from any one **Network Security Incident** in excess of the Applicable Retention up to the Applicable Limit of Liability.
5. The **Insurer** will pay **Business Interruption Income Loss, Dependent Business Interruption Income Loss** and **Extra Expenses** resulting from any one **Network Security Incident** in excess of the Applicable Retention up to the Applicable Limit of Liability. The Applicable Retention is the greater of (a) the dollar retention amount, or (b) the **Waiting Hours Retention** set forth in Item 4.G. of the Declarations. The **Business Interruption Income Loss** and **Dependent Business Interruption Income Loss** and **Extra Expenses** applicable to the Retention shall be computed as of the start of the **Interruption in Services**.
6. The **Insurer** will pay **Extortion Expenses** and **Extortion Payments** resulting from any one **Network and Data Extortion Threat** in excess of the Applicable Retention up to the Applicable Limit of Liability. The **Insurer** will pay reward payments resulting from any one **Network and Data Extortion Threat** up to the Applicable Limit of Liability for reward payments. No Retention applies to reward payments.
7. All **Claims** arising out of the same **Network Security Incident, Privacy Breach Incident, Regulatory Fine and Proceeding, Network Extortion Incident** or **Wrongful Act** and all **Interrelated Wrongful Acts** shall be subject to a single Retention.
8. In the event any one **Network Security Incident, Privacy Breach Incident, Regulatory Fine and Proceeding, Network Extortion Incident** or **Wrongful Act** and **Interrelated Wrongful Acts** triggers more than one Coverage Part under the Policy, the Applicable Retention shall be applied separately to each Coverage Part, but the sum of the Retentions shall not exceed the highest Applicable Retention.

VIII. CONDITIONS

A. NAMED INSURED AUTHORIZATION

The **Named Insured** is responsible for payment of all Premiums and Retentions. The **Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to providing and receiving notices of cancellation or nonrenewal, receiving any return Premium, or purchasing an **Extended Reporting Period**. In the event of a disagreement between any **Insureds**, the **Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to the negotiation of settlements and the decision to appeal or not appeal any judgment.

B. WHAT TO DO IF AN INSURED HAS A CLAIM

Subject to all terms, conditions and other provisions of the Policy, the **Insured** must, as soon as practicable but in no event later than the last day of any Extended Reporting Period, if applicable, or sixty (60) days after the expiration of this Policy:

1. notify the **Insurer** in writing of a **Claim**,
 - (a) the **Insured's** notice to the **Insurer** must identify the **Insured** and the Claimant, and provide reasonably obtainable information concerning the time, place and other details of the **Wrongful Act** and **Claim**;
 - (b) notwithstanding the forgoing, if the **Insured** reasonably believes the **Loss** for any **Claim** will not meet or exceed the Applicable Retention, then reporting is at the **Insured's** option, however unless the **Claim** is reported, there shall be no coverage;
2. if the **Insured** becomes aware of any circumstance or incident that could reasonably be the basis for a **Claim** ("Potential **Claim**"), the **Insured** may give written notice,

- (a) the **Insured's** notice to the **Insurer** must include the specific details of the **Wrongful Act** that could reasonably be the basis for a Potential **Claim**,
 - (b) any subsequent **Claim** arising out of such **Wrongful Act** shall be considered reported at the time the notice of a Potential **Claim** was received,
3. the written notice must be sent to:

Ironshore Insurance Services, LLC
Attention: President of Claims
28 Liberty Street, 5th floor
New York, New York 10005

With respect to each **Claim** or Potential **Claim**, the **Insured** must:

1. send the **Insurer** copies of all demands, notices, settlement offers, summonses or legal papers received in connection with the **Claim** or Potential **Claim**;
2. upon the request of the **Insurer**, authorize the **Insurer** to obtain records and other information;
3. cooperate with and assist the **Insurer** in its investigation, settlement and defense of the **Claim**;
4. cooperate with and assist the **Insurer** in enforcing any rights of contribution or indemnity against another party who may be liable to an **Insured**; and
5. take all reasonable steps to protect all affected or potentially affected **Computer Systems, Non-Public Personal Information**, and **Confidential Corporate Information** from further loss or damage.

C. WHAT TO DO IF AN INSURED HAS A PRIVACY INCIDENT, NETWORK SECURITY INCIDENT OR NETWORK AND DATA EXTORTION THREAT

Subject to all terms, conditions and other provisions of the Policy:

1. In the event of a **Privacy Incident**, the **Insured** must:
 - (a) provide the **Insurer** with written notice of such **Privacy Incident** as soon as practicable but in no event later than thirty (30) days after the **Insured's** discovery of such **Privacy Incident**;
 - (b) take all reasonable steps to protect all affected or potentially affected **Computer Systems, Non-Public Personal Information** and **Confidential Corporate Information** from further loss or damage;
 - (c) cooperate and assist the **Insurer** in its investigation of and other matters relating to the **Privacy Incident**, including with respect to the **Insured's** crisis management activities, and response;
 - (d) allow the **Insurer** to question the **Insureds** under oath at such times as may be reasonably required and fully inspect the **Insured's** books, records and any other matters relating to the **Insured's** claim for coverage;
 - (e) cooperate with and assist the **Insurer** in enforcing any rights, contribution or indemnity against another party who may be liable to an **Insured**; and
 - (f) furnish the **Insurer** with a written proof of the **Insured's** claimed **Loss**, duly sworn to, with full particulars within six (6) months after the occurrence of any such **Privacy Incident**.
2. In the event of a **Network Security Incident** or **Network and Data Extortion Threat**, the **Insured** must:
 - (a) provide the **Insurer** with written notice of such **Network Security Incident** or **Network and Data Extortion Threat** as soon as practicable but in no event later than thirty (30) days after the occurrence of such **Network Security Incident** or **Network and Data Extortion Threat**;
 - (b) take all reasonable steps and measures to limit or mitigate **Business Interruption Income Loss** and **Dependent Business Interruption Income Loss**;

- (c) cooperate and assist the **Insurer** in its investigation of and other matters relating to the **Network Security Incident** or **Network and Data Extortion Threat**, including with respect to the **Insured's** crisis management activities, and response;
- (d) allow the **Insurer** to question the **Insureds** under oath at such times as may be reasonably required and fully inspect the **Insured's** books, records and any other matters relating to the **Insured's Claim** for coverage;
- (e) cooperate with and assist the **Insurer** in enforcing any rights, contribution or indemnity against another party who may be liable to an **Insured**; and
- (f) furnish the **Insurer** with a written proof of the **Insured's** claimed **Loss**, duly sworn to, with full particulars within six (6) months after the occurrence of any such **Network Security Incident** or **Network and Data Extortion Threat**.

D. VALUATION

1. Business Interruption Income Loss and Dependent Business Interruption Income Loss

Business Interruption Income Loss and **Dependent Business Interruption Income Loss** will be calculated on an hourly basis based on the actual **Business Interruption Income Loss** and **Dependent Business Interruption Income Loss** the **Company** sustains during the time period in which the **Computer System of the Company** is affected by the **Interruption in Services**. In determining the amount of net profit or loss and expenses covered under Section I.G., the **Insurer** will give due consideration to the net profit or loss of the **Company** before the **Interruption in Services** occurred and the probable net profit or loss of the **Company** if no **Interruption in Services** had occurred. However, such net profit or loss calculations shall not include net income that would likely have been earned as a direct result of an increase in the volume of the **Company's** business due to favorable business conditions caused by the impact of any event similar to a **Network Security Incident** suffered by other businesses. The **Company** will provide the **Insurer** with access to all relevant sources of information, including, but not limited to:

- (a) the **Company's** financial records, tax returns, accounting procedures;
- (b) bills, invoices and other vouchers; and
- (c) deeds, liens and contracts.

2. Digital Asset Expense Coverage

- (a) If the **Company** cannot restore **Digital Assets** but can recollect such **Digital Assets**, then **Digital Assets Expenses** shall be limited to the actual cost the **Company** incurs to recollect such **Digital Assets**.
- (b) If the **Company** cannot restore or recollect **Digital Assets**, then **Digital Assets Expenses** shall be limited to the actual cost the **Company** incurs to reach this determination.

E. LEGAL ACTION AGAINST THE INSURER

- 1. No person or organization has a right under this Policy to join the **Insurer** as a party or otherwise bring the **Insurer** into a suit against an **Insured**.
- 2. No action may be brought against the **Insurer** unless the **Insured** has fully complied with all terms and conditions of this Policy.

F. BANKRUPTCY

The bankruptcy or insolvency of an **Insured** or of the estate of an **Insured** will not relieve the **Insurer** of its obligations under this Policy nor deprive the **Insurer** of its rights or defenses under this Policy.

G. SUBROGATION

By virtue of the **Insurer** having paid **Loss** or agreed to pay **Loss** under this insurance, the **Insurer** shall be subrogated to all of the **Insured's** rights and remedies in and in respect of the matters insured under the Policy, regardless of whether the **Insured** has received full indemnification for its insured or uninsured **Losses**.

1. If any **Loss** is paid under the Policy by the **Insurer**, the **Insurer** will be subrogated to all the **Insured's** rights of indemnity, contribution or recovery to the extent of that payment. The **Insured** will not surrender any such rights, or settle any such claim for indemnity, contribution or recovery, without the **Insurer's** prior written consent.
2. Upon making any payment under the Policy, regardless of whether the **Insured** has been fully indemnified for its insured or uninsured **Losses**, the **Insurer** shall be entitled to prosecute any claim in both its own name and/or in the name of the **Insured** and for its own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any claim.
3. The **Insurer** shall be subrogated to all the **Insured's** rights of recovery against any person or organization to the extent of the **Insurer's** payment for **Loss** under the Policy. After payment of **Loss** hereunder, any sums which are recovered from any source in connection with the subject matter of the insurance shall first be paid to the **Insurer** to the full extent of all payments made under the Policy and legal costs and expenses incurred with respect to the subrogated proceedings, with the remainder to be recoverable by the **Insured** for its Retention and uninsured loss, if any.
4. Whether or not the **Insurer** has paid **Loss** or agreed to pay **Loss** under the Policy, the **Insured** shall take reasonable steps to:
 - (a) assess as soon as possible whether there are any prospects of a recovery from third parties in respect of matters giving rise to a potential or actual **Loss** payment under the Policy;
 - (b) protect any claims against such third parties, if necessary by the commencement of proceedings and the taking of appropriate steps to obtain security for the **Loss** from third parties;
 - (c) keep the **Insurer** advised of the recovery prospects and any action taken against third parties; and
 - (d) cooperate with the **Insurer** in the taking of such steps as may be reasonably required to pursue any claims against third parties.

The **Insurer** shall pay the reasonable costs incurred by the **Insured** pursuant to this section in the same proportion as the insured **Losses** bear to the total of the insured and uninsured **Losses**.

H. DISPUTE RESOLUTION

In the event any dispute arises in connection with this Policy that cannot be resolved, the **Insurer** and the **Insured** shall participate in a non-binding mediation in which the **Insurer** and the **Insured** shall attempt in good faith to resolve such dispute. Either the **Insured** or the **Insurer** shall have the right to commence a judicial proceeding or, if the parties agree, a binding arbitration, to resolve such dispute.

However, no judicial proceeding or arbitration shall be commenced until termination of the mediation and until at least ninety (90) days has passed from the termination of the mediation. Each party will bear its own legal fees and expenses. The costs and expenses of mediation, or any arbitration, shall be split equally by the parties.

I. CHANGE IN OPERATIONS

The **Named Insured** agrees to notify the **Insurer** of any material changes to any operations and activities of the **Insured**. If these changes in operations or activities result in a substantial change to the exposure of an **Insured**, the **Insurer** has the right to modify the coverage provided or make adjustments to the Premium or rates charged for any coverage provided.

1. Acquisition or Formation of **Subsidiary**

- (a) If, during the **Policy Period**, the **Company** acquires or forms any **Subsidiary**, then the coverage of this Policy shall automatically apply to such organization and its **Insureds** from the date of such acquisition or formation, unless such organization has:
 - (i) revenues representing more than fifteen percent (15%) of the **Company's** revenues; or
 - (ii) sustained **Losses** or had **Claims** of a type covered by this Policy within the three (3) year period immediately preceding the acquisition of such organization which have resulted in total payments made on behalf of the organization exceeding \$1,000,000 or the local currency equivalent thereof.
- (b) If the **Company** acquires an organization as described in (a)(i) or (ii) above, coverage for such organization shall be conditioned upon:
 - (i) the **Company** notifying the **Insurer** in writing within ninety (90) days of the acquisition or formation of such organization;
 - (ii) the **Insurer** receiving a signed **Application** or such other information which the **Insurer** deems necessary;
 - (iii) the **Company's** agreement to any modification and/or premium adjustment to this Policy which the **Insurer** may require with respect to such organization;
 - (iv) the **Insurer's** agreement in writing to provide such coverage; and
 - (v) the **Company's** payment of any additional premium when due.
- (c) Coverage under this Policy for any **Subsidiary** formed or acquired during the **Policy Period** and its **Insureds** will apply only to **Wrongful Acts, Privacy Incidents** or **Regulatory Proceedings** occurring after the **Company's** acquisition or formation of such **Subsidiary**.

2. Cessation of **Subsidiaries**

If any organization ceases to be a **Subsidiary**, no coverage will be provided under this Policy with respect to any such organization and its **Insureds** for any **Wrongful Act** by any such organization or persons, any **Privacy Incident** or **Regulatory Proceeding** involving such organization or persons or any other amount claimed under any other Coverage incurred or sustained by any such organization or persons, after the date such organization ceased to be a **Subsidiary**.

3. Acquisition or Bankruptcy of **Named Insured**

If during the **Policy Period** any of the following events occur:

- (a) the acquisition by any person or entity or affiliated group of persons or entities of fifty percent (50%) or more of the **Named Insured's** issued and outstanding voting securities representing the present right to vote for the election of the **Named Insured's** directors;
- (b) the acquisition, divestiture or sale of more than fifty percent (50%) of the **Named Insured's** assets or liabilities (as reflected in the **Named Insured's** most recent consolidated financial statement) by or to any person or entity or affiliated group of persons or entities;
- (c) the appointment of a receiver, conservator, trustee, liquidator, rehabilitator or any similar official for or with respect to the **Named Insured**; or
- (d) the **Company's** merger with or consolidation into any other entity such that the **Named Insured** is not the surviving entity, (such events referred to herein as a "Takeover"),

then such coverage as existed under this Policy before such Takeover will continue in full force and effect for any **Wrongful Act, Privacy Incidents** or **Regulatory Proceedings** occurring before such Takeover, but coverage will cease with respect to any **Wrongful Act** occurring after such Takeover. The occurrence of a Takeover will not affect the **Insured's** right to purchase an **Extended Reporting Period** unless all premium due for the remainder of the **Policy Period** has not been fully paid within thirty (30) days of the effective date of such event, in which case the **Insured** will have no right to purchase the **Extended Reporting Period**.

J. TRANSFER OF RIGHTS AND DUTIES UNDER THIS POLICY

Any rights and duties of the **Insured** under this Policy may not be transferred without the prior written consent of the **Insurer**.

K. NO WAIVER OR CHANGE OF TERMS

Notice or knowledge possessed by any person will not affect a waiver or a change in any part of this Policy or stop the **Insurer** from asserting any rights under the terms of the Policy; nor will the terms of this Policy be waived or changed except by written endorsement issued by the **Insurer**.

L. CANCELLATION; NO OBLIGATION TO RENEW

1. The **Named Insured** may cancel this Policy by mailing or delivering to the **Insurer** advance written notice of cancellation. If the **Named Insured** cancels this Policy, the earned Premium will be calculated using the customary short rate table and procedure.
2. The **Insurer** may cancel this Policy by mailing or delivering to the **Named Insured** written notice of cancellation at least:
 - (a) ten (10) days before the effective date of cancellation for nonpayment of Premium; or
 - (b) thirty (30) days before the effective date of cancellation for any other reason or as otherwise specified by state law.
3. The **Insurer** will refund the unearned premium computed at customary short rates if this Policy is terminated by the **Named Insured**. Under any other circumstances, the refund will be computed pro rata.
4. The **Insurer** will mail or deliver its notice to the last known mailing address of the **Named Insured**. Notice of cancellation will state the effective date of the cancellation. This Policy will expire on that date. If this Policy is cancelled, the **Insurer** will send the **Named Insured** any Premium refund due. The payment or tender by the **Insurer** of unearned Premium is not a condition of cancellation. If notice is mailed, proof of mailing will be sufficient proof of notice.
5. The **Insurer** will not be obligated or required to renew this Policy. Any offer of renewal terms involving a change of Retention, Premium, Limit of Liability, or other terms and conditions will not constitute, nor be construed as, a refusal by the **Insurer** to renew this Policy. The **Insurer** may elect to non-renew this Policy by mailing to the **Named Insured** at least thirty (30) days advance written notice or notice as otherwise specified by state law.

M. OTHER INSURANCE

If an **Insured** is entitled to coverage under one or more valid and collectible bonds or other policies of insurance, then the coverage under this Policy will apply as primary insurance.

N. WARRANTIES AND COVENANTS

As a condition precedent to any duties or obligations of the **Insurer** under the Policy, the **Insured** warrants and agrees that:

1. the statements made in the **Application** and in its attachments and any materials submitted therewith are true and are the basis of the Policy and are to be considered as incorporated into and constituting a part of this Policy; and
2. the statements made in the **Application** and in its attachments and any materials submitted therewith are representations the **Named Insured** made on behalf of the **Insured**; that they shall be deemed material to the acceptance of the risk assumed by the **Insurer** under the Policy and that this Policy is issued in reliance upon the truth of such representations; and

3. in the event the **Application**, including its attachments and any materials submitted therewith, contains misstatements or omissions which materially affect the acceptance of the risk assumed by the **Insurer** under this Policy, this Policy shall be and of no effect whatsoever.

Solely with respect to the applicability of this section, only facts and knowledge possessed by the person(s) who signed the **Application** or any Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Security Officer, Chief Privacy Officer, President, General Counsel, Risk Manager, principal, partner, director or officer of the **Company** shall be imputed to other **Insureds**.

IN WITNESS WHEREOF, the **Insurer** has caused this Policy to be executed and attested, but this Policy will not be valid unless countersigned by a duly authorized representative of the **Insurer**, to the extent required by applicable law.