

Notice to Policyholders

Coverage under the Third Party Insuring Agreements of this **Policy** is provided on a claims made and reported basis. Subject to all other terms and conditions, the Third Party Insuring Agreements of this **Policy** apply only to **Claims** first made against the **Insured** during the **Policy Period**, where such **Claims** are reported in writing or by electronic notice to the **Company** during the **Policy Period** or during the Extended Reporting Period, if applicable. Coverage under the First Party Insuring Agreements of this **Policy** applies only to **Events** first discovered by a member of the **Control Group** during the **Policy Period**, where such **Events** are notified in writing or by electronic notice to the **Company** during the **Policy Period**, subject to all other terms and conditions.

Any obligation or payment owed by the **Company** will, in every case, be subject to the Limits of Liability as stated in the Declarations of this **Policy**. Unless expressly stated otherwise, any payment of **Defense Expenses** by the **Company** will reduce any applicable Insuring Agreement Limits of Liability and the Policy Aggregate Limit of Liability, subject to any applicable **Retention**. Any payment of **Defense Expenses** may exhaust any applicable Insuring Agreement Limit of Liability and the Policy Aggregate Limit of Liability.

Words appearing in **boldface** type are defined terms in this **Policy** and will have the meaning stated in Section IV. Definitions of this **Policy**. Please review the coverage afforded under this **Policy** carefully, and discuss it with your insurance agent or broker.

CORVUS SMART TECH E&O INSURANCE

In consideration of the premium paid, in reliance upon the **Application**, and subject to the Declarations and all terms and conditions of this Policy, the **Company** and the **Insureds** agree as follows:

I. THIRD PARTY INSURING AGREEMENTS

A Third Party Insuring Agreement only affords coverage if that Third Party Insuring Agreement is purchased, which is indicated by a corresponding Limit of Liability in Item 5 of the Declarations. If a Limit of Liability is not shown in Item 5 of the Declarations for a particular Third Party Insuring Agreement, then such coverage is not provided by this **Policy**.

A. Network Security and Privacy Liability

If purchased, the **Company** agrees to pay **Damages** and **Defense Expenses** on behalf of an **Insured** because of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable) for a **Security Breach** or **Privacy Breach** which first occurred on or after the **Retroactive Date**, and provided the **Claim** is reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

B. Regulatory Proceedings, Fines, and Penalties

If purchased, the **Company** agrees to pay **Regulatory Fines and Penalties** and **Defense Expenses** on behalf of an **Insured** because of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable), for a **Security Breach** or **Privacy Breach**, which first occurred on or after the **Retroactive Date**, and provided that the **Claim** is reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

C. Media Liability

If purchased, the **Company** agrees to pay **Damages** and **Defense Expenses** on behalf of an **Insured** because of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable), for an actual or alleged **Media Wrongful Act** first committed by the **Insured** on or after the **Retroactive Date**, and provided the **Claim** is reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

D. PCI DSS Assessment Expenses

If purchased, the **Company** agrees to pay **PCI DSS Assessment Expenses** and **Defense Expenses** on behalf of an **Insured** because of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable), for a **Security Breach** or **Privacy Breach** which first occurred on or after the **Retroactive Date**, and provided the **Claim** is reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

E. Technology and Professional Services Liability

If purchased, the **Company** agrees to pay **Damages** and **Defense Expenses** on behalf of an **Insured** because of a **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable), for a **Technology and Professional Services Wrongful Act** first committed by the

Insured on or after the **Retroactive Date**, and provided the **Claim** is reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

II. FIRST PARTY INSURING AGREEMENTS

A First Party Insuring Agreement only affords coverage if that First Party Insuring Agreement is purchased, which is indicated by a corresponding Limit of Liability in Item 5 of the Declarations. If a Limit of Liability is not shown in Item 5 of the Declarations for a particular First Party Insuring Agreement, then such coverage is not provided by this **Policy**.

A. Business Interruption

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Business Income Loss** and **Extra Expenses** sustained during the **Interruption Period**, and after expiration of the **Waiting Period**, directly as a result of:

1. a **Privacy Breach, Security Breach, or Extortion Event** that causes the total, partial, or intermittent interruption or degradation in service of a **Computer System** operated by an **Insured**;
2. the reasonable and necessary intentional shutdown of a **Computer System** operated by an **Insured** in order to mitigate or avoid the **Loss** that would otherwise be incurred as a direct result of a **Security Breach, Privacy Breach, or Extortion Event**; or
3. **System Failure**,

which is first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

B. Contingent Business Interruption

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Business Income Loss** and **Extra Expenses** sustained during the **Interruption Period**, and after expiration of the **Waiting Period**, directly as a result of:

1. a **Privacy Breach, Contingent Security Breach, or Extortion Event** that causes the total, partial, or intermittent interruption or degradation in service of a **Computer System** operated by an **Outsourced Service Provider**;
2. the reasonable and necessary intentional shutdown of a **Computer System** operated by an **Outsourced Service Provider** in order to mitigate or avoid the **Loss** that would otherwise be incurred as a direct result of a **Contingent Security Breach, Privacy Breach, or Extortion Event**; or
3. **Contingent System Failure**,

which is first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

C. Digital Asset Destruction, Data Retrieval, and System Restoration

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Digital Asset Loss** and **Related Expenses** sustained directly as a result of a **Privacy Breach, Security Breach, Extortion Event, System Failure, Contingent Security Breach, or Contingent System Failure**, which is first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section

VIII.A. Notice of Claim, Loss, or Circumstance.

D. Social Engineering and Cyber Crime

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Cryptojacking Loss, Financial Fraud Loss, Phishing Attack Loss, Telecommunications Fraud Loss, or Invoice Manipulation Loss**, provided that the **Cryptojacking, Financial Fraud, Phishing Attack, Telecommunications Fraud, Security Breach, or Privacy Breach** is first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

E. Reputational Loss

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Reputational Loss** sustained during the **Interruption Period**, after expiration of the **Waiting Period**, directly as a result of a **Media Event**, which is caused by a **Privacy Breach, Security Breach, or Extortion Event** first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

F. Extortion Events

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Extortion Expenses and Extortion Payment** incurred by an **Insured Entity** directly as a result of an **Extortion Event**, which is first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

G. Breach Response and Remediation Expenses

If purchased, the **Company** agrees to indemnify an **Insured Entity** for **Breach Response and Remediation Expenses** incurred by an **Insured Entity** directly as a result of a **Privacy Breach, Security Breach, or Extortion Event** which is first discovered by a member of the **Control Group** during the **Policy Period**, and reported to the **Company** in accordance with Section VIII.A. Notice of Claim, Loss, or Circumstance.

III. ADDITIONAL BENEFITS

A. Dynamic Loss Prevention Resources

The **Insured Entity** will have access to the **Company's** 24/7 Cyber Incident Response Hotline and to network security assessments and recommendations provided by Corvus Scan throughout the **Policy Period**. The **Insured Entity** may request Corvus Scan assessments from the **Company** as frequently as once every fourteen (14) business days.

B. Court Attendance Costs

The **Company** will pay reasonable expenses incurred by an **Insured**, with the **Company's** prior written consent, who is required to attend or appear at a tribunal, arbitration, adjudication, mediation, hearing, deposition, or other legal proceeding in connection with the defense of a covered **Claim** under Section I. Third Party Insuring Agreements. However, the most the **Company** will pay for such expenses is \$2,000 per day for all **Insureds** in attendance, and \$250,000 in the aggregate, regardless of the number of **Claims** or **Insureds**. The **Retention** will not apply to payment of any such expenses. The **Company's** payment of any such expenses will erode the Policy Aggregate.

IV. DEFINITIONS

A. **Administrative Error** means:

1. solely with respect to **System Failure**, an error or omission by an **Employee** or member of the **Control Group** in the input, processing, or output of **Digital Assets** or in the course of operating or maintaining the **Insured's Computer System**; and
2. solely with respect to **Contingent System Failure**, an error or omission by an employee of an **Outsourced Service Provider** in the input, processing, or output of **Digital Assets** or in the course of operating or maintaining the **Outsourced Service Provider's Computer System**.

B. **Application** means:

all applications for this **Policy**, together with any information submitted with the application or incorporated therein, which are provided by or on behalf of an **Insured** in connection with the underwriting of this **Policy**, or in connection with any prior policy issued by the **Company** or any other insurer if this **Policy** is a renewal or replacement.

C. **Breach Response and Remediation Expenses** means:

1. the reasonable and necessary costs or expenses incurred by the **Insured Entity**, with the **Company's** prior written consent:
 - a. for an external IT security expert to:
 - i. determine the cause, scope, and extent of the **Privacy Breach** or **Security Breach** or to determine any immediate actions necessary to mitigate ongoing harm to the **Insured's Computer System** impacted by a **Privacy Breach** or **Security Breach**;
 - ii. to contain and remove any malware discovered on the **Insured's Computer System**;
 - iii. to complete an information security risk assessment or conduct an information security gap analysis;
 - b. to retain legal counsel, selected by the **Company**, to determine any actions necessary to comply with **Privacy Regulations**;
 - c. to:
 - i. notify individuals who are required to be notified in compliance with the **Privacy Regulations** mandating such notifications;
 - ii. notify any individual affected by the **Privacy Breach** or **Security Breach**, or to send email notices or issue substitute notices;
 - iii. provide a telephone call center in order to support notified individuals; and
 - d. to provide credit monitoring services, identity monitoring services, identity restoration services, or identity theft insurance to affected individuals for up to 24 months;
2. **Crisis Management Expenses**; and
3. any amounts described in paragraph 1. above, which the **Insured Entity** is required to indemnify a **Third Party** pursuant to a written contract or agreement, and provided that such **Insured Entity** has a legal

obligation to notify affected individuals of the **Privacy Breach** or **Security Breach**.

However, **Breach Response and Remediation Expenses** does not include any:

- i. internal costs or expenses incurred by the **Insured Entity**;
- ii. **Extortion Expenses**; or
- iii. **Extortion Payment**.

The **Company** has the right to select and appoint any vendors, external IT security experts, or legal counsel to provide services in connection with **Breach Response and Remediation Expenses**.

D. Bricking means:

the unauthorized reprogramming of software (including firmware) which renders the **Computer System**, or any component thereof, nonfunctional or useless for its intended purposes.

E. Business Income Loss means:

1. the net profit or loss before income taxes that the **Insured Entity** would have earned or incurred during the **Interruption Period** had the **Privacy Breach**, **Security Breach**, **Extortion Event**, **System Failure**, **Contingent Security Breach**, or **Contingent System Failure** not occurred; and
2. the normal operating expenses (including payroll) actually incurred by the **Insured Entity**, but solely to the extent that such operating expenses must necessarily continue during the **Interruption Period**.

However, **Business Income Loss** does not include any:

- a. contractual penalties;
- b. amounts arising out of liability to any **Third Party**;
- c. amounts incurred as a result of unfavorable business conditions, loss of market, or any other consequential loss or damage;
- d. **Extra Expenses**;
- e. **Reputational Loss**;
- f. **Extortion Expenses**; or
- g. **Extortion Payment**.

F. Claim means:

1. solely with respect to Insuring Agreements I.A. Network Security and Privacy Liability, I.C. Media Liability, and I.E. Technology and Professional Services Liability:
 - a. a written demand for monetary, non-monetary, injunctive, or declaratory relief, including any written request to toll or waive any statute of limitations, received by an **Insured**;
 - b. an arbitration, mediation, or other alternative dispute resolution proceeding commenced by an **Insured's** receipt of a written demand to participate in such proceeding; or
 - c. a civil proceeding, commenced by service of a complaint or similar pleading upon an **Insured**, including any appeal therefrom;

2. solely with respect to Insuring Agreement I.B. Regulatory Proceedings, Fines, and Penalties, a **Regulatory Proceeding**; and
3. solely with respect to Insuring Agreement I.D. PCI DSS Assessment Expenses, a **PCI DSS Claim**.

A **Claim** will be deemed first made on the earliest of the date on which the **Claim** is served upon or received by any **Insured**.

G. Company means:

the Insurer listed in Item 3 of the Declarations.

H. Computer System means:

a system of interconnected hardware and peripherals, and associated software, including Internet of Things (“IOT”) devices, systems and application software, terminal devices, related communication networks, mobile devices, and storage and back-up devices.

I. Contingent Security Breach means:

1. the use of an **Outsourced Service Provider’s Computer System** by an unauthorized person or persons, or by an authorized person in an unauthorized manner, including any such use through social engineering techniques;
2. a **Denial of Service** attack on an **Outsourced Service Provider’s Computer System**;
3. the transmission of **Malicious Code** to or from an **Outsourced Service Provider’s Computer System**;
4. the failure to prevent or hinder participation in a **Denial of Service** attack from an **Outsourced Service Provider’s Computer System**; or
5. **Bricking** of an **Outsourced Service Provider’s Computer System**.

However, solely with respect to Section II. First Party Insuring Agreements, a **Contingent Security Breach** does not include an **Extortion Event**.

J. Contingent System Failure means:

an unintentional or unplanned interruption or degradation in service, whether total, partial, or intermittent, of a **Computer System** operated by an **Outsourced Service Provider** caused directly as a result of:

1. **Administrative Error**;
2. **Unintentional Damage or Destruction**;
3. failure in power supply or under/over voltage, but only if such power supply, including back-up generators, is under the **Outsourced Service Provider’s** direct operational control; or
4. electrostatic build-up and static electricity.

However, **Contingent System Failure** does not include any **System Failure**, or any interruption or degradation in service of a **Computer System** caused by **Security Breach**, **Privacy Breach**, **Extortion Event**, or **Contingent Security Breach**.

K. Control Group means:

any of the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Operating Officer, Chief Information Security Officer, Chief Legal Officer/General Counsel, Risk Manager or the functional equivalent of any of those positions.

L. Crisis Management Expenses means:

reasonable and necessary expenses incurred by the **Insured Entity**, with the **Company's** prior written consent, for the employment of a public relations consultant, who is selected and approved by the **Company**, in order to avert or mitigate a **Business Income Loss** or **Reputational Loss**.

M. Cryptojacking means:

a **Third Party's** unauthorized use of a **Computer System** operated by an **Insured** to mine cryptocurrency.

N. Cryptojacking Loss means:

the overage charges or increased expenses for electricity, natural gas, oil, or internet access incurred by an **Insured Entity** directly as a result of **Cryptojacking**.

O. Damages means:

1. a monetary judgment, award, or settlement an **Insured** is legally obligated to pay, including any pre-judgment and post-judgment interest, the claimant's legal fees or costs, and punitive or exemplary damages, but only to the extent such punitive or exemplary damages are insurable in the jurisdiction awarding them;
2. **Regulatory Fines and Penalties**, but only with respect to Insuring Agreement I.B. Regulatory Proceedings, Fines, and Penalties; and
3. **PCI DSS Assessment Expenses**, but only to the extent covered by Insuring Agreement I.D. PCI DSS Assessment Expenses.

However, **Damages** does not include any:

- a. future profits or royalties, restitution, or disgorgement of profits;
- b. costs of complying with injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
- c. loss of an **Insured's** fees or profits, return or offset of fees or charges (whether invoiced or not), or commissions or royalties provided or contracted to be provided;
- d. fines, taxes, loss of tax benefits, or sanctions, unless such amounts are otherwise covered under Insuring Agreement I.B. Regulatory Proceedings, Fines, and Penalties or Insuring Agreement I.D. PCI DSS Assessment Expenses;
- e. liquidated damages in excess of the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement, unless such amounts are otherwise covered under Insuring Agreement I.D. PCI DSS Assessment Expenses;
- f. amounts which the **Insured** is not legally obligated to pay; or
- g. amounts which are uninsurable under the law pursuant to which this **Policy** is construed.

Solely with respect to the coverage provided by Insuring Agreement I.E. Technology and Professional Services Liability, **Damages** also does not include any:

- i. costs incurred by the **Insured** to correct, re-perform, or complete any **Technology Services** or **Professional Services**; or
- ii. discounts, coupons, prizes, awards, or other incentives offered by the **Insured**.

P. Data means:

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

Q. Defense Expenses means:

1. the reasonable and necessary fees, costs, and expenses incurred by an **Insured** with the **Company's** prior written consent in the investigation, defense, or appeal of a **Claim**; and
2. any premiums for any appeal bond, attachment bond, or similar bond arising out of a covered judgment, provided that the **Company** will not have any obligation to apply for or furnish any such bond.

However, **Defense Expenses** does not include any:

- a. fees, costs, or expenses incurred prior to the time that a **Claim** is first made against an **Insured**; or
- b. salaries, wages, fees, overhead, benefits, or compensation of any **Insured**.

R. Denial of Service means:

an unauthorized interference or malicious attack that restricts or prevents access to a **Computer System** for persons or entities authorized to gain access.

S. Digital Asset Loss means:

the reasonable and necessary expenses incurred by an **Insured Entity**, with the **Company's** prior written consent, to restore, recreate, or replace **Digital Assets** or a **Computer System** operated by an **Insured**.

If it is determined that the **Digital Assets** or **Computer System** cannot be restored or recreated, the **Company** will only reimburse the **Insured Entity's** reasonable and necessary expenses incurred to restore or recreate such **Digital Assets** or **Computer Systems** up to the date of such determination.

T. Digital Assets means:

an **Insured Entity's** digital files, including **Data**, computer programs, electronic documents, and audio content stored by a **Computer System**.

U. Direct Net Loss means:

the direct cost to the **Insured Entity** to produce goods or products, or perform services for a **Third Party**, provided that the **Insured Entity** is unable to collect payment for such goods, products, or services from the **Third Party** because of the release or distribution of a fraudulent invoice or fraudulent payment instruction to the **Third Party**. **Direct Net Loss** does not include any profit to the **Insured Entity** as a result of providing such goods, products, or services.

V. E-Media means:

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

W. Employee means:

any natural person that is a past, present, or prospective:

1. full-time, part-time, seasonal, temporary, or leased employee, or any volunteer, of an **Insured Entity**, whose labor or service is engaged and directed by such **Insured Entity**; or
2. officer, director, trustee, principal, or general or managing partner of an **Insured Entity**, but only while acting within the course and scope of their duties as such.

However, **Employee** does not include any member of the **Control Group**.

X. Event means:

Contingent Security Breach, Contingent System Failure, Cryptojacking, Extortion Event, Financial Fraud, Phishing Attack, Privacy Breach, Security Breach, System Failure, or Telecommunications Fraud.

Y. Extortion Event means:

the actual or threatened:

1. release, dissemination, destruction, or corruption of **Digital Assets**;
2. electronic communication with an **Insured Entity's** customers and falsely claiming to be the **Insured Entity** or to be acting under the **Insured Entity's** direction in order to falsely obtain personal confidential information of the **Insured Entity's** customers (also known as "pharming," "phishing," or other types of false communications); or
3. introduction of **Malicious Code** into, corruption, damage, or destruction of, or restriction or hinderance of access to a **Computer System** operated by an **Insured** (or operated by an **Outsourced Service Provider**, but solely with respect to Insuring Agreement II.B. Contingent Business Interruption), including the threat of a criminal or malicious **Denial of Service**,

which is connected to a demand for a ransom payment from the **Insured Entity** (or the **Outsourced Service Provider**, but solely with respect to Insuring Agreement II.B. Contingent Business Interruption) in consideration for the restoration of the **Digital Assets** or the **Computer System**, as established by the receipt of such ransom demand or by a forensic investigation.

Z. Extortion Expenses means:

the reasonable and necessary expenses incurred by the **Insured Entity**, with the **Company's** prior written consent, directly in response to an **Extortion Event**.

However, **Extortion Expenses** does not include any:

1. **Breach Response and Remediation Expenses**;
2. **Extra Expenses**;

3. **Extortion Payment**; or
4. internal costs or expenses incurred by the **Insured Entity**.

The **Company** has the right to select and appoint any vendors or third parties to provide services in connection with **Extortion Expenses**.

AA. Extortion Payment means:

the payment of a ransom demand by the **Insured Entity**, with the **Company's** prior written consent, directly in response to an **Extortion Event**. The **Insured Entity** must report any such payments to the relevant legal or federal law enforcement authorities.

AB. Extra Expenses means:

the reasonable and necessary expenses incurred by an **Insured Entity** to minimize or avoid **Business Income Loss**, which are over and above the expenses the **Insured Entity** would have incurred had the **Privacy Breach, Security Breach, Extortion Event, System Failure, Contingent Security Breach, or Contingent System Failure** not occurred.

However, **Extra Expenses** does not include any:

1. costs or expenses incurred to update, restore, replace, or improve a **Computer System** to a level beyond that which existed just before the **Interruption Period**;
2. expenses incurred to identify or remediate software program errors or vulnerabilities;
3. legal costs or expenses; or
4. **Breach Response and Remediation Expenses, Cryptojacking Loss, Digital Asset Loss, Extortion Expenses, Extortion Payment, Financial Fraud Loss, Invoice Manipulation Loss, Phishing Attack Loss, Related Expenses, Reputational Loss, or Telecommunications Fraud Loss**.

AC. Financial Fraud means:

1. an intentional, unauthorized, and fraudulent written, electronic, or telephonic instruction transmitted to a financial institution, directing such institution to debit an **Insured Entity's** account and to transfer, pay, or deliver money or securities from the **Insured Entity's** account, which instruction purports to have been transmitted by an **Insured Entity, Employee, or a member of the Control Group**, but was in fact fraudulently transmitted by a **Third Party** without the **Insured Entity's, Employee's, or Control Group** member's knowledge or consent;
2. an intentional, unauthorized, and fraudulent written, electronic, or telephonic instruction transmitted to a financial institution by a member of the **Control Group** or an **Employee** as a result of such **Control Group** member or **Employee** receiving intentionally misleading or deceptive telephonic or electronic communications from a **Third Party** falsely purporting to be an **Insured** or an **Insured Entity's** client or vendor, and which directs the financial institution to debit the **Insured Entity's** account and to transfer, pay or deliver money or securities from the **Insured Entity's** account; or
3. the theft of money or securities directly from an **Insured Entity's** bank account by electronic means.

AD. Financial Fraud Loss means:

the loss of:

1. money or securities; or
2. **Funds Held In Escrow**,

sustained by an **Insured Entity** directly as a result of **Financial Fraud**.

However, **Financial Fraud Loss** does not include any amounts reimbursed to the **Insured Entity** by any financial institution.

AE. Funds Held In Escrow means:

money or securities belonging to a **Third Party** which are held in an escrow account by an **Insured Entity**.

AF. Insured means:

1. the **Named Insured**;
2. any **Subsidiary**, but only during the time period such entity qualifies as a **Subsidiary**;
3. any **Employee**;
4. any member of the **Control Group**, but only while acting within the course and scope of their duties as such;
5. any court-appointed receiver, stockholder, or owner of an **Insured Entity**, but only while acting in their capacity as such;
6. any natural person performing work as an independent contractor for an **Insured Entity** pursuant to a written contract or agreement, but only while acting on behalf of, at the direction of, or under the control of the **Insured Entity**; however, an independent contractor under this paragraph f. does not include any **Outsourced Service Provider**; and
7. any **Vicarious Liability Insured**, but solely with respect to Section I. Third Party Insuring Agreements.

AG. Insured Entity means:

the **Named Insured** and any **Subsidiary**.

AH. Interruption Period means:

1. solely with respect to Insuring Agreement II.A. Business Interruption and Insuring Agreement II.B. Contingent Business Interruption, the period of time that commences when the interruption or degradation in service of the **Computer System** begins, and which ends on the earlier of:
 - a. the date of full system restoration of the **Computer System** plus up to 30 days thereafter, if necessary, to allow for restoration of the **Insured Entity's** business; or
 - b. the maximum Period of Indemnity as stated in Item 5 of the Declarations; and
2. solely with respect to Insuring Agreement II.E. Reputational Loss Coverage, the period of time that commences on the date of the earliest **Media Event** and ends after the maximum indemnity period as stated in Item 5 of the Declarations.

AI. Invoice Manipulation Loss means:

the **Direct Net Loss** sustained by an **Insured Entity** directly as a result of a **Security Breach** or **Privacy Breach**.

AJ. Loss means:

Breach Response and Remediation Expenses, Business Income Loss, Cryptojacking Loss, Damages, Defense Expenses, Digital Asset Loss, Extortion Expenses, Extortion Payments, Extra Expenses, Financial Fraud Loss, Invoice Manipulation Loss, Phishing Attack Loss, Related Expenses, Reputational Loss, and Telecommunications Fraud Loss.

AK. Malicious Code means:

software intentionally designed to damage **Digital Assets** or a **Computer System** in a variety of forms including virus, worms, Trojan horses, spyware, dishonest adware, ransomware, or crimeware.

AL. Management Control means:

1. managerial control or the right to elect, designate or otherwise appoint, or directly control the appointment of more than 50% of the directors, trustees, managers, or any equivalent positions of a joint venture; or
2. with respect to any entity other than a joint venture:
 - a. directly or indirectly owning or controlling more than 50% of the outstanding voting securities or shares, or more than 50% ownership interest in a partnership, representing the present right to vote for the election or appointment or designation of such entity's principles, including, directors, managers, or any equivalent positions; or
 - b. controlling the management and operations of such entity pursuant to a written agreement with the owners of the remaining voting securities, shares, or ownership interests.

AM. Media Activities means:

the release, dissemination, or display of any **Media Material**:

1. on an **Insured Entity's** website or social media pages, which are under the direct sole control of the **Insured Entity**, in the course of performing **Professional Services** or **Technology Services**; or
2. in the advertising or promotion of **Professional Services** or **Technology Services**, provided that the advertising or promotion is conducted under the specific control and direction of the **Insured Entity**.

AN. Media Event means:

a media report that has an adverse impact on the **Insured Entity's** business or reputation, and which reports on a **Privacy Breach, Security Breach, or Extortion Event** sustained by such **Insured Entity**.

AO. Media Material means:

communicative material of any kind or nature for which the **Insured Entity** is responsible, including words, pictures, sounds, images, graphics, software code, and **Data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended.

However, **Media Material** does not include any tangible goods or products that are manufactured, produced,

processed, prepared, assembled, packaged, labeled, sold, handled, or distributed by the **Insured Entity** or others trading under the **Insured Entity's** name.

AP. Media Wrongful Act means the following when committed by an **Insured** in the performance of **Media Activities**:

1. defamation, libel, slander, product disparagement, or trade libel;
2. infringement, interference, or invasion of an individual's right of privacy or publicity, including false light, intrusion upon seclusion, commercial misappropriation of likeness, and public disclosure of private facts;
3. plagiarism, piracy, or misappropriation of ideas under an implied contract;
4. infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark, or service names, except with respect to software, computer code, and computer firmware; or
5. domain name infringement.

A **Media Wrongful Act** does not include a **Technology and Professional Services Wrongful Act**.

AQ. Merchant Services Agreement means:

an agreement between an **Insured Entity** and a financial institution, credit or debit card company, credit or debit card processor, or independent service provider that enables the **Insured Entity** to accept payment by credit, debit, or prepaid card.

AR. Named Insured means:

the entity listed in Item 1 of the Declarations.

AS. Outsourced Service Provider means:

an independent service provider that:

1. is not owned, operated, or controlled by an **Insured**; and
2. provides:
 - a. information technology services;
 - b. services supporting business processes, including human resources, call center, or fulfillment services; or
 - c. hosting, IT security management, colocation, logistical support, or data storage services,

for the benefit of an **Insured Entity** under a written contract or agreement with the **Insured Entity** for the provision of such services, provided that the contract or agreement was entered into before the **Event** or **Loss** occurred.

AT. PCI DSS Assessment Expenses means:

Payment Card Industry forensic investigation costs, fines, penalties or assessments, including fraud loss recoveries and card replacement costs, and administrative costs that an **Insured** is legally obligated to pay under the terms of a **Merchant Services Agreement** as a result of the **Insured's** actual or alleged non-compliance with Payment Card Industry Data Security Standards.

However, **PCI DSS Assessment Expenses** does not include any ongoing obligation or audit following the imposition of an assessment, fine, or penalty.

AU. PCI DSS Claim means:

a written demand for **PCI DSS Assessment Expenses** received by an **Insured**.

AV. Phishing Attack means:

the use of fraudulent electronic communications or malicious websites to impersonate an **Insured**, the **Insured Entity's** brand, or any of the **Insured Entity's** products or services, in order to solicit **Protected Personal Information** or confidential corporate information.

AW. Phishing Attack Loss means the:

1. reasonable and necessary costs and expenses, incurred with the **Company's** prior written consent, to:
 - a. create and issue a specific press release or to establish a specific website to advise the **Insured Entity's** customers and prospective customers of a **Phishing Attack**; and
 - b. remove websites designed to impersonate the **Insured Entity**;
2. loss of **Funds Held in Escrow**; and
3. loss of goods or products owned by or in the care, custody, or control of, the **Insured Entity**, sustained or incurred by an **Insured Entity** directly as a result of a **Phishing Attack**.

AX. Policy means:

this contract of insurance, together with the **Application**, the Declarations, and any endorsements.

AY. Policy Period means:

the period of time from the Inception Date of this **Policy** stated in Item 2 of the Declarations to the earlier of the Expiration Date stated in Item 2 of the Declarations or the effective date of termination or cancellation of this **Policy**.

AZ. Pollutants means:

any solid, liquid, gaseous, or thermal irritant or contaminant of any kind, including smoke, vapor, soot, fumes, other air emission, acids, toxic chemicals, alkalis, mold, spores, fungi, germs, virus, bacteria, infectious or medical waste or any other biological contaminant, asbestos or asbestos product, lead or lead product, noise, and electric, magnetic, or electromagnetic field, odor, waste water, oil or oil product, chemicals, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

BA. Privacy Breach means:

1. a breach of confidentiality, infringement or violation of any right to privacy, or a breach of the **Insured Entity's** written privacy policy or of **Privacy Regulations**; or
2. an accidental or unintentional release, unauthorized disclosure, loss, theft, or misappropriation of **Protected Personal Information** or confidential corporate information in the care, custody, or control of

the **Insured Entity**, including any collection or use of such **Protected Personal Information** or confidential corporate information.

However, solely with respect to Insuring Agreement II.B. Contingent Business Interruption, **Privacy Breach** means:

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

Solely with respect to Section I. Third Party Insuring Agreements, **Privacy Breach** does not include a **Media Wrongful Act**.

BB. Privacy Injury means any:

1. unauthorized disclosure of, or access to, **Protected Personal Information** by any means, including phishing or other social engineering techniques;
2. the failure to take reasonable steps to protect against unauthorized disclosure or access to non-public personal information or non-public corporate information in violation of any **Privacy Regulations**; or
3. the violation of any laws prohibiting unfair methods of competition, unfair or deceptive trade practices, or consumer fraud, when alleged in conjunction with the conduct described in paragraph 1. or 2. above.

BC. Privacy Regulations means:

the federal, state, local, or foreign laws, rules, and regulations associated with the confidentiality, access, controls, and use of private, non-public information of any kind that allows an individual to be uniquely identified, including:

1. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) ("HIPAA");
2. Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999;
3. Children's Online Privacy Protection Act;
4. the European Union's Global Data Protection Regulation ("GDPR") or other similar privacy laws worldwide;
5. the California Consumer Privacy Act ("CCPA");
6. the Health Information Technology for Economic and Clinical Health Act ("HITECH"); and
7. any other federal, state, local or foreign statutes, laws or regulations governing the security and privacy of consumer information or the control and use of personal information.

BD. Professional Services means:

those services an **Insured** performs for or on behalf of others for a fee or other consideration.

BE. Protected Personal Information means:

any private, non-public information of any kind that allows an individual to be uniquely identified, which is in an **Insured's** care, custody, or control, regardless of the nature or form of such information, including the following:

1. social security number;
2. medical service or healthcare data;
3. driver's license or state identification number;
4. financial account, credit card, or debit card numbers, either alone or in combination with any information that permits access to an individual's financial information, including a security or access code or password;
5. any other private non-public information as defined under **Privacy Regulations**; and
6. biometric data.

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

BF. Regulatory Fines and Penalties means:

monetary civil fines, penalties, or amounts that an **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer or victim claims, as imposed in a **Regulatory Proceeding**.

However, **Regulatory Fines and Penalties** are payable by the **Company** only to the extent they are insurable in the jurisdiction awarding them.

BG. Regulatory Proceeding means:

a request for information, civil investigative demand, formal civil administrative proceeding, or formal regulatory action by a governmental entity or regulatory authority, which is commenced by the receipt of such request, demand, proceeding, or action by the **Insured**.

BH. Related Expenses means:

the reasonable and necessary costs and expenses incurred by an **Insured Entity**, with the **Company's** prior written consent, to:

1. prevent, preserve, minimize, or mitigate any further damage to **Digital Assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants, or forensic experts approved by the **Company** and retained with the **Company's** prior written consent;
2. preserve critical evidence of any criminal or malicious wrongdoing;
3. purchase replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **Privacy Breach, Security Breach, System Failure, Contingent Security Breach, or Contingent System Failure**; or
4. notify affected individuals of an interruption or degradation in service of a **Computer System** resulting from a **Privacy Breach, Security Breach, System Failure, Contingent Security Breach, or Contingent System Failure**.

BI. Reputational Loss means:

1. the net profit or loss before income taxes that the **Insured Entity** would have earned or incurred during the **Interruption Period** had the **Media Event** not occurred; and
2. the normal operating expenses (including payroll) actually incurred by the **Insured Entity**, but solely to the extent that such operating expenses must necessarily continue during the **Interruption Period**.

However, **Reputational Loss** does not include any:

- a. contractual penalties;
- b. amounts arising out of liability to any **Third Party**;
- c. amounts incurred as a result of unfavorable business conditions, loss of market, or any other consequential loss or damage;
- d. **Extra Expenses**;
- e. **Business Income Loss**;
- f. liability, cost, or expense incurred in connection with a **Media Event** that also affects or refers in similar terms to a general security issue, an industry, or the **Insured Entity's** specific competitors without any specific allegations regarding a **Security Breach**, **Privacy Breach**, or **Extortion Event** affecting an **Insured Entity**; or
- g. any costs or expenses an **Insured Entity** incurs to identify, investigate, respond to, or remediate a **Privacy Breach**, **Security Breach**, or **Extortion Event**.

BJ. Retention means:

the amount(s) specified in Item 5 of the Declarations.

BK. Retroactive Date means:

the date specified in Item 6 of the Declarations.

BL. Security Breach means:

1. the use of an **Insured's Computer System** by an unauthorized person or persons, or by an authorized person in an unauthorized manner, including any such use through social engineering techniques;
2. a **Denial of Service** attack on an **Insured's Computer System**;
3. the transmission of **Malicious Code** to or from an **Insured's Computer System**;
4. the failure to prevent or hinder participation in a **Denial of Service** attack from an **Insured's Computer System**; or
5. **Bricking** of an **Insured's Computer System**.

However, solely with respect to Section II. First Party Insuring Agreements, a **Security Breach** does not include an **Extortion Event**.

BM. Subsidiary means:

1. any entity, which as of the inception of the **Policy Period**, the **Named Insured** has **Management Control**;
or
2. any entity that the **Named Insured** acquires **Management Control** of during the **Policy Period**, provided that:
 - a. the acquired entity has an annual revenue of 20% or less of the **Named Insured's** annual revenue (evaluated according to the last set of audited accounts formally filed by that entity against the information provided by the **Named Insured** when applying for this **Policy**); and
 - b. the acquired entity stores a total number of unique, personally identifiable records that are 20% or less of the total unique, personally identifiable records that the **Named Insured** stores, as of the effective date of the acquisition.

If the acquired entity does not satisfy the requirements of paragraphs 2.a. or 2.b. above, then the **Named Insured** must obtain the written consent of the **Company** to add such entity as a **Subsidiary** by:

- i. providing written notice to the **Company** of the acquisition before the effective date of such acquisition;
- ii. providing the **Company** with all information the **Company** may reasonably require; and
- iii. accepting any additional or different terms and conditions or payment of additional premium.

An acquired entity will qualify as a **Subsidiary** only with respect to **Events** or **Wrongful Acts** occurring after the effective date of acquisition.

BN. System Failure means:

an unintentional or unplanned interruption or degradation in service, whether total, partial, or intermittent, of a **Computer System** operated by an **Insured** caused directly as a result of:

1. **Administrative Error**;
2. **Unintentional Damage or Destruction**;
3. failure in power supply or under/over voltage, but only if such power supply, including back-up generators, is under the **Insured Entity's** direct operational control; or
4. electrostatic build-up and static electricity.

However, **System Failure** does not include any **Contingent System Failure**, or any interruption or degradation in service of a **Computer System** caused by **Security Breach**, **Privacy Breach**, **Extortion Event**, or **Contingent Security Breach**.

BO. Takeover means:

1. any person, entity, or group of entities or persons takes ownership or control of more than fifty percent (50%) of the **Named Insured's** equity or assets;
2. any person, entity, or group of entities or persons takes ownership or control of the **Named Insured** as evidenced by the power to elect, designate, or appoint more than fifty percent (50%) of the board of directors, management committee members, management board members, general partners, or managing partners of the **Named Insured**;

3. the **Named Insured** consolidates, is acquired by, or merges with another entity, such that the **Named Insured** is not the surviving entity; or
4. the **Named Insured** is liquidated or dissolved.

BP. Technology and Professional Services Wrongful Act means:

1. any actual or alleged act, error, omission, neglect, misstatement, unintentional breach of duty or written contract, or **Privacy Injury** committed by an **Insured** in the course of performing **Technology Services** or **Professional Services**;
2. any actual or alleged act, error, omission, neglect, misstatement, or unintentional breach of duty or written contract that results in the failure of **Technology Products** to perform as intended;
3. any actual or alleged infringement of copyright, title, slogan, trademark, trade name, service mark, or service name, but only with respect to software, computer code, and computer firmware; or
4. any actual or alleged act, error, omission, neglect, misstatement, or unintentional breach of duty or written contract that results in unintentional infliction of emotional distress, but only when asserted in conjunction with and based on the same allegations as a **Claim** for negligent publication, invasion of privacy, or defamation.

A **Technology and Professional Services Wrongful Act** does not include a **Media Wrongful Act**.

BQ. Technology Products means:

computer or telecommunications hardware or software products, or related components or products, including peripherals, that are created, manufactured, developed, sold, licensed, or distributed by an **Insured Entity** to others for a fee or other consideration, including any subsequent or additional software updates, service packs, and other maintenance releases for such products.

BR. Technology Services means:

computer and electronic information technology services, including:

1. analysis or design of computer, information technology, or telecommunications systems;
2. website design;
3. information technology or telecommunications consulting, staffing services, or project management;
4. computer systems integration, computer, software systems installation, computer and software support, or computer network management services;
5. conversion of computer systems, computer networks, or electronic systems;
6. email services;
7. software as a service (SaaS), platform as a service (PaaS), network as a service (NaaS), data and application hosting, or data backup and processing;
8. computer security consulting and training;
9. custom software programming; or
10. telecommunications systems installation, support, or management,

provided that such services are performed by an **Insured**, or on behalf of and at the specific direction of the **Insured**, for others for a fee or other compensation.

BS. Telecommunications Fraud means:

the intentional, unauthorized, and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of a telephone network or system that the **Insured Entity** owns, rents, licenses, or borrows.

BT. Telecommunications Fraud Loss means:

1. overage charges or increased expenses for unauthorized calls; and
2. loss of **Funds Held in Escrow**,

sustained or incurred by an **Insured Entity** directly as a result of **Telecommunications Fraud**.

BU. Third Party means:

any person or entity who is not an **Insured**.

BV. Unintentional Damage or Destruction means:

1. accidental physical damage to, or destruction of, **E-Media** such that stored **Digital Assets** are no longer machine readable; or
2. accidental damage to, or destruction of, computer hardware such that stored **Data** is no longer machine readable.

BW. Vicarious Liability Insured means:

any legal entity that an **Insured Entity** is required to add as an additional insured under this **Policy** pursuant to a written contract or agreement that was entered into before the commission of any act, error, or omission for which such entity would be provided coverage under the **Policy**.

However, this **Policy** will only provide coverage for a **Vicarious Liability Insured** with respect to **Claims**:

1. made against the **Vicarious Liability Insured** for liability arising out of the acts, errors, or omissions of the **Insured Entity**, and not for any liability arising out of the sole acts, errors, or omissions of the **Vicarious Liability Insured**; and
2. only to the extent such **Claims** are maintained against both the **Vicarious Liability Insured** and the **Insured Entity** in connection with such act, error, or omission.

A **Vicarious Liability Insured** will have no other rights or duties as an **Insured** under this **Policy**.

BX. Waiting Period means:

1. solely with respect to Insuring Agreements II.A. Business Interruption and II.B. Contingent Business Interruption, the period of time that commences when the interruption or degradation of the **Computer System** begins, and expires after the number of hours specified in Item 5 of the Declarations; and

2. solely with respect to Insuring Agreement II.E. Reputational Loss, the period of time that commences when the **Media Event** occurs and expires after the number of hours specified in Item 5 of the Declarations.

Business Income Loss and **Extra Expenses** sustained or incurred during the **Waiting Period** are not insured by the **Policy**.

BY. Wrongful Act means:

a **Media Wrongful Act** and a **Technology and Professional Services Wrongful Act**.

V. EXCLUSIONS

A. Exclusions Applicable to All Insuring Agreements

The **Company** will not be liable for any **Loss** based upon, arising out of, or attributable to:

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

any actual or alleged violation of any federal, state, or local law, including any rules or regulations promulgated thereunder, governing antitrust, unfair competition, price fixing, deceptive trade practices, restraint of trade or business competition, or unfair trade practices, including violations of the Sherman Antitrust Act, the Clayton Act, or any similar state or local laws, and any rules or regulations promulgated thereunder.

However, this exclusion will not apply to:

- a. **Claims** for violations of the California Consumer Privacy Act; or
- b. **Claims** for violations of the European Union's Global Data Protection Regulation ("GDPR"),

provided that no member of the **Control Group** participated or colluded in the acts, errors, omissions, events, or incidents giving rise to the **Loss** or **Claim**.

2. **Bankruptcy**

the financial insolvency, liquidation, or bankruptcy of any person or entity, including any **Insured**, or the failure, inability, or unwillingness of any person, entity, or **Insured** to make payments, perform obligations, or conduct business because of such financial insolvency, liquidation, or bankruptcy.

3. **Bodily Injury**

any actual or alleged physical injury, sickness, disease, or death sustained by any individual, including any mental anguish, mental injury, shock, loss of consortium, or emotional distress resulting from such physical injury, sickness, disease or death.

4. **Contract**

- a. any breach of an express, implied, actual, or constructive contract, agreement, warranty, guarantee, or promise; or
- b. any liability of others assumed by an **Insured** under any contract or agreement.

However:

1. this exclusion does not apply to:
 - i. any liability or obligation the **Insured** would have in the absence of such contract, agreement, warranty, guarantee, or promise;
 - ii. breach of the **Insured Entity's** privacy policy; or
 - iii. any **Claim** or **Loss** otherwise covered under Insuring Agreement I.D. PCI DSS Assessment Expenses or II.G. Breach Response and Remediation Expenses; and
2. solely with respect to Insuring Agreement I.E. Technology and Professional Services, this exclusion will not apply to:
 - i. that portion of a **Claim** for an unintentional breach of a written contract in the performance of or failure to perform **Technology Services** or **Professional Services**;
 - ii. a **Claim** for unintentional breach of an exclusivity, confidentiality, hold harmless, or indemnity agreement relating to the performance of **Technology Services**; or
 - iii. an express warranty or representation to perform **Technology Services** or **Professional Services** within a reasonable standard of care or with skill consistent with industry standards.

5. **Deliberate Acts**

an **Insured's** willful, deliberate, malicious, fraudulent, dishonest, or criminal act or any violation of law committed with the knowledge, connivance, participation, or acquiescence of an **Insured**.

However, this exclusion will not apply to **Defense Expenses** incurred in defending a **Claim** alleging the foregoing conduct, unless and until there is final adjudication establishing such conduct, at which time the **Insured** must reimburse the **Company** for all **Defense Expenses** paid in connection with such conduct.

For purposes of determining the applicability of this exclusion, only the conduct of or knowledge possessed by a member of the **Control Group** will be imputed to the **Insured Entity**. This exclusion will apply separately to each **Insured** and will not apply to the extent an **Insured** did not have knowledge of, participate in, or acquiesce to the conduct of another **Insured**.

6. **Description of Price of Goods**

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

7. **Discrimination**

any actual or alleged discrimination of any kind, including discrimination because of age, color, race, gender, religion, creed, national origin, marital status, sexual orientation, sexual preference, disability, financial condition, or pregnancy, any actual or alleged violations of civil rights, or discrimination or retaliatory conduct of any kind.

8. **Employment-Related Practices**

the employment or prospective employment of any individual, or any employment practice, including: any breach of employment contract; any violation of any law or public policy concerning employment; any employment-related tortious conduct, including harassment or discrimination; any wrongful dismissal,

discharge, or termination; any failure to pay wages or overtime pay, improper payroll deductions, failure to provide or enforce meal or rest periods, or any violation of wage and hour law; or any other employment-related act. However, this exclusion does not apply to a **Privacy Breach**.

9. Force Majeure

any natural disaster, including fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or any other natural physical event however caused.

10. Government Intervention

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

However, this exclusion does not apply to amounts that an **Insured** is legally obligated to pay as a result of a violation of the European Union's Global Data Protection Regulation ("GDPR").

11. Governmental Action

a **Claim** brought by or on behalf of any federal, state, local, or foreign governmental entity for the enforcement of any law or regulation.

However, this exclusion does not apply to Insuring Agreement I.B. Regulatory Proceedings, Fines, and Penalties.

12. Infringement

a. any actual or alleged:

- i. infringement, misuse, misappropriation, or violation of any patent or patent rights; or
- ii. misappropriation, theft, copying, display, or publication of any trade secret, unless arising out of a **Privacy Breach, Security Breach, or Contingent Security Breach**; or

b. a **Claim** for plagiarism, misappropriation of ideas or use of another's content without permission, or infringement or violation of copyright, trademark, or any other intellectual property rights. However, this subparagraph b. will not apply to a **Claim** under:

- i. Insuring Agreement I.E. Technology and Professional Services Liability for infringement of copyright title, slogan, trademark, trade name, service mark or service name with respect to software, computer code, or computer firmware; or
- ii. Insuring Agreement I.C. Media Liability.

13. Insured vs. Insured

a **Claim** brought by an **Insured** against another **Insured**. However, this exclusion will not apply to any **Claim** brought by:

- a. an **Employee** for a **Privacy Breach** or **Security Breach**;
- b. a **Vicarious Liability Insured**; or

- c. solely with respect to the coverage provided by Insuring Agreement I.E. Technology and Professional Services Liability:
 - i. any business enterprise or entity in which an **Insured** has less than a 15% ownership interest in; or
 - ii. any parent company, business enterprise, or other entity which owns less than 15% of the **Named Insured**.

14. Loss of Funds

- a. the loss, decrease in value, theft, or transfer of any securities, funds, or currency, including cryptocurrency;
- b. any trading losses, liabilities, or changes in trading account value; or
- c. the value of any electronic funds, money, cryptocurrency, securities, or wire transfer, in the care, custody, or control of an **Insured** or any **Third Party** for whom an **Insured** is legally liable.

However, this exclusion will not apply to:

- 1. Insuring Agreement II.D. Social Engineering and Cyber Crime; or
- 2. Insuring Agreement I.A. Network Security and Privacy Liability, but solely with respect to a **Claim** arising from a **Phishing Attack**.

15. Payment Card Industry

the actual or alleged failure of an **Insured** to comply with or follow the Payment Card Industry Data Security Standards ("PCI DSS"), any **Merchant Services Agreement**, or any Payment Card Company rules, or the failure to implement, maintain, or comply with any payment card industry security measures or standards.

However, this exclusion will not apply to Insuring Agreement I.D. PCI DSS Assessment Expenses.

16. Pollutants

any actual, alleged, or threatened presence, discharge, dispersal, release, escape, disposal of, exposure to, or failure to detect any **Pollutants**, whether or not such presence, discharge, dispersal, release, escape, disposal, exposure, or failure to detect results from an **Insured's** activities or the activities of others or occurred suddenly, gradually, accidentally, or intentionally.

17. Prior Notice or Knowledge

any act, error, omission, event, incident, occurrence, fact, claim, transaction, or circumstance that:

- a. was the subject of any notice given and accepted, before the inception of the **Policy Period**, under another policy of insurance of which this **Policy** is a renewal or replacement; or
- b. that a member of the **Control Group** was aware of before the inception of the **Policy Period** if, before the inception of the **Policy Period**, the **Control Group** member knew or could have reasonably expected that the act, error, omission, event, incident, occurrence, fact, claim, transaction, or circumstance could result in a **Claim, Event, or Loss** under this **Policy**.

18. Property Damage

any actual or alleged physical injury to, or impairment or destruction of, any tangible property, including loss of use thereof. **Digital Assets** and **Data** are not considered tangible property.

However, this exclusion will not apply to any:

- a. **Loss** under Insuring Agreement II.C. Digital Asset Destruction, Data Retrieval, and System Restoration; or
- b. **Loss** resulting from **Bricking**.

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

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

20. Satellite, Electrical, or Mechanical Failures

any:

- a. satellite, electrical, or mechanical failure or malfunction, including as a result of spike, brownout, blackout, or electrical arcing;
- b. outage to utility infrastructure, including gas, water, telecommunications, telephone, internet, or cable, failure of overhead or subterranean transmission or distribution lines, or under/over voltage of power supply, unless such infrastructure or power supply is under the direct operational control of an **Insured Entity** (or an **Outsourced Service Provider**, but only with respect to **Contingent System Failure**); or
- c. electrostatic build-up and static electricity.

However, paragraph c. of this exclusion will not apply to paragraph 4 of the definitions of **Contingent System Failure** and **System Failure** under Section IV. Definitions.

21. Specific Legislation

- a. any actual or alleged purchase, sale, offer, or solicitation of an offer to purchase or sell securities, or the violation of any securities law including the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes Oxley Act of 2002, or any similar state, local, or foreign laws, including "Blue Sky" laws, and any rules or regulations promulgated thereunder, all as may be amended;
- b. any actual or alleged violation of the Organized Crime Control Act of 1970 or the Racketeer Influenced and Corrupt Organizations Act ("RICO"), or any similar state, local, or foreign laws, and any rules or regulations promulgated thereunder, as may be amended;
- c. any enforcement by a government official or agency of any federal, state, local, or foreign law, including any rules or regulations promulgated thereunder, including by the United States Federal Trade

Commission, Federal Communications Commission, or the Securities and Exchange Commission; however, this subparagraph c. does not apply to Insuring Agreement II.B. Regulatory Proceedings, Fines, and Penalties;

- d. any actual or alleged breach of any federal, state, local, or foreign laws, rules, or regulations governing workers' compensation, unemployment compensation, disability or social security benefits, including the Federal Employers Liability Act, the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act of 1970, including any rules or regulations promulgated thereunder, all as may be amended;
- e. any actual or alleged violation of any federal, state, local, or foreign laws, rules, or regulations governing pensions, healthcare benefits, welfare benefits, or profit sharing, mutual, or investment plans, funds, or trusts, including any violation of Employee Retirement Income Security Act of 1974 ("ERISA") or the Pension Protection Act of 2006, including any rules or regulations promulgated thereunder, all as may be amended;
- f. any federal, state, local, or foreign laws governing the unsolicited distribution of email, text messages, direct mail, facsimiles, spam, or any wiretapping, audio, or video recording, or telemarketing practices, including any violation of the Telephone Consumer Protection Act of 1991 ("TCPA"), the CAN-SPAM Act of 2003, including any rules or regulations promulgated thereunder, as may be amended;
- g. any actual or alleged violation of the Fair Credit Reporting Act ("FCRA"), as may be amended, or any similar state, local, or foreign law, including any rules or regulations promulgated thereunder; or
- h. any actual or alleged violation of the Fair and Accurate Credit Transactions Act of 2003 ("FACTA") as may be amended, or any similar state, local, or foreign law, including any rules or regulations promulgated thereunder.

22. Unauthorized Trading

any trading of currency, securities, or financial instruments, including any cryptocurrency, by an **Insured**, including such trading that, at the time of the trade, is:

- a. in excess of permitted financial limits; or
- b. outside of permitted product lines.

23. Use of Illegal or Unlicensed Programs

the use of illegal or unlicensed programs or software. However, this exclusion will not apply to a **Claim** under Insuring Agreement I.E. Technology and Professional Services Liability for infringement of copyright title, slogan, trademark, trade name, service mark, or service name with respect to software, computer code and computer firmware, which constitutes a **Technology and Professional Services Wrongful Act**.

24. War and Civil Unrest

- a. confiscation, nationalization, or requisition of property by or under order of any government or local or public authority;
- b. strikes, labor strikes, or similar labor actions;

- c. invasion, mutiny, rebellion, insurrection, or civil commotion assuming the proportions of or amounting to an uprising, military coup or usurped power;
- d. armed conflict or the use of physical force by any sovereign state:
 - i. as part of or in response to a civil war, rebellion, revolution, or insurrection; or
 - ii. against another sovereign state,
whether a war is declared or not; or
- e. any act, event, or series of related acts or events, including the use of a **Computer System** to disrupt, degrade, manipulate, or destroy information on a **Computer System** in another sovereign state, that are attributed to a foreign sovereign state by the United States of America or any of its federal government branches, departments, or agencies.

B. Exclusions Applicable Only to Insuring Agreement I.E.

In addition to the Exclusions set forth in Section IV.A. Exclusions Applicable to All Insuring Agreements, and solely with respect to coverage under Insuring Agreement I.E. Technology and Professional Services Liability, the **Company** will not be liable for any **Claim** based upon, arising out of, or attributable to:

- 1. any delay in delivery or performance, or failure to deliver or perform at or within an agreed upon period of time; however this paragraph a. will not apply to a delay or failure to deliver **Technology Products** or perform **Technology Services** if such delay or failure is the result of a **Technology and Professional Services Wrongful Act**, provided that the **Insured** has made diligent efforts to deliver the applicable **Technology Products** or perform the applicable **Technology Services**;
- 2. a commercial decision by an **Insured** to cease supplying or providing any product or services, but only if the **Insured** is contractually obligated to continue providing such products or services;
- 3. the provision of any sweepstakes, gambling activities, lotteries, price discounts, prizes, awards, money, or valuable consideration given in excess of a total contract or expected amount;
- 4. any idea, trade secret, or confidential information that came into the possession of any person or entity before such person or entity became an **Employee** or **Control Group** member of an **Insured Entity**;
- 5. the unauthorized or surreptitious collection of any information by an **Insured**, failure to provide adequate notice that such information is being collected, or failure to comply with any legal requirement to provide individuals with the ability to assent or withhold assent for such collection;
- 6. any actual or alleged violation of the federal Fair Debt Collection Practices Act ("FDCPA") or any similar state, local, or foreign laws, including any rules or regulations promulgated thereunder, as may be amended;
- 7. any costs or expenses for the withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of:
 - a. **Technology Products** including any products or other property of others that incorporate **Technology Products**;
 - b. work product resulting from or incorporating the results of **Professional Services** or **Technology Services**; or

- c. any products or other property on which **Professional Services** or **Technology Services** have been performed;
8. any false or misleading advertising or violation of consumer protection laws; or
9. the rendering of, or the failure to render, investment or financial services or advice, or services as an accountant, architect, surveyor, health care provider, lawyer, insurance or real estate agent or broker, or civil or structural engineer.

VI. LIMITS OF LIABILITY AND RETENTIONS AND WAITING PERIODS

A. Policy Aggregate Limit

The Policy Aggregate Limit specified in Item 5 of the Declarations is the maximum amount the **Company** will pay under this **Policy** for all **Loss**, regardless of the number of **Claims**, **Events**, or the number of individuals or entities qualifying as **Insureds**. Upon exhaustion of the Policy Aggregate Limit, the **Company** will have no further obligations under the **Policy**, including with respect to the payment of any **Loss** or other covered amounts, and will have the right to unilaterally withdraw from the defense of any **Claim**.

B. Insuring Agreement Limits of Liability

The Insuring Agreement Limits of Liability specified in Item 5 of the Declarations are the maximum amount the **Company** will pay under this **Policy** for all **Loss** under the corresponding Insuring Agreement, regardless of the number of **Claims**, **Events**, or number of individuals or entities qualifying as **Insureds**. Upon exhaustion of any Insuring Agreement Limit of Liability, the **Company** will have no further obligations under that Insuring Agreement, and no further payments for **Loss** will be owed under such Insuring Agreement.

Each Insuring Agreement Limit of Liability is part of, and not in addition to, the Policy Aggregate Limit, and any amounts paid by the **Company** under any Insuring Agreement Limit of Liability will reduce the Policy Aggregate Limit.

In the event more than one Insuring Agreement under Section I. Third Party Insuring Agreements applies to a **Claim**, only the Insuring Agreement with the highest available Insuring Agreement Limit of Liability for such **Claim** will apply, but if the available Insuring Agreement Limits of Liability for each Insuring Agreement are equal, then only the Insuring Agreement that provides the most favorable coverage to the **Insureds** will apply. In no event will more than one Third Party Insuring Agreement apply to a **Claim**.

In the event more than one Insuring Agreement under Section II. First Party Insuring Agreements applies to an **Event** or **Loss**, then all applicable Insuring Agreement Limits of Liability will apply to such **Event** or **Loss**, up to the Policy Aggregate Limit.

C. Retentions and Waiting Periods

If a **Retention** is specified in Item 5 of the Declarations for a corresponding Insuring Agreement, then the **Company** will only become liable for covered **Loss** under that Insuring Agreement in excess of the specified **Retention**. Such **Retention** will apply separately to each and every **Event** or **Claim** and must be satisfied in full by the **Insured's** payment of **Loss** within the **Retention**.

If a **Waiting Period** is specified in Item 5 of the Declarations for a corresponding Insuring Agreement, then the **Company** will only become liable for covered **Loss** upon expiration of the specified **Waiting Period**. Any **Loss** incurred during the **Waiting Period** must remain uninsured.

In the event more than one **Retention** or more than one **Waiting Period** applies to a **Claim** or **Event**, only the highest **Retention** amount or the longer **Waiting Period** will apply to that **Claim** or **Event**.

The **Insured** agrees to make direct payments within the **Retention** to the appropriate counsel or vendors as designated by the **Company**.

D. Related Claims and Events

All **Claims** arising out of the same, related, or continuing acts, facts, circumstances, events, or transactions will be treated as a single **Claim**, which will be deemed to have been first made at the time the earliest such **Claim** was made against any **Insured**.

All **Events** arising out of the same, related, or continuing acts, facts, circumstances, events, or transactions will be treated as a single **Event**, which will be deemed to have been first discovered at the time the earliest such **Event** was discovered by any **Insured**.

All **Claims** and **Events** arising out of the same, related, or continuing acts, facts, circumstances, events, or transactions will be deemed to be related and will be deemed to have been first made or first discovered on the earlier of the date that a **Claim** was first made or the date an **Event** was first discovered.

VII. DEFENSE AND SETTLEMENT OF CLAIMS

- A. The **Company** has the right and duty to defend any **Claim** against the **Insured**, even if the allegations of the **Claim** are groundless, false, or fraudulent. The **Company** has the right to select and appoint defense counsel.
- B. The **Company** has the right to negotiate and settle any **Claim**, but will not enter into a settlement without the **Insured's** consent, which will not be unreasonably withheld. If the **Insured** refuses to consent to a settlement recommended by the **Company** and acceptable to the claimant, the **Company's** liability for such **Claim** will not exceed the amount of the **Company's** recommended settlement plus:
 - 1. up to 70% of any additional **Damages** incurred by the **Insured** above the **Company's** recommended settlement amount; and
 - 2. up to 70% of any additional **Defense Expenses** incurred from the date that the **Insured** refused to consent to the **Company's** recommended settlement amount,provided that such amounts are within the applicable limits of the **Policy**.
- C. The **Insureds** must comply with all provisions of Section VIII.B. Assistance and Cooperation, including paragraph 4. However, if an **Insured** is able to settle a **Claim** for an amount that, when combined with any **Defense Expenses** or **PCI DSS Assessment Expenses** incurred, does not exceed 50% of the applicable **Retention** set forth in the Declarations, then the **Company's** prior written consent will not be required for such settlement. Any such settlement must fully resolve the **Claim** with respect to all **Insureds** and the **Company**.

VIII. OBLIGATIONS OF THE INSURED

A. Notice of Claim, Loss, or Circumstance

- 1. If, during the **Policy Period**, any member of the **Control Group** becomes aware of a **Claim** or **Event**, the **Insured**, as a condition precedent for coverage under the **Policy**, must give written notice to the

Company as soon as practicable in the manner described in paragraph 3 below, but in no event later than:

- a. sixty (60) days after the termination or expiration of the **Policy Period**; or
- b. the end of the Extended Reporting Period (if applicable).

The **Insured** must report a **Claim** or **Event** regardless of whether it arises out of any previously reported incident, circumstances, acts, errors or omissions, or related **Claim** or **Event**.

The date that written notice is received and accepted by the **Company** will be deemed the effective date of notice to the **Company**.

2. If during the **Policy Period**, a member of the **Control Group** becomes aware of any incidents, circumstances, acts, errors, or omissions that could reasonably result in a **Claim**, the **Insureds** must give written notice to the **Company** as soon as practicable during the **Policy Period**.

If a covered **Claim** subsequently arises out of such notified incidents, circumstances, acts, errors, or omissions, the **Claim** will be deemed to have been first made when the **Company** first received and accepted notice containing the information described in paragraph 3, below.

3. The notice required by paragraphs 1 and 2 above must be provided by the **Insured** to the contact listed in Item 4 of the Declarations. Such notice must include:
 - a. a description of the **Claim, Event**, incidents, circumstances, acts, errors, or omissions;
 - b. the identity of the **Insured(s)** involved;
 - c. the identity of any actual or potential claimants;
 - d. a description of the remedies sought, the amount of actual or potential **Loss** sustained, or any other consequences or exposures, and
 - e. a description of when any **Insured** first became aware of the **Claim** or **Event**, incidents, circumstances, acts, errors, or omissions.
4. If an **Insured** is unable to provide the notification required under paragraphs 1 and 2 above due to prohibition by any law enforcement or governmental authority, the **Insured** agrees to use its best efforts to provide the **Company** with information to make the **Company** aware of a potential or actual **Claim**, or **Event** until written notice can actually be provided.

However, notwithstanding the foregoing, there will be no coverage for any **Claim** or **Event** if the information withheld was:

- a. known to the **Insured** prior to the **Policy** Inception Date shown in Item 2 of the Declarations, and was not disclosed in the **Application**; or
- b. was not disclosed in writing to the **Company** within a reasonable time period after the prohibition on disclosing the information was revoked or deemed no longer necessary.

B. Assistance and Cooperation

1. The **Company** has no duty to provide coverage under this **Policy** unless there has been full compliance with all the conditions contained in this **Policy**. Any clause designated as a condition precedent requires the **Insured** to comply specifically and completely with it before any duties owed by the **Company** will

arise under this **Policy**, and any breach or failure to do so will entitle the **Company** to reject all or part of the **Claim** or **Loss**, or any related **Claim** or **Loss** whether or not such breach or failure causes loss, prejudice, or damage to the **Company**.

2. The **Company** may examine and audit the **Insured's** books and records as they relate to this **Policy** at any time during the **Policy Period** and up to three years afterwards.
3. The **Company** has the right to make any investigation it deems necessary, including with respect to any matter disclosed in the **Application** or to coverage under the **Policy**. Each **Insured** will, as a condition precedent to obtaining coverage under the **Policy**, give the **Company** full cooperation, assistance, and information as the **Company** may reasonably request. The **Insureds** must provide to the **Company** any requested information the **Company** deems pertinent to the investigation and handling of a **Claim, Event, or Loss**.
4. As a condition precedent to coverage, the **Insureds** must not admit liability, make any payment, assume any obligation, incur any expenses for which the **Company's** consent is required under the **Policy**, settle any **Claim**, or enter into any judgment or award without the **Company's** prior written consent, which will not be unreasonably withheld. However, the prompt public admission of a **Privacy Breach** potentially impacting non-public personally identifiable information as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring the **Company's** prior consent.
5. The **Company** may examine under oath, any **Insureds**, including any **Employees** or authorized representatives, while not in the presence of other such persons (not including any legal counsel), and at such times as may be reasonably required, about any matter relating to the **Policy** or any claim for benefits under this **Policy**. In the event of an Examination Under Oath, the person being examined must verify that their answers have been accurately recorded by signing the transcript of such proceeding.
6. The **Insured** will take all reasonable steps to limit or mitigate any **Loss** for which coverage may be or is sought under the **Policy**.

C. Proof of Loss

As a condition precedent to the **Company's** payment of **Loss** under Section II. First Party Insuring Agreements, the **Insured** must provide the **Company** with the following information:

- a. a complete description of the **Loss**, including the time, place, and cause of **Loss**;
- b. a calculation of **Loss**;
- c. all documents or materials supporting, demonstrating, or related to the **Insured's** proof of **Loss** incurred; and
- d. any information the **Company** requests in its investigation.

IX. GENERAL CONDITIONS

A. Subrogation

If the **Company** pays any **Loss** under this **Policy**, the **Company** will be subrogated to all of an **Insured's** rights of recovery, including any right to indemnification from any other source. The **Insureds** agree to cooperate with and assist in securing and maintaining all rights of recovery or indemnification against any

Third Party, including executing and delivering instruments and papers, and doing everything necessary to secure and preserve such rights, and will do nothing to prejudice such rights.

Any recoveries by the **Company** will be applied first in payment of the **Company's** subrogation expenses, secondly to **Loss**, or any other amounts paid by the **Company**, thirdly to any uninsured amounts, and lastly to the applicable **Retention**. Any additional amounts recovered by the **Company** will be paid to the **Insured**.

B. No Action Against the Company

1. The **Insureds** agree not to institute legal action against the **Company** in any court in respect of any **Loss** payable by the **Company**, unless, as a condition precedent thereto, the **Insureds** have fully complied with all the terms of the **Policy**; and:
 - a. with respect to any **Loss** payable by the **Company** under Section I. Third Party Insuring Agreements, the amount of the **Insured's** obligation to pay **Damages** or **Defense Expenses** must have been finally determined by judgement or award against the **Insured** after a trial or arbitration, or by written agreement of the **Insured**, the claimant, and the **Company**. Any person, organization, or the legal representative thereof who has secured such judgement, award, or written agreement shall thereafter be entitled to make a **Claim** under this **Policy** to the extent of the insurance afforded by this **Policy**; and
 - b. with respect to any **Loss** payable by the **Company** under Section II. First Party Insuring Agreements, such legal action is brought within two years from the date a member of the **Control Group** first discovered the **Event** causing the **Loss**.
2. No person or organization will have any right under this policy to join the **Company** as a party to an action or other proceeding against an **Insured** to determine the **Insured's** liability, nor will the **Insured** or the **Insured's** legal representative implead the **Company** in any such **Claim**.

C. Cancellation and Termination

The **Named Insured** will act on behalf of all **Insureds** with respect to the receipt of notices from the **Company**, the payment of the premiums, the receipt of any return premiums that may become due under this **Policy**, and the agreement to and acceptance of, any endorsements to this **Policy**.

This **Policy** may be cancelled or terminated:

1. by the **Company** for the **Insured's** nonpayment of premium, including nonpayment of premium which is due during the **Policy Period** on a prior policy issued by the **Company**, which covers the same risks as this **Policy**. Such notice of cancellation will be in writing and delivered or mailed to the **Named Insured** at the last mailing address known to the Company not less than ten (10) days prior to the effective date of cancellation;
2. by the **Named Insured** by providing written notice to the **Company** to the contact specified in Item 4 of the Declarations, which states when such cancellation will be effective; or
3. upon the expiration of the **Policy Period**.

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

D. Other Insurance

This **Policy** is written as specifically excess to, and will not contribute with, any other valid and collectible insurance available to the **Insured**, whether any such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written as specifically excess to this **Policy** by referencing the Policy Number stated in the Declarations.

E. Inspection and Audit

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

F. Assignment

Any assignment of interest under this **Policy** will not bind the **Company**.

G. Optional Extended Reporting Period

In the event of cancellation or non-renewal of this **Policy**, the **Named Insured** will have the right to purchase an Optional Extended Reporting Period for additional premium, as stated in Item 8 of the Declarations, provided that the **Policy** is not cancelled or non-renewed due to non-payment of premium or the failure of an **Insured** to pay amounts within the **Retention**.

The **Company** must receive both the **Named Insured's** request for the Optional Extended Reporting Period by written or electronic notice and payment of the additional premium within thirty (30) days of the effective date of cancellation or non-renewal of this **Policy**. Once purchased, the premium for the Optional Extended Reporting Period will be deemed fully earned.

The Optional Extended Reporting Period will only apply to **Claims** first made during the Optional Extended Reporting Period for a **Security Breach, Privacy Breach, or Wrongful Act** that occurred on or after the **Retroactive Date** and before the expiration or termination of the **Policy Period**.

The purchase of an Optional Extended Reporting Period will not increase the Policy Aggregate Limit of Liability or any Insuring Agreement Limit of Liability.

H. Change of Control

In the event of a **Takeover** during the **Policy Period**, this **Policy** will remain in effect until the Expiration Date of the **Policy Period** stated in Item 2 of the Declarations, but only with respect to **Wrongful Acts** or **Events** occurring before the effective date of the **Takeover**. The premium will be deemed fully earned as of the effective date of such **Takeover**.

In the event of a **Takeover**, the **Named Insured** may elect to purchase a Change of Control Extended Reporting Period of twelve (12) months beginning from the effective date of the **Takeover**. The **Company** must receive both the **Named Insured's** request for the Change of Control Extended Reporting Period by written or electronic notice and payment of the additional premium thirty (30) days of the effective date of the **Takeover**.

The Change of Control Extended Reporting Period will apply only to **Claims** first made during the Change in Control Extended Reporting Period for a **Security Breach, Privacy Breach, or Wrongful Act** that occurred during the **Policy Period**.

I. Warranty by the Named Insured

By acceptance of this **Policy**, the **Insureds** represent and acknowledge that the statements, representations, and information in the **Application** are true and accurate and agree that they are material to the **Company's** decision to issue this **Policy**, which was issued in reliance upon the truth and accuracy of such statements, representations, and information.

The misrepresentation or non-disclosure in the **Application** of any material matter by the **Insured** or its agent will render the **Policy** null and void and relieve the **Company** from all liability under the **Policy**.

J. Forfeiture

Any:

1. action or failure to act by an **Insured** with the intent to defraud the **Company**; or
2. material misrepresentation or non-disclosure of any material fact or claims by an **Insured** in the **Application**,

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

K. Coverage Territory

Coverage under this **Policy** applies to **Claims** made or **Events** occurring anywhere in the world.

L. Bankruptcy

The bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the **Company** of its obligations under this **Policy**.

M. Economic and Trade Sanctions

This **Policy** will not be deemed to provide coverage for, and the **Company** will not be liable to pay, any **Claim** or **Loss** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **Claim** or **Loss**, or provision of such benefit, would expose the **Company** to any sanction, prohibition, or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom, or United States of America.

N. Headings and Titles

The titles of paragraphs, clauses, provisions, or endorsements of or to this **Policy** are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Policy**.