

Form #CPGL100 - Cyber & Privacy Breach Coverage
(Rev. 6 October 2015)

PLEASE READ THIS CAREFULLY – THIS POLICY FORM IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS WITH ALL DEFENCE COSTS INCLUDED WITHIN THE LIMIT OF LIABILITY – PLEASE REFER TO THE CONDITIONS AND EXCLUSIONS CONTAINED IN THIS FORM

In return for the payment of the premium, and in reliance upon the statements in the Application and Supplementary Application and subject to the LIMITS OF LIABILITY stated on the "Declarations Page" and the terms and conditions contained herein, the Insurer agrees with the Named "Insured" to provide the insurance as stated in this form:

Key words and phrases in quotation have special meaning as defined in this Form. Refer to SECTION III DEFINITIONS.

SECTION I – INSURING AGREEMENTS

COVERAGE

Coverage A - Cyber and Privacy Liability

The Insurer will pay on behalf of the "Insured(s)" all sums which the "Insured(s)" shall become legally obligated to pay as "Damages" resulting from "Claim(s)" first made against the "Insured(s)" during the "Policy Period" and reported to the Insurer for:

- i. An alleged or actual "Privacy Breach Wrongful Act(s)" and or
- ii. Any third party financial loss arising directly from a "Hacking attack" or "Virus" that emanated from or passed through your "Computer systems" Claim must have occurred:
 - i. Within the "Coverage Territory" and
 - ii. After the "Retroactive Date" as shown on the "Declarations Page" and
 - iii. Before the expiration of the "Policy Period".

Coverage B – Privacy Breach Expense

The Insurer will pay on behalf of the "Insured(s)" for "Privacy Breach Expense" resulting from a "Privacy Breach Wrongful Act" that first occurs during the "Policy Period" and is reported to us during the "Policy Period" provided the "Privacy Breach Expense" is incurred within one (1) year of the expiration of the "Policy Period".

Coverage C – Business Interruption Loss

The Insurer will reimburse the "Insured(s)" for "Business Interruption Loss" subject to the "Waiting Period" of 48 hours that the "Insured(s)" incurs during the period of restoration directly resulting from a "Network Outage" that first occurs during the "Policy Period" and is reported to us during the "Policy Period". The "Failure of Security" causing the "Network Outage" and the "Business Interruption Loss" must each first occur during the "Policy Period".

Coverage D – Digital Asset Loss

The Insurer will reimburse the "Insured(s)" for "Digital Asset Loss" the "Insured(s)" sustains that first occurs during the "Policy Period" and is reported to us during the "Policy Period". The "Digital Asset Loss" must result from a "Failure of Security" of the "Insured's" "Computer System" during the "Policy Period".

Coverage E – Cyber Extortion Threats

The insurer will reimburse the "Insured(s)" for "Extortion Expense" and "Extortion Monies" resulting directly from any "Credible Threat" or series of "Credible Threats" that includes a demand for "Extortion Monies" that first occurs during the "Policy Period", "Extortion Expense" and "Extortion Monies" will not be paid without prior consultation with the Insurer and express written consent of the Insurer.

Coverage F – "Failure of Security" Regulatory Costs & Expenses

The Insurer will reimburse the "Insured(s)" for costs and expenses and any resultant fines and penalties resulting directly from any "Failure of Security" the "Insured(s)" sustains as a result of a "Regulatory investigation" initiation against the "Insured(s)" in writing that first occurs during the "Policy Period" and is reported to Insurer(s) during the "Policy Period".

LIMITS OF LIABILITY

The Limits of Insurance of this Form apply separately to each consecutive annual "Policy Period" and to any remaining period of less than 12 months, starting with the beginning of the "Policy Period" shown in the "Declarations Page", unless the "Policy Period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance. Insurers total Limit of Liability under this Form includes "Defence Costs".

Coverage A – Cyber and Privacy Liability:

The Limit of Liability for Coverage A is the most we will pay under such Insuring Agreement as damages and "Expenses and Losses" for all "Claim(s)" first made against any "Insured(s)" during the "Policy Period" regardless of the number of "Insured(s)" or the number of claimant, as stated on the "Declarations Page".

Coverage B – Privacy Breach Expense:

The Limit of Liability for Coverage B is the most we will pay for "Expenses and Losses" under such insuring agreements. The Limit of Liability as stated on the "Declarations Page", will be part of and not in addition to the Limit of Liability for Coverage A.

Coverage C – Business Interruption Loss

In the event of all "Business Interruption Loss" under such insuring agreement Coverage C, the most we will pay will be the Limit of Liability as stated on "Declarations Page" during "Period of Restoration".

Coverage D – Digital Asset Loss

In the event of all "Digital Asset Loss" under such insuring agreement Coverage D, the most we will pay will be the Limit of Liability as stated on "Declarations Page".

Coverage E – Cyber Extortion Threats

The Limit of Liability for Coverage E is the most we will pay for "Extortion Expense" and "Extortion Monies" under such insuring agreement, as stated on "Declarations Page".

Coverage F – "Failure of Security" Regulatory Costs & Expenses

The Limit of Liability for Coverage F is the most we will pay for all "Expenses and Losses" and any resultant fines and penalties under such insuring agreement, as stated on "Declarations Page".

MAXIMUM AGGREGATE LIMIT

The most we will pay including "Defence Costs", shall not exceed the aggregate Limit of Liability as specified on the "Declarations Page". This is the maximum amount payable during any one "Policy Period" regardless of the Coverage item applicable and regardless of the number of claims made in any one "Policy Period."

DEFENCE COSTS

With respect to the coverage provided by this "Policy", the Insurers shall appoint legal counsel or other experts to take up the defence of the "Insured" and pay those "Defence Costs". "Defence Costs" are included in the Limit of Liability for each "Claim".

It is further agreed that "Insurers" may make such investigation and settlement of any "Claim" as they deem expedient and shall have the exclusive right to contest or settle any of said "Claim(s)". The "Insured" shall not admit liability for or settle any "Claim" or incur any cost, charge or expense without the written consent of the Insurers as such action may render this coverage null and void.

The Insurers obligation to defend or continue to defend any "Claim" ends once the Maximum Aggregate Limit is exhausted. The Limit of Liability is reduced by every "Claim" payment made under this "Policy". "Defence Costs" are a part of and not in addition to the Limit of Liability stated as such in the "Declarations Page". The payment of "Defence Costs" reduces and may exhaust the Limit of Liability.

DEDUCTIBLE CLAUSE

We will pay damages, legal fees and "Expenses and Losses" in excess of the Deductible amount indicated in the "Declarations Page".

The terms of the policy, including those with respect to (a) our rights and duties with respect to the defence of suits, and (b) your duties in the event of a claim, apply even though there is a deductible.

We may pay any part or all of the Deductible amount to settle any claim or suit, and upon notification of the action taken, you will promptly reimburse us for the part of the deductible amount that we have paid.

A \$1,000 deductible applies separately to each Coverage item A-F, subject to a maximum deductible of \$2,500 if more than one coverage item applies.

COVERAGE TERRITORY

This "Policy" applies to any "Privacy Breach Wrongful Act(s)" which are committed or were alleged to have been committed anywhere in the world.

JURISDICTION CLAUSE

This "Policy" only applies to any "Claims" brought against the "Insured(s)" under the laws of Canada, and any other jurisdiction as stated on the "Declarations Page".

SECTION II – EXCLUSIONS

This Form does not apply to any "Failure of Security", "Claim(s)" or "Expenses and Losses" based upon, arising out of, directly, or indirectly resulting from, in consequence of, or in any way involving, attributable or related, in whole or in part, to:

1. **Asbestos**
Any actual or alleged liability for or involving asbestos, or any materials containing asbestos in whatever form or quantity. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the loss, damage, cost or expense.
2. **Bodily Injury or Property Damage:**
Any actual or alleged:
 - a) bodily injury, sickness, mental anguish, disease or death of any person(s); or
 - b) damage to or destruction of any tangible property including all resulting loss of use of that property. Tangible property does not include data or other information that is in electric form.This exclusion will not apply to a "Claim(s)" for mental injury, mental anguish or emotional distress resulting directly from a "Privacy Breach Wrongful Act".
3. **Fraudulent:**
Any fraudulent, dishonest, criminal act or willful error or omission committed by any "Insured(s)", however, this exclusion will not apply to any "Insured(s)" that did not participate in or know about the dishonest act. However, this exclusion will be applied to all "Insured(s)" if the dishonest act is done with the consent or knowledge of the "Named Insured(s)" or any of the "Named Insured's" directors, partners, or executive officers.
4. **Fines and Penalties**
Charges, penalties, fines, operational reimbursements, fraud recovery costs, investigation costs, fees or other assessments of affected financial institutions, payment card companies, provincial or federal data protection authorities, courts of law, and any other entity. Fines and Penalties does not include coverage as provided under Coverage F – "Failure of Security" Regulatory Costs & Expenses but only if a Limit of Liability is shown on the "Declarations Page" under Coverage F.
5. **Prior Breaches**
Prior "Privacy Breach Wrongful Act(s)", known or unknown, occurring prior to the retroactive date shown on the "Declarations Page".
6. **Failure to Cooperate**
The "Insured's" failure to cooperate with and provide full disclosure of the circumstances surrounding the "Privacy Breach Wrongful Act" to us, applicable federal or provincial regulators, law enforcement personnel, and/or designated service providers.
7. **Infringement**
The validity or invalidity, infringement, misappropriation, copying, theft, display or publication or violation of any patent, "Trade Secret", copyright, trademark, service mark, trade dress or trade name.
8. **Security Failure**
 - (a) Any "Failure of Security" occurring prior to the retroactive date shown on the "Declarations Page" if the "Insured(s)" knew or could have reasonably foreseen that this "Failure of Security" could give rise to a claim or to any "Expenses and Losses".
 - (b) Any shortcoming in "Security" that the "Insured" knew about prior to "Expenses and Losses" occurring.
 - (c) Any failure to ensure that any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured(s)" is protected to industry standards by security practices and system maintenance procedures that are equal to or superior to the effective date of this Form
 - (d) The Insured's failure to take step to use, design, maintain or upgrade the "Security", or
 - (e) Out of the use, or lack of performance of, software:

- (i) Due to expiration, cancellation or withdrawal of the software;
- (ii) That has not yet been released from its developmental state; or
- (iii) That has not passed all test runs or proven successful in applicable daily operations.

9. **Government Authority:**

Any seizure, confiscation, nationalization, or destruction of the "Insured's" "Computer System" or "Digital Assets" by order of any government or public authority.

10. **Wear and Tear:**

Any wear and tear or gradual deterioration of any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured" or the "Insured's" "Digital Assets".

11. **Personal Liability:**

Any actual or alleged "Claim(s)" made against any past, present or future "Senior Executive" or employee of the company named as the "Insured(s)" in the "Declarations Page" or any subsidiary unless:

- (i) that "Claim" would have been covered under this "Policy" if it had been made solely against the company named as the "Insured(s)" in the "Declarations Page" or any subsidiary and
- (ii) the act or event which gave rise to the "Claim" was committed by a "Senior Executive" or employee acting within the scope of their duties as a "Senior Executive" or employee including "Corporate Blogging" when the act or event was committed.

12. **Nuclear Liability**

- (a) Liability imposed by or arising under the Nuclear Liability Act;
- (b) Any "claim" with respect to which an "Insured" under this Policy is also "Insured" under a contract of nuclear energy liability insurance (whether the "Insured" is unnamed in such contract or whether or not it is legally enforceable by the "Insured") issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an "Insured" under any such policy but for its termination upon exhaustion of its limit of liability;
- (c) Any "claim" resulting directly or indirectly from the "nuclear energy hazard" arising from:
 - (i) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an "Insured";
 - (ii) The furnishing by an "Insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; and
 - (iii) The possession, consumption, use, handling, disposal or transportation of "Fissionable Substances", or of other "radioactive material" (except radioactive isotopes, away from a "nuclear facility", which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by any "Insured".

13. **Pollution**

- (a) Any "claim" which arises out of, or would not have occurred, in whole or in part but for the actual, alleged or threatened spill, discharge, emission, disbursement, seepage, leakage, migration, release or escape of "pollutants" at any time.
- (b) Any "compensatory damages", "privacy breach expenses", or "defence costs" arising out of any:
 - (i) Request, demand or order that any "Insured" or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants"; or
 - (ii) "claim" or action by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, decontaminating, stabilizing, remediating, neutralizing, or in any way responding to, or assessing the effects of "pollutants".

14. **"Insured" versus "Insured":**

Any "Claim(s)" by an "Insured(s)", however, this exclusion will not apply to an otherwise covered "Claim(s)" by an employee alleging a "Privacy Breach Wrongful Act."

15. **Unfair Trade /Antitrust**

Any actual or alleged unfair competition, antitrust violation, restraint of trade, false deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising other than where specifically covered under Coverage A

16. **Insolvency**

Any Claim(s) arising out of or relating directly or indirectly to "Insured(s)" insolvency or bankruptcy, or the insolvency or bankruptcy of any "Third Party". In addition no coverage is provided for under Business Interruption Loss if you become insolvent or bankrupt under Coverage A, B and or C. However, if your insolvency shall not relieve us of any of our legal obligations under this contract of insurance where the insolvency does not give rise to a "Claim".

17. **Internet Infrastructure**

Any Claim(s) arising directly or indirectly from a failure of any core element of the internet infrastructure that results in a national countrywide and or global outage of the internet, including a failure of the DNS root servers or IP addressing systems.

18. **Retroactive Date**

Any actual or alleged negligent act, negligent error, negligent omission, circumstance or event which occurred or commenced before the "Retroactive Date" stated in the "Declarations Page".

19. **Loss of Funds**

Any Claim(s) arising directly or indirectly from the commingling of funds, the loss of money or securities in an **Insured's** care or custody or control, or the actual or alleged inability to pay, collect or safeguard funds.

20. **Professional Services**

The rendering of or failure to render "Professional services".

21. **Third Party Costs**

Costs incurred via "Third Party" liability and/or "Defence costs".

22. **War**

Occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law, or confiscation by order of any government or public authority.

SECTION III - DEFINITIONS

1. **Business Interruption Loss**: the sum of Actual Loss, and Extra Expense resulting directly from a "Network Outage". The "Business Interruption Loss" will be calculated based on the actual "Business Interruption Loss" the "Insured"(s) sustains per hour during the Period of Restoration. If an "Insured" could reduce the Actual Loss or Extra Expense resulting from a "Network Outage" by complete or partial resumption of operations, such reductions will be taken into account in arriving at Actual Loss or Extra Expense.
Solely with respect to coverage afforded under Coverage C – Business Interruption Loss:
 - (a) Actual Loss is
 - (i) Net Sales less the cost of sales expenses the "Insured" would have earned or incurred had there been no "Network Outage", and
 - (ii) Continuing normal operating expenses incurred by the "Insured", including ordinary payroll expenses, provided such operating expenses must continue during the "Network Outage" and only to the extent that such expenses would have been incurred by the "Insured" had no "Network Outage" occurred.
 - (b) Extra Expense as necessary or reasonable expenses incurred by the "Insured" directly as a result of a "Network Outage", but only to the extent such expense reduces Actual Loss.
 - (c) Period of Restoration is the period of time that:
 - (i) Begins with the date and time that the "Network Outage" first occurs; and
 - (ii) Ends with the earliest of:
 - (1) The date and time that the "Network Outage" ends, or would have ended, if the "Insured"(s) had exercised due diligence and dispatch, or
 - (2) 30 days after the date and time that the "Network Outage" first occurred.
 - (d) "Business Interruption Loss" does not include:
 - (i) Contractual penalties of any nature;
 - (ii) Cost or expenses incurred to identify or remediate "Computer System" errors or vulnerabilities;
 - (iii) Cost or expenses incurred to update, restore, replace or otherwise improve any "Computer System" to the level of functionality beyond that which existed prior to the loss event;
 - (iv) Any other consequential loss or damage;
 - (v) Legal costs or legal expenses of any nature; and
 - (vi) Damages arising out of liability to any "Third Party" for whatever reason.
2. **"Claim"**:
 - (a) Any written demand for monetary relief against the "Insured" for "privacy breach wrongful acts";
 - (b) A civil or arbitration proceeding commenced by the issuance of notice of action, statement of claim, writ of summons, complaint or similar originating notice of claim; "Claim" does not include criminal proceedings.
3. **"Compensatory damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
4. **"Computer System"**: computer hardware, software, firmware, and components thereof, including electronic data stored thereon, which are linked together through a network or two or more computers, including such networks accessible through the internet, intranets, extranets or virtual private networks.
5. **"Restoration Period"**: the period immediately following a "network outage" that is a direct result of: an occurrence covered under Coverage C.
6. **"Coverage Territory"**: anywhere in the world.
7. **"Corporate Blogging"**: creating or editing a web log, online comments, forum post, or any other social media activity where the primary purpose of the activity is to promote "Insured"(s) or the individual(s) position within the industry even if the nature of the content is not directly associated with "Insured"(s) business activities.
8. **"Credible Threat"**: a threat to:
 - (a) release, divulge, disseminate, destroy or use a "Company's" "Digital Assets" acquired by "Unauthorized Access" or "Unauthorized Use" of the "Company's" "Computer System",
 - (b) introduce "Malicious Code" into the "Company's" "Computer System",
 - (c) corrupt, damage or destroy the "Company's" "Computer System",
 - (d) electronically communicate with the "Company's" customers and falsely claim to represent the "Company" or acting under the "Company's" direction in order to falsely obtain "Protected Personal Information" of the "Company's" customers; or
 - (e) restrict or hinder access to the "Company's" "Computer System", including the threat of criminal or malicious "Denial of Service".

Such threat shall not constitute "Credible Threat" unless prior to surrendering property or other consideration as payment by on or behalf of the "Company".

 - (a) the "Company" conducts a reasonable investigation and reasonably determines that such threat is technologically credible.
 - (b) the "Company" must report such "Credible Threat" at the Insurer's request, to the RCMP, FBI, CIRCC, CERT, ISAC or any other central reporting or investigative organization that the Insurer may designate.
9. **"Damages"** shall mean any compensatory sum which the "Insured" is legally obligated to pay for any Claim to which this insurance applies and shall include judgments and settlements, negotiated with the Insurer's written consent.
"Damages" shall not include fines, penalties, punitive or exemplary damages, sanctions or any other damages resulting from the multiplication of compensatory damages, nor fees, commissions, expenses or costs for the professional business of the "Insured". "Damages" shall also not include any matter, sum or award that is uninsurable under the law pursuant to which this "Policy" shall be construed nor any form of injunctive or declaratory relief.
10. **"Declarations Page"** means the Declarations Page applicable to this Form
11. **"Defence Costs"** shall mean reasonable costs and expenses incurred by the "Insured" with Insurer's prior consent in the investigation, negotiation, mediation or defence or settlement of any "Claim" made against the "Insured" or the investigation of any circumstances of which the "Insured" shall become aware which might reasonably be expected to give rise to a "Claim" being made against the "Insured", providing such "Claims" are indemnifiable under this "Policy".
 - (a) "Defence Costs" shall include all premiums on bonds to release attachments, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish any such bonds;
 - (b) "Defence Costs" also shall include reimbursement for time and expenses incurred by an employee of the "Insured" for attendance at examination for discovery and the trial or hearing to determine the Insured's liability on the "Claim". Reimbursement for time shall be for actual hours in

attendance at discovery and trial and shall be limited to 50% of the customary hourly billing rate or \$100.00 per hour, whichever is less, and reimbursement for expenses shall be limited to those amounts reasonably incurred for travel, accommodation and meals, for actual attendance at discovery and trial;

- (c) all costs taxed against the "Insured" in any civil action defended by the Insurer's and any interest accruing after entry of judgment (or, in those jurisdictions where state prescribes interest for some other date, from such prescribed date) upon that part of the judgment which is within the limit of liability;
- (d) all reasonable expenses (other than those stated above) incurred by the "Insured" at the Insurer's request.

12. **"Denial of Service"**: an attack launched by a person or persons that sends an excessive volume of electronic data to a "Computer System" in order to deplete such "Computer System's" capacity, and prevents those who are authorized to do so from gaining access to such "Computer System" in a manner in which they are legally entitled, provided such depletion of capacity is not caused by a mistake in determining capacity needs.

13. **"Digital Assets"**:

- (a) Software or electronic data, customer lists and information, financial, credit card or competitive information, and confidential or private information, stored electronically on any "Computer System" of the "Insured" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured" which is subject to regular back-up procedures; or
- (b) Capacity of any "Computer System" of the "Insured(s)" or of a "Third Party" who operates or maintains a "Computer System" on behalf of the "Insured", including without limitation, memory, bandwidth, or processor time, use of communication facilities and any other computer-connected equipment.

14. **"Digital Asset Loss"**:

- (a) The actual and necessary expenses and losses incurred by the "Insured(s)" to "Restore" its "Digital Assets" that have been altered, corrupted, destroyed, disrupted, deleted or damaged;
- (b) The actual cost borne by the "Insured(s)" to "Recollect" such "Digital Assets" in the event the "Insured(s)" is unable to "Restore" such "Digital Assets", but is able to "Recollect" such "Digital Assets";
- (c) In the event the "Insured(s)" is not able to "Restore" or "Recollect" such "Digital Assets", the "Digital Asset Loss" will mean only the actual expenses and losses incurred by the "Insured(s)" to reach this determination.

"Digital Asset Loss" does not include, and coverage will not be afforded for:

- (i) Loss arising out of any liability to "Third Parties" for whatever reason;
- (ii) Expenses and losses incurred by the "Insured(s)", to update, upgrade, enhance or replace the "Insured's" "Digital Assets";
- (iii) Legal expenses or legal losses;
- (iv) Loss arising out of any physical damage to or destruction of the computer hardware, firmware or any other property except "Digital Assets";
- (v) That part of any "Digital Asset Loss" for which the proof as to its existence or amount is solely dependent on an inventory computation or comparison; or a profit and loss computation or comparison; provided, however, where the "Insured(s)" establishes wholly apart from such comparison that it has sustained a "Digital Asset Loss", then it may offer its inventory records and actual physical count of inventory in support of the amount of such "Digital Asset Loss" claimed;
- (vi) The expenses and losses incurred for researching or developing "Digital Assets";
- (vii) The economic or market value of, or the monetary value of lost market share, profits, or royalties related to any "Digital Assets", including without limitation "Trade Secrets";
- (viii) Expenses and losses incurred to identify and remove software program errors or vulnerabilities; or
- (ix) The monetary value of any electronic fund transfers or transactions by the "Insured(s)" or on the "Insured's" behalf, which is lost, diminished or damaged during transfer from, into or between the "Insured's" accounts.

16. **"Expenses and Losses"**: any "Privacy Breach Expense", "Cost, Charges and Expenses", "Business interruption Loss", or "Digital Asset Loss"

17. **"Extortion Expense"**: the reasonable expense other than "Extortion Monies" incurred by the "Insured" with the Insurer's prior written consent in response to a "Credible Threat". Such consent will not be unreasonably withheld.

18. **"Extortion Monies"** : any funds or property paid by the "Insured" with the Insurer's prior written consent, to a person(s) reasonably believed to be responsible for the "Credible Threat" "Insured" under Insuring Agreement E, for the purpose of terminating that threat and all residual effects. Such consent will not be unreasonably withheld.

19. **"Employee"**: includes any present or former employee, including part-time, seasonal, "leased worker" and "temporary worker", but solely while acting on your behalf.

20. **"Fissionable Substance"**: any prescribed substances that is, or from which can be obtained a substance capable of releasing atomic energy by nuclear fission.

21. **"Failure of Security"**:

- (a) A failure or inability of the "Security" of the "Insured's" "Computer System" to prevent "Unauthorized Access" to or "Unauthorized Use" of such "Computer System" or corruption or deletion of "Digital Assets" held by such "Computer System"
- (b) The receipt or transmission of a "Malicious Code" or "Denial of Service" by the "Insured's" "Computer System" or;
- (c) A failure or inability to prevent the physical theft of hardware or firmware in the possession or control of the "Insured(s)" on which "Protected Personal information" entrusted to the "Insured(s)" is stored electronically;
- (d) Any of the above resulting from the theft of a password or access code by non-electronic means in direct violation of the Insured's specific written policies and procedures regarding "Security".

22. **"Hacking attack"**: any malicious or unauthorized electronic attack including but not limited to any "denial of service" attack, phishing, brute force attack, fraudulent electronic signature that has been initiated by any "Third Party" or by any employee and that is designed to damage, destroy, corrupt, overload, circumvent or impair functionality of computer systems.

23. **"Insured"** shall mean the Named "Insured" stated in the "Declarations Page" and any past, present or future employee or officer of or director of or any stockholder or any partner of the Named "Insured";

"Insured" shall also mean any heir, executors, administrators and legal representatives of each "Insured", in the event of death, incapacity or bankruptcy, but only as respects liability arising out of professional services rendered prior to such "Insured's" death, incapacity or bankruptcy; **"Insured"** shall also mean any individuals or personal corporations who from time to time have been retained under personal services contracts or personal services agreements; employees on loan from others; only while acting within the scope of their duties for the "Insured", including contract employees for work completed on behalf of the "Insured" (subject to fees being declared in the "Proposal").

24. **"Insured's Professional business"** shall mean one or more of those services provided for others as listed on the "Proposal", accepted by Insurer's and listed on the "Declarations Page".
25. **"Leased worker"** a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "Temporary worker".
26. **"Malicious Code"**: unauthorized corrupting or harmful piece of code, including, but not limited to, computer viruses, Trojan horses, worms, time or logic bombs, spy ware, malware or spider ware.
27. **"Network Outage"**: the actual and measurable interruption or suspension of the "Insured's" "Computer System", which is directly caused by a "Failure of Security".
28. **"Nuclear Energy Hazard"**: the radioactive toxic, explosive or other hazardous properties of "radioactive material".
29. **"Nuclear Facility"**:
 - (a) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - (ii) Processing or utilizing spent fuel, or
 - (iii) Handling, processing or packaging waste;
 - (c) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the "Insured(s)" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material" and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
30. **"Policy"** shall mean this wording and the "Declarations Page" and all endorsements appended hereto.
31. **"Pollutants"**: any solid, liquid, gaseous or thermal irritant or contaminant including smoke, odour, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
32. **"Professional Services"**: provision of acts or services requiring specialized knowledge, skill or professional judgement, which the "Insured" renders to others pursuant to a written agreement and for a fee or other consideration.
33. **"Privacy Breach Wrongful Act"**: any actual or alleged breach of duty, negligent act, error or omission by or on behalf of the "Insured's" that results in:
 - (a) The unauthorized access to, or unauthorized use of, or the disclosure of "Protected Personal Information" of any person or entity other than the "Insured(s)", in the care, custody or control of the "Insured(s)";
 - (b) Breach or violation by the "Insured(s)" of any "Privacy Law" or common law right to privacy.
34. **"Privacy Breach Expenses"**: the following expenses incurred with the Insurer's prior consent in order to comply with any "Privacy Law" or to minimize any "Damages" or "Expenses and Losses" otherwise covered under this Policy:
 - (a) **Notification Expenses**: The required amount of necessary expenses incurred by the "Insured(s)", or by others on the "Insured's" behalf, to minimize any "Damages", or "Expenses and Losses" otherwise covered under this "Policy" or to comply with any "Privacy Law" requiring a person or organization storing "Protected Personal Information", either in paper or electronic format, to provide notice to an identified individual of any actual or potential disclosure of, or unauthorized use of or access to "Protected Personal Information";
 - (b) **Credit monitoring and data recovery expense**: expenses incurred by the "Insured(s)" or on the "Insureds" behalf:
 - (i) to provide credit monitoring expenses to an identified individual to the extent required by "Privacy Law" or to minimize any damages or "Expenses and Losses" otherwise covered under this Form; or
 - (ii) To recover information which has been accessed without the identified individual's permission where the costs of recovery would minimize any damages or expenses otherwise covered under this Form;
 - (c) **Cyber investigation expense**: expenses incurred by the "Insured(s)", or on the "Insureds" behalf, with our prior consent, to pay a "Third Party" to conduct an investigation into a "Computer System" from which "Protected Personal Information" has been accessed in order to determine the manner in which and the date and time such information was accessed. Such "Expenses and losses" do not include compensation, fees, benefits, overhead or the charges or expenses of any "Insured(s)"; and Privacy & Data Breach Form
 - (d) **Crisis management expense**: expenses incurred by the "Insured(s)", or on the "Insureds" behalf, to pay a public relations firm, law firm or crisis management firm, hired with our prior written consent, to perform crisis management services to minimize the potential harm to the Insured's reputation or business or to the persons or entities affected due to "Protected Personal Information" that has been wrongfully accessed, but only if in the law enforcement authorities having jurisdiction over the theft of the information have been advised and do not object to such payment. Such "Expenses and Losses" do not include compensation, fees, benefits, overhead or the charges or expenses of any "Insured(s)".
35. **"Privacy Law"**: statutes and regulations governing the protection, use or disclosure of non-public personal information or breach of privacy, including:
 - (a) The Personal Information Protection and Electronic Documents Act, S.C. 2000 c 5 (PIPEDA); or
 - (b) Any Canadian provincial, territorial or municipal statute or regulation that has been deemed substantially similar to PIPEDA; or
 - (c) Any Canadian provincial or territorial Privacy Act or Health Information Protection Act; or
 - (d) Other similar federal, provincial, territorial, state or local "Identity Theft", privacy, or information protection laws requiring public bodies or commercial entities that collect personal or health information to protect such information from unauthorized access, use or disclosure, adopt privacy policies or controls, or notify individuals in the event that personal information has been compromised.
36. **"Proposal"** shall mean a written proposal made by or on behalf of the "Insured" to the Insurer's for the insurance evidenced by this "Policy", including any statements, declarations, application forms, warranties or information upon which the Insurer's have relied and, where a special form or presentation has been used for the purpose, bearing the date stated in "Declarations Page"
37. **"Protected Personal Information"**: Any information about an identifiable individual protected from unauthorized access, use or disclosure under any "Privacy Law".
38. **"Radioactive Material"**: uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.

39. **"Recollect"**: cost or expenses to:
 - (a) Recollect the information making up the "Digital Asset", including without limitation, information from non-electronic sources; and
 - (b) Organize and transcribe such information into the same or substantially similar form as the original "Digital Asset".
40. **"Regulatory investigation"**: a formal hearing, official investigation, examination, inquiry or any other similar proceeding initiated by a governmental regulatory, law enforcement, both professional and or statutory body.
41. **"Restore"**: expenses and losses to restore "Digital Assets" from any collection of partially or fully matching electronic data or software, or through electronic data or disaster recovery methods.
42. **"Retroactive Date"** shall mean the date specified in the "Declarations Page".
43. **"Security"**: means hardware, software or firmware whose function or purpose is to mitigate loss from or prevent "Unauthorized Access", "Unauthorized Use", receipt or transmission of a "Malicious Code" or "Denial of Service" attacks of the "Insured's" "Computer System". "Security" includes, without limitation, firewalls, filters, computer virus protection software, intrusion detection, the electronic use of passwords or similar identification of authorized users. Also includes specific written policies and procedures intended to directly prevent theft of a password or access code by non-electronic means.
44. **"Senior Executive"**: all chief privacy officers, chief information officers, chief technology officers, chief operating officers, risk managers, in-house legal/lawyers, executive officers and board members or any subsidiary of the company named as the "Insured" in the "Declarations Page"
45. **"Systems Outage Period"** is the period in which your "computer system" is unavailable as a direct result of an occurrence covered under Coverage D. This is limited to a maximum of 3 months.
46. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
47. **"Third party"**: any person or entity which is not an "Insured(s)".
48. **"Trade Secret(s)"**: information (including any idea that has been reduced to a written or electronic form including a formula, compilation, pattern, program, device, method, process, or technique) which:
 - (a) Derives independent economic value, actual or potential, from not being readily ascertainable through proper means by other person who can obtain economic advantage from its disclosure or use;
 - (b) Is the subject of reasonable efforts to maintain its secrecy; and
 - (c) Is used, capable of being used, or intended to be used in commerce.
49. **"Unauthorized Access"**: the gaining of access to a "Computer System" by an unauthorized person(s), or by an authorized person(s) in an unauthorized manner.
50. **"Unauthorized Use"**: the use of "Computer Systems" by a person unauthorized by the "Insured(s)" or a person authorized by the "Insured(s)" that used the "Computer System" for a purpose not intended by the "Insured(s)".
51. **"Virus"**: any malicious software code including but not limited to any logic bomb, Trojan horse or worm that has been introduced by any "Third Parties" or by any employees and that is designed to damage, corrupt, circumvent, destroy, overload or impair the functionality of "Computer systems".
52. **"Waiting Period"**: the number of hours the "Insured's" "Computer Systems" experience a "Network Outage" before we are first obligated to pay "Business Interruption Loss" (other than Extra Expense). The "Waiting Period" incepts immediately following the "Network Outage".

SECTION IV – CONDITIONS

1. **Action against Insurer**
No action or legal proceedings may be initiated against the insurer unless the "Insured" has fully complied with the requirements of this policy. Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act.
2. **Adjustment Clause**
This "Policy" is issued and the premium computed on the basis of the information submitted to the insurer. The insurer may require premium adjustment, when Premium Adjustment Terms are shown on the "Declarations Page", and coverage revisions in the event:
 - (a) The "Insured" acquires any other entity; or
 - (b) The "Insured" creates or acquires a subsidiary subsequent to the inception date of this "Policy".
 The named "Insured" agrees to give notice to the insurer in writing in ninety (90) days of the happening of either of the foregoing and furnish such information in connection therewith as the insurer may require.
3. **Allocation**
In the event that a "claim" made against the "Insured" is partly covered by this "Policy" and partly not covered by this "Policy", or a "claim" is made against the "Insured" and against any persons or entities not "Insured" by this "Policy", the "Insured" agrees that the insurer's obligation to make payment for "defence costs" under this "Policy" is limited to payments in respect of covered "claims", persons and entities only, and all "defence costs" shall be allocated as between the covered and non-covered "claims", and covered and non-covered persons or entities, as follows:
 - (a) The "Insured" recognizes and agrees that all "defence costs" paid by the insurer under the "Policy" must be allocated only to the defence of "claims" covered under the "Policy", and the "Insured" agrees that the insurer and the "Insured" will use best efforts to determine a fair and proper allocation of "defence costs" as between covered and non-covered "claims" and as between covered and non-covered persons or entities, taking into account the relative legal and financial exposures, and the relative benefits obtained by the "Insured".
 - (b) In the event that the "Insured" and insurer are not able to agree on the allocation to be made pursuant to this SECTION IV Condition 3 of the "Policy", the "Insured" agrees that the insurer shall advance such amounts as the insurer believes to be fair and proper until a different amount is agreed upon or determined pursuant to the provisions of this "Policy" and applicable law. The allocation determined by the insurer under this section shall not create any presumption with respect to the allocation of other "claims" or amounts as between the "Insured" and uninsured persons or entities, or as between covered and non-covered "claims".
4. **Assignment**
Assignment of interest under this "Policy" shall not bind the insurer unless its consent is endorsed hereon.

5. Assistance and cooperation

- (a) The "Insured" shall co-operate with the insurer in the investigation of all "claims", "privacy breach expenses", or "defence costs" under this "Policy", and shall provide the insurer with all assistance as may be reasonably required by the insurer.
- (b) The "Insured" shall cooperate with the insurer in the defence of any "claim" or suit, and shall give to the insurer such information and written statements as the insurer may require, and shall attend depositions, hearings and trials and give evidence in connection with the defence of such suit, all without charge to the insurer.
- (c) The "Insured" shall not voluntarily make any payment, assume any liability or obligation or incur any expense, unless with the written consent of the insurer.

6. Audit

The insurer may examine and audit the Insured's books and records at any time during the "Policy" period and within three (3) years after the end of the "Policy period", as they relate to the matter of this "Policy".

7. Authorization Clause

By acceptance of this Policy, all Insureds agree that the named "Insured" shall act on their behalves with respect to the giving or receiving of any notice provided for in this policy, the payment of premiums and the receiving of return premiums and the negotiation and acceptance of any endorsement.

8. Bankruptcy

Bankruptcy or insolvency of the "Insured" or of the Insured's estate does not relieve the insurer of its obligations under this Policy.

9. Canadian Currency

All limits of insurance, premiums and other amounts as expressed in this "Policy" are in Canadian currency.

10. Cancellation

This "Policy" may be cancelled:

- (a) By the insurer giving to the named "Insured" by registered mail notice of cancellation as follows:
 - (i) 15 days' notice of cancellation, if cancellation is due to non-payment of premium;
 - (ii) 60 days' notice of cancellation, if cancellation is due to any other reason. Such notice shall be accompanied by a pro rata return of premium but in no event shall the pro rata premium for the expired time be deemed to be less than any minimum retained premium specified.Except in Quebec, cancellation takes effect 15 or 60 days after the registered letter or notification of it is delivered to the first named Insured's postal address depending on the reason for cancellation. Proof of mailing will be sufficient proof of notice. In Quebec, the insurer's notice of cancellation takes effect either 15 or 60 days after receipt of the notice at the last known address of the first named "Insured", depending upon the reason for cancellation.
- (b) By the named "Insured", giving written notice at any time. Cancellation will take effect on the date of the named Insured's written notice or at a later date if specified therein. The insurer will refund the unearned premium on a short-rate basis, but in no event shall the short-rate premium for the expired time be deemed to be less than any minimum retained premium specified.

11. Changes

This "Policy" contains all the agreements between the named "Insured" and the insurer concerning the insurance afforded. The named "Insured" shown in the "Declarations Page" is authorized to make changes in the terms of this "Policy" with the insurer's consent. The terms of this "Policy" may be amended or waived only by endorsement issued by the insurer and made a part of this policy.

12. Notice of Claims**Coverage A – Cyber and Privacy Liability**

The "Insured" shall give immediate notice in writing of any "claim" to the insurer at the address shown in SECTION IV, Condition 13. Such notice shall in any event be given not later than sixty (60) days after the expiration of the "Policy period".

If during the period of this insurance the "Insured" shall first become aware of any occurrence or situation which might reasonably be expected to give rise to a "claim" against the "Insured" and during the period of this insurance gives written notice to the insurer of such occurrence or situation, then any such "claim" which is subsequently made shall be deemed to have been made on the date that the insurer was advised of the occurrence or situation. Such notice will include:

- (1) The name of the potential claimant and a date and description of the specific "privacy breach wrongful acts" which form the basis of the potential "claim";
- (2) The nature of the potential damages arising from such specific "privacy breach wrongful acts"; and
- (3) The circumstances by which the "Insured" first became aware of the specific "privacy breach wrongful acts".

Coverage B – Privacy Breach Expenses

As a condition precedent to coverage, the "Insured" shall give immediate notice in writing to the insurer of any "privacy breach wrongful act" for which the "Insured" seeks "privacy breach expenses" coverage under this policy. Such notice must be reported within thirty (30) days of the "privacy breach wrongful act" or in any event be given not later than sixty (60) days after the expiry of the "Policy period".

13. Notification of "Claim(s)"

All "claim" notices are to be reported to MGB Claims Consultants at Toll free : 1-866-824-9940 and must be directly reported to Premier in writing at the following address:

Attention: Claims Department
Premier Canada Assurance Managers Ltd.
1700 - 601 W. Hastings Street
Vancouver, BC V6B 1M8
or emailed to claims@premiergroup.ca

14. Other insurance

If other valid and collectable insurance is available to an "Insured" for any "claim", "damages", "privacy breach expenses", or "defence costs" covered under this policy:

- (a) If the insurer of the other applicable valid and collectible insurance is not the Insurer or any affiliate of the Insurer, this "Policy" shall apply only as excess insurance over such other valid and collectible insurance, including any retention or deductible portion of such insurance. The Insurer under this "Policy" shall be liable for only the excess, if any, of any "damages", "privacy breach expenses" or "defence costs" over the applicable limit of the other insurance covering such "damages", "privacy breach expenses" or "defence costs", and this "Policy" shall not contribute to any "claim" or to "damages", "privacy breach expenses" or "defence costs" that are less than or equal to the applicable limit of the other insurance covering such "claim", "damages", "privacy breach expenses" or "defence costs";
- (b) In the event that any part of such other valid and collectible insurance is issued by the Insurer or any affiliate of the Insurer, the Insurer's liability hereunder shall be reduced by the amount payable under such other insurance.

15. Representations

By accepting this policy, the named "Insured"(s) agrees:

- (a) The statements in the "Declarations Page" are accurate and complete;
- (b) Those statements are based upon representations the named "Insured"(s) has made to the Insurer; and
- (c) The Insurer has issued this "Policy" in reliance upon the named Insured's representations, documentation, data and other material the named "Insured"(s) has furnished to the Insurer.

16. Severability Clause

This "Policy" shall be construed as a separate agreement with each "Insured". Nothing in this clause shall increase the insurer's maximum liability as set forth in LIMITS OF LIABILITY section of this Policy.

17. Statutory Conformity

Terms of this policy, which are in conflict with the statutes of the province where the "Insured" has its main address, are hereby amended to conform to such statutes.

18. Subrogation

In the event any payment is made by the Insurer under this policy, the Insurer shall be subrogated to all the Insured's rights to recovery against any "third party", including any rights to contribution or indemnity against any person or organization that may be liable to the "Insured" or to a claimant, with respect to which insurance is provided by this policy. The "Insured" shall execute and deliver to the Insurer instruments and papers and do whatever else is necessary to secure such rights, including attend hearings and trials and assist in giving evidence and appearing as witnesses as may be necessary, all at the Insured's own cost. The "Insured" shall do nothing to prejudice such rights. Any recoveries shall be first applied to reimburse the Insurer for its subrogation expenses

19. Stacking of Limits

Any "claim(s)" that is recoverable under any other Liability Policy issued by the Insurer or issued by the Insurer's Managing General Agent is excluded under this policy.

All other terms and conditions of the "Policy" remain unchanged.