

Your Policy Summary...



BEAZLEY BREACH RESPONSE - CANADA

INSURING AGREEMENTS A., C., D. AND E. OF THIS POLICY PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD OR AS OTHERWISE PROVIDED IN CLAUSE X. OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

INSURING AGREEMENTS B., F., G., H., I., J., K. AND L. OF THIS POLICY PROVIDE FIRST PARTY COVERAGE ON AN INCIDENT DISCOVERED AND REPORTED BASIS; COVERAGE APPLIES ONLY TO INCIDENTS FIRST DISCOVERED BY THE INSURED AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD.

These Declarations along with the completed and signed **Application** and the Policy with endorsements shall constitute the contract between the **Insureds** and the Underwriters.

Underwriters: Syndicate 2623/623 at Lloyd's

Policy Number: BZA18274

Binding Authority Reference Number: B162219CAN001

Item 1. **Named Insured:** The Air Cadet League Of Canada (including provincial Corps and Squadrons)

Address: 1505 Laperriere Road, Suite 201, Ottawa, Ontario, Canada K1Z 7T1

Item 2. **Policy Period:**

From: 15 Feb 2020

To: 01 Jul 2021

Both dates at 12:01 a.m Local Time at the Address stated in Item 1.

Please refer to the Beazley Breach Response Policy in reference to the Limits and Retentions set out in these Declarations.

Item 3.	<p>A. POLICY AGGREGATE LIMIT OF LIABILITY:</p> <p>1. For all Damages, Claims Expenses, Penalties, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss, PCI Fines, Expenses and Costs, Consequential Reputational Loss, Electronic Crime, Fraudulent Instruction, and Telecommunications Fraud Loss:</p> <p>But sublimited to:</p> <p>2. Aggregate sublimit of liability applicable to Insuring Agreement C. (Regulatory Defense and Penalties):</p> <p>3. Aggregate sublimit of liability applicable to Insuring Agreement D. (Media Liability):</p> <p>4. Aggregate sublimit applicable to Insuring Agreement E. (PCI Fines, Expenses and Costs):</p> <p>5. Aggregate sublimit applicable to Insuring Agreement F. (Cyber Extortion):</p> <p>6. Aggregate sublimit applicable to Insuring Agreement G. (Data Protection Loss):</p> <p>7. Aggregate sublimit applicable to Insuring Agreement H. (Business Interruption Loss):</p> <p style="padding-left: 20px;">(i) Forensic Expenses sublimit:</p> <p style="padding-left: 20px;">(ii) Dependent Business sublimit:</p> <p style="padding-left: 20px;">(iii) Unintentional First Party Incident sublimit</p> <p>8. Aggregate sublimit applicable to Insuring Agreement I. (Consequential Reputational Loss):</p> <p>9. Aggregate sublimit applicable to Insuring Agreement J. (Electronic Crime):</p> <p>10. Aggregate sublimit applicable to Insuring Agreement K. (Fraudulent Instruction):</p> <p>11. Aggregate sublimit applicable to Insuring Agreement L. (Telecommunications Fraud):</p> <p>B. LIMITS OF COVERAGE FOR PRIVACY BREACH RESPONSE SERVICES:</p> <p>1. Notified Individuals Limit of Coverage:</p> <p>2. Aggregate Limit of Coverage for all Computer</p>	<p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>Not Applicable</p> <p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>CAD 5,000,000</p> <p>CAD 500,000</p> <p>CAD 50,000</p> <p>CAD 50,000</p> <p>CAD 50,000</p> <p>25,000 Notified Individuals in the aggregate</p> <p>CAD 500,000</p>
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Expert Services, Legal Services and Public Relations and Crisis Management Expenses
combined:

Coverage for all **Privacy Breach Response Services** is separate from and in addition to the **Policy Aggregate Limit of Liability**.

Item 4. **RETENTIONS:**

- A. Each **Claim Retention:** CAD 5,000
- B. **Privacy Breach Response Services** Threshold and Retention:
 - 1. **Notification Services, Call Center Services, and Breach Resolution and Mitigation Services** for each incident involving at least: 50 Notified Individuals
 - 2. **Retention** applicable to **Computer Expert Services, Legal Services and Public Relations and Crisis Management Expenses:** CAD 2,500 combined, but CAD 1,250 for Legal Services (which retention is part of and not in addition to the combined retention)
- C. Each **Extortion Threat:** CAD 5,000
- D. Each **Security Breach:** CAD 5,000
- E. Each **Security Breach, Unintentional First Party Incident or Dependent Security Breach:** CAD 5,000
- F. Each **Consequential Reputational Loss:**
- G. Each **Electronic Crime:** CAD 5,000
- H. Each **Fraudulent Instruction:** CAD 5,000
- I. Each **Telecommunications Fraud:** CAD 5,000
- J. **Waiting Period:** 8 hours
- K. **Unintentional First Party Incident Waiting Period:** 8 hours

Item 5. **Premium:** (excluding taxes payable by the Insured) CAD 15,147

Item 6. **Retroactive Date:** Unlimited

Item 7. **Optional Extension Period:**

- (a) Premium for Optional Extension Period: 100% of the annual premium for the Policy
- (b) Length of Optional Extension Period: 12 months

Item 8. **Continuity Date:** 15 Feb 2020

Item 9. Notification under this Policy:

(a) Claims: tmbclaims@beazley.com

(b) Privacy Breaches under Insuring Agreement B.:

Email: bbrcanada@beazley.com

Toll-Free 24-Hour Hotline: (844) 778-5950

(Emails and call reports from the toll-free hotline are forwarded to the Breach Response Services Team for response)

(c) All other notices under this Policy shall be given to:

Lloyd's Syndicate AFB 623/2623

Plantation Place South

60 Great Tower Street

London

EC3R 5AD

(All Claims and Privacy Breaches must be reported in accordance with 9.(a) and 9.(b) above)

Item 10. Choice of Law: Ontario (ON)

Item 11. Endorsements Effective At Inception:

1 AON Amendatory Endorsement

2 Lloyd's Endorsements

Dated: 13 Feb 2020

This Policy has been issued by Aon Underwriting Managers for and on behalf of Syndicates 2623/623 (Beazley). Aon Underwriting Managers is a trading name of Aon UK Limited, an Approved Coverholder at Lloyd's. Aon Underwriting Managers act as a Managing General Agent (MGA) under a delegated underwriting authority on behalf of Syndicates 2623/623 (Beazley).

Aon UK Limited is authorised and regulated by the Financial Conduct Authority. FCA Registration number 310451.

Aon UK Limited Registered Office
The Aon Centre
The Leadenhall Building,
122 Leadenhall Street,
London EC3V 4AN

Registered number 210725

Your Policy...



Risk. Reinsurance. Human Resources.

beazley

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Empower Results®

BEAZLEY BREACH RESPONSE - CANADA

NOTICE: INSURING AGREEMENTS A., C., D. AND E. OF THIS POLICY PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD OR AS OTHERWISE PROVIDED IN CLAUSE IX. OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

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Please review the coverage afforded under this Insurance Policy carefully and discuss the coverage hereunder with your insurance agent or broker.

The Underwriters agree with the **Named Insured**, set forth in Item 1. of the Declarations made a part hereof, in consideration of the payment of the premium and reliance upon the statements in the **Application** to this Insurance Policy (hereinafter referred to as the "Policy" or "Insurance") and subject to all the provisions, terms and conditions of this Policy:

I. INSURING AGREEMENTS

A. Information Security & Privacy Liability

To pay on behalf of the **Insured**:

Damages and Claims Expenses, in excess of the **Retention**, which the **Insured** shall become legally obligated to pay because of any **Claim**, including a **Claim** for violation of a **Privacy Law**, first made against any **Insured** during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy for:

1. theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of the **Insured Organization**, or a third party for whose theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Insured Organization** is legally liable, provided such theft, loss or **Unauthorized Disclosure** first takes place on or after the Retroactive Date and before the end of the **Policy Period**;
2. one or more of the following acts or incidents that directly result from a **Security Breach**, provided that such act or incident first takes place on or after the Retroactive Date and before the end of the **Policy Period**;

- (a) the alteration, corruption, destruction, deletion, or damage to data stored on **Computer Systems**;
 - (b) the failure to prevent transmission of malicious code from **Computer Systems** to computer or network systems that are not owned, operated or controlled by an **Insured**; or
 - (c) the participation by the **Insured Organization's Computer Systems** in a denial-of-service attack directed against computer or network systems that are not owned, operated or controlled by an **Insured**;
3. the **Insured Organization's** failure to timely disclose an incident described in Insuring Agreement A.1. or A.2. in violation of any **Breach Notice Law**; provided such incident giving rise to the **Insured Organization's** obligation under a **Breach Notice Law** must first take place on or after the Retroactive Date and before the end of the **Policy Period**; or
 4. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:
 - (a) prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of a person's **Personally Identifiable Information**;
 - (b) requires the **Insured Organization** to provide access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made by a person; or
 - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the acts, errors or omissions that constitute such failure to comply with a **Privacy Policy** must first take place on or after the Retroactive Date and before the end of the **Policy Period**, and the **Insured Organization** must, at the time of such acts, errors or omissions have in force a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

B. **Privacy Breach Response Services**

To provide **Privacy Breach Response Services** to the **Insured Organization** in excess of the **Retention** because of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2. that first takes place on or after the Retroactive Date and before the end of the **Policy Period** and is discovered by the **Insured** and is reported to the Underwriters during the **Policy Period**.

Privacy Breach Response Services means the following:

1. **Computer Expert Services**;
2. **Legal Services**;

3. **Notification Services;**
4. **Call Centre Services;**
5. **Breach Resolution and Mitigation Services;** and
6. **Public Relations and Crisis Management Expenses.**

Privacy Breach Response Services also includes assistance from the BBR Services Team and access to educational and loss control information at no charge.

Privacy Breach Response Services will be provided subject to the terms and conditions of this Policy and the **Information Packet**, will be subject to the applicable retentions and limitations set forth in the Declarations, and shall not include any internal salary or overhead expenses of the **Insured Organization**. It is a condition precedent under this Policy that Underwriters' prior written consent be obtained and the requirements in the **Information Packet** be complied with in order for **Privacy Breach Response Services** to be covered.

C. **Regulatory Defence and Penalties**

To pay on behalf of the **Insured**:

Claims Expenses and **Penalties** in excess of the **Retention**, which the **Insured** shall become legally obligated to pay because of any **Claim** in the form of a **Regulatory Proceeding**, first made against any **Insured** during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy, for a violation of a **Privacy Law** and caused by an incident described in Insuring Agreements A.1., A.2. or A.3. that first takes place on or after the Retroactive Date and before the end of the **Policy Period**.

D. **Media Liability**

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Policy Period** for **Media Liability**.

E. **PCI Fines, Expenses and Costs**

To indemnify the **Insured** for **PCI Fines, Expenses and Costs**, in excess of the **Retention**, which the **Insured** shall become legally obligated to pay because of a **Claim** first made against any **Insured** during the **Policy Period** or Optional Extension Period (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause IX. of this Policy. The Underwriters shall have no duty to defend any **Claim** or pay **Claims Expenses** with respect to any **Claim** under this Insuring Agreement.

F. Cyber Extortion

To indemnify the **Named Insured** for:

Cyber Extortion Loss, in excess of the **Retention**, incurred by the **Insured Organization** as a direct result of an **Extortion Threat** first made against the **Insured Organization** during the **Policy Period**.

G. First Party Data Protection

To indemnify the **Named Insured** for:

Data Protection Loss, in excess of the **Retention**, incurred by the **Insured Organization** as a direct result of:

1. alteration, corruption, destruction, deletion or damage to a **Data Asset**,
or
2. inability to access a **Data Asset**,

that is directly caused by a **Security Breach**; provided that such **Security Breach** must take place on or after the Retroactive Date and before the end of the **Policy Period**.

H. Business Interruption Loss & Dependent Business Loss

To indemnify the **Insured Organization** for:

1. **Business Interruption Loss** that the **Insured Organization** sustains as a result of a **Security Breach** or **Unintentional First Party Incident**; or
2. **Dependent Business Loss** that the **Insured Organization** sustains as a result of a **Dependent Security Breach**;

that the **Insured** first discovers during the **Policy Period**.

I. Consequential Reputational Loss

To indemnify the **Insured Organization** for **Consequential Reputational Loss** that the **Insured** sustains as a result of a **Public Relations Event** that the **Insured** first discovers during the **Policy Period**.

J. Electronic Crime

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from **Electronic Crime** that the **Insured** first discovers during the **Policy Period**.

K. Fraudulent Instruction

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from **Fraudulent Instruction** that the **Insured** first discovers during the **Policy Period**.

L. **Telecommunications Fraud**

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from **Telecommunications Fraud** that the **Insured** first discovers during the **Policy Period**.

II. **DEFENCE AND SETTLEMENT OF CLAIMS**

A. The Underwriters shall have the right and duty to defend, subject to all the provisions, terms and conditions of this Policy:

1. any **Claim** against the **Insured** seeking **Damages** which are payable under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent; or
2. under Insuring Agreement C., any **Claim** in the form of a **Regulatory Proceeding**.

Defence Counsel shall be mutually agreed upon between the **Named Insured** and the Underwriters, but in the absence of such agreement, the Underwriters' decision shall be final.

B. With respect to any **Claim** against the **Insured** seeking **Damages** or **Penalties** which are payable under the terms of this Policy, the Underwriters will pay **Claims Expenses** incurred with their prior written consent. The Limit of Liability available to pay **Damages** and **Penalties** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages**, **Penalties**, and **Claims Expenses** shall be applied against the Each **Claim Retention** payable by the **Insured**.

Claims expenses incurred without the Underwriters' prior written consent shall not be covered hereunder and shall not be applied against the Each **Claim Retention**.

C. If the **Insured** shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the claimant and elects to contest the **Claim**, the Underwriters' liability for any **Damages**, **Penalties** and **Claims Expenses** shall not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining **Retention**, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus sixty percent (60%) of any **Damages** above the amount for which the **Claim** could have been settled. The remaining forty percent (40%) of such **Claims Expenses** and **Damages** must be borne by the **Insured** at their own risk and uninsured;

or the applicable Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the further defence thereof by tendering control of said defence to the **Insured**. The portion of any proposed settlement or compromise that requires the **Insured** to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future

royalties or other amounts that are not **Damages** (or **Penalties** for **Claims** covered under Insuring Agreement C.) shall not be considered in determining the amount for which a **Claim** could have been settled.

- D. The Underwriters agree that the **Insured** may settle any **Claim** where the **Damages** and **Claims Expenses** do not exceed the **Retention**, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all the **Insureds** from all claimants.

III. TERRITORY

This Insurance applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

IV. EXCLUSIONS

The coverage under this Insurance does not apply to that portion of any **Claim** or **Loss**;

A. **Bodily Injury and Property Damage**

For, arising out of or resulting from:

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; provided that electronic data shall not be considered tangible property for purposes of this exclusion; but this will not apply to the loss of use of computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**. Electronic data shall not be considered tangible property;

B. **Employment**

For, arising out of or resulting from any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; provided, that this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3. by a current or former employee of the **Insured Organization**, applicant for employment of the **Insured Organization**, or any relative or domestic partner of such person, or to any **Privacy Breach Response Services** provided to such individuals;

C. **Directors' and Officers' Liability**

For, arising out of or resulting from any actual or alleged act, error or omission or breach of duty by any director or officer in the discharge of their duty if the **Claim** is brought by or on behalf of the **Named Insured**, a **Subsidiary**, or any principals, directors, officers, shareholders, members or employees of the **Named Insured** or a **Subsidiary** in his or her capacity as such;

D. Contractual Liability

For, arising out of or resulting from obligation under or breach of any contract or agreement, except:

1. with respect to Insuring Agreement A.1., to an obligation to maintain the confidentiality or security of **Personally Identifiable Information** or of **Third Party Information** (provided this exception D.1. does not apply to any obligation under a **Merchant Services Agreement**);
2. to **Computer Expert Services** or **Legal Services** covered under Insuring Agreement B.;
3. with respect to Insuring Agreement D. to:
 - (1) liability **Assumed under Contract**; or
 - (2) misappropriation of ideas under an implied contract;
4. to **PCI Fines, Expenses and Costs** covered under Insuring Agreement E.; or
5. to the extent the **Insured** would have been liable in the absence of such contract or agreement;

E. Competition and Restraint of Trade

For, arising out of or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Competition Act in Canada, the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act in the United States, as amended, or any similar national, federal, provincial, or territorial statute or regulation;

F. Unfair Trade Practices and Consumer Protection

For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however this exclusion does not apply to:

1. any **Claim** covered under Insuring Agreements A.1., A.2., A.3. or C.; or
2. the providing of **Privacy Breach Response Services** covered under Insuring Agreement B.,

that results from a theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** provided that no member of the **Control Group** participated or is alleged to have participated or colluded in such theft, loss or **Unauthorized Disclosure**;

G. Unlawful Collection of Information Unlawful Communications

For, arising out of or resulting from:

1. the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Information** or other personal information by, on behalf of, or with the consent or cooperation of the **Insured Organization**; or the failure to comply with a legal requirement to

provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of **Personally Identifiable Information**; provided, that this exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Information** by a person or entity that is not a **Related Party** and without the knowledge of the **Insured Organization**; or

2. the distribution of unsolicited email, text messages, direct mail, or facsimiles, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping or recording is done by or on behalf of the **Insured Organization**;

H. **Prior Acts, Errors, Omissions or Incidents**

For, arising out of or resulting from any act, error, omission, incident, failure of **Computer Security**, or **Security Breach** committed or occurring prior to the inception date of this Policy:

1. if any member of the **Control Group** on or before the **Continuity Date** knew or could have reasonably foreseen that such act, error or omission, incident, failure of **Computer Security**, or **Security Breach** might be expected to be the basis of a **Claim** or **Loss**; or
2. in respect of which any **Insured** has given notice of a circumstance, which might lead to a **Claim** or **Loss**, to the insurer of any other cyber liability policy in force prior to the inception date of this Policy;

I. **Retroactive Date**

For, arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the Retroactive Date;

J. **Racketeering, Securities, Pensions and Discrimination**

For, arising out of resulting from any of the following:

1. any actual or alleged violation of any racketeering law or legislation (including any order, ruling or regulation issued pursuant thereto), whether such law is statutory, regulatory or common law;
2. any actual or alleged violation of any securities law, regulation or legislation, or any order, ruling or regulation issued pursuant to such law, regulation or legislation;
3. any actual or alleged violation of any employment or labour law, regulation or legislation, or any order, ruling or regulation issued pursuant to such law, regulation or legislation; or
4. any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;

however this exclusion does not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3., or to providing **Privacy Breach Response Services** covered under Insuring Agreement B., that results from a theft, loss or **Unauthorized Disclosure** of **Personally Identifiable**

Information, provided that no member of the **Control Group** participated, or is alleged to have participated or colluded, in such theft, loss or **Unauthorized Disclosure**;

K. **Pensions, Investment Plans and Trusts**

For, arising out of or resulting from any actual or alleged acts, errors, or omissions related to any of the **Insured Organization's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; however this exclusion does not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3., or to the providing of **Privacy Breach Response Services** under Insuring Agreement B., that results from a theft, loss or **Unauthorized Disclosure of Personally Identifiable Information**, provided that no member of the **Control Group** participated or colluded in such theft, loss or **Unauthorized Disclosure**;

L. **Criminal, Malicious or Intentional Acts**

Arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional **Security Breach**, intentional violation of a **Privacy Policy**, or intentional or knowing violation of the law, if committed by any **Insured**, or by others if such **Insured** colluded or participated in any such conduct or activity;

this exclusion shall not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until such time as there is a final non-appealable adjudication, judgement, binding arbitration decision or conviction against the **Insured** establishing such conduct, at which time the Policyholder shall reimburse the Underwriters for all **Claims Expenses** incurred defending the **Claim** and the Underwriters shall have no further liability for **Claims Expenses**; or
2. a **Claim** or **Loss** against a natural person **Insured** if such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**;

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the **Insured Organisation**;

M. **Intellectual Property**

For, arising out of or resulting from any actual or alleged:

1. infringement of patent or patent rights or misuse or abuse of patent;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a **Related Party**;
3. use or misappropriation of any ideas, trade secrets or **Third Party Information** (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done

with the knowledge, consent or acquiescence of a member of the **Control Group**;

4. disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, principal, partner or **Subsidiary** of the **Insured Organization**; or
5. under Insuring Agreement A.2., theft of or **Unauthorized Disclosure** of data;

N. Regulatory

For, in connection with or resulting from any **Claim** brought by or on behalf of any governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement C. or to the providing of **Privacy Breach Response Services** under Insuring Agreement B.;

O. Insured v. Insured

For, arising out of or resulting from a **Claim** by or on behalf of one or more **Insureds** under this Insurance against any other **Insured** or **Insureds** under this Insurance; provided this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement A.1., A.2., or A.3. made by any natural person **Insured**, except for any member of the **Control Group**;

P. Related Entities

For, arising out of or resulting from:

1. any **Claim** made by any business enterprise in which any **Insured** has greater than a thirty percent (30%) ownership interest or made by any parent company or other entity which owns more than thirty percent (30%) of the **Named Insured**; or
2. the **Insured's** activities as a trustee, partner, member, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Insured Organization**;

Q. Trading Losses and Monetary Transactions

For, arising out of or resulting from any of the following: (1) trading losses, trading liabilities or change in value of accounts; (2) any loss, transfer or theft of monies, securities or tangible property of others in the care, custody or control of the **Insured Organization**; (3) the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or (4) the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

R. Licensing Bodies; Joint Ventures; Product Descriptions; Pricing; Contests

For, arising out of or resulting from:

1. the actual or alleged obligation to make licensing fee or royalty payments, including but limited to the amount or timeliness of such payments;
2. any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content or media, including any media or products containing such **Media Material**, information, content or media;
3. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations, including but not limited to, the Composers, Authors and Publishers Association of Canada, the Society of European Stage Authors and Composers or Broadcast Music, Inc, or the American Society of Composer, Authors and Publishers;
4. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
5. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
6. any **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer or venture partner;

S. **War**

Arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority; provided, that this exclusion will not apply to **Cyber Terrorism**.

For purposes of this exclusion, "**Cyber Terrorism**" means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives.

T. **Asbestos, Pollution and Contamination**

Either in whole or in part, directly or indirectly arising out of or resulting from or in consequence of, or in any way involving:

1. asbestos, or any materials containing asbestos in whatever form or quantity;
2. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential,

alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

The Underwriters will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

3. the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or
4. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the **Insured** or anyone acting under the direction or control of the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed;

U. **Telecommunications Infrastructure; Act of God; Satellite Failures**

With respect to Insuring Agreements G. and H., arising out of or resulting from:

1. any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion shall not apply to an otherwise covered **Claim** or **Loss** arising out of a **Security Breach** that was solely caused by a failure or malfunction of telecommunications infrastructure or services under the **Insured Organization's** direct operational control;
2. fire, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event; or
3. any satellite failures;

V. **Cyber Extortion**

With respect to Insuring Agreement F., arising out of or resulting from:

1. any threat to physically harm or kidnap any person;

2. any threat to harm, take, or transfer property other than a **Data Asset**, even if such threat is made in conjunction with a threat to **Data Assets**;
3. an **Extortion Threat** first made against the **Insured Organization** during the **Policy Period** by any of the **Insured Organization's** directors, officers, principals, trustees, governors, members, management committee members, members of the management board, partners, or any person in collusion with any of the foregoing;

W. **Nationalization**

Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of **Computer Systems** or **Data Assets** by order of any governmental or public authority.

V. **DEFINITIONS**

A. **Application** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Insured** to the Underwriters in connection with the underwriting of this Policy, or prior policies of which this Policy is a renewal thereof.

B. **Breach Notice Law** means:

1. any Canadian national, federal, provincial, or territorial statute or regulation that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorized person;
2. any United States federal, state, or territorial statute or regulation that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorized person; and
3. a foreign statute or regulation that requires notice to persons whose **Personally Identifiable Information** was accessed or reasonably may have been accessed by an unauthorized person.

C. **Breach Resolution and Mitigation Services** means a credit monitoring, identity monitoring or other solution selected from the products listed in the **Information Packet** and offered to **Notified Individuals**. The product offered to **Notified Individuals** will be selected by the Underwriters in consultation with the **Insured Organization** and in accordance with the guidance provided in the Breach Resolution and Mitigation section of the **Information Packet**.

The product offer will be included in the communication provided pursuant to Insuring Agreement B.3.

D. **Business Interruption Loss** means:

1. **Income Loss**;
2. **Forensic Expenses**; and
3. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach** or **Unintentional First Party Incident**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

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

E. **Call Centre Services** means the provision of a call centre to respond to inquiries following an incident for which notice is provided pursuant to Insuring Agreement B.3. (Notification Services). **Call Centre Services** will be provided in accordance with the terms and conditions set forth in the **Information Packet**.

F. **Claim** means:

1. a written demand received by any **Insured** for money, services or non-monetary relief, including the service of a suit or institution of regulatory or arbitration proceedings;
2. with respect to coverage provided under Insuring Agreement C. only, institution of a **Regulatory Proceeding** against any **Insured**;
3. a written request or agreement to toll or waive a statute of limitations relating to a potential **Claim** described in paragraph 1. above; and
4. with respect to coverage provided under Insuring Agreement A.1. only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. pursuant to a **Breach Notice Law**;

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

G. **Claims Expenses** means:

1. reasonable and necessary fees charged by an a lawyer designated pursuant to Clause II., Defence and Settlement of Claims, paragraph A.;
2. all other legal costs and expenses resulting from the investigation, adjustment, defence and appeal of a **Claim**, suit, or proceeding arising in connection therewith, or circumstance which might lead to a **Claim**, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters, such consent not to be unreasonably withheld; and

3. the premium cost for appeal bonds for covered judgements or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided the Underwriters shall have no obligation to appeal or to obtain bonds.

Claims Expenses do not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defence and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Policy, or costs to comply with any regulatory orders, settlements or judgements.

H. **Computer Expert Services** means costs for:

1. a computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the **Insured Organization** to comply with a **Breach Notice Law** and to determine the extent to which such information was accessed by an unauthorized person or persons;
2. a PCI Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the **Insured Organization** in order to comply with the terms of a **Merchant Services Agreement** to investigate the existence and extent of an actual or suspected compromise of credit card data; and where a computer security expert described in 1. above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and
3. a computer security expert, up to CAD 50,000 (which amount is part of and not in addition to the sublimit of coverage stated in Item 3.B.2. of the Declarations), to demonstrate the **Insured's** ability to prevent a future electronic data breach as required by a **Merchant Services Agreement**.

Computer Expert Services will be provided in accordance with the terms and conditions set forth in the **Information Packet** and will be provided by a service provider selected by the **Insured Organization** in consultation with the Underwriters from the list of service providers in the **Information Packet**.

- I. **Computer Security** means software, computer or network hardware devices, as well as the **Insured Organization's** written information security policies and procedures, the function or purpose of which is to prevent **Unauthorized Access or Use**, a denial-of-service attack against **Computer Systems**, infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**. **Computer Security** includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to **Computer Systems** through the use of passwords, biometric or similar identification of authorized users.
- J. **Computer Systems** means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:
 1. operated by and either owned by or leased to the **Insured Organization**; or

2. systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data, pursuant to written contract with the **Insured Organization** for such services.
- K. **Continuity Date** means the date stated in Item 8. of the Declarations.
- L. **Control Group** means any principal, partner, corporate officer, general counsel (or most senior legal counsel) or risk manager of the **Named Insured** and any individual in a substantially similar position.
- M. **Consequential Reputational Loss** means an amount equal to the net profit resulting directly from the **Insured Organization's** business operations, before interest and tax, that the **Insured Organization** is prevented from earning during the **Notification Period** as a direct result of damage to the **Insured Organization's** reputation caused by a **Public Relations Event**; provided that **Consequential Reputational Loss** shall not mean any of the following:
1. that portion of loss arising out of any liability to any third party;
 2. legal costs or legal expenses;
 3. that portion of loss incurred as a result of unfavorable business conditions,
 4. that portion of loss of market or any other consequential loss; or
 5. costs or expenses the Insured Organization incurs to identify, investigate, respond to or remediate an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2.
- N. **Cyber Extortion Loss** means:
1. any **Extortion Payment** that has been made under duress by or on behalf of the **Insured Organization** with the Underwriters' prior written consent, such consent not to be unreasonably withheld, but solely to prevent or terminate an **Extortion Threat**; and
 2. reasonable and necessary expenses incurred by the **Insured Organization** with the Underwriters' prior written approval, such approval not to be unreasonably withheld, that directly relate to the **Insured's** efforts to prevent or terminate an **Extortion Threat**.
- O. **Damages** means a monetary judgement, award or settlement; provided that the term **Damages** shall not include or mean:
1. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief;
 2. return or offset of fees, charges, or commissions charged by or owed to an **Insured** for goods or services already provided or contracted to be provided;

3. any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;
 4. punitive or exemplary damages, unless insurable by law in any applicable venue that most favors coverage for such punitive or exemplary damages;
 5. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
 6. liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
 7. fines, costs or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
 8. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.
- P. **Data Asset** means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.
- Q. **Data Protection Loss** means the reasonable and necessary costs and expenses incurred by the **Insured Organization** to regain access to, replace, restore, re-assemble or recollect any **Data Asset**, or if any **Data Asset** cannot reasonably be accessed, replaced, restored, re-assembled or recollect, then the actual, reasonable and necessary costs and expenses incurred by the **Insured Organization** to reach such determination.

Data Protection Loss shall not mean, and there shall be no coverage under Insuring Agreement G. for:

1. costs or expenses incurred by the **Insured Organization** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance a **Data Asset** or **Computer Systems** to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such **Data Asset**; unless the costs or expenses are less than or equal to such costs or expenses incurred to replace, restore, assemble, reproduce, recollect or enhance such **Data Asset** or **Computer Systems** to the same or equivalent condition that existed immediately prior to the **Security Breach**.
2. costs or expenses to research or develop any **Data Asset**, including but not limited to trade secrets or other proprietary information;
3. the monetary value of profits, royalties, or lost market share related to a **Data Asset**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the **Data Asset**;
4. loss arising out of any liability to any third party for whatever reason; or
5. legal costs or legal expenses of any type.

R. **Dependent Business** means any entity that the **Insured Organization** does not own but which provides necessary products or services to the **Insured Organization** pursuant to a written contract.

S. **Dependent Business Loss** means:

1. **Income Loss**; and
2. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of an actual interruption of the **Insured Organization's** business operations caused by a **Dependent Security Breach**. Coverage for **Dependent Business Loss** will apply only after **Waiting Period** has elapsed.

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

T. **Dependent Security Breach** means a failure of computer security to prevent a breach of computer systems operated by a **Dependent Business**.

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

Electronic Crime will not include any loss covered by the **Insured Organization's** financial institution bond or commercial crime policy, or any loss arising out of:

1. any fraudulent, dishonest or criminal act or omission by, or involving, any natural person **Insured**;
2. any indirect or consequential loss of any kind;
3. punitive, exemplary or multiplied damages of any kind or any fines, penalties or loss of any tax benefit;
4. any liability to any third party, except for direct compensatory damages arising directly from **Electronic Crime**;
5. any legal costs or legal expenses; or proving or establishing the existence of **Electronic Crime**;
6. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;

7. any forged, altered or fraudulent negotiable instruments, securities, documents or instructions; or
 8. any actual or alleged use of credit, debit, charge, access, convenience or other cards or the information contained on such cards
- V. **Extortion Payment** means cash, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.
- W. **Extortion Threat** means a threat to:
1. alter, destroy, damage, delete or corrupt any **Data Asset**;
 2. prevent access to **Computer Systems** or a **Data Asset**,
 3. perpetrate a theft or misuse of a **Data Asset** on **Computer Systems** through external access;
 4. introduce malicious code into **Computer Systems** or to third party computers systems from **Computer Systems**;
 5. interrupt or suspend **Computer Systems**; or
 6. steal, misuse or publicly disclose a **Data Asset**, **Personally Identifiable Information**, or **Third Party Information**,
- unless an **Extortion Payment** is received from or on behalf of the **Insured Organization**.
- X. **Extra Expense** means reasonable and necessary expenses that are incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no interruption of **Computer Systems** occurred; and includes reasonable and necessary expenses incurred by the **Insured Organization** to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**, provided however that the maximum sublimit applicable to **Extra Expense** incurred to replace such devices or equipment is CAD \$250,000.
- Y. **Financial Institution** means a bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Insured Organization** maintains a bank account.
- Z. **Fraudulent Instruction** means the transfer, payment or delivery of **Money** or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

Fraudulent Instruction will not include loss arising out of:

1. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
 2. any transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured's** authentication mechanism;
 3. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
 4. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
 5. any liability to any third party, or any indirect or consequential loss of any kind;
 6. any legal costs or legal expenses; or
 7. proving or establishing the existence of **Fraudulent Instruction**.
- AA. **Forensic Expenses** means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of a **Business Interruption Loss**.
- BB. **Income Loss** means an amount equal to:
1. net profit or loss before interest and tax that the **Insured Organization** would have earned or incurred; and
 2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.
- CC. **Information Packet** means the Information Packet provided with this Policy. The **Information Packet** is incorporated into and forms part of this Policy and may be updated by the Underwriters from time to time.
- DD. **Insured** means:
1. The **Named Insured** and any **Subsidiaries** of the **Named Insured**;
 2. A director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
 3. An employee (including a part time or temporary employee, intern or volunteer) of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
 4. A principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;

5. Any person who previously qualified as an **Insured** under 2., 3. or 4. above prior to the termination of the required relationship with the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
 6. The estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Insurance; and
 7. The lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable national, federal, provincial, territorial or local law, of any **Insured**, but solely by reason of any act, error or omission of an **Insured** other than such spouse or domestic partner.
- EE. **Insured Organization** means the **Named Insured** and any **Subsidiaries** of the **Named Insured**.
- FF. **Legal Services** means fees charged by a lawyer:
1. to determine the applicability of and actions necessary for the **Insured Organization** to comply with **Breach Notice Laws** due to an actual or reasonably suspected theft, loss or **Unauthorized Disclosure of Personally Identifiable Information**;
 2. to provide necessary legal advice to the **Insured Organization** in responding to actual or suspected theft, loss or **Unauthorized Disclosure of Personally Identifiable Information**; and
 3. to advise the **Insured Organization** in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the **Insured Organization's** merchant bank under the terms of a **Merchant Services Agreement**, but **Legal Services** does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulations in connection with an assessment of **PCI Fines, Expenses and Costs**.
- Legal Services** will be provided in accordance with the terms and conditions set forth in the **Information Packet** and will be provided by a lawyer selected by the **Insured Organization** in consultation with the Underwriters from the list of lawyers in the **Information Packet**.
- GG. **Loss** means **Damages, Claims Expenses, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss, Dependent Business Loss, Privacy Breach Response Services, Additional Breach Response Costs**, and loss covered under Insuring Agreements J., K. and L.
- HH. **Management Control** means:
1. owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of an entity's directors (in the case of a corporation), members

of the board of managers (in the case of a United States limited liability company), management committee members (in the case of a joint venture or partnership) or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States; or

2. having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture or partnership; the management board of a limited liability company; or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States.

II. **Media Liability** means one or more of the following acts committed by, or on behalf of, the **Insured Organization** in the course of creating, displaying, broadcasting, disseminating or releasing **Media Material** to the public:

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

JJ. **Media Material** means any information, including words, sounds, numbers, images or graphics, but will not include computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

KK. **Merchant Services Agreement** means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

- LL. **Money** means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.
- MM. **Named Insured** means the Named Insured listed in Item 1. of the Declarations.
- NN. **Notification Period** means the 30-day period that begins on the specific date a **Public Relations Event** first occurs.
- OO. **Notification Services** means notification by first class mail or e-mail to:
1. individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; or
 2. in the Underwriters' reasonable discretion, individuals affected by an incident in which their **Personally Identifiable Information** has been subject to theft, loss or **Unauthorized Disclosure** in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual. Notification by first class mail or e-mail to individuals residing outside Canada or the United States will be made only to the extent reasonably practicable. E-mail notification will be provided in lieu of first class mail to the extent reasonable, practicable and where permitted under the applicable **Breach Notice Law**. **Notification Services** will be provided by a service provider selected by the Underwriters in consultation with the **Insured Organization** from the list of service providers in the **Information Packet** and will be provided in accordance with the terms and conditions set forth in the **Information Packet**.
- PP. **Notified Individual** means an individual person to whom notice is given or attempted to be given under Insuring Agreement B.3 pursuant to a **Breach Notice Law**.
- QQ. **PCI Fines, Expenses and Costs** means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the **Insured Organization** under the terms of a **Merchant Services Agreement**, but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the **Insured Organization's** actual or alleged noncompliance with published PCI Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2.; provided, that the term **PCI Fines, Expenses and Costs** shall not include or mean any charge backs, interchange fees, discount fees or prospective service fees.
- RR. **Penalties** means:
1. any civil fine or money penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding** by any national, federal, provincial, territorial or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of **Penalties** shall be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**; and
 2. amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgement or settlement of a **Regulatory Proceeding** (including such

amounts required to be paid into a consumer redress fund); but shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to Insuring Agreements A.1., A.2. or A.3.;

but shall not mean (a) costs to remediate or improve **Computer Systems**, (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies, (c) audit, assessment, compliance or reporting costs, or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** from theft, loss or disclosure, even if it is in response to a regulatory proceeding or investigation.

SS. **Period of Restoration** means the 180-day period of time that begins upon the actual and necessary interruption of the **Insured Organization's** business operations.

TT. **Personally Identifiable Information** means:

1. information concerning the individual that constitutes "personal information" as defined under the Personal Information Protection and Electronic Documents Act, S.C. 2000 c. 5 ("PIPEDA") or the Privacy Act, R.S.C. 1985, c.P-21, as amended, and regulations issued pursuant to such Acts
2. information concerning the individual that is defined as "personal information" under statutes enacted to protect such information, including but not limited to any Canadian national, federal, provincial, or territorial statutes or regulations, including but not limited to Personal Information Protection Act (PIPA) of British Columbia, the Personal Information Protection Act (PIPA) of Alberta S.A 2003 c.P-6.5, or the Act Respecting the Protection of Personal Information in the Private Sector R.S.Q. c.P-39;
3. information concerning the individual that is defined as private personal information under statutes enacted to protect such information in any country outside of Canada;
4. information concerning the individual that is defined as private personal information under a **Breach Notice Law**; or
5. the individual's drivers licence or federal or provincial identification number, social insurance number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or pins; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

Personally Identifiable Information does not include publicly available information that is lawfully made available to the general public from government records, unless expressly included in any **Breach Notice Law**.

UU. **Policy Period** means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation

of this Insurance and specifically excludes any Optional Extension Period or any prior policy period or renewal period.

- VV. **Privacy Law** means a national, federal, provincial, territorial, local or foreign statute or regulation requiring the **Insured Organization** to protect the confidentiality and/or security of **Personally Identifiable Information**.
- WW. **Privacy Policy** means the **Insured Organization's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.
- XX. **Public Relations and Crisis Management Expenses** shall mean the following reasonable costs approved in advance by the Underwriters, such approval not to be unreasonably withheld, and which are directly related to mitigating harm to the **Insured Organization's** reputation or potential **Loss** covered by the Policy resulting from an incident described in Insuring Agreement A.1. or A.2. or from a **Public Relations Event**:

1. costs incurred by a public relations or crisis management consultant;
2. costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident, such costs to be limited to CAD 100,000;
3. for incidents or events in which notification services are not otherwise provided pursuant to Insuring Agreement A. or B., costs to provide notifications and notices via e-mail or first class mail to customers or patients where such notifications are not required by law ("voluntary notifications"), including to non-affected customers or patients of the **Insured Organization**;
4. costs to provide government mandated public notices related to breach events;
5. costs to provide services to restore healthcare records of **Notified Individuals** residing in Canada or the United States whose **Personally Identifiable Information** was compromised as a result of theft, loss or **Unauthorized Disclosure**; and
6. other costs approved in advance by the Underwriters, such approval not to be unreasonably withheld.

Public Relations and Crisis Management Expenses must be incurred no later than twelve (12) months following the reporting of such **Claim** or breach event to the Underwriters and, with respect to clauses 1. and 2. above, within ninety (90) days following the first publication of such **Claim** or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

- YY. **Public Relations Event** means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publicly accessible website of a covered **Claim** under this Policy.

Solely with respect to Insuring Agreement I., **Public Relations Event** means the publication in a newspaper (or other general circulation print

publication) or on radio, television or a publicly accessible website of an incident described in Insuring Agreement A.1. or A.2. Multiple **Public Relations Events** arising from the same or a series of related, repeated or continuing incidents described in Insuring Agreement A.1. or A.2., shall be considered a single **Public Relations Event**.

- ZZ. **Regulatory Proceeding** means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of any national, federal, provincial, territorial or foreign governmental entity, including but not limited to the Office of the Privacy Commissioner of Canada or any equivalent provincial office, in such entity's regulatory or official capacity in connection with such proceeding.
- AAA. **Retention** means the applicable retention for each **Claim** or incident as specified in Item 4. of the Declarations.
- BBB. **Related Party** means the **Insured Organization** and any past, present or future employees, directors, officers, partners or natural person independent contractors of the **Insured Organization**.
- CCC. **Securities** means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.
- DDD. **Security Breach** means a failure of computer security to prevent:
1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
 2. a denial-of-service attack against **Computer Systems** or computer systems that are not owned, operated or controlled by an **Insured**; or
 3. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**,
- whether any of the foregoing is a specifically targeted attack or a generally distributed attack.
- A series of continuing **Security Breaches**, related or repeated **Security Breaches**, or multiple **Security Breaches** shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**.
- EEE. **Subsidiary** means any corporation, limited liability company, joint venture, partnership, or any other entity legally formed or organized under the laws of any jurisdiction, while the **Named Insured** has **Management Control** over such entity, if the **Named Insured**:
1. had **Management Control** over such entity on the inception date of this Policy or such entity was an insured under a policy issued by the Underwriters of which this Policy is a renewal;
 2. acquires **Management Control** after the inception date of this Policy provided the revenues of the entity do not exceed twenty percent (20%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**; or

3. acquires **Management Control** after the inception date of this Policy provided that if the revenues of the entity exceed twenty percent (20%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**, the provisions of Clause XV., Mergers and Acquisitions, must be fulfilled;

FFF. **Telecommunications Fraud** means the act of a third party gaining access to and using the **Insured Organization's** telephone system in an unauthorized manner.

GGG. **Third Party Information** means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Policy which is not available to the general public and is provided to the **Insured** subject to a mutually executed written confidentiality agreement or which the **Insured Organization** is legally required to maintain in confidence; however, **Third Party Information** shall not include **Personally Identifiable Information**.

HHH. **Transfer Account** means an account maintained by the **Insured Organization** at a **Financial Institution** from which the **Insured Organization** can initiate the transfer, payment or delivery of **Money** or **Securities**.

III. **Unauthorized Access or Use** means the gaining of access to or use of **Computer Systems** by an unauthorized person or persons or the use of **Computer Systems** in an unauthorized manner.

JJJ. **Unauthorized Disclosure** means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent, or acquiescence of any member of the **Control Group**.

KKK. **Unintentional First Party Incident** means an unintentional, accidental or negligent act, error or omission by the **Insured** in:

1. entering or modifying a **Data Asset**;
2. creating, handling, developing, modifying or maintaining a **Data Asset**;
or
3. operating or maintaining **Computer Systems**.

For purposes of this definition: (i) **Computer Systems** means only those computers (including software residing on such computers) and associated input and output devices, data storage devices, networking equipment, and back up facilities that are operated by and either owned by or leased to the **Insured Organization**; and (ii) **Data Asset** means any software or electronic data that exists in **Computer Systems** described in (i) and that is subject to regular back-up procedures.

LLL. **Waiting Period** means the period of time that begins upon the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach, Unintentional First Party Incident, or Dependent**

Security Breach and ends after the elapse of the number of hours listed as the applicable **Waiting Period** in the Declarations.

VI. LIMIT OF LIABILITY AND COVERAGE

- A. The Policy Aggregate Limit of Liability set forth in Item 3.A.1. of the Declarations (the "**Policy Aggregate Limit of Liability**") is the Underwriters' combined total limit of liability for all **Loss** payable under this Policy.

The limit of liability payable under each insuring agreement will be an amount equal to the **Policy Aggregate Limit of Liability** unless another amount is listed in the Declarations. Such amount is the aggregate amount payable under this Policy pursuant to such insuring agreement and is part of, and not in addition to, the **Policy Aggregate Limit of Liability**.

- B. The Limit of Liability for the Optional Extension Period shall be part of and not in addition to the **Policy Aggregate Limit of Liability**.
- C. The Underwriters shall not be obligated to pay any **Damages, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss** or **Claims Expenses**, or to undertake or continue defence of any suit or proceeding, after the **Policy Aggregate Limit of Liability** has been exhausted by payment of **Damages, Penalties, PCI Fines, Expenses and Costs, Cyber Extortion Loss, Data Protection Loss, Business Interruption Loss** or **Claims Expenses**, or after deposit of the **Policy Aggregate Limit of Liability** in a court of competent jurisdiction. Upon such payment, the Underwriters shall have the right to withdraw from the further defence of any **Claim** under this Policy by tendering control of said defence to the **Insured**.
- D. The amount stated in Item 3.B.1. of the Declarations is the maximum total number of **Notified Individuals** to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide **Notification Services, Call Centre Services** or **Breach Resolution and Mitigation Services**.

The aggregate limit of coverage stated in Item 3.B.2. of the Declarations is the aggregate limit of coverage for all **Computer Expert Services, Legal Services** and **Public Relations and Crisis Management Services** combined.

- E. The Underwriters shall not be obligated to provide any **Privacy Breach Response Services** after the number of **Notified Individuals** under Insuring Agreement B.3. reaches an aggregate of the number of **Notified Individuals** stated in Item 3.B.1. of the Declarations. If the total number of individuals to be notified under the Policy exceeds the number of **Notified Individuals** stated in Item 3.B.1. of the Declarations, the **Insured** shall be responsible for providing notification, credit monitoring services or identity monitoring services to such additional individuals in accordance with Clause VI.J. below.
- F. Unless otherwise specified in this Policy, **Privacy Breach Response Services** will be provided by the service providers listed in the **Information Packet**. In the event a service provider is unable to or does not provide the services set forth, the Underwriters will procure similar services from other sources; provided,

the maximum the Underwriters will pay for the costs of procuring and providing all **Privacy Breach Response Services** under Insuring Agreement B., including substitute products and services shall be no more than CAD 10,000,000 in the aggregate for the **Policy Period**, which amount shall be in addition to the **Policy Aggregate Limit of Liability**. In the event there is a change of law, regulation or enforcement that prevents the Underwriters or its service providers from providing all or part of the **Privacy Breach Response Services**, the Underwriters will make reasonable efforts to substitute other services but, if this is not possible, the Underwriters shall not be obligated to provide such services

- G. To the extent that costs to provide **Privacy Breach Response Services** are covered pursuant to a **Claim** described in Clause V.F.4., such costs shall be covered solely under Insuring Agreement A. and not under Insuring Agreement B. or any other Insuring Agreement in this Policy.
- H. Multiple related or continuing **Extortion Threats** shall be considered a single **Extortion Threat** for purposes of this Policy and shall be deemed to have occurred at the time of the first such **Extortion Threat**.

A **Data Protection Loss** will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a **Data Asset** is first discovered by the **Insured**. All **Data Protection Loss** that arises out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** shall be deemed to be a single **Data Protection Loss**.

All **Business Interruption Loss** resulting from multiple covered interruptions of **Computer Systems** that arise out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** shall be deemed to be a single **Business Interruption Loss**; provided, however, that a separate **Waiting Period** shall apply to each **Period of Restoration**.

- I. Notwithstanding the foregoing, if (i) the total number of **Notified Individuals** to whom **Notification Services, Call Center Services or Breach Resolution and Mitigation Services** are provided exceeds the amount stated in Item 3.B.1., or (ii) the amount of the **Computer Expert Services, Legal Services** and **Public Relations and Crisis Management Services** provided to the **Insured Organization** exceeds the aggregate limit of coverage stated in Item 3.B.2., this Policy will cover the costs, fees and expenses incurred to provide such **Privacy Breach Response Services** in excess of the amounts set forth in Items 3.B.1. and 3.B.2. of the Declarations (the "**Additional Breach Response Costs**") up to an amount equal to the **Policy Aggregate Limit of Liability** (the "**Additional Breach Response Limit**").

The **Additional Breach Response Limit** is part of, and not in addition to, the **Policy Aggregate Limit of Liability** and the **Policy Aggregate Limit of Liability** will be reduced, and may be exhausted, by **Additional Breach Response Costs** covered under the **Additional Breach Response Limit**.

Upon exhaustion of the **Additional Breach Response Limit**, the Underwriters will not be obligated to provide, nor will there be coverage under this Policy for,

any **Privacy Breach Response Services** or **Additional Breach Response Costs**.

Additional Breach Response Costs will not include costs, fees or expenses incurred to provide the **Privacy Breach Response Services** described in Clause V. Definitions paragraphs H.3. or XX.2.

- J. If the total number of notifications made pursuant to Insuring Agreement B.3. aggregates to more than the number of notifications stated in Item 3.B.1. of the Declarations, the **Additional Breach Response Costs** with respect to any excess notifications will be covered under the **Additional Breach Response Limit**. If an incident involves notifications made pursuant to Insuring Agreement B.3. both within and in excess of the number of **Notified Individuals** stated in Item 3.B.1. of the Declarations, all costs to provide **Notification Services, Call Center Services, and Breach Resolution and Mitigation Services** with respect to any individuals in excess of the number of **Notified Individuals** limit will be allocated pro rata between the limit stated in Item 3.B.1. of the Declarations and the number of notifications in excess of such limit based on the total number of notifications. The same service providers that provide **Privacy Breach Response Services** covered within the limits stated in Items 3.B.1. and 3.B.2. of the Declarations will provide all **Privacy Breach Response Services** in excess of such limits.

VII. RETENTION

- A. The **Retention** applicable to each insuring agreement listed in the Declarations applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**. The **Retention** will be satisfied by monetary payments by the **Named Insured** of covered **Loss** under each insuring agreement. In the event that any **Loss** arising out of an incident or **Claim** is subject to more than one **Retention**, the applicable **Retention** amounts shall apply to such **Loss**, provided that the sum of such **Retention** amounts shall not exceed the largest applicable **Retention** amount.

- B. **Notification Services, Call Centre Services, and Breach Resolution and Mitigation Services** will only be provided for each incident, event or related incidents or events, requiring notification to at least the number of individuals set forth in Item 4.B.1. of the Declarations. For incidents involving notification to fewer individuals there shall be no coverage for any such services under Insuring Agreement B.

For all **Computer Expert Services, Legal Services and Public Relations and Crisis Management Services**, the **Retention** amounts set forth in Item 4.B.2. of the Declarations apply separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services; and the Each Incident **Retention** shall be satisfied by monetary payments by the **Named Insured** for such services.

- C. Coverage for **Business Interruption Loss** and **Dependent Business Loss** will apply after the **Waiting Period** has elapsed and the Underwriters will then indemnify the **Named Insured** for all **Business Interruption Loss** and **Dependent Business Loss** sustained during the **Period of Restoration** in excess of the applicable **Retention**.

- D. Satisfaction of the applicable **Retention** is a condition precedent to the payment by the Underwriters of any amounts or providing of any services hereunder, and the Underwriters shall be liable only for the amounts in excess of such **Retention** subject to the Underwriters' total liability not exceeding the **Policy Aggregate Limit** or the Limits of Coverage for **Privacy Breach Response Services** set forth in Item 3.B. of the Declarations. The **Named Insured** shall make direct payments within the **Retention** to appropriate other parties designated by the Underwriters.

VIII. OPTIONAL EXTENSION PERIOD

- A. In the event of the termination of this Insurance for any reason except the non-payment of premium, the **Named Insured** designated in Item 1. of the Declarations shall have the right, upon payment in full and not proportionally or otherwise in part of the percentage shown in Item 7.(a) of the Declarations of the full premium set forth in Item 5. of the Declarations, to have issued an endorsement providing an Optional Extension Period for the period of time set forth in Item 7.(b) of the Declarations for **Claims** first made against any **Insured** and reported to the Underwriters during the Optional Extension Period, and arising out of any act, error or omission committed on or after the Retroactive Date and before the end of the **Policy Period**, subject to the conditions set forth herein. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to the Underwriters within thirty (30) days of the termination of this Insurance. If notice of election of the Optional Extension Period and full premium payment is not given to the Underwriters within such thirty (30) day period, there shall be no right to purchase the Optional Extension Period.
- B. The Limit of Liability for the Optional Extension Period shall be part of, and not in addition to, the applicable Limit of Liability of the Underwriters for the **Policy Period** and the exercise of the Optional Extension Period shall not in any way increase the **Policy Aggregate Limit of Liability** or any sublimit of liability. The Optional Extension Period does not apply to Insuring Agreement B.
- C. The right to the Optional Extension Period shall not be available to the **Named Insured** where the Policy premium has not been paid in full, or where cancellation or non-renewal by the Underwriters is due to non-payment of premium or failure of an **Insured** to pay such amounts in excess of the applicable limit of liability or within the amount of the applicable **Retention**.
- D. All notices and premium payments with respect to the Optional Extension Period option shall be directed to the Underwriters through the entity named in Item 9.(c) of the Declarations.
- E. At the commencement of the Optional Extension Period the entire premium shall be deemed earned, and in the event the **Named Insured** terminates the Optional Extension Period for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the Optional Extension Period.

IX. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any **Claim** is made against the **Insured**, the **Insured** shall forward, as soon as practicable upon knowledge of the **Control Group**, to the Underwriters through persons named in Item 9.(a) of the Declarations written notice of such **Claim** in the form of a telecopy, email or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative. Notwithstanding the foregoing, in no event shall the Underwriters be given notice of a **Claim** later than the end of the **Policy Period**, the end of the **Optional Extension Period** (if applicable), or within sixty (60) days after the expiration date of the **Policy Period**.
- B. With respect to Insuring Agreement B., for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Agreement A.1. or A.2., such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the **Insured** via the email address or telephone number set forth in Item 9.(b) of the Declarations; provided, that unless the **Insured** cancels the Policy, or the Underwriters cancel for non-payment of premium, incidents discovered by the **Insured** within sixty (60) days prior to expiration of the Policy shall be reported as soon as practicable, but in no event later than sixty (60) days after the end the **Policy Period**; provided further, that if this Policy is renewed by the Underwriters and **Privacy Breach Response Services** are provided because of such incident or suspected incident that was discovered by the Insured within sixty (60) days prior to the expiration of the Policy, and first reported during the sixty (60) day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.

Notwithstanding the foregoing, if the **Named Insured** reasonably believes that the **Privacy Breach Response Services** provided as a result of such incident or suspected incident are not likely to meet or exceed the **Retention**, then reporting of such incident or suspected incident under this Clause IX.B. is at the **Named Insured's** option, but unless such incident or suspected incident is reported in accordance with the first paragraph of this Clause IX.B., there shall be no coverage for **Privacy Breach Response Services** in connection with such incident or suspected incident.

- C. With respect to Insuring Agreement F., in the event of an **Extortion Threat** to which this Policy applies, the **Named Insured** shall notify Underwriters must notify the Underwriters via the email address specified in Item 9.(a) of the Declarations as soon as practicable after discovery of an **Extortion Threat**, but no later than 60 days after the end of the Policy Period.
- D. The **Named Insured** shall forward immediately to Underwriters through persons named in Item 9.(a) of the Declarations, written notice of the interruption or suspension of **Computer Systems** to which this Insurance applies in the form of a telecopy, email or express mail. Such notice must be provided during the **Policy Period**, or no later than ten (10) days after the end of the **Policy Period** for interruptions or suspensions occurring within ten (10) days of the end of the **Policy Period**; provided, all covered **Business Interruption Loss** must be reported to Underwriters (in accordance with

Clause XXV., Proof and Appraisal of Loss) no later than six (6) months after the end of the **Policy Period**.

- E. If during the **Policy Period**, the **Insured** becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to the Underwriters in the form of a telecopy, email or express or certified mail through persons named in Item 9.(a) of the Declarations as soon as practicable during the **Policy Period**. Such a notice must include:
1. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 2. the injury or damage which may result or has resulted from the circumstance; and
 3. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**.

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

An incident or reasonably suspected incident reported to Underwriters during the **Policy Period** and in conformance with Clause IX.B. shall also constitute notice of a circumstance under this Clause IX.F.

- F. A **Claim** or legal obligation under paragraph A. or B. above shall be considered to be reported to the Underwriters when written notice is first received by the Underwriters in the form of a telecopy, email or express or certified mail or email through persons named in Item 9.(a) of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with paragraph C. above.
- G. With respect to Insuring Agreements G. and H., the **Named Insured** must notify the Underwriters through persons named in Item 9.(a) of the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide the Underwriters a proof of **Data Protection Loss, Business Interruption Loss** or **Dependent Business Loss**, and this Policy will cover the reasonable and necessary costs, not to exceed CAD 50,000, that the **Named Insured** incurs to contract with a third party to prepare such proof. Loss described in this paragraph must be reported, and proof of loss must be provided, to the Underwriters no later than 6 months after the end of the **Policy Period**.
- H. With respect to Insuring Agreement I., the **Named Insured** must notify the Underwriters through persons named in Item 9.(a) of the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide the Underwriters a proof of **Consequential Reputational Loss**. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the Underwriters no later than six (6) months after the end of the **Policy Period**. The costs and expenses of preparing and submitting a proof of loss, and establishing or proving **Consequential Reputational Loss** shall be the **Insured's** obligation, and are not covered under this Policy.

- I. The **Named Insured** must notify the Underwriters of any loss covered under Insuring Agreements J., K. or L. as soon as practicable, but in no event later than 60 days after the end of the **Policy Period**. Notice must be provided through persons named in Item 9.(a) of the Declarations.

X. ASSISTANCE AND COOPERATION

- A. The Underwriters shall have the right to make any investigation they deem necessary, and the **Insured Organization** shall cooperate and, to the extent reasonably practicable, shall cause natural person **Insureds** to cooperate, with the Underwriters in all investigations, including investigations regarding the **Application** for and coverage under this Policy. The **Insured** shall execute or cause to be executed all papers and render all assistance as is requested by the Underwriters. The **Insured** agrees not to take any action which in any way increases the Underwriters' exposure under this Policy.
- B. Upon the Underwriters' request, the **Insured** shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of acts, errors or omissions, incidents or events with respect to which insurance is afforded under this Policy; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- C. The **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgement or award or dispose of any **Claim** without the written consent of the Underwriters, except as specifically provided in Clause II., Defence and Settlement of Claims, paragraph D.

Compliance with a **Breach Notice Law** will not be considered an admission of liability for purposes of this Clause X.C.

- D. Expenses incurred by the **Insured** in assisting and cooperating with the Underwriters do not constitute **Claims Expenses** under the Policy.

XI. SUBROGATION

If any payment is made under this Policy and there is available to the Underwriters any of the **Insured's** rights of recovery against any other party, then the Underwriters shall maintain all such rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to **Loss** paid by the Underwriters, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Named Insured**.

XII. OTHER INSURANCE

The insurance under this Policy shall apply in excess of any other valid and collectible insurance available to any **Insured**, including any self-insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the **Policy Aggregate Limit of Liability** or any other applicable Limit of Liability of this Policy.

XIII. ACTION AGAINST THE UNDERWRITERS

No action shall lie against the Underwriters or the Underwriters' representatives unless and until, the **Insured** shall have fully complied with all material provisions, terms and conditions of this Insurance and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgement, order, settlement or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant, and the Underwriters.

No person or organization shall have the right under this Policy to join the Underwriters as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall the Underwriters be impleaded by the **Insured** or the **Insured's** legal representative.

The **Insured's** bankruptcy or insolvency or of the **Insured's** estate shall not relieve the Underwriters of their obligations hereunder.

XIV. ENTIRE AGREEMENT

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

XV. MERGERS AND ACQUISITIONS

A. Newly Acquired Subsidiaries

If during the **Policy Period** the **Named Insured** or any **Subsidiary** acquires an entity whose annual revenues are more than twenty percent (20%) of the **Named Insured's** total annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**, then, subject to the **Policy Period** and all other terms and conditions of this Policy, coverage under this Policy shall be afforded for a period of sixty (60) days, but only for any **Claim** that arises out of any act, error or omission first committed or incident or event first occurring after the entity becomes so owned. Coverage beyond such sixty (60) day period shall only be available if the **Named Insured** gives the Underwriters written notice of the acquisition, obtains the written consent of Underwriters, such approval not to be unreasonably withheld, to extend coverage beyond such sixty (60) day period to the entity and agrees to pay any additional premium required by Underwriters.

B. Mergers or Consolidations

If during the **Policy Period** the **Named Insured** consolidates or merges with or is acquired by another entity, or sells substantially all of its assets to any other entity, then this Policy shall remain in full force and effect, but only with respect to a **Security Breach**, or other act or incidents that occur prior to the date of the consolidation, merger or acquisition. There shall be no coverage provided by this Policy for any other **Claim** or **Loss** unless the **Named Insured** provides written notice to the Underwriters prior to such consolidation, merger

or acquisition, the **Named Insured** has agreed to any additional premium and terms of coverage required by the Underwriters and the Underwriters have issued an endorsement extending coverage under this Policy.

- C. All notices and premium payments made under this Clause XV. shall be directed to the Underwriters through the entity named in Item 9.(c) of the Declarations.

XVI. ASSIGNMENT

The interest hereunder of any **Insured** is not assignable. If the **Insured** shall die or be adjudged incompetent, such insurance shall cover the **Insured's** legal representative as the **Insured** as would be permitted under this Policy.

XVII. CANCELLATION

- A. This Policy may be cancelled by the **Named Insured**, by surrender thereof to the Underwriters or by mailing or delivering to the Underwriters through the entity named in Item 9.(c) of the Declarations, written notice stating when the cancellation shall be effective.
- B. This Policy may be cancelled by the Underwriters only for non-payment of premium by mailing to the **Named Insured** at the address shown in the Declarations written notice stating when, not less than twenty (20) days thereafter, such cancellation shall be effective. The effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Cancellation for non-payment of premium shall not be effective if the premium amount due is paid prior to the effective date set forth in the notice of cancellation.
- C. If the **Named Insured** cancels this Policy, the earned premium shall be pro rata.
- D. The premium shall be deemed fully earned if any **Claim**, or any circumstance that could reasonably be the basis for a **Claim** or **Loss**, is reported to the Underwriters on or before the date of cancellation.
- E. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

XVIII. SINGULAR FORM OF A WORD

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

XIX. HEADINGS

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

XX. REPRESENTATIONS BY THE INSURED

By acceptance of this Policy, all **Insureds** agree that the statements contained in the **Application** are their agreements and representations and that the Underwriters issue this Policy, and assume the risks hereunder, in reliance upon the truth thereof.

Notwithstanding the foregoing or anything in this Policy to the contrary, the Underwriters will not:

- A. seek to avoid or repudiate this Policy for non-disclosure or misrepresentation other than for:
 1. fraudulent or intentional non-disclosure or fraudulent or intentional misrepresentation; or
 2. non-disclosure or misrepresentation of a material fact or other material information that is known to an **Insured** as of the date of the **Application**, or
- B. seek damages for or seek to reject any **Claim** on the grounds of non-disclosure or misrepresentation or on the grounds of a breach of warranty given in the course of negotiating this Policy save where such:
 1. non-disclosure or misrepresentation is fraudulent or intentional;
 2. breach was made with intent to deceive; or
 3. non-disclosure, misrepresentation or breach of warranty is regarding a material fact or other material information that is known to the **Insured** as of the date of the **Application**.

For the purposes of this Clause, a fact or information is material if it would influence the judgment of a prudent insurer in fixing the premium or determining whether it will write the risk and on which terms.

XXI. NAMED INSURED AS AGENT

The **Named Insured** shall be considered the agent of all **Insureds**, and shall act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Policy, the acceptance of any endorsements to this Policy, and the **Named Insured** shall be responsible for the payment of all premiums and **Retentions**.

XXII. CHOICE OF LAW

Unless otherwise set forth in Item 10. of the Declarations, any disputes involving this Policy, including its construction, application and validity shall be resolved applying the laws of Canada and/or the Province indicated in Item 1. of the Declarations as the principle address of the **Named Insured**.

XXIII. VALUATION AND CURRENCY

All premiums, limits, deductibles, **Damages** and other amounts under this Policy are expressed and payable in the currency of Canada. If judgement is rendered,

settlement is denominated or another element of **Damages** under this Policy is stated in a currency other than Canadian dollars or if **Claims Expenses** are paid in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange published in the *Wall Street Journal* on the date the judgement becomes final or payment of the settlement or other element of **Damages** is due or the date such **Claims Expenses** are paid.

XXIV. AUTHORIZATION

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** will act on their behalf with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

XXV. PROOF AND APPRAISAL OF LOSS

A. Before coverage under Insuring Agreement G. will apply, the **Named Insured** must:

1. prepare and submit to the persons named in Item 9.(a) of the Declarations a written and detailed proof of loss sworn by an officer of the **Named Insured** within ninety (90) days after the **Insured** discovers a **Data Protection Loss**, but in no event later than six (6) months following the end of the **Policy Period**. Such proof of loss shall include a narrative with full particulars of such **Data Protection Loss**, including the time, place and cause of the **Data Protection Loss**, a detailed calculation of the **Data Protection Loss**, the Insured Organization's interest and the interest of all others in the property, the sound value thereof, the amount of **Data Protection Loss** or damage thereto, and all other insurance thereon; and
2. upon Underwriters' request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such **Data Protection Loss**.

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving **Data Protection Loss** or any other **Loss** under this Policy shall be the **Insured's** obligation, and are not covered under this Policy.

B. If the **Named Insured** and Underwriters do not agree on the amount of a **Loss**, each party shall select and pay an appraiser or other qualified expert (the "Appraiser") to state the amount of the loss or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the **Named Insured** or the Underwriters may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the **Loss** or reasonable expenses to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of a **Loss** shall be binding on all **Insureds** and Underwriters. The **Named Insured** and Underwriters will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of a **Loss**, and shall not control the determination of whether such **Loss** is otherwise covered by the Policy; and compliance with this provision shall have no effect on Underwriters' rights or ability to deny coverage or enforce any obligation under this Policy.

- C. If the **Insured** or the Underwriters recover any property, money or **Data Assets** after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to **Loss** payments made by Underwriters, second to any **Retention** payment made by the **Named Insured**, and third to any costs incurred by Underwriters in recovering the property. If property other than money or funds is recovered, the **Named Insured** may (i) keep the recovered property and return the **Loss** payment plus all costs of recovery incurred by Underwriters, or (ii) keep the **Loss** payment less the costs of recovery incurred by Underwriters and transfer all rights in the property to Underwriters.

BUSINESS INTERRUPTION AND DEPENDENT BUSINESS LOSS ENDORSEMENT

This Endorsement modifies insurance provided under the following:

BREACH RESPONSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. Item 3.A.7. of the Declarations is deleted in its entirety and replaced with the following:
 1. Aggregate sublimit applicable to insuring agreement H. (**Business Interruption Loss & Dependent Business Loss**): CAD 5,000,000
 - (i) **Business Interruption Loss:**
 - Resulting from Security Breach: CAD 5,000,000
 - Resulting From System Failure CAD 5,000,000
 - (ii) **Dependent Business Loss:**
 - Resulting from Dependent Security Breach: CAD 5,000,000
 - Resulting from Dependent System Failure: CAD 250,000

2. Item 4.E. of the Declarations is deleted in its entirety and replaced by the following:
 - E. Each **Security Breach, System Failure, Dependent Security Breach, or Dependent System Failure:** CAD 5,000

3. Item 4.K. of the Declarations is deleted in its entirety.

4. Insuring Agreement H. is deleted in its entity and replaced with the following:

H. **Business Interruption Loss & Dependent Business Loss**

To indemnify the **Insured Organization** for:

 1. **Business Interruption Loss** that the **Insured Organization** sustains as a result of a **Security Breach** or **System Failure**; or
 2. **Dependent Business Loss** that the **Insured Organization** sustains as a result of a **Dependent Security Breach** or **Dependent System Failure**;

that the **Insured** first discovers during the **Policy Period**.

5. **Clause V. Definitions**, paragraphs D., S., and W. are deleted in their entirety and replaced with the following:
 - D. **Business Interruption Loss** means:
 1. **Income Loss**;
 2. **Forensic Expenses**; and
 3. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach** or **System Failure**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed

S. **Dependent Business Loss** means:

1. **Income Loss**; and
2. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of an actual interruption of the **Insured Organization's** business operations caused by a **Dependent Security Breach** or **Dependent System Failure**. Coverage for **Dependent Business Loss** will apply only after **Waiting Period** has elapsed.

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

W. **Extra Expense** means reasonable and necessary expenses that are incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach**, **System Failure**, **Dependent Security Breach**, or **Dependent System Failure** occurred; and includes reasonable and necessary expenses incurred by the **Insured Organization** to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**, provided however that the maximum sublimit applicable to **Extra Expense** incurred to replace such devices or equipment is CAD \$250,000.

6. **Clause V. Definitions**, paragraph KKK. is deleted in its entirety.

7. **Clause V. Definitions** is amended by the addition of the following:

BI-1. **Dependent System Failure** means an unintentional and unplanned interruption of computer systems operated by a **Dependent Business**.

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

BI-2. **System Failure** means an unintentional and unplanned interruption of **Computer Systems**.

System Failure will not include any interruption of computer systems resulting from (i) a **Security Breach**, or (ii) the interruption of any third party computer system.

8. **Clause VI. Limit of Liability**, paragraph H. is deleted in its entirety and replaced with the following:

H. Multiple related or continuing **Extortion Threats** shall be considered a single **Extortion Threat** for purposes of this Policy and shall be deemed to have occurred at the time of the first such **Extortion Threat**.

A **Data Protection Loss** will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a **Data Asset** is first discovered by the **Insured**. All **Data Protection Loss** that arises out of the same or a continuing **Security Breach**, from related or repeated **Security Breaches**, or from multiple **Security Breaches** shall be deemed to be a single **Data Protection Loss**.

All **Business Interruption Loss** resulting from multiple covered interruptions of **Computer Systems** that arise out of the same or a continuing **Security Breach or System Failure**, from related or repeated **Security Breaches or System Failures**, or from multiple **Security Breaches or System Failures** shall be deemed to be a single **Business Interruption Loss**; provided, however, that a separate **Waiting Period** shall apply to each **Period of Restoration**.

All other terms and conditions of this Policy remain unchanged

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

1. Notwithstanding any provision to the contrary within this reinsurance agreement or any endorsement thereto, this reinsurance agreement excludes any loss, liability, cost or expense, or any other amount incurred by or accruing to the reinsured, whether as insurer or reinsurer, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with:
 - 1.1. irradiation or contamination by Nuclear Material; or
 - 1.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - 1.3. any device or weapon employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter.

Definitions

2. Nuclear Material means:
 - 2.1. Nuclear Fuel; or
 - 2.2. where the United States Atomic Energy Act of 1954 as amended applies:
 - 2.2.1. special nuclear material; or
 - 2.2.2. source material; or
 - 2.2.3. by-product material;as defined in the Atomic Energy Act of 1954 as amended; or
 - 2.3. where the Canadian Nuclear Liability Act R.S.C., 1985, c. N-28 or any law amendatory thereof applies:
 - 2.3.1. any material, other than thorium or natural or depleted uranium uncontaminated by significant quantities of fission products, that is capable of releasing energy by a self-sustaining chain process of nuclear fission;
 - 2.3.2. radioactive material produced in the production or utilization of material referred to in paragraph 2.3.1; and
 - 2.3.3. material made radioactive by exposure to radiation consequential on or incidental to the production or utilization of material referred to in paragraph 2.3.1; or
 - 2.4. in respect of any territory where the United States Atomic Energy Act of 1954 as amended and the Canadian Nuclear Liability Act R.S.C., 1985, c. N-28 or any law amendatory thereof do not apply, any other radioactive material (including but not limited to radioactive products and waste).
3. Nuclear Fuel means any material, other than natural uranium or depleted uranium, capable of releasing nuclear energy by nuclear fission or otherwise, either alone or in conjunction with any other material.

LMA5198 27 September 2012

NUCLEAR EXCLUSION CLAUSE-REINSURANCE-NON-MARINE (WORLDWIDE)

- I. This Reinsurance does not cover any loss or liability accruing to the Reinsured, directly or indirectly and whether as Insurer or Reinsurer, from any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks.
- II. For all purposes of this Reinsurance the original Insurance and Reinsurance contracts of the Reinsured in connection with Insurances for which a Radioactive Contamination Exclusion, Explosive Nuclear Assemblies Exclusion or other similar exclusions are prescribed by law or by any Market Association or other regulatory body shall be deemed to contain such exclusions.
- III. Without in any way restricting the operation of paragraphs I and II of this Clause, this Reinsurance does not cover any loss or liability accruing to the Reinsured, directly or indirectly and whether as Insurer or Reinsurer from any insurance against loss or damage (including Business Interruption or Consequential Loss arising out of such loss or damage) to, or any Liability or Workmen's Compensation insurance in respect of the ownership, operation or control of any of the following, including those in course of construction:
 - (i) nuclear reactor installations, the buildings housing them and all property contained therein and forming part of the installation;
 - (ii) all ancillary buildings on the site of a nuclear reactor installation and all property contained therein and forming part of the installation;
 - (iii) installations for fabricating fuel elements or for processing fissionable material or reprocessing, salvaging, chemically separating, storing or disposing of irradiated nuclear fuel or nuclear waste materials;
 - (iv) any other installation designated by local law or Government regulation as a nuclear installation;
 - (v) contractors' plant and equipment on the site for the purpose of constructing, erecting or installing a reactor or ancillary buildings, or for maintaining or repairing a reactor.
- IV. Without in any way restricting the operation of paragraphs I and II of this Clause it is understood and agreed that this Clause shall not apply
 - (a) to any Material Damage (including Business Interruption or Consequential Loss arising out of such Material Damage), Liability or Workmen's Compensation insurance or reinsurance in respect of the construction, erection or installation of buildings, plant and other property (including contractor's plant and equipment used in connection therewith):
 1. for the storage of nuclear fuel (other than natural uranium fuel) - prior to the commencement of storage,
 2. as the reactor block - prior to the commencement of loading of nuclear fuel into the reactor,

3. for any other purposes on the remainder of the site - prior to take over;
- (b) to any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of (a) above, nor affording coverage in the "high radioactivity" zone;

EXCEPT THAT, in the event of one originating cause giving rise on one site to destruction of or loss or damage to:

- (i) property insured by a Material Damage policy issued by or on behalf of a Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks

AND

- (ii) properties insured or reinsured by a policy falling under (a) or (b) above,

then where the amount of the indemnity paid or payable for such destruction or loss or damage by or on behalf of any such Pool of Insurers or Reinsurers referred to in sub-paragraph (i) above exceeds £1,000,000 (or equivalent in other currencies) the exemptions from paragraph III provided by sub-paragraphs (a) and (b) above shall not apply.

DEFINITION

For the purposes of this Exclusion Clause "site" shall be defined by the local Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks or in default of such definition as defined by the competent Licensing Authority; but shall in any event include

- (a) all reactors (including reactors in course of construction) at the same location and
- (b) all properties used in connection with the generating of electricity at the said location.

ADDITIONAL PARAGRAPHS FOR USE AS INDICATED

For Reinsurance Treaties covering risks within the United Kingdom and/or other applicable territories:

- V. It is understood and agreed that this Clause shall not extend to any insurance or Reinsurance against loss or damage (including Business Interruption or Consequential Loss arising out of such loss or damage) to non-nuclear property situated on the site of a Nuclear Installation issued by or on behalf of any Pool of Insurers or Reinsurers formed for the purpose of covering Atomic or Nuclear Energy risks and identified by such Pool to its members as eligible for pro rata contributing Reinsurance, provided such Insurance or Reinsurance contains a Radioactive Contamination Exclusion.
- VI. It is understood and agreed that as regards United Kingdom risks, this Clause shall not extend to Employers' Liability Insurances.

For Reinsurance Treaties covering risks situated in the United States of America and Canada:

VII. As regards the U.S.A. and Canada this Clause shall not override the provisions of any other Nuclear Incident Exclusion Clause applicable specifically to those territories.

NMA1723 10/09/1970

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer 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, United States of America or Canada.

CANADA SPECIFIC ENDORSEMENTS

For the purpose of the Insurance Companies Act (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada. The business insured/reinsured herein meets the necessary conditions to qualify as, and is being transacted as, "insuring in Canada a risk" in accordance with Part XIII of the Insurance Companies Act (Canada).

LMA5185 01/11/2011

Code of Consumer Rights and Responsibilities

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how

and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance OmbudService.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.

LSW1565C 10/12

Cyber – Beazley Breach Response INSURANCE

The insurance contract consists of this Declarations page as well as all coverage wordings, riders, or endorsements that are attached hereto.

IDENTIFICATION OF INSURER / ACTION AGAINST INSURER

This insurance has been effected in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to Agreement No. B162219CAN001 (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement. In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155 rue Metcalfe, Suite 2220, Montreal, Quebec H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to:

Aon Underwriting Managers a trading name of Aon UK Limited

Aon UK Limited Registered Office
The Aon Centre
The Leadenhall Building,
122 Leadenhall Street,
London EC3V 4AN

Registered number 210725

In witness whereof this policy has been signed in London, United Kingdom as authorized by the Underwriters, by Aon UK Limited trading as Aon Underwriting Managers.

Per



The Insured is requested to read this policy, and if incorrect, return it immediately for alteration. In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the Canadian licenced intermediary whose name and address appear above. All inquiries and disputes are also to be addressed to this intermediary.

Whereas Lloyd's Underwriters have been granted an order to insure in Canada risks under the Insurance companies Act (Canada) and are registered in all provinces and territories in Canada to carry on insurance business under the laws of these jurisdictions or to transact insurance in these jurisdictions. And whereas applicants for insurance coverage in respect of risks located in Canada and Canadian Cedants wish that Lloyd's insurance and reinsurance coverage be provided in a manner that requires Lloyd's Underwriters to vest assets in trust in respect of their risks pursuant to the Insurance Companies Act (Canada);

- a) This contract shall be in force and shall be the governing contract pending the decision by Lloyd's Underwriters' attorney and chief agent in Canada (the "AIF") to confirm coverage in accordance with both the terms and conditions set out in this contract and applicable Canadian law;
- b) The AIF shall confirm Lloyd's Underwriters' coverage by signing in Canada a policy that will contain the terms and conditions set out in this contract (the "Canadian Policy"), and by communicating from Canada the issuance of that policy to the policyholder or his broker;
- c) This contract shall cease to have effect upon the communication by the AIF from Canada of the Canadian Policy to the policyholder or his broker, and the Canadian Policy will replace and supersede this contract.

THIS POLICY CONTAINS A CLAUSE WHICH MAY LIMIT THE AMOUNT PAYABLE.

LSW1549B 14 December 2011

NOTICE CONCERNING PERSONAL INFORMATION

How we use your information

By purchasing insurance from certain Underwriters at Lloyd's, London ("Lloyd's"), a customer provides Lloyd's with his or her consent to the collection, use and disclosure of personal information. Consent is subject to the customer's understanding of the nature, purpose and consequences of the collection, use or disclosure of their personal information.

Information is collected and stored for the following purposes:

- the communication with Lloyd's policyholders
- the underwriting of policies
- the evaluation of claims
- the analysis of business results
- purposes required or authorized by law

What personal information we collect about you

We collect, process and store the following personal information about you:

- Name
- Address including postal code and country
- Policy number
- Claim number
- Credit card details
- Bank account details

We also collect information about you when you visit www.lloyds.com. Further details can be found on our online Privacy & Cookies policy at <http://www.lloyds.com/common/privacy-and-cookies-statement>.

We will not use your personal information for marketing purposes and we will not sell your personal information to other parties.

Who we disclose your information to

For the purposes identified, personal information may be disclosed to Lloyd's related or affiliated organisations or companies, their agents/mandataires, and to certain non-related or unaffiliated organisations or companies, including service providers. These entities may be located outside Canada therefore a customer's information may be processed in a foreign jurisdiction (the United Kingdom and the European Union) and their information may be accessible to law enforcement and national security authorities of that jurisdiction.

Disclosure without consent

The following are reasonable grounds to permit the disclosure of personal information without the knowledge or consent of a customer:

- Detecting or suppressing fraud
- Investigating or preventing financial abuse
- For communication with the next to kin or authorized representative of an injured, ill or deceased individual

- Investigating a breach of an agreement or a contravention of the laws of Canada or a foreign jurisdiction
- Witness statement necessary to assess, process or settle insurance claims
- Information produced in the course of employment and the disclosure is consistent
- with the purpose it was produced for

How to access your information and/or contact us

To access and request correction or deletion of your information, or to obtain written information about Lloyd's policies and practices in respect of service providers located outside Canada, please contact the Ombudsman at info@lloyds.ca. The Ombudsman will also answer customer's questions about the collection, use, disclosure or storage of their personal information by such Lloyd's service providers.

Further information about Lloyd's personal information protection policy may be obtained from the customer's broker or by contacting Lloyd's on: 514 861 8361, 1 877 455 6937, or through info@lloyds.ca.

LSW1543C 10/15

BBR

Information Pack



Your Services

Beazley Breach Response

Information Packet for privacy breach response

Thank you for purchasing a Beazley Breach Response (BBR) insurance policy.

BBR is the industry leading solution for data privacy and security risk management, and provides a range of services designed to help your organisation respond to an actual or suspected data breach incident effectively, efficiently, and in compliance with the law.

This Information Packet details the features of your BBR policy and sets out the process for responding to an actual or suspected data breach, including how to obtain the maximum benefit of Beazley's Breach Response Services team. We encourage you to circulate this Information Packet to the members of your data breach incident response team, and incorporate the resources available under the policy as a component of your incident response plan.

Your BBR policy includes an array of benefits and services including assistance at every stage of the investigation of, and response to, a data breach incident from Beazley's in-house BBR Services team of data privacy professionals and technical experts.

A single call or email to BBR Services, notifying the team of a suspected data breach will begin activation of the following services:

Initial breach investigation and consulting

- Legal services
- Computer forensic services

Response to breach events

- Notification services including foreign notification where applicable
- Call centre services
- Breach resolution and mitigation services
- Public relations and crisis management expenses



To notify us of a breach,
send an email to
bbrcanada@beazley.com

beazley

Activation of breach response services

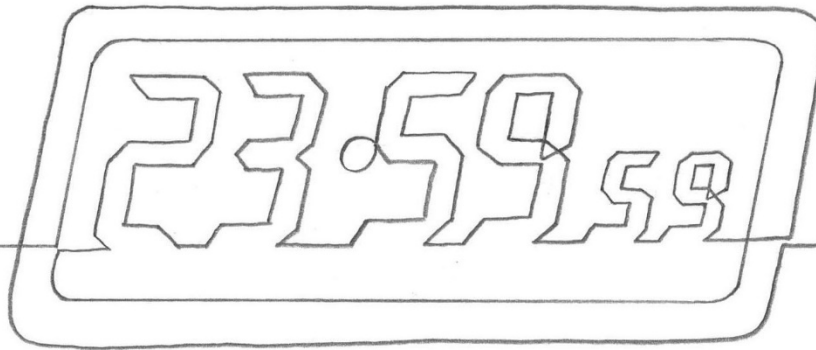
Beazley Breach Response Services Team

Beazley is committed to providing industry leading data breach response services for our clients. This is why we created the BBR Services team; a dedicated business unit within Beazley, focused exclusively on helping insureds successfully prepare for and respond to breaches. The BBR Services team works in collaboration with you to triage and assess the severity of a data breach incident, while coordinating the range of resources and services you may need to meet legal requirements and maintain customer confidence. BBR Services is your frontline partner in data breach investigation and response, and available to your organisation regardless of the size, severity, or cost of a data breach.

When to notify us?

You should notify Beazley as soon as you suspect that personally identifiable or confidential data for which you are responsible might have been compromised. The sooner you notify us about a potential data breach, the more our BBR Services team can do to help.

It is also important that you contact us first before retaining any service providers as the BBR Services team will take you through the process and work with you to secure services from providers that best match your needs.



How to notify us?

Send an email to bbrcanada@beazley.com with the following in your notification email:

- the name of your organisation and insurance policy number if possible;
- a short description of the incident;
- the date the incident occurred (if known);
- the date your organisation discovered the incident; and
- contact information for the point person handling the investigation.

Do not:

- email Beazley staff directly to provide the initial notice; or
- include any personally identifiable information or protected health information.

Email is strongly recommended as the best method of notification; you may alternatively provide notice of an incident by calling Beazley's hotline, (844) 778-5950, and provide the information described above.

What happens after notifying us?

A BBR Services team member will respond to the notice generally on the same or next business day and will schedule a phone call to discuss the incident, assist you with any needed breach investigation and response services available under your BBR policy. We recommend that those within your organisation who are involved in investigating the incident participate on this phone call.

The BBR Services team will continue to collaborate with you throughout the investigation and response process, to provide guidance and to arrange breach investigation and response services provided by Beazley's network of expert service providers.

Legal services

If an incident occurs that might require notification under relevant breach notice laws or regulations, specific Legal Services to assist you in investigating and responding to the incident are included.

BBR Services will arrange Legal Services for you and will connect you to these experts; please do not contact Beazley's partnering law firms directly without the involvement of BBR Services.

Canada

Fasken Martineau DuMoulin LLP
Alex Cameron

www.fasken.com

Dentons Canada LLP
Chantal Bernier and Timothy Banks

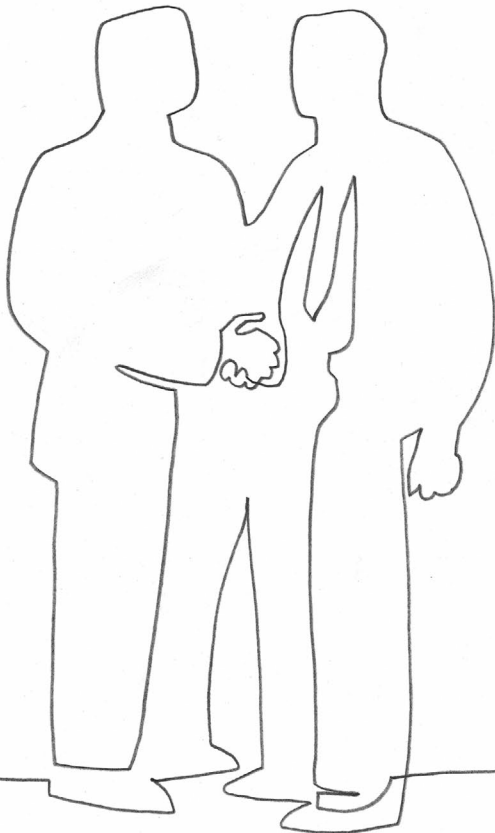
www.dentons.com/canada

nNovation

LLP Kris

Klein

www.nNovation.com



Computer expert services

In the event that external forensics assistance is needed to assess the impact of a data incident on your computer system, Computer Expert Services will be provided to (1) help to determine whether, and the extent to which, notification must be provided to comply with Breach Notice Laws, and (2) if applicable, give advice and oversight in connection with the investigation conducted by a PCI Forensic Investigator.

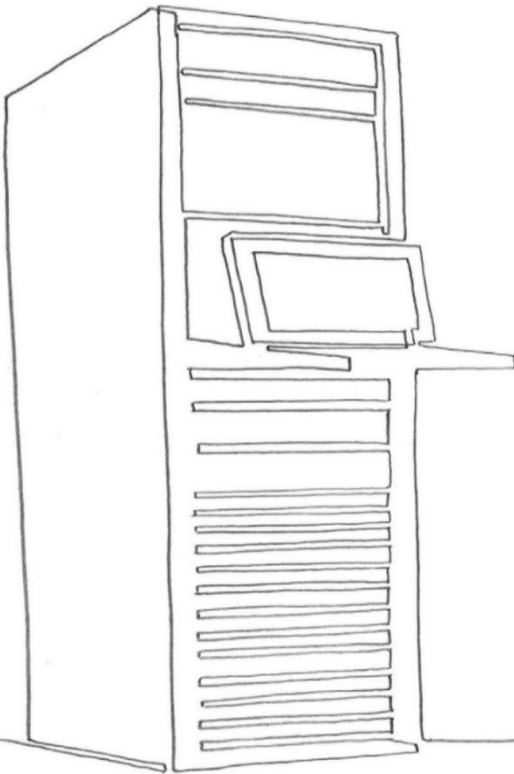
The computer security expert that provides Computer Expert Services will require access to information, files and systems and it is important for you to comply with the expert's requests and cooperate with the investigation. Reports or findings of the expert will be made available to you, us, the BBR Services team and any attorney that you retain to provide advice with regard to the incident.

BBR Services will arrange Computer Expert Services for you and will connect you to these experts; please do not contact Beazley's partnering forensics firms directly without the involvement of BBR Services.

Canada
CGI
www.cgi.com

Mandiant®
www.mandiant.com

Verizon Investigative Response Unit
www.verizonenterprise.com/products/security/risk-team/investigative-response.xml



Notification services and call centre services

BBR Services will assist you with the notification process, including arranging for notification and/or call centre service. BBR Services will walk you through notification details such as how to work with privacy counsel to develop notification letters and how to timely provide notification letters, relevant addresses and other required deliverables to the notification vendor.

BBR Services will also walk you through developing a set of frequently asked questions (FAQs) for use by the call centre and how to anticipate and prepare for call escalations.

Notification services

Miratel Solutions Inc.
www.miratelinc.com

Epiq Corporate Services, Inc.
www.epiqcorporateservices.com

Call centre services

Call Centre Services will be provided to individuals residing outside Canada to the extent reasonably practicable, and only where available through the international call centre service provider(s) listed below or, in our discretion, in other jurisdictions and language where such services are reasonably available.

Miratel Solutions Inc.
www.miratelinc.com

Epiq Corporate Services, Inc.
www.epiqcorporateservices.com



Breach resolution and mitigation services

Beazley Breach Response includes a number of products that provide Resolution and Mitigation Services, including credit monitoring and identity monitoring solutions. All the solutions include fraud resolution services.

The BBR Services team has handled over 4,000 data breaches and will advise you on which products or solutions may be applicable for a particular breach event.

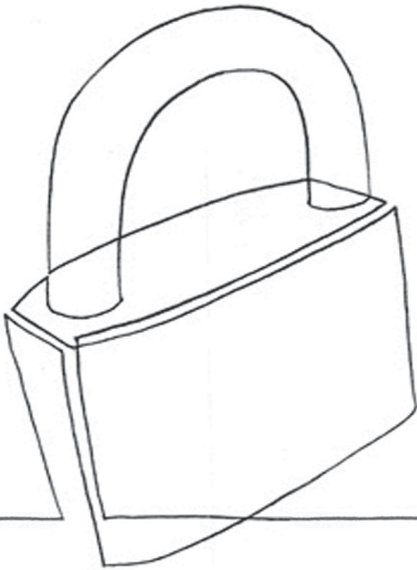
A product or solution may be offered where reasonably practicable and only to the extent available in a particular jurisdiction. Notified Individuals will have up to ninety (90) days from mailing of the notification to subscribe to an offered product or solution and they must qualify for enrollment, complete the enrollment process and agree to the applicable terms and conditions set by the provider. Enrollees of an offered product or solution will have access to the services provided under such product or solution for 12 months from the date of their enrollment.

Credit monitoring products

- Equifax Complete™ Advantage Plan (for Canadian residents only)
- Equifax Credit File ID Alert™ (for Canadian residents only)

Identity monitoring products

- CyberAgent®, offered by CSIdentity Corporation, including the Assisted Restoration service



Additional information on products and offerings

Descriptions of each of the credit or identity monitoring products and solutions are attached. Such descriptions are provided by Equifax Canada Co. and are for informational purposes only and are not part of the Policy. The actual services available with each product or solution are governed by the terms and conditions of the applicable agreements that you must enter into prior to the product or solution being offered to Notified Individuals. Further information about the Equifax Canada products can be obtained at the telephone numbers indicated in the applicable description. You may also contact us through your insurance broker to receive additional information about the Services.

Your responsibilities

To ensure that the Services described above are provided promptly and properly, you must follow the requirements and procedures set forth in the Policy and in this Information Packet. We require your assistance and cooperation with us and with any third party vendors providing Services. Please respond to BBR Services or outside vendor requests and inquiries in a timely manner and enter into necessary contracts required by our vendors for the provision of services. You will be responsible for paying any costs resulting from your failure to timely provide responses, accurate information or approvals necessary for the provision of the Services. There is no coverage under the Policy for any of your internal salary or overhead expenses or for your assistance and cooperation in responding to a breach incident. In the event of a breach incident or suspected incident, do not contact any service providers directly. Instead, you must first provide notice to us at **bbrcanada@beazley.com** or at **(844) 778-5950**, as further described on page 3 of this Information Packet and also in Item 9.(b) of the Declarations.

Contacting any of the service providers listed in this Information Packet shall not constitute notice under the terms of the Policy.

As used in this Information Packet, the terms “we” or “us” or have the same meaning as the term “Underwriters” in the Policy and “you” has the same meaning as the “Insured Organisation” in the Policy. Capitalised terms not defined in this Information Packet have the same meaning as set forth in the Policy.



Beazley Group

Plantation Place South
60 Great Tower Street
London EC3R 5AD
United Kingdom

T +44 (0)20 7667 0623

F +44 (0)20 7674 7100

beazley.com/bbr

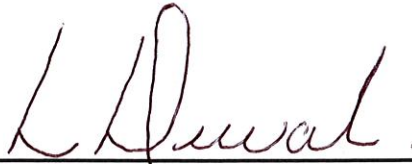
The descriptions contained in this factsheet are for broker preliminary informational purposes only. Coverages are underwritten by Beazley syndicates at Lloyd's and will vary depending on individual country law requirements and may be unavailable in some countries. The exact coverage afforded by the product described in this factsheet is subject to and governed by the terms and conditions of each policy issued. Beazley Solutions Limited is a service company that is part of the Beazley group of companies. Beazley Solutions Limited has authority to enter into contracts of insurance on behalf of the Lloyd's underwriting members of Lloyd's syndicates 623 and 2623 which are managed by Beazley Furlonge Limited. Beazley Solutions Limited is an appointed representative of Beazley Furlonge Limited which is authorised and regulated by the UK Financial Services Authority (ref 204896) in its capacity as insurer.

CBSL329_Canada_03/16

For the purpose of the *Insurance Companies Act* (Canada), this Canadian Policy was issued in the course of Lloyd's Underwriters' insurance business in Canada.

The business insured/reinsured herein meets the necessary conditions to qualify as, and is being transacted as, "insuring in Canada a risk" in accordance with Part XIII of the *Insurance Companies Act* (Canada).

LMA5185

A handwritten signature in dark ink, appearing to read "L. Duval", is written above a solid horizontal line.

Signed and Dated by the Attorney In Fact in Canada for Lloyd's Underwriters and Chief Agent in Canada.

Insured Name: The Air Cadet League Of Canada (including provincial Corps and Squadrons)

UMR: B162219CAN001

2020-02-17 16:15 Eastern Time