



Dear Valued Customer,

Thank you for once again choosing Northbridge General Insurance Corporation to protect your business.

You might think insurance is all about products, policies and paperwork. But to us, it's more about the promise we make to our customers. The promise that we'll be there to take care of you when you need us most. We believe that building long-standing relationships with our customers and brokers is the foundation of long-term success.

When you and your insurance broker chose us as your insurance partner, you chose a partner ready to apply its specialized expertise to serving your needs and we will work closely together to ensure your business is protected. We hope that you will never experience a loss; but in the event that you do, together with your broker we will work hard to help get you back to business as quickly as possible. Our commitment is simple: we promise to handle your claim efficiently and fairly.

Included, you will find the most recent version of your *Northbridge Insurance*[®] Policy. We recommend you review this document carefully and contact your insurance broker if you have any questions.

For additional information about *Northbridge Insurance* products and services, we invite you to visit our website at www.nbins.com or follow our Twitter conversation, [@northbridgeins](https://twitter.com/northbridgeins).

Again, we thank you for your business, and look forward to ensuring your continued success.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Silvy Wright', written in a cursive style.

Silvy Wright
President & CEO
Northbridge

Business Choice[®] Policy



Broker

Name: **Willis Canada Inc.**
Address: **100 King Street West
Suite 4700
Toronto, ON, M5X 1E4**
Agency: **6700777**

Insured

Name: **The Foundation Fighting Blindness**
Address: **890 Yonge St.
12th Floor
Toronto, ON, M4W3P4**

Policy

Number: **CBC 0652398 06**
Effective: **February 28, 2019**
Expiry: **February 28, 2020**

Business Choice



The Business Choice Policy offers comprehensive insurance coverage for your business.

The Business Choice Policy provides broad coverages that go above and beyond ordinary business requirements in one clear, easy to understand policy. If your Declarations Page shows as 'Covered' for any of the following Parts, the following highlight coverage for each Part.

Coverage Summary – Part I, II and VI

| Policy | |
|---|---|
| Code of Consumer Rights and Responsibilities Global Deductible Clause | 30 day Cancellation Clause |
| Part I – Property | If Part I selected |
| Replacement Cost with Same Site Clause amended Sewer Backup (subj. min. \$2,500 deductible) | Included |
| Equipment Breakdown | |
| Comprehensive coverage for pressure vessels including: | |
| Ammonia contamination | \$100,000 |
| Hazardous substance | \$100,000 |
| Water damage | \$100,000 |
| Extensions of Coverage | |
| a. Newly Acquired or Constructed Buildings (90 Day Reporting) | \$1,000,000 |
| b. Newly Acquired Business Personal Property (90 Day Reporting) | \$500,000 |
| c. Personal Effects (including volunteers) | \$2,500 per person / \$25,000 per policy year |
| d. Accounts Receivable | \$100,000 |
| e. Valuable Papers | \$100,000 |
| f. Property Off-Premises | \$25,000 |
| g. Property in Transit *Parcel Post | \$25,000 \$10,000 |
| h. Growing plants, lawns, trees, shrubs and Flowers | \$10,000 per occurrence |
| i. Glass (excluding stained glass) | Included |
| j. Debris Removal | Lesser of up to 25% of the loss amount / \$50,000 |
| k. Removal of Windstorm Debris | \$50,000 |
| l. Pollutant Cleanup and Removal | \$50,000 |
| m. Fire Department Service Charges | \$50,000 |
| n. Protection of Property | up to 30 days |
| o. Fine Arts | \$25,000 |
| p. Building Damage by Theft | \$10,000 |
| q. Professional Fees | 10% of total loss; subject to max. \$100,000 |
| r. Automatic Fire Suppression System Recharge Expenses | \$25,000 |
| s. EDP Equipment, Data and Media Breakdown | \$50,000 |
| t. Automatic Inflation Adjustment | Included |
| u. Consequential Loss (on/off premises) | \$50,000 |
| v. Building By-Laws | Included |
| w. Installation Floater | \$25,000 |
| x. Peak Season | 25% on Stock |
| y. Tenants' Leasehold Interest - Rents | \$10,000 |
| z. Property of Tenants or Registered Guests of A Hotel or Apartment or Members, Guests and Residents of Health Care Facilities | \$1,000 per occurrence / \$5,000 aggregate |
| aa. Roadways, walkways, and Parking Lots | \$50,000 |
| bb. Outdoor property | \$25,000 |
| cc. Master Key Coverage | \$10,000 |
| dd. Condominium Unit Coverage *Loss Assessment *Contingent Building Coverage | \$10,000 \$25,000 |
| ee. Rewards | \$10,000 |
| Part I – Extensions of Coverage, continued: | |
| ff. Furs, Fur Garments, Jewels and Jewellery | \$5,000 |
| gg. Environmental Upgrade | Lesser of 25% of total direct loss or \$25,000 |
| hh. Deferred Payment Plan (Stock) | \$50,000 |
| ii. Brands and Labels | \$100,000 |
| jj. Top-Up Extension | \$50,000 aggregate |
| kk. Extra Expense / Expediting Expense | \$50,000 |
| ll. Product Recall Expense | \$25,000 |
| mm. Cyber Event Expense | \$25,000 |
| Part II – Business Income Coverage | |
| Extensions of Coverage | If Part II selected |
| a. Retailers Product Impairment | \$10,000 |
| b. Contingent Business Income | \$25,000 |
| c. Off Premises Heat, Power, Gas, Water or Communication Services | \$25,000 |
| d. Accountants Fees | \$25,000 |
| e. Civil Authority | 30 days |
| f. Newly Acquired Locations | \$250,000 |
| g. Non Owned Heat, Power, Gas, Water or Communication Services | \$25,000 |
| h. Mortgage Rate Guarantee | \$25,000 |
| i. Fines, Damages or Penalties for Breach of Contract | \$25,000 |
| j. Negative Publicity | \$10,000 (48-hour waiting period) |
| k. Outbreak Extra Expense | \$10,000 |
| Part VI – Crime | If Part I or Part VI selected |
| Money & Securities | \$10,000 |
| Employee Dishonesty | \$10,000 |
| Credit Card Forgery, Forgery or Alteration, Money Order and Counterfeit Paper Currency, and Computer Fraud and Funds Transfer Fraud | \$10,000 per coverage |
| Extensions of Coverage | |
| a. Professional Fees | 25% of the loss / max. \$10,000 |
| b. Third Party Employee Dishonesty | \$5,000 |

The information stated above is only a summary of the applicable Limits of Insurance in the Policy and will not be interpreted as increasing, modifying or varying any other terms or Limits of Insurance specified in the Coverage Schedule. In the event of any inconsistency between the information set in this summary and the Coverage Schedule, the Coverage Schedule will govern.

Business Choice



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Coverage Summary – Part III and IV

| Policy | |
|--|----------------------------|
| Code of Consumer Rights and Responsibilities | 30 day Cancellation Clause |
| Global Deductible Clause | |
| Part III – Commercial General Liability | |
| | If Part III selected |
| All Risks Tenants' Legal Liability (blanket all locations) | \$500,000 |
| Medical Payments | \$25,000 per person |
| Employee Benefits | \$1,000,000 |
| Fungi and Spores Liability | \$250,000 |
| Products and Completed Operations Aggregate | |
| Personal and Advertising Injury Liability | |
| General Aggregate | |
| Contingent Employers Liability | |
| Contractual Liability | |
| Incidental Medical Malpractice | |
| Automatic Coverage for Newly Acquired Subsidiaries (90 Day Reporting) | |
| Separation of Insureds, Cross Liability | |
| Broad Form Property Damage | |
| Broad Form Completed Operations | |
| Employees and "volunteer workers" and unit owners of condominiums as Additional Insureds | |
| Blanket Additional Insureds (as required by contract) | |
| Pollution Exclusion with Hostile Fire Exception (includes accidental discharge of fuels or lubricants from mobile equipment) | |
| Part IV – Non-Owned Automobile | |
| | If Part IV selected |
| S.P.F. No.6 – Standard Non-Owned Automobile Policy | |
| SEF #94 Legal Liability For Damage To Hired Automobiles Endorsement | \$75,000 any one accident |
| SEF #96 Contractual Liability | |
| SEF #99 Excluding Long Term Leased Vehicles | |
| OEF #98B (for Ontario Risks) | |

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Cyber Risk: Is your business prepared for a privacy breach?



Privacy breach and Cyber Risk

Privacy breaches are emerging as a common threat for all businesses, making it more important than ever for companies to take proactive steps to safeguard their customers' information. Yet, only 31% of Canadian companies have guidelines in place should a privacy breach occur*. That's why we have partnered with CyberScout to provide you with latest comprehensive and innovative offering, Cyber Risk[†] coverage.

In addition to insurance protection, Cyber Risk also offers pre and post breach services to help minimize the occurrence of a privacy breach and provide expert assistance should one occur.

In the unfortunate event of a breach, CyberScout's experts are ready to help you quickly develop a clear breach response strategy and incident management plan. Based on the loss incident and data exposure risk, CyberScout can also help determine the need for call handling and remediation alternatives to alert victims to potential problems and aid the early resolution of identity fraud.

Our new Cyber Risk coverage is the right solution to help safeguard your customers. If a breach does occur, you have the peace of mind of knowing you have the coverage needed to pay for certain response expenses and the confidence that support services are available to help you quickly restore your customers' trust and business reputation.



Reporting a breach

In the first instance, please contact the Northbridge Insurance Claims team at **1.855.621.6262**. Our trained representatives will provide further guidance and connect you with CyberScout for Privacy Breach Support Services, where applicable.

Privacy Breach Support Services from CyberScout for Cyber Risk coverage holders include:

- Incident response plan
- Crisis Management
- Notification Assistance
- Media Relations consulting

CyberScout can also provide the following additional services:

- Toll free number to CyberScout's Resolution Center
- Call handling
- Assistance placing fraud alerts
- Fraud resolution services
- Investigative and forensic services

These additional services are not part of the Cyber Risk coverage, and may be purchased directly from CyberScout in the unfortunate case you suffer a data breach.

Additional Support

For more information on how you can protect your business from cybercrime, visit www.nbins.breachresponse.ca, where you will find additional tools and guidance. To access the site, please use the following login details.

USERNAME: NBINS_CYBER
PASSWORD: CyberRisk123



Legal Assist Services

On a day-to-day basis, your business may encounter numerous situations in which you must contend with various laws and regulations. By being well-informed, you may save yourself the trouble of costly legal proceedings and unnecessary hassles.

Legal Assist is a service offered to eligible Northbridge Business Choice customers to provide you with the answers you need to operate your business.

What Does it Cost

There is no cost; it is automatically included in your Business Choice policy.

You have free access to a lawyer, saving you time and money!

Benefits

Not only is this service useful for situations that are truly of legal concern, but also in many other situations in which you never considered contacting legal counsel because of the cost involved in hiring a lawyer.

What We Do

Legal Assist works for you, providing you with legal advice and practical solutions for business matters that affect you.

Legal Assist will answer any legal inquiries that relate to your business activities. No question is too small as Legal Assist can respond to calls about employment issues and contracts to leasing procedures and succession planning. Here are some examples of typical questions:

My company developed a piece of software. How do I go about protecting the specifications from my competitors?

I have contracts containing 'hold harmless' and 'indemnity' clauses with my customers. What are the legal implications of signing this contract that contains a 'hold harmless' clause in favour of my customer?

I want my children to become more actively involved in my business at a management level and in business development. What steps do I need to take to make this happen? What are the legal implications of this, if any?

I have to let an employee go. How much notice do I need to give this employee by law? How do I proceed in order to respect legal requirements?

Call 1.800.786.0656 for info on:

- Labour law
- Tax law
- Administrative law
- Succession planning
- Commercial law
- Real estate law
- Estate planning
- Employment law
- Consumer law
- Bankruptcy (creditors) law

Service is available in both French & English and can be accessed from Monday to Friday, 9AM to 8PM* Obtain the information you need right away or within 24 hours.

- * Eastern Standard time, statutory holidays excluded
1. All calls and information given are kept in strict confidence.
 2. Services provided by lawyers who are duly licensed members of the Law Society of the province or territory of your residence.
 3. Please note that this service is not for issues of a criminal, personal or insurance nature.
 4. Legal Assist is NOT an insurance policy. It does not provide legal fees coverage.
 5. Legal Assist will provide legal information and practical solutions but will not provide legal advice in legal proceedings, nor representation in legal proceedings.

Northbridge General Insurance Corporation

Declaration Page

| | |
|---|--|
| Agency: Willis Canada Inc. | Agency Number: 6700777 |
| Insured's Name and Address The Foundation Fighting Blindness 890 Yonge St. 12th Floor Toronto, ON, M4W3P4 | Policy Number : CBC 0652398 06 Policy Effective Date : February 28, 2019 Policy Expiry Date : February 28, 2020 <small>(12:01 a.m. Standard Time at Insured's Mailing Address)</small> |
| Form of Business: Corporation | |
| Description of Operations: Non-Profit Charitable Organization supporting the funding and research of retin al and eye diseases | |

Insurance is provided only for those coverages for which a specific limit/amount of insurance or premium is stated below:

| Summary of All Locations | Limit of Liability* | Deductible* (per occurrence) | Annual Premium* |
|---|---------------------------|---------------------------------|-----------------|
| Part I - Property | | | |
| Coinsurance: See Coverage Schedule | | | |
| Building | not covered | not covered | not covered |
| Business Personal Property | \$102,000 | \$1,000 | Included |
| Equipment Breakdown | not covered | not covered | not covered |
| Chargeable Endorsements | see schedule of coverages | see schedule of coverages | Included |
| Part II - Business Income Coverage | not covered | not covered | not covered |
| Chargeable Endorsements | none | none | N/A |
| Part III - Commercial General Liability | | | |
| Each Occurrence | \$2,000,000 | \$1,000 PD | Included |
| General Aggregate | \$5,000,000 | | Included |
| Chargeable Endorsements | see schedule of coverages | see schedule of coverages | Included |
| Part IV - Non-Owned Auto | \$2,000,000 | as per policy | Included |
| Legal Liability for Damage to Hired Automobiles | \$75,000 | \$1,000 | Included |
| Part V - Umbrella | | | |
| Each Occurrence | \$5,000,000 | \$10,000 | Included |
| Aggregate | \$5,000,000 | self insured retention | Included |
| Chargeable Endorsements | none | none | N/A |
| Part VI - Crime | see schedule of coverages | see schedule of coverages | Included |
| Part VII - Automobile | not covered | not covered | not covered |
| Part VIII - Additional Coverages | see schedule of coverages | see schedule of coverages | Included |
| Part IX - Inland Marine | not covered | not covered | not covered |

* For Limits of Liability and Annual Premium applicable to each location, see attached Coverage Schedule.

Premium (Sub Total) : \$15,648

Method of Payment : Refer to Billing Invoice

Part I & II Coverage Schedule
(attached to and forming part of the Declaration Page)

| Location #1 : | 890 Yonge St., 12th Floor Toronto, ON, M4W3P4 | | |
|---|---|--------------|-------------------|
| Co-Insurance : | 90 % | | |
| Coverage | Aggregate Liability Limit | Deductible | Annual Premium |
| Business Personal Property | \$102,000 | \$1,000 | Included |
| Breakdown of Business Personal Property: | | | |
| Office Contents | \$102,000 | | |
| Sewer Backup | | \$2,500 | Included |
| EDP Equipment, Data and Media Breakdown | \$30,000 | \$1,000 | Included |
| CBC 100 Earthquake | | 3% \$100,000 | Included |
| CBC 101 Flood | | \$25,000 | Included |
| CBC 112 Deletion of Accident to an Object | | | Included |

Part I & II Coverage Schedule
(attached to and forming part of the Declaration Page)

Location #1 : 890 Yonge St., 12th Floor
Toronto, ON M4W3P4

Coverage: EDP Equipment, Data and Media Breakdown

| Item | Description of Property | Limit | Deductible | Rate | Premium |
|------|-------------------------|----------|------------|------|----------|
| 1 | Breakdown | \$30,000 | \$1,000 | | Included |

Any limit of liability specified in this schedule is subject to and not in addition to the Aggregate Liability Limit as referenced in Part I and II coverage schedule.

Part III - Commercial General Liability Schedule
(attached to and forming part of the Declaration Page)

Commercial General Liability

| | |
|---|-------------|
| Limits of Insurance | |
| Each Occurrence Limit | \$2,000,000 |
| Personal & Advertising Injury Limit | \$2,000,000 |
| Products - Completed Operations Aggregate Limit | \$2,000,000 |
| General Aggregate Limit | \$5,000,000 |
| Property Damage Deductible | \$1,000 |
| Bodily Injury Deductible | \$0 |
| Combined Property Damage & Bodily Injury Deductible | |

CHARGEABLE EXTENSIONS AND ENDORSEMENTS:

| Coverage | Limits of Insurance | Deductible | Premium |
|-----------------------------|---------------------|------------|----------|
| Tenants' Legal Liability | \$1,000,000 | \$1,000 | Included |
| Medical Payments | \$25,000 | | Included |
| Employee Benefits | | \$1,000 | Included |
| Each Occurrence Limit | \$1,000,000 | | |
| Aggregate Limit | \$1,000,000 | | |
| Free Form Endorsements | | \$1,000 | Included |
| CBC 361 Employers Liability | | | Included |

ENDORSEMENTS:

CBC 362 Exclusion - Abuse

Part III - Liability Adjustment Endorsement
(attached to and forming part of the Declaration Page)

Based on the figures reported for the policy term, the liability premium is adjusted as follows:

Description of Operations: Non U.S.A Revenue Form

| Form of Revenue | Estimated Sales | Actual Sales | Adjustment Rate per \$1,000 of revenue | Estimated Premium | Actual Premium |
|------------------------|---------------------------------|---------------------|---|--------------------------|-----------------------|
| Canadian | \$4,500,000 | | Included | Included | |
| Total Revenue | \$4,500,000 | | Total Premium | Included | |
| | Total Earned Premium | : | | Included | |
| | Premium Deposit | : | | Included | |
| | Minimum Retained Premium | : | | | |

Part IV - Non Owned Automobile Liability Schedule
(attached to and forming part of the Declaration Page)

Non Owned Automobile Liability

| | |
|---------------------|-------------|
| Limits of Liability | \$2,000,000 |
|---------------------|-------------|

CHARGEABLE ENDORSEMENTS:

| Coverage | Limit of Liability | Deductible | Premium |
|---|--------------------|------------|----------|
| SEF #94 Legal Liability For Damage to Hired Autos | \$75,000 | \$1,000 | Included |

Part V - Umbrella Schedule
(attached to and forming part of the Declaration Page)

Umbrella Liability

| | |
|--------------------------|-------------|
| Limits of Insurance: | |
| Each Occurrence Limit | \$5,000,000 |
| Aggregate Limit | \$5,000,000 |
| Self - Insured Retention | \$10,000 |

Schedule of Underlying Insurance

| Type of Policy | Policy Number | Effective Date / Expiry Date | Insurer | Limits of Insurance: | |
|----------------|---------------|--|---|--|----------------------|
| | | | | Each Occurrence/ Products Completed Operations Aggregate | General Aggregate |
| CGL | CBC 0652398 | February 28, 2019 / February 28, 2020 | Northbridge General Insurance Corporation | \$2,000,000 | \$5,000,000 |
| NOA | CBC 0652398 | February 28, 2019 / February 28, 2020 | Northbridge General Insurance Corporation | \$2,000,000 | |

ENDORSEMENTS:

CBC 562 Exclusion - Abuse

Part VI - Crime Schedule
(attached to and forming part of the Declaration Page)

| Coverage | Limit of Liability | Deductible | Premium |
|---|--------------------|------------|----------|
| Employee Dishonesty | \$100,000 | \$1,000 | Included |
| Money and Securities | \$10,000 | \$1,000 | Included |
| Forgery or Alteration | \$100,000 | \$1,000 | Included |
| Money Orders & Counterfeit Paper Currency | \$100,000 | \$1,000 | Included |
| Credit Card Forgery | \$10,000 | \$1,000 | Included |
| Computer Fraud and Funds Transfer Fraud | \$100,000 | \$1,000 | Included |

Mortgagee / Lienholder / Lessor / Additional Insured
(attached to and forming part of the Declaration Page)

Sterling Silver Development Corporation
c/o Sterling Karamar Property
Management, 53 The Links Road
Toronto, ON, M2P 1T7

Interest #1 : Additional Interest
Applicable to : Policy
Rank :
Comments : Additional insured

Sterling Karamar Property Management
53 The Links Road
Toronto, ON, M2P 1T7

Interest #1 : Additional Interest
Applicable to : Policy
Rank :
Comments : Additional insured

National Leasing
1525 Buffalo Place
Winnipeg, MB, R3T 1L9

Interest #1 : Additional Interest
Applicable to : Policy
Rank :
Comments : Loss payee: A.T.I.M.A

Free Form Endorsements
(attached to and forming part of the Declaration Page)

Endorsement 1

Description: Annual Events
Applicable to: Part III

Text: Annual Events as per schedule on file.

Limit: **Deductible:** \$1,000 **Additional / Return Premium:** Included

Part VIII Additional Coverages Schedule - Cyber Risk (CBC 899)
 (attached to and forming part of the Declaration Page)

Policy Period: **Effective Date:** February 28, 2019
Expiry Date: February 28, 2020

Cyber Risk Policy
Aggregate Limit : \$50,000

Premium: \$100 Annual

| Coverage | Limit of Liability* | Deductible | Premium |
|----------|---------------------|------------|---------|
|----------|---------------------|------------|---------|

First Party Insuring Agreements

| | | | |
|--|----------|---------|----------|
| a) Incident Response Expenses | \$50,000 | \$2,500 | Included |
| b) Digital Asset Expenses | \$50,000 | \$2,500 | Included |
| c) Business Interruption Waiting Period: 48 Hours | \$50,000 | | Included |
| d) E-Commerce Extortion Expenses | \$5,000 | | Included |

*The Limit of Liability shown per Coverage is per occurrence and in the aggregate for that coverage.

PART I

Earthquake Damage Assumption Endorsement

This endorsement modifies the insurance provided under Part I – Property Insured to include loss or damage caused directly by the peril of earthquake, subject to the following conditions.

This endorsement applies to the property insured under Part I when Earthquake coverage is shown against each individual location on the Declaration Page.

1. Earthquake

For the purpose of this endorsement, earthquake will include snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

Each loss caused by an earthquake will constitute a single claim hereunder, provided that more than one earthquake shock occurring within any consecutive one hundred and sixty-eight (168) hours during the term of this Policy will be deemed a single earthquake. Notwithstanding the foregoing, we will not be liable for any loss or damage caused by any earthquake shock occurring before this endorsement becomes effective nor for any loss or damage caused by an earthquake shock occurring after the expiration of this Policy.

2. Deductible

- a. We are liable in any one occurrence for the amount by which the loss or damage caused by earthquake exceeds the amount of the deductible(s) shown on the Schedule of Part I against “Earthquake Deductible”.
- b. If a percentage is shown as the deductible, the amount of the deductible will be that percentage of the replacement cost value (or for those items subject to the Actual Cash Value Endorsement, the ACV value), of the “items” which suffer the earthquake loss.
- c. If both a percentage deductible and dollar deductible are shown on the Schedule of Part 1 against “Earthquake Deductible”, the higher deductible amount will apply.

In the calculation of the earthquake deductible amount, only the values of the “items” damaged at the site(s) of the earthquake occurrence will be used in the calculation of the deductible. The value of locations not suffering earthquake damage will not be used in the calculation of the deductible amount.

In this endorsement, “items” will refer to the following insured property:

- 1) Building;
- 2) Business Personal Property;

all as defined and limited in this Policy.

3. Exclusions

This endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to earthquake: fire, explosion, smoke, leakage from fire protective equipment, theft, vandalism and malicious acts, flood of any nature, waves, tidal waves, high water, waterborne objects or ice.

4. Extensions of Coverage

We will be liable for loss or damage to the property insured, caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from an earthquake.

5. Pro Rata Clause

We will only be liable for that proportion of a loss payable under this endorsement which the amount insured hereunder bears to the total amount of insurance covering the peril of fire on the same property. If the policy covers two or more items this provision will apply to each item separately.

All other terms and conditions remain unchanged.

PART I

Flood Endorsement

This Endorsement modifies insurance provided under Part I – Property Insured.

This endorsement applies separately to each “scheduled risk location” for which the Flood Endorsement is specified on the “schedule”.

1. INSURED PERIL

This insurance is extended to include “flood”.

2. DEDUCTIBLE

We are liable for the amount by which the loss or damage caused by “flood” exceeds the deductible specified on the “schedule” for Flood Endorsement in any one “flood occurrence”.

This Deductible clause applies separately to each “scheduled risk location” to which this Endorsement applies.

3. EXCLUSIONS

This Endorsement does not cover loss or damage caused directly or indirectly by any of the following perils whether or not caused by or attributable to “flood”:

- (a) fire, explosion, or smoke;
- (b) leakage from “fire protective equipment”;
- (c) riot, vandalism or malicious acts;
- (d) theft or attempted theft;
- (e) the backing up or overflow, within the area bounded by the bearing walls and foundations of the building which is located at the “scheduled risk location”, of water from within sewers, sumps, septic tanks or drains;
- (f) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or other openings in such sidewalks, driveways, foundations, walls or floors;
- (g) leakage from a watermain.

4. EXTENSION OF COVERAGE

We will be liable for loss or damage to the insured property caused by wind, hail, rain or snow entering a building which is located at the “scheduled risk location” through an opening in the roof or walls directly resulting from “flood”.

5. DEFINITIONS

Wherever used in this Endorsement:

- (a) “Flood” means the breaking out or overflow of any natural or artificial body of water and includes “surface water”, waves, tides, tidal waves and tsunamis.
- (b) “Flood occurrence” means all flooding which occurs within any 168 consecutive hours commencing during the policy period on or after the effective date of this Endorsement. The expiration of this Policy will not reduce the 168 hour period.
- (c) “Surface water” means water or natural precipitation temporarily diffused over the surface of the ground.

All other terms and conditions remain unchanged.

PART I

Deletion Of Accident To An Object Coverage Endorsement

This endorsement modifies insurance provided under Part I – Property Insured as follows:

1. all coverage pertaining to “Accident to an Object”, as defined in any forms or endorsements attached to this Policy, is deleted from this policy in its entirety.
2. Part I of this Policy does not insure loss of or damage to:
 - a. any pressure vessel having normal internal working pressure greater than 103 kilopascals (15 pounds per square inch) above atmospheric pressure; or
 - b. any boiler, including the piping and equipment connected thereto which contains steam or water under steam pressure (except tanks having an internal diameter of 610 millimetres (24 inches) or less used for the storage of hot water for domestic use);
caused directly or indirectly by explosion, rupture, bursting, cracking, burning out or bulging of such property while connected ready for use, but this exclusion does not apply to:
 - i) manually portable gas cylinders;
 - ii) explosion of natural, coal or manufactured gas; or
 - iii) explosion of gas or unconsumed fuel within a furnace or within the gas passages therefrom to the atmosphere.
3. in respect only to Buildings, as defined in any form or endorsement attached to Part I of this policy, Part I of this Policy does not insure against loss or damage caused directly or indirectly by explosion (except with respect to explosion of natural, coal or manufactured gas), collapse, rupture, bursting, cracking, burning out or bulging of the following property owned, operated or controlled by you, unless fire ensues and then only for the loss or damage caused directly by such ensuing fire:
 - a. the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
 - b. piping and apparatus or parts thereof normally containing steam or water under steam pressure from an external source and while under such pressure;
 - c. other vessels and apparatus and pipes connected therewith while under pressure, or while in use or in operation provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure but this exclusion does not apply to loss or damage resulting from the explosion of manually portable gas cylinders or of tanks having an internal diameter of 610 millimetres (24 inches) or less used for the heating and storage of hot water for domestic use;
 - d. moving or rotating machinery or parts thereof;
 - e. any vessels and apparatus and pipes connected therewith while undergoing pressure test but this exclusion does not apply to other property insured hereunder that has been damaged by such explosion; or
 - f. gas turbines.

All other terms and conditions remain unchanged.

PART III

Exclusion - Abuse Endorsement

This Endorsement is attached to, forms part of and modifies the insurance provided under **Part III – Commercial General Liability (Occurrence Basis)** of **CBC 001 – Your Northbridge Insurance Policy** and is subject to the definitions, exclusions and provisions of **Part III – Commercial General Liability (Occurrence Basis)** of **CBC 001 – Your Northbridge Insurance Policy**.

If the sequencing of any added clause in this Endorsement is in conflict with the sequencing of the respective clause of **Part III – Commercial General Liability (Occurrence Basis)** of **CBC 001 – Your Northbridge Insurance Policy** and any endorsements attached thereto, then this Endorsement is changed to the next available sequencing.

SECTION

1. ABUSE EXCLUSION ADDED TO COMMERCIAL GENERAL LIABILITY COVERAGE A. AND COVERAGE B.

(1) Abuse Exclusion Added to COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY and COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

This Endorsement modifies insurance under **Part III – Commercial General Liability (Occurrence Basis)**, **Section I – COVERAGE A. and COVERAGE B.** by adding the following exclusion to **Part 2. Exclusions**:

Abuse

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of or in connection with an act or alleged act of “abuse”.

Such “bodily injury”, “property damage” or “personal and advertising injury” shall be excluded regardless of any other cause or aggravating factor which contributes concurrently, or to any extent, to such “bodily injury”, “property damage” or “personal and advertising injury”. We shall not have any duty to defend an “action” seeking any such damages arising from or in connection with such “bodily injury”, “property damage” or “personal and advertising injury”.

2. ADDED DEFINITION

Wherever used in this Endorsement:

- (1) “Abuse” means any act or series of acts of actual or threatened abuse, done to one person involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.

All interrelated or continuous acts of “abuse” done to one person and committed by, or allegedly committed by, one person or persons acting in concert, will be deemed to be one act regardless of:

- i. the number of persons committing, or allegedly committing, the act(s) or threat(s);
- ii. the period of time over which the acts or threats occur; or
- iii. the time or nature of the injury resulting from the act(s) or threat(s).

All other terms and conditions remain unchanged.

PART III**Employers' Bodily Injury Liability Coverage Extension Endorsement**

This endorsement modifies insurance under the following:

Part III - Commercial General Liability Form – Coverage A as follows:

1. Section I Coverage A. Bodily Injury and Property Damage Liability Exclusions d., e. and f. are deleted but only with respect to claims or “actions” because of “bodily injury” to an employee of the insured arising out of and in the course of employment by the insured in the business described in the Schedule of Part III.
2. This extension of insurance does not apply to “bodily injury” to an employee while employed in violation of the law with your actual knowledge or the actual knowledge of any of your executive officers.

PART V

Exclusion - Abuse Endorsement

This Endorsement is attached to, forms part of and modifies the insurance provided under **Part V – Umbrella Liability** of **CBC 001 – Your Northbridge Insurance Policy** and is subject to the definitions, exclusions and provisions of **Part V – Umbrella Liability** of **CBC 001 – Your Northbridge Insurance Policy**.

If the sequencing of any added clause in this Endorsement is in conflict with the sequencing of the respective clause of **Part V – Umbrella Liability** of **CBC 001 – Your Northbridge Insurance Policy** and any endorsements attached thereto, then this Endorsement is changed to the next available sequencing.

SECTION

1. ABUSE EXCLUSION ADDED TO UMBRELLA LIABILITY COVERAGE A.

(1) Abuse Exclusion Added to COVERAGE A. BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY LIABILITY

This Endorsement modifies insurance under **Part V – Umbrella Liability, Section I – COVERAGE A.** by adding the following exclusion to **Part 2. Exclusions**:

Abuse

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of or in connection with an act or alleged act of “abuse”.

Such “bodily injury”, “property damage” or “personal and advertising injury” shall be excluded regardless of any other cause or aggravating factor which contributes concurrently, or to any extent, to such “bodily injury”, “property damage” or “personal and advertising injury”. We shall not have any duty to defend an “action” seeking any such damages arising from or in connection with such “bodily injury”, “property damage” or “personal and advertising injury”.

2. ADDED DEFINITION

Wherever used in this Endorsement:

- (1) “Abuse” means any act or series of acts of actual or threatened abuse, done to one person involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.

All interrelated or continuous acts of “abuse” done to one person and committed by, or allegedly committed by, one person or persons acting in concert, will be deemed to be one act regardless of:

- i. the number of persons committing, or allegedly committing, the act(s) or threat(s);
- ii. the period of time over which the acts or threats occur; or
- iii. the time or nature of the injury resulting from the act(s) or threat(s).

All other terms and conditions remain unchanged.

PART VIII

Cyber Risk

THE FIRST PARTY AND THIRD PARTY LIABILITY INSURING AGREEMENTS ARE CLAIMS MADE AND REPORTED COVERAGES. PLEASE READ ALL TERMS, CONDITIONS, LIMITATIONS AND OTHER PROVISIONS CAREFULLY. PAYMENT OF "LOSS" AND "FIRST PARTY LOSS" REDUCES AND MAY EXHAUST THE LIMIT OF LIABILITY AVAILABLE UNDER THIS POLICY.

SECTION I – GENERAL DEFINITIONS, PROVISIONS, CONDITIONS AND EXCLUSIONS APPLICABLE TO ALL COVERAGES

The Statutory Conditions and all the General Provisions, Conditions, Exclusions and Definitions as stated in form CBC 001 apply to this Policy.

The following General Definitions, Provisions, Conditions and Exclusions apply to all Sections of the Policy. If any portion of these provisions, conditions and exclusions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect. If any conditions, exclusions or definitions below are in conflict with the **General Provisions, Conditions, Exclusions and Definitions** as stated in form CBC 001, then the conditions, exclusions and definitions below shall take precedence.

1. GENERAL DEFINITIONS APPLICABLE TO ALL SECTIONS

Throughout this Policy, words and phrases that appear in quotation marks have special meaning. These Definitions apply to the singular and the plural of these terms as circumstances and context require. Unless otherwise defined here, the definitions are as stated elsewhere in form CBC 001.

Wherever used in this Policy:

- (1) "Affected persons" means individuals whose "personal information" was collected or used in Canada or disclosed and was accessed or acquired without their authorization.
- (2) "Approved service provider" means an identity management, breach services and digital forensic consultant approved in writing by the Insurer.
- (3) "Authorized third party user" means any third party person to whom their employer has granted access to their "computer system".
- (4) "Authorized user" means any "insured person" to whom the "company" has granted access to use "company's" "computer system" while such "insured person" is acting within the scope of their authority and using the "company's" "computer system" in an authorized manner.
- (5) "Business interruption loss" means the loss of "business income" and incurred necessary "extra expense" directly resulting from an "interruption in services".
- (6) "Business interruption period of restoration" means the period of time that:
 - (i) begins with the date and time that an "interruption in services" is "discovered" and after application of the "waiting period"; and
 - (ii) ends with the earlier of:
 - (a) the date and time the "company's" "computer system" is restored to substantially the level of operation that had existed immediately prior to the "interruption in services"; or
 - (b) 30 consecutive days from the time that such "interruption in services" was "discovered".

If the "company" does not plan to resume operations, "business interruption period of restoration" ends the earlier of:

- 1) the date and time the "company's" "computer system" would have been restored to substantially the level of operation that had existed immediately prior to the "interruption in services"; or
- 2) 30 consecutive days from the time that such "interruption in services" was "discovered".

If necessary, the "business interruption period of restoration" will extend beyond the "policy period", but the time limitations described above will still apply.

- (7) "Claim" means any:
 - (i) written demand for monetary "damages";
 - (ii) civil proceeding for monetary "damages" commenced by the service of a notice of action or complaint, statement of claim or similar proceeding;
 - (iii) "regulatory proceeding"; or
 - (iv) arbitration or other alternative dispute resolution proceeding for monetary "damages", commenced by the "insured's" receipt of a request or demand for such proceeding, including any appeal thereof,
 to the extent such "claim" is brought in Canada against an "insured" for a "wrongful act".
- (8) "Claim expenses" means the reasonable and necessary legal fees, costs and expenses incurred in the investigation, adjustment, defence or appeal of a "claim" covered by this Policy. "Claim expenses" includes "incident response expenses" and the premium for bonds to release attachments with respect to matters defended by the Insurer, but the Insurer will have no obligation to apply for or furnish any such bonds.
- (9) "Company" means the Insured specified on the "cyber schedule".

- (10) "Computer system" means computer hardware and "software", and the "electronic data" stored thereon, as well as associated input and output devices, terminal devices, data storage devices, "portable computer systems", networking equipment, components, firmware and electronic backup facilities, including systems accessible through the internet, intranets, extranets or virtual private networks.
- (11) "Computer system of the company" means a "computer system" the "company" leases, owns or operates or that is operated by a "service provider" pursuant to a previously executed written contract with the "company" and for the commercial benefit of the "company".
- (12) "Computer violation" means the introduction of a "computer virus" into the "company's" "computer system" which directly causes corruption, damage, impairment, destruction or deletion of "software" or "electronic data".
- (13) "Computer virus" means any unauthorized malicious code which corrupts, impairs or degrades the integrity, quality or performance of the "company's" "computer system".
- (14) "Cyber schedule" means the Part VIII Additional Coverage Schedule – Cyber Policy.
- (15) "Damages" means:
- (i) monetary damages which an "insured" is legally obligated to pay as a result of a covered judgment, award or settlement;
 - (ii) interest assessed against the "company" occurring after entry of judgment upon that part of the judgment which is within the applicable Limit of Liability shown on the "cyber schedule"; and
 - (iii) costs charged against an "insured" in any suit defended by the Insurer unless such costs are assessed as a sanction against an "insured".
- "Damages" do not include any:
- (1) fine, penalty, forfeiture, sanction, tax or liquidated damages;
 - (2) loss arising out of liability to any third party assumed under contract, including but not limited to any contractual penalty;
 - (3) "regulatory fine", civil or criminal fine, penalty, punitive, exemplary or multiple damages or any matter deemed uninsurable under the law pursuant to which the Policy shall be construed; or
 - (4) any consequential loss or damage.
- (16) "Denial of service attack" means the inability of any third party to access the "company's" "computer system", where such inability is a measurable interruption, suspension, failure, degradation or delay in the performance of the "company's" "computer system" directly caused by the "company's" "computer system" being saturated or overwhelmed with fraudulent or malicious external communications which consume its resources so that it cannot provide its intended service.
- (17) "Digital assets" means "electronic data" and "software" stored on the "company's" "computer system". "Digital assets" do not include computer hardware, money, funds, debt, credit, bond, equity instruments, accounts, bills, valuable papers, records, abstracts, deeds, manuscripts, confidential and proprietary marketing or financial information or other documents, except as they have been converted to "electronic data", and then only in that form.
- (18) "Digital asset expenses" means the reasonable and necessary expenses the "company" incurs to replace or restore "digital assets" from written records or partially or fully matching "electronic data" due to the corruption, damage, impairment, destruction or deletion of such "digital assets" directly caused by a "network security incident". "Digital asset expenses" do not include any fees, costs and expenses incurred by the "company" in assembling, collecting, establishing and identifying the existence or amount of "digital asset expenses".
- (19) "Digital personal injury" means any actual or alleged unintentional injury, other than "bodily injury", arising out of the release, dissemination or display of "electronic data", by means of a website, the Internet, an extranet or any other similar device or system designed or intended for communication of "electronic data".
- (20) "Discover", "discovered" or "discovery" means the earliest date on which any "insured" first becomes aware or ought to have become aware of facts that would cause a reasonable person to assume that a "first party loss" has been or will be incurred, regardless of when the act or acts causing or contributing to such "first party loss" occurred, even though the exact amount or details of such "first party loss" may not then be known.
- (21) "E-commerce extortion expenses" means reasonable and necessary costs, fees, money or securities paid by the "company" to a third party whom the "company" reasonably believes to be responsible for an "e-commerce extortion threat", provided that:
- (i) an "approved service provider" recommends such "e-commerce extortion expenses" be paid;
 - (ii) the applicable government authority(s) does not object or recommend against the payment of such "e-commerce extortion expenses";
 - (iii) such "e-commerce extortion expenses" are paid to terminate the "e-commerce extortion threat"; and
 - (iv) the Insurer's prior written consent is obtained before such "e-commerce extortion expenses" are incurred.
- (22) "E-commerce extortion threat" means a credible threat or connected series of credible threats made by a person to an "insured" where such person expresses an intention to:
- (i) sell or disclose "personal information" about a customer, client or "employee" of the "company";
 - (ii) encrypt or threatens to encrypt "electronic data" on the "company's" "computer system" preventing authorized access by any "insured person";
 - (iii) introduce or threatens to introduce a "computer virus" into the "company's" "computer system"; or

(iv) interrupt or threatens to interrupt the “company’s” “computer system” through a “denial of service attack”.

- (23) “Electronic data” means any data, text, representations of information or concepts, audio, video and images, including “personal information” that exists on the “computer system of the company” and that is subject to scheduled back-up procedures and security protections as stated in the Application and that are necessary for use by the “company” in the ordinary course of the “company’s” business operations.

“Electronic data” does not include:

- (i) “software”;
 - (ii) money, funds, debt, credit, bond or equity instruments;
 - (iii) accounts, bills, valuable papers, records, abstracts, deeds or manuscripts; or
 - (iv) confidential and proprietary marketing or financial information or other documents.
- (24) “Electronic publishing” means the reproduction, publication, dissemination, transmission or release of information, including “electronic data”, on a website operated and owned by the “company”, or a “computer system of the company”; provided that such information must have been developed by the “insured”, or developed for or acquired by the “insured” for a fee pursuant to a previously executed written contract with the “company” and such “electronic publishing” is for the sole benefit of the “company”.
- (25) “Electronic publishing wrongful act” means any actual or alleged unintentional:
- (i) “digital personal injury”;
 - (ii) plagiarism, misstatement or false advertising resulting from the “insured’s” “electronic publishing”;
 - (iii) “intellectual property infringement” resulting from the “insured’s” “electronic publishing”; or
 - (iv) unauthorized use of titles, formats, performances, style, characters, plots or other protected material resulting from the “insured’s” “electronic publishing”.

Any two or more “electronic publishing wrongful acts”, based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single “claim”.

- (26) “Employee” means any person whose labour or service is or was engaged, whether for remuneration or volunteered, by and directed by the “company”.
- (27) “Executive officer” means a member of the board of directors, board of trustees, board of managers, board of governors, officer, partner, principal, risk manager or in-house legal counsel, of the “company”, or a functional equivalent thereof.
- (28) “First party loss” means “incident response expenses”, “digital asset expenses”, “business interruption loss” and “e-commerce extortion expenses”.
- (29) “Incident response expenses” means only the following reasonable and necessary fees, costs, charges and expenses, subject to the Limit of Liability shown on the “cyber schedule”, incurred by the “company”, with the Insurer’s prior written consent, for services recommended and provided by an “approved service provider” to the “company” which can be directly attributed to a “privacy incident”:
- (i) fees, costs and expenses to determine the “affected persons” whose “personal information” was the subject of “unauthorized access” or “unauthorized use” of the “computer system of the company”;
 - (ii) fees, costs and expenses to develop documents or materials to notify the “affected persons”;
 - (iii) costs of mailings or other communications required to notify the “affected persons”;
 - (iv) costs to procure 1 year identity monitoring services, call centre and identity restoration services for individuals resident in Canada or the United States of America affected by such “privacy incident”;
 - (v) fees, costs and expenses, approved in writing by the Insurer, to plan, implement, execute and manage a reasonable and necessary public relations campaign in Canada, and the United States of America if deemed necessary by the Insurer, to mitigate any actual or potential negative publicity resulting from such “privacy incident”; and
 - (vi) costs to comply with any applicable “security breach notification law”.

“Incident response expenses” do not include any cost of “regulatory proceeding”.

- (30) “Information technology services” means:
- (i) the creating, maintaining, managing or controlling of third party “computer systems”;
 - (ii) creating, maintaining, managing, controlling, hosting or facilitating internet websites for third parties; or
 - (iii) maintaining, handling, managing, controlling, storing or destroying “personal information” for third parties, or providing other information technology services to or for third parties.
- (31) “Insured” means:
- (i) the “company”; and
 - (ii) any “insured person”.
- (32) “Insured person” means any person who was, is or becomes:

- (i) an “executive officer”, but only with respect to his or her capacity as such and while acting within the scope of their duties for the benefit of the “company”;
- (ii) an “employee” of the “company” but only for acts within their capacity as such and while acting within the scope of his or her duties for the benefit of the “company”; and
- (iii) an independent contractor of the “company” who is an individual, but only with respect to a “wrongful act” committed within his or her capacity as such and while acting within the scope of his or her duties for the benefit of the “company” pursuant to a previously executed written contract and for a fee;

including their estates, heirs, legal representatives or assigns in the event of their death, incapacity, bankruptcy or insolvency.

- (33) “Intellectual property infringement” means any actual or alleged unauthorized use or violation by any “insured” of copyright, trademark, service mark, trade name or unfair competition based upon actual or alleged infringement of copyright, trademark, service mark, or trade name in the “company’s” “electronic publishing”.
- (34) “Interruption in services” means the measurable interruption, suspension, failure, degradation or delay in the performance of the “company’s” “computer system”, directly caused by a “network security incident”.
- (35) “Loss” means “damages” and “claim expenses”.
- (36) “Network security” means the use of hardware, “software”, firmware and written security protocols, policies and procedures by the “company”, or others acting on behalf of the “company”, as stated in the Application, to protect against:
 - (i) “unauthorized access” to;
 - (ii) “unauthorized use” of;
 - (iii) “computer violation” of; or
 - (iv) “denial of service attack” upon, the “company’s” “computer system”.
- (37) “Network security incident” means any “unauthorized access” to, “unauthorized use” of, “computer violation” of, or “denial of service attack” upon, the “company’s” “computer system”, that directly results in:
 - (i) an “interruption in services”; or
 - (ii) the corruption, damage, impairment, destruction or deletion of “digital assets”.

Any two or more “network security incidents” based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single “first party loss”.

- (38) “Network security wrongful act” means any actual or alleged unintentional act, error, omission, neglect or breach of duty by an “insured” or a “service provider” which directly arises out of a breach of the “company’s” “network security” that results in:
 - (i) the theft, corruption or deletion of “electronic data” from the “computer system of the company”;
 - (ii) the “unauthorized access” to or “unauthorized use” of the “computer system of the company”;
 - (iii) the denial of an “authorized user” from gaining access to the “computer system of the company”, unless such denial of access is caused by a mechanical or electrical failure outside the control of the “insured”;
 - (iv) the inability of an “authorized third party user” to access their “computer system”, where such inability is directly caused by a “computer virus” introduced into the third party’s “computer system” by way of the “computer system of the company”;
 - (v) the participation by the “company’s” “computer system” in a “denial of service attack” directed against a third party’s “computer system”; or
 - (vi) the transmission of a “computer virus” from the “company’s” “computer system” to a third party’s “computer system”.

Any two or more “network security wrongful acts” based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single “claim”.

- (39) “Personal information” means information about an identifiable individual not otherwise deemed to be publicly available by regulation.
- (40) “Policy period” means the period of time shown on the Declaration Page.
- (41) “Portable computer system” means any of the following devices:
 - (i) laptop computer;
 - (ii) tablet;
 - (iii) smart phone; and
 - (iv) USB key, flashdrive, memory card and memory stick, or similar portable device.
- (42) “Privacy incident” means the “insured’s”:
 - (i) action(s) or inaction(s) which directly results in access to, disclosure of or collection of “personal information” in the care, custody or control of any “insured”, any “service provider” or any third party delegated by the “insured” to have care,

custody or control of “personal information” and for whose acts the “insured” is legally liable which was:

- (a) unintentional on the part of the “insured”, such “service provider” or such third party delegated by the “insured”; and
- (b) unauthorized by the “affected persons”,

but does not include any non-consensual disclosure of “personal information” permitted by law; or

- (ii) unintentional failure to prevent “unauthorized access” or “unauthorized use” of:

- (a) “electronic data” from the “computer system of the company”; or
- (b) non-electronic data,

containing “personal information” from the “insured”, any “service provider” or any third party delegated by the “insured” to have care, custody or control of “personal information” and for whose acts the “insured” is legally liable.

Any two or more “privacy incidents” based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single “claim” or “first party loss”.

- (43) “Privacy wrongful act” means any actual or alleged unintentional failure to disclose a “privacy incident” in a timely manner or unintentional act, error, omission, neglect or breach of duty by an “insured” or a “service provider” that directly results in a “privacy incident”.

Any two or more “privacy wrongful acts” based upon, arising out of or in any way involving or resulting from, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single “claim”.

- (44) “Regulatory fines” means any civil monetary penalty imposed by a Canadian federal, provincial, territorial or municipal governmental entity in such entity’s regulatory or official capacity pursuant to its order under a “regulatory proceeding”.

- (45) “Regulatory proceeding” means:

- (i) a formal investigation of an “insured” by a Canadian federal, provincial, territorial or municipal governmental entity in such entity’s regulatory or official capacity concerning a “privacy incident”; or
- (ii) an administrative or adjudicative proceeding against an “insured” by a Canadian federal, provincial, territorial or municipal governmental entity in such entity’s regulatory or official capacity for a “privacy wrongful act” or “network security wrongful act”, including an appeal thereof, commenced by the “insured’s” receipt of a subpoena, formal investigative demand, complaint or similar document.

- (46) “Related wrongful act” means all “wrongful acts” that have a common nexus, or are causally connected by reason of any act or event or a series of events.

- (47) “Retroactive date” means the Retroactive Date shown on the “cyber schedule”.

- (48) “Security breach notification law” means any Canadian federal, provincial, territorial or municipal law or regulation that requires the “company” to notify individuals that their “personal information” was or may have been accessed or acquired without their authorization.

- (49) “Service provider” means a business the “company” does not own, operate or control, but that the “company” hires for a fee pursuant to a written contract to perform services which was executed before the “wrongful act” or “first party loss” occurred, including but not limited to:

- (i) maintaining, managing, or controlling the “computer system of the company”;
- (ii) hosting or facilitating the “company’s” internet website;
- (iii) handling, managing, storing or destroying “personal information” on behalf of the “company”; or
- (iv) providing other information technology services to the “company”,

but only with respect to services performed for the benefit of the “company”.

- (50) “Software” means operations, applications, codes, scripts and programs by which “electronic data” are electronically collected, transmitted, processed, stored or received. “Software” does not include “electronic data”.

- (51) “Unauthorized access” means the gaining of access by an unauthorized person or persons, or by an authorized person or persons in an unauthorized manner.

- (52) “Unauthorized use” means the use by an unauthorized person or persons or by an authorized person or persons in an unauthorized manner.

- (53) “Waiting period” means the number of consecutive hours, as shown on the “cyber schedule”, following an “interruption in services” before the Insurer is obligated to pay “business interruption loss” covered under **Section II Part 1. INSURING AGREEMENT (c) Business Interruption Coverage**. The “waiting period” incepts immediately upon “discovery” of an “interruption in services”.

- (54) “Wrongful act” means any:

- (i) “network security wrongful act”;
- (ii) “privacy wrongful act”; or

(iii) “electronic publishing wrongful act”.

All “related wrongful acts” will be considered a single “wrongful act” for the purposes of this Policy, and all “related wrongful acts” will be deemed to have occurred at the time the first such “related wrongful acts” occurred, whether prior to or during the “policy period”.

2. GENERAL PROVISIONS AND CONDITIONS APPLICABLE TO ALL SECTIONS

(a) INSURED’S DUTY

In the event of any “unauthorized access”, “unauthorized use”, or “computer violation” or imminent “unauthorized access”, “unauthorized use”, or “computer violation” of the “computer system of the company”, it is the “company’s” duty to take all reasonable steps to protect all of the “computer system of the company” and “personal information” from further “unauthorized access”, “unauthorized use”, or “computer violation”.

In the event that the “company” shall fail to comply with such duty, any “first party loss(es)” or “claim(s)” that could have been prevented if the “company” would have exercised such required duty shall be rendered invalid.

(b) DISPUTE RESOLUTION

In the event any dispute arises in connection with this Policy that cannot be resolved, the Insurer and the “insured” shall have the right to commence a judicial proceeding or, if the parties agree, a binding arbitration, to resolve such dispute.

Each party will bear its own legal fees and expenses. The parties shall split the costs and expenses of any arbitration, equally.

(c) MATERIAL CHANGE IN CONTROL

If during the “policy period” any of the following events occur:

- (i) the acquisition by any person or entity or affiliated group of persons or entities of more than 50% of the “company’s” issued and outstanding voting securities representing the present right to vote for the election of the “company’s” directors;
- (ii) the acquisition, divestiture or sale of more than 50% of the “company’s” assets or liabilities (as reflected in the “company’s” most recent financial statements) by or to any person or entity or affiliated group of persons or entities; or
- (iii) the “company’s” merger with or consolidation into any other entity such that the “company” is not the surviving entity,

then such coverage as existed under this Policy before the closing of such transaction will continue in full force and effect for any “wrongful act”, “network security incident”, “privacy incident” or “e-commerce extortion threat” occurring before the closing of such transaction, but coverage will cease with respect to any “wrongful act”, “network security incident”, “privacy incident” or “e-commerce extortion threat” occurring after such transaction. The occurrence of such a transaction will not affect the “company’s” right to purchase an Extended Reporting Period as set forth in **Section III Part 3. EXTENSIONS OF COVERAGE (a) 2. Optional Extended Reporting Period** of this Policy.

(d) MATERIAL CHANGE IN CIRCUMSTANCES

Any change material to the risk and within the control and knowledge of the “insured” avoids the Policy as to the coverage(s) affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the “insured” in writing that, if the “insured” desires the contract to continue in force, the “insured” must, within 15 days of the receipt of the notice, pay to the Insurer an additional premium, the amount of such additional premium as determined by the Insurer. In default of such payment the Policy is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

(e) OTHER INSURANCE

If an “insured” is entitled to coverage under one or more valid and collectible bonds or other policies of insurance, then the coverage under this Policy will apply as excess insurance over, and will not contribute with, any other such valid and collectible bond or insurance, including any such bond or insurance where there is a duty to defend, and regardless of whether any “loss”, “first party loss” or other amount is recoverable under such other bond or insurance, unless such other bond or insurance is specifically written as excess over this Policy, and includes the policy number hereof. This Policy will not be subject to the terms, conditions or other provisions of any other bond or insurance.

(f) WARRANTIES AND COVENANTS

The Application and all statements made and materials furnished to the Insurer are deemed incorporated into and made a part of this Cyber Risk Policy.

By acceptance of this Cyber Risk Policy, all “insureds” agree that the statements, warranties and representations contained in the Application and all statements made and materials furnished to the Insurer are accurate and complete, and that this Policy is issued in reliance upon the truth of such statements, warranties and representations.

The “insured” agrees that any material misrepresentation or non-disclosure of any matter by the “insured” or on the “insured’s” behalf in the Application and all statements made and materials furnished to the Insurer will render this Cyber Risk Policy null and void and relieve the Insurer from any and all duties and obligations under this Cyber Risk Policy.

(g) CLAIMS AGAINST THIRD PARTIES

In the event of any “first party loss” for which the possibility exists that some entity or someone other than an “executive officer” or “employee” may be partially or fully responsible for such loss, the “insured” must immediately make a claim in writing against such other person or entity involved.

Whether or not the Insurer has paid “loss” or “first party loss” or agreed to pay “loss” or “first party loss” under this Policy, the “insured” shall take reasonable steps to:

- (i) assess as soon as possible whether there are any prospects of a recovery from third parties in respect of matters giving rise to a potential or actual “loss” or “first party loss” payment under the Policy;
- (ii) protect any “claims” against such third parties, if necessary by the commencement of proceedings and the taking of appropriate steps to obtain security for the “loss” or “first party loss” from third parties;
- (iii) keep the Insurer advised of the recovery prospects and any action taken against third parties; and
- (iv) cooperate with the Insurer in the taking of such steps as may be reasonably required to pursue any “claims” against third parties.

The Insurer shall pay the reasonable and necessary costs incurred by the “insured” pursuant to this section in the same proportion as the covered “loss” or “first party loss” bear to the total of the covered and uncovered “loss” or “first party loss”.

(h) NOTICE OF CLAIM

- (i) The “company’s” duty to report a “privacy incident” commences on the earliest date any “insured” reasonably believes that a “privacy incident” has occurred. If any “insured” reasonably believes or could reasonably have foreseen that a “privacy incident” has occurred, the “company”, as a condition precedent to any rights under **Section II Part 1. INSURING AGREEMENT (a)**, must:
 - (1) provide to the Insurer written notice of the particulars of such “privacy incident”, including all facts, related to any alleged “privacy incident”, the identity of each person allegedly involved in or affected by such “privacy incident”, and the dates of the alleged events, as soon as practicable, but in no event later than 60 days after the end of the “policy period” or any time during the Automatic Discovery Period, if applicable; and
 - (2) allow the Insurer to submit any “insured” to examination under oath at such times as may be reasonably required, fully inspect the “company’s” books, records and any other matters relating to the “privacy incident”, and permit extracts and copies of such documents to be made by the Insurer;
 - (3) provide the Insurer with a detailed, sworn proof of loss as soon as practicable, but in no event later than 60 days after the end of the “policy period” or any time during the Automatic Discovery Period, if applicable; and
 - (4) assist and cooperate with the Insurer in the investigation and settlement of such matter.
- (ii) Once any “insured” “discovers” a “network security incident” or “e-commerce extortion threat”, the “company”, as a condition precedent to any rights under **Section II Part 1. INSURING AGREEMENTS (b) and (d)**, must:
 - (1) provide the Insurer with written notice of the particulars of such “network security incident” or “e-commerce extortion threat”, including all facts, events and dates related to such “network security incident” or “e-commerce extortion threat”, as soon as practicable but in no event later than 90 days after the end of the “policy period” or any time during the Automatic Discovery Period, if applicable;
 - (2) notify law enforcement authorities or authority having jurisdiction if the “company” has reason to believe that such “network security incident” or “e-commerce extortion threat” involves a violation of law;
 - (3) allow the Insurer to submit any “insured” to examination under oath at such times as may be reasonably required, fully inspect the “company’s” books, records and any other matters relating to the “network security incident” or “e-commerce extortion threat” and permit extracts and copies of such documents to be made by the Insurer;
 - (4) provide the Insurer with a detailed, sworn proof of loss as soon as practicable, but in no event later than 90 days after the end of the “policy period” or any time during the Automatic Discovery Period, if applicable; and
 - (5) assist and cooperate with the Insurer in the investigation and settlement of such matter.
- (iii) Once any “insured” “discovers” an “interruption in services” the “company”, as a condition precedent to any rights under **Section II Part 1. INSURING AGREEMENT (c)**, must:
 - (1) provide the Insurer with written notice of the particulars, including all facts related to any alleged “interruption in services”, the identity of the business operations affected by such “interruption in services”, and the dates of the alleged events, as soon as practicable, but in no event later than 90 days after the end of the “policy period” or any time during the Automatic Discovery Period, if applicable;
 - (2) allow the Insurer to submit any “insured” to examination under oath at such times as may be reasonably required, fully inspect the “company’s” books, records and any other matters relating to the “business interruption loss” and permit extracts and copies of such documents to be made by the Insurer;
 - (3) provide the Insurer with a detailed, sworn proof of loss as soon as practicable, but in no event later than 90 days after the end of the “policy period” or any time during the Automatic Discovery Period, if applicable; and
 - (4) assist and cooperate with the Insurer in the investigation and settlement of such matter.
- (iv) The “company” shall, as a condition precedent to any rights or defence under any **Section III Part 1. INSURING AGREEMENTS**, provide the Insurer with written notice of any “claim” made against an “insured” during the “policy period”, as soon as practicable but in no event later than 60 days after the expiration date of the “policy period” or if exercised, the Extended Reporting Period.

A “claim” shall be deemed made against an “insured” solely when an “executive officer” first becomes aware of such “claim”.

- (v) If, during the “policy period”, any “executive officer” becomes aware of any fact or circumstance which could reasonably be expected to give rise to a potential “claim”, the “company” shall, during the “policy period”, provide written notice thereof to the Insurer, as soon as practicable and prior to the date of termination of the Policy, with full particulars including all facts relating to any alleged “wrongful act”, the identity of each person allegedly involved in or affected by such “wrongful act”, and the dates of the alleged events. Any “claim” which may subsequently be made against an “insured” arising out of such “wrongful act” shall, for the purpose of this Policy, be treated as a “claim” made during the “policy period” in which such notice was given.

3. GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

This Policy does not insure against any “loss”, “first party loss” or “claim”:

- (a) alleging or arising out of, either directly or indirectly, in whole or in part, any mechanical or electrical breakdown, “derangement” or failure, interruption or outage, however caused, including any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, wireless communications, data transmission lines, cable, satellite, telecommunications, the internet or any component thereof including hardware, “software” or any other infrastructure, services, equipment or facilities; provided, however, this exclusion shall not apply to any failure, interruption, or outage of telephone, cable or telecommunications under the “insured’s” direct control which is the result of a “network security incident”;
- (b) made against any “service provider”;
- (c) alleging or arising out of, either directly or indirectly, seizure, quarantine, confiscation, expropriation, nationalization or destruction of the “company’s” “digital assets” or “computer system of the company” by order of any governmental or public authority;
- (d) alleging or arising out of, either directly or indirectly, in whole or in part, any:
 - (i) gradual deterioration, wear or tear, hidden or latent defect;
 - (ii) faulty or improper workmanship or design; or
 - (iii) malfunction, mechanical failure, or defect,
 of any “computer system of the company” or any of the “company’s” “digital assets”;
- (e) alleging or arising out of, either directly or indirectly, any failure of an “insured” to follow the policies, procedures or risk management controls identified in the Application; provided, however, this exclusion shall not apply if:
 - (i) the policies, procedures and risk management controls being followed at the time of such “loss”, “first party loss” or “claim” constitute, by commercially reasonable standards, an upgrade, release, enhancement, replacement, or patch of any type, nature, or kind to any of the policies, procedures and risk management controls identified in the Application;
 - (ii) one or more “insured persons” have violated the “company’s” policies, procedures or risk management controls identified in the Application, despite reasonable efforts by the “company” to ensure that the policies, procedures and risk management controls are implemented and continuously in force, and, such violations take place without the knowledge of any “executive officer”; or
 - (iii) the “company” notifies the Insurer in writing of any changes, or lack of maintenance, that weakens or lessens the policies, procedures or risk management controls identified in the Application, in advance of such “loss”, “first party loss” or “claim”, and obtains the Insurer’s written approval;
- (f) for any:
 - (i) remuneration, salaries, wages, fees, expenses, overhead or employee benefit expenses of any “insured”; or
 - (ii) fee, cost or expense the “insured” incurs to comply with any law or regulation;
- (g) for any cost or expense incurred to:
 - (i) maintain, update, upgrade, modify, enhance, restore, reinstate, replace or otherwise improve “digital assets” or any “computer system of the company” to a level of functionality beyond that which existed just before the “privacy incident”, “network security incident”, “interruption in service” or loss event;
 - (ii) maintain, update, upgrade, enhance, restore, reinstate, reprint, recall, remove, dispose, withdraw, repair, replace, reproduce, correct, modify, improve, perform, complete, adjust, inspect, investigate, research or develop any product, service, property, “data” of any type, nature or kind, including but not limited to any “computer system of the company”, security system and “electronic publishing”; or
 - (iii) correct any deficiency, identify or remediate any “software” error or vulnerability, or any cost to update, replace, modify, upgrade, restore, reinstate, maintain or improve any security system or “computer system of the company”; or
- (h) alleging or arising out of, either directly or indirectly:
 - (i) any dishonest, fraudulent, criminal, or malicious act committed by an “insured”, acting alone or in collusion with others;
 - (ii) any intentional or knowing violation of law committed by an “insured”;
 - (iii) the unlawful or unauthorized collecting of any “personal information” or “electronic data”;
 - (iv) the gaining of any profit, remuneration, or financial or non-financial advantage by an “insured” to which the “insured” was not legally entitled; or
 - (v) any “unauthorized use” or “unauthorized access” by or on behalf of or in the name or right of any “executive officer” of any of the “computer system of the company”;

provided, however, the Insurer will pay “claim expenses” and defend such “claim” until there is a final adjudication, judgment, binding arbitration decision or conviction against such “insured”. In this event, the “insured” shall reimburse the Insurer for any “claim expenses” paid by the Insurer on behalf of such “insured” resulting from such “claim”.

Exclusions (i), (ii) and (iii) will not apply to any “employee” of the “company” with respect to the following coverages of **Section II Part 1. INSURING AGREEMENTS:**

- (a) **Incident Response Expenses Coverage;** and
- (d) **E-Commerce Extortion Expenses Coverage.**

4. AGGREGATE LIMIT

(a) **Cyber Risk Policy Aggregate Limit**

The Cyber Risk Policy Aggregate Limit shown on the “cyber schedule” is the Insurer’s maximum liability for all payments under all Insuring Agreements purchased under this Policy with respect to all:

- (i) “loss” reported to the Insurer during the “policy period” or Extended Reporting Period, if exercised; and
- (ii) “first party loss” which first occur during the “policy period” and are reported to the Insurer during the “policy period” or Automatic Discovery Period.

If the Cyber Risk Policy Aggregate Limit is exhausted by the payment of “loss” or “first party loss” all obligations of the Insurer under this Policy will be completely fulfilled and exhausted, including any duty to defend, and the Insurer will have no further obligations of any kind or nature whatsoever under this Policy.

In jurisdictions where the Insurer is barred from including “claim expenses” in the maximum aggregate limit of liability, the Cyber Risk Policy Aggregate Limit shown on the “cyber schedule” is the Insurer’s maximum liability for all payments under all Insuring Agreements purchased under this Policy with respect to all:

- (i) “damages” reported to the Insurer during the “policy period” or Extended Reporting Period, if exercised; and
- (ii) “first party loss” which first occur during the “policy period” and are reported to the Insurer during the “policy period” or Automatic Discovery Period.

The Cyber Risk Policy Aggregate Limit applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the “policy period” shown in the Declaration Page, unless the “policy period” is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

(b) **Erosion, Exhaustion of the Policy’s Limit of Liability**

The Insurer’s payment of “loss” and “first party loss” will reduce, and may exhaust, the Cyber Risk Policy Aggregate Limit.

SECTION II – FIRST PARTY COVERAGES

This Section is subject to the exclusions, provisions, and conditions of **Part I – Property Insured and Part II – Business Income** of form CBC 001 and **Section I – General Definitions, Provisions, Conditions and Exclusions Applicable To All Coverages** of this Policy. If any portion of these provisions, conditions and exclusions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

1. INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements if an amount of insurance is specified on the “cyber schedule” for the applicable Insuring Agreement.

(a) **INCIDENT RESPONSE EXPENSES COVERAGE**

The Insurer will reimburse the “company” for “incident response expenses” the “company” incurs in Canada and the United States of America as a direct result of a “privacy incident” occurring anywhere in the world, provided such “privacy incident” first occurs during the “policy period” and is “discovered” and reported in writing to the Insurer during the “policy period” or Automatic Discovery Period.

(b) **DIGITAL ASSET EXPENSES COVERAGE**

The Insurer will reimburse the “company” for “digital asset expenses” the “company” incurs in Canada and the United States of America as the direct result of the corruption, damage, impairment, destruction or deletion of “digital assets” directly caused by a “network security incident” occurring anywhere in the world, provided such “network security incident” first occurs during the “policy period” and is “discovered” and reported in writing to the Insurer during the “policy period” or Automatic Discovery Period.

(c) **BUSINESS INTERRUPTION COVERAGE**

The Insurer will pay the “company” for “business interruption loss” the “company” sustains in Canada during the “business interruption period of restoration” as the direct result of an “interruption in services” occurring anywhere in the world; provided such “interruption in services” first occurs during the “policy period” and is “discovered” and reported in writing to the Insurer during the “policy period” or Automatic Discovery Period.

(d) **E-COMMERCE EXTORTION EXPENSES COVERAGE**

The Insurer will reimburse the “company” for any “e-commerce extortion expenses” resulting from an “e-commerce extortion threat” occurring anywhere in the world; provided such “e-commerce extortion threat” first occurs during the “policy period” and is “discovered” and reported in writing to the Insurer during the “policy period” or Automatic Discovery Period.

2. LIMITS OF LIABILITY

(a) Insuring Agreement Limit and Aggregate

Subject to **Section I Part 4. AGGREGATE LIMIT**, the maximum aggregate limit of liability of the Insurer for “first party loss” under **Section II Part 1. INSURING AGREEMENTS (a), (b), (c) and (d)**, respectively, will not exceed the applicable Limit of Liability as shown on the “cyber schedule” for each respective Insuring Agreement for any one occurrence and in the aggregate of all occurrences.

(b) Single Occurrence over Multiple Insuring Agreements

Subject to **Section I Part 4. AGGREGATE LIMIT**, if any “network security incident” or “privacy incident” is covered under more than one of **Section II Part 1. INSURING AGREEMENTS (a), (b), (c) and (d)**, the aggregate Limit of Liability shown on the “cyber schedule” for each applicable Insuring Agreement will apply separately and in proportion to that part of “network security incident” or “privacy incident” covered under such Insuring Agreements, provided that the Insurer’s maximum Limit of Liability for such “network security incident” and “privacy incident” will not exceed the largest applicable limit set forth on the “cyber schedule” for any such applicable Insuring Agreement.

(c) Erosion, Exhaustion of Each Insuring Agreement’s Aggregate

The Insurer’s payment of “first party loss” will reduce, and may exhaust, the applicable Limit of Liability for each applicable Insuring Agreement.

3. DEDUCTIBLES, WAITING PERIODS AND CO-PAYMENTS

(a) The Insurer is liable for the amount by which the covered “first party loss” exceeds the amount of the deductible specified on the “cyber schedule” for the applicable Insuring Agreement in any one occurrence.

(b) With respect to **Section II Part 1. INSURING AGREEMENT (c)**, if a waiting period is specified on the “cyber schedule”, the Insurer’s liability for each interruption of business resulting from covered “business interruption loss” begins only after the “waiting period” and the Insurer is liable only for that part of the “business interruption loss” in excess of the “waiting period”.

(c) With respect to **Section II Part 1. INSURING AGREEMENT (d)**, this insurance does not cover a co-payment of 20% of the “e-commerce extortion expenses”. As a condition precedent to any rights under **Section II Part 1. INSURING AGREEMENT (d)**, the “company” is required to pay a 20% co-payment of any “e-commerce extortion expenses”.

This co-payment does not reduce the limit of liability shown on the “cyber schedule” for **E-COMMERCE EXTORTION EXPENSES COVERAGE**.

If a “network security incident”, “privacy incident” or “e-commerce extortion threat” is covered under more than one **Section II Part 1. INSURING AGREEMENT**, the Deductible Amount, as shown on the “cyber schedule” for each applicable **Section II Part 1. INSURING AGREEMENT** will apply separately to that part of such “network security incident”, “privacy incident” and “e-commerce extortion threat” covered under such **Section II Part 1. INSURING AGREEMENT**; provided, however, that the sum of all such Deductible Amounts for such “network security incident”, “privacy incident” or “e-commerce extortion threat” cannot exceed the largest applicable Deductible Amount as shown on the “cyber schedule” for any such **Section II Part 1. INSURING AGREEMENT**.

4. EXCLUSIONS

(a) EXCLUSIONS APPLICABLE TO INSURING AGREEMENTS (a), (b), (c) AND (d)

This Policy does not insure against any “first party loss”:

(i) caused directly or indirectly, in whole or in part, by:

- (1) fire or lightning;
- (2) explosion;
- (3) windstorm or hail, including but not limited to hurricane or tornado;
- (4) earthquake;
- (5) flood, including water or natural precipitation temporarily diffused over the surface of the ground, waves, tides, tidal waves, tsunamis, or the breaking out or overflow of any natural or artificial body of water;
- (6) volcanic eruption, snowslide, landslide, subsidence or other earth movement; or
- (7) act of God or natural disaster.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the “first party loss”;

(ii) for any cost paid by any “insured” intended as compensation to any individual or entity for any actual or alleged “wrongful act”;

(iii) for any fine, penalty, forfeiture, sanction, tax or liquidated damages;

(iv) for loss arising out of liability to any third party, including but not limited to any contractual penalty;

(v) for any expense incurred to research and develop “digital assets”, including but not limited to trade secrets;

(vi) for the economic or market value of “digital assets”, including but not limited to trade secrets; or

(vii) for any indirect or consequential loss or damage of any kind.

(b) EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (a)

(i) This Policy does not insure against, and no coverage will be available under **Section II Part 1. INSURING AGREEMENT (a)**, for any “incident response expenses”:

- (1) alleging or arising out of, either directly or indirectly, advertising performed by or on behalf of the “insured” on the “insured’s” internet website; or
 - (2) arising out of, either directly or indirectly, any unsolicited electronic dissemination of faxes, emails, or other communications by the “insured” or any other third party, including actual or alleged violations of any federal, provincial, territorial or municipal anti-spam legislation, regulation or ordinance, and amendments thereto provided, however, this exclusion shall not apply to any “business interruption loss” attributable to a “denial of service attack” suffered by the “company”.
- (ii) This Policy does not insure against, and no coverage will be available under **Section II Part 1. INSURING AGREEMENT (a)**, for any:
- (1) cost to determine whether any “privacy incident” has occurred.
- (c) **EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (b)**
This Policy does not insure against, and no coverage will be available under **Section II Part 1. INSURING AGREEMENT (b)**, for any:
- (i) cost or expense related to “digital assets” located outside Canada that are used for processing or storage of “data”, however this exclusion does not apply to the “company’s” “portable computer system” located outside Canada for less than 30 consecutive days.
- (d) **EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (c)**
This Policy does not insure against, and no coverage will be available under **Section II Part 1. INSURING AGREEMENT (c)**, for:
- (i) that portion of the “business interruption loss” for which indemnification has been obtained under **Part II – Business Income** of form CBC 001;
 - (ii) any fees, costs and expenses incurred by the “company” in assembling, collecting, establishing and identifying the existence or amount of “business interruption loss”, except as provided under **Section II Part 5. EXTENSIONS OF COVERAGE (b) Accountants Fees**;
 - (iii) any “extra expense” incurred outside Canada; or
 - (iv) any loss of “business income” sustained from the Insured’s operations situated outside Canada.
- (e) **EXCLUSIONS APPLICABLE TO INSURING AGREEMENT (d)**
This Policy does not insure against, and no coverage will be available under **Section II Part 1. INSURING AGREEMENT (d)**, for:
- (i) “personal information”, the “company’s” “computer system”, “computer system of the company” or “digital assets” located outside Canada or the United States of America that are used for processing or storage of “data”, however this exclusion does not apply to the “company’s” “portable computer system” located outside Canada and the United States of America for less than 30 consecutive days.

5. EXTENSIONS OF COVERAGE

The Extensions of Coverage modify coverage granted under **Section II – First Party Coverages** subject to the following conditions:

- (i) The Extensions of Coverage are applicable only to the coverage(s) specified on the “cyber schedule”.
- (ii) The Extensions of Coverage do not apply as an additional amount of insurance.
- (iii) If a “first party loss” covered under an Extension of Coverage also involves a “first party loss” or “wrongful act” under any Section or Part of this Policy or form CBC 001, their Extensions of Coverage or an endorsement, then, the maximum limit of insurance shall not exceed the highest applicable limit under any one Part, Extension of Coverage or endorsement.
- (iv) If a specified Extension of Coverage is indicated as not covered on the “cyber schedule”, there is no amount recoverable.
- (v) Unless otherwise stated, are subject to the exclusions, provisions, and conditions of this **Part VIII – Cyber Risk Policy**.

(a) Automatic Discovery Period

If the insurance provided by **Section II Part 1. INSURING AGREEMENTS (a), (b), (c) or (d)** is cancelled or terminated by the Insurer, for any reason other than:

- (i) non-payment of premium;
- (ii) cancellation or termination by the “insured”;
- (iii) bankruptcy or insolvency of the “company”; or
- (iv) forfeiture or voidance of this Policy under **Section I Part 2. GENERAL PROVISIONS AND CONDITIONS APPLICABLE TO ALL SECTIONS (d) MATERIAL CHANGE IN CIRCUMSTANCES** or (f) **WARRANTIES & COVENANTS**,

the “insured” will automatically be provided a period of 12 months following the effective date of such cancellation or termination to “discover” and report to the Insurer in writing a “privacy incident”, “network security incident”, “interruption in services” or “e-commerce extortion threat” wholly taking place prior to the effective date of such cancellation or termination, subject to the following provisions:

- (1) such Automatic Discovery Period will not provide a new, additional or renewed Limit of Liability or Cyber Risk Policy Aggregate Limit;
- (2) subject to **Section I Part 4. AGGREGATE LIMIT**, the maximum Limit of Liability for all “privacy incidents”, “network security incidents”, “interruption in services” and “e-commerce extortion threats” “discovered” during such Automatic

Discovery Period will be only the remaining portion of the applicable Limit of Liability for each such coverage set forth on the “cyber schedule”, as of the effective date of the cancellation or termination.

Subject to **Section I Part 4. AGGREGATE LIMIT**, the maximum Limit of Liability for all “first party loss”, occurring wholly prior to the effective date of cancellation, termination or non-renewal, and reported to the Insurer in writing during such Automatic Discovery Period will be only the remaining portion of the applicable Limit of Liability for each such coverage set forth on the “cyber schedule” as of the effective date of cancellation or termination or non-renewal.

(b) Accountants Fees

The Insurer agrees to extend the insurance provided by this **Section II Part 1. INSURING AGREEMENT (c)** to apply to the reasonable and necessary expenses the “company” incurs at the Insurer’s request to pay the “company’s” accountants to produce and certify particulars or details or other proofs, information or evidence as may be required for the purpose of investigating or verifying the quantum of any “business interruption loss”, the liability for which is otherwise accepted by the Insurer, and reporting that such particulars or details are in accordance with the “company’s” books of account and other business books or documents, resulting from covered “interruption in services”.

The most that the Insurer will pay under this Extension of Coverage is whichever is the lesser of:

- (i) \$25,000, or as otherwise indicated on the “cyber schedule”; or
- (ii) 10% of the total amount payable for “business interruption loss”, for any one occurrence.

6. ADDITIONAL PROVISIONS AND CONDITIONS

(a) RELATED FIRST PARTY LOSS CLAIMS

All “first party loss” alleging or arising out of, either directly or indirectly, in whole or in part, in consequence of, or in any way involving the same, similar or related acts, errors, omissions, facts, circumstances, situations, transactions, decisions or events will be considered to have contributed, caused, resulted in and be the basis for a single “first party loss”, and any such “first party loss” is deemed to have first occurred on the date the earliest of such “privacy incident”, “network security incident”, “interruption in service” or “e-commerce extortion threat”, regardless of whether such date is before the “policy period”. The only policy which would respond would be the policy which was in effect at the time such “privacy incident”, “network security incident”, “interruption in service” or “e-commerce extortion threat” first occurred.

(b) OBLIGATIONS TO MINIMIZE LOSS

As a condition precedent to any rights under **Section II Part 1. INSURING AGREEMENT (c)**, the “company” must resume operations and stop all “extra expenses” as soon as possible and to whatever extent is possible, as long as this will not increase the “business interruption loss”.

(c) REINSTATEMENT CONDITION NOT APPLICABLE

Part I – Property Insured Section 9. Provisions and Conditions (n) Reinstatement is not applicable to any “first party loss”.

7. VALUATIONS

(a) Business Income Loss

Loss of “business income” will be calculated on an hourly basis based on the actual loss of “business income” the “company” sustains during the “business interruption period of restoration”.

In determining the amount of net profit or loss and expenses covered under **Section II Part 1. INSURING AGREEMENT (c)**, the Insurer will:

- (i) establish the amount of the “company’s” net income before the “interruption in services” occurred;
- (ii) establish the likely amount of the “company’s” net income if no “interruption in services” had occurred. This will consider the changes in the commercial environment during the “business interruption period of restoration” that would have affected the “company’s” net income, but this will not include any net income that would likely have been earned as a result of an increase in the “company’s” business operations due to favourable commercial environment conditions caused by the impact of the “interruption in services” on customers or other businesses;
- (iii) consider expenses, including payroll expenses, that are required so that the “company’s” business can return to operations with the same quality of service that existed just prior to the “interruption in services”; and
- (iv) add the “extra expense” the “company” necessarily incurs to continue or resume business operations as nearly normal as possible.

The “company” will provide the Insurer with access to all relevant sources of information, including, but not limited to:

- (1) the “company’s” financial records, tax returns, accounting procedures;
- (2) bills, invoices and other vouchers; and
- (3) deeds, liens and contracts.

(b) Extra Expense Valuation

The amount of “extra expense” will be determined based on:

- (i) all expenses that exceed the normal operating expenses that would have been incurred by the “company’s” business operations during the “business interruption period of restoration” if no “interruption in services” had occurred. The Insurer shall deduct:
 - (1) the salvage value that remains of any property bought for temporary use during the “business interruption period of restoration” once the “company’s” business operations have resumed; and

- (2) any costs and expenses that are paid for by other insurance;
 - (ii) all necessarily incurred expenses that reduce the “company’s” “business income” loss that otherwise would not have been incurred.
- (c) **Digital Asset Expense Coverage**
- (i) If the “company” cannot restore “digital assets” but can recollect such “digital assets”, then “digital assets expenses” shall be limited to the actual cost the “company” incurs to recollect such “digital assets”.
 - (ii) If the “company” cannot restore or recollect “digital assets”, then “digital assets expenses” shall be limited to the actual cost the “company” incurs to reach this determination.

SECTION III – THIRD PARTY LIABILITY COVERAGES

This Section is subject to the exclusions, provisions, and conditions of **Part III – Commercial General Liability (Occurrence Basis)** of form CBC 001 and **Section I – General Definitions, Provisions, Conditions and Exclusions Applicable To All Coverages** of this Policy. If any portion of these provisions, conditions and exclusions are found to be invalid, unenforceable or contrary to statute, the remainder will remain in full force and effect.

1. INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements if an amount of insurance is specified on the “cyber schedule” for the applicable Insuring Agreement.

(a) NETWORK SECURITY AND PRIVACY LIABILITY COVERAGE

The Insurer will pay on behalf of the “insured” all “loss” that the “insured” is legally obligated to pay as a result of any “claim” first made against the “insured” during the “policy period” and reported in writing to the Insurer during the “policy period” or Extended Reporting Period, if exercised, in the Coverage Territory alleging any “network security wrongful act” or “privacy wrongful act”; provided, however, that such “network security wrongful act” or “privacy wrongful act” was committed on or after the “retroactive date” and before the end of the “policy period”.

(b) INTERNET MEDIA LIABILITY COVERAGE

The Insurer will pay on behalf of the “insured” all “loss” that the “insured” is legally obligated to pay as a result of any “claim” first made against the “insured” during the “policy period” and reported in writing to the Insurer during the “policy period” or Extended Reporting Period, if exercised, in the Coverage Territory alleging any “electronic publishing wrongful act”; provided, however, that such “electronic publishing wrongful act” was committed on or after the “retroactive date” and before the end of the “policy period”.

(c) REGULATORY PROCEEDING EXPENSES COVERAGE

The Insurer will pay on behalf of the “insured” all “claim expenses” the “insured” incurs in responding to any “regulatory proceeding” against the “insured” during the “policy period” and reported in writing to the Insurer during the “policy period” or Extended Reporting Period, if exercised, alleging any “wrongful act” which directly leads to a “privacy incident”; provided, however, that such “wrongful act” was committed on or after the “retroactive date” and before the end of the “policy period”.

2. EXCLUSIONS APPLICABLE TO INSURING AGREEMENTS (a), (b) AND (c)

This Policy does not apply to any “loss”, “claim” or “regulatory proceeding”:

- (a) arising out of:
 - (i) any fee, profit, royalty, commission, charge, cost or expense incurred to obtain or maintain a license or right to use or promote the use of any property, data or information of any type, nature or kind, including but not limited to any “electronic data” or “electronic publishing”;
 - (ii) any non-monetary or equitable relief or redress awarded against any “insured”, including but not limited to any cost or expense of complying with any injunctive, declaratory, regulatory or administrative relief or specific performance award;
 - (iii) the “insured’s” obligation to make any or pay for any payment, restitution, return or disgorgement of fees, profits, royalties, commissions, charges or any funds allegedly wrongfully or unjustly held or obtained; or
 - (iv) any discount, coupon, prize, award, redemption or other incentive;
- (b) alleging or arising out of, either directly or indirectly, any actual or alleged “bodily injury” or “property damage”;
- (c) alleging or arising out of, either directly or indirectly, any actual or alleged “personal and advertising injury”, other than “digital personal injury”;
- (d) alleging or arising out of, either directly or indirectly:
 - (i) any fact, circumstance, situation, transaction, event, act, error or omission or “wrongful act” which has been the subject of any notice of claim given under any prior insurance policy, or any policy expiring prior to the inception date of this Policy; or
 - (ii) any fact, circumstance, situation, transaction, event, act, error or omission or “wrongful act” occurring prior to whichever is the earliest of:
 - (1) the inception date of this Policy;
 - (2) the inception date of any policy issued by the Insurer of which this policy is a continuous renewal or replacement; or
 - (3) the “retroactive date”,
 if:

- a. on or before such inception date of the earliest policy issued by the Insurer any “insured” knew or could have reasonably foreseen that any such fact, circumstance, situation, transaction, event, act, error or omission or “wrongful act” would give rise to a “claim”; or
 - b. coverage was not continuous prior to the inception date of the earliest policy issued by the Insurer;
- (e) alleging or arising out of, either directly or indirectly, any actual or alleged violation of any responsibility, duty, or obligation imposed under:
- (i) any federal, provincial, territorial or municipal legislation, regulation or ordinance, and amendments thereto:
 - (1) respecting pension plans or pension benefits standards, or any similar federal, provincial, territorial or municipal benefits legislation, regulation or ordinance, and amendments thereto, provided, however, this exclusion shall not apply to any “claim” by an “employee” of the “company” for a “privacy incident” relating to the unauthorized disclosure of such “employee’s” “personal information”;
 - (2) respecting securities, securities transfer or personal property security;
 - (3) respecting security of information or the security concerns of Canada;
 - (4) regulating business practices, consumer protection, credit reporting or the collection, dissemination and use of consumer information; or
 - (ii) the Competition Act, the Bank Act, or any other federal, provincial, territorial or municipal business corporation and company legislation, or legislation, regulation or ordinance involving or prohibiting any antitrust activity, price fixing, price discrimination, predatory pricing, monopoly or monopolization, restraint of trade, unfair competition, conspiracy, collusion, or unfair, false, deceptive or misleading trade or business practices or advertising, or any other similar federal, provincial, territorial or municipal antitrust legislation, regulation or ordinance, and amendments thereto;
- (f) arising out of, either directly or indirectly, any unsolicited electronic dissemination of faxes, emails, or other communications by the “insured” or any other third party, including actual or alleged violations of any federal, provincial, territorial or municipal anti-spam legislation, regulation or ordinance, and amendments thereto, provided, however, this exclusion shall not apply to any “claim” alleging a “network security wrongful act”;
- (g) alleging or arising out of, either directly or indirectly, any actual or alleged “intellectual property infringement”; provided, however, this exclusion does not apply to the extent any “claim” alleges any “intellectual property infringement” directly resulting from an “electronic publishing wrongful act”;
- (h) alleging or arising out of, either directly or indirectly, any actual or alleged infringement, misuse or abuse of any patent or patent rights;
- (i) alleging or arising out of, either directly or indirectly:
- (i) any liability assumed under any contract or agreement; provided, however, that this exclusion shall not apply to liability which would have attached in the absence of such contract or agreement;
 - (ii) any contract or agreement:
 - (1) for or involving any cost savings, performance, time of delivery, investment, or profit; or
 - (2) that creates or requires compliance with any duty to exercise a degree or standard of care or skill higher than applicable industry standards;
 - (iii) any failure, malfunction, or defect of any good, product or service to conform with any represented or implied quality or to perform the function or serve the purpose intended;
 - (iv) any inaccurate, inadequate, or incomplete description of the price of any good, product or service, including but not limited to any cost guarantee, cost representation, contract price or cost estimate that were exceeded;
 - (v) any maintaining, modifying, updating, upgrading, enhancing, improving, investigating, researching, or developing of any good, product, service, property, “data” of any type, nature, or kind;
 - (vi) any reprinting, recalling, removing, disposing, withdrawing, repairing, restoring, reinstating, replacing, reproducing, correcting, completing, adjusting or inspecting of any good, product, service, property, “data” of any type, nature, or kind;
 - (vii) from the “insured’s” rendering of or failure to render “information technology services” to third parties; or
 - (viii) from the “insured’s” storing or destroying “personal information” for third parties;
- (j) brought by or on behalf of, or at the behest or for the benefit of any “insured”; provided, however, this exclusion shall not apply to any “claim” brought by any “insured” in his or her capacity:
- (i) as a customer or client of the “company” for a “privacy incident” relating to the unauthorized disclosure of such “insured” customer’s or client’s “personal information”; or
 - (ii) as an “insured” for a “privacy incident” relating to the unauthorized disclosure of such “insured’s” “personal information”.
- Notwithstanding the foregoing, there shall be no coverage for collusive litigation brought for the purpose of imposing upon the “insured” the responsibility for paying any “loss”;
- (k) alleging or arising out of, either directly or indirectly, the failure to comply with any federal, provincial, territorial or municipal legislation, regulation or ordinance, and amendments thereto, requiring that individuals be provided with the ability to assent, consent to, or opt-in or withhold or withdraw assent to, consent to, or opt-out from the gathering, collecting, acquiring, using, obtaining, or taking of any information of any type, nature, or kind, including but not limited to “personal information”; or

- (l) brought by or on behalf of or in the name or right of any trade or licensing agency, body, entity, society, or tribunal, including but not limited to the Canadian Copyright Licensing Agency, the Society of Composers, Authors and Music Publishers of Canada, the Canadian Musical Reproduction Rights Agency, and the Sound Music Licensing Company.

3. EXTENSIONS OF COVERAGE

The Extensions of Coverage modify coverage granted under **Section III – Third Party Liability Coverages** subject to the following conditions:

- (i) The Extensions of Coverage are applicable only to the coverage(s) specified on the “cyber schedule”.
- (ii) The Extensions of Coverage do not apply as an additional amount of insurance. The aggregate limit for any Extended Reporting Period will be part of and not in addition to the Cyber Risk Policy Aggregate limit for the “policy period.”
- (iii) If a “wrongful act” covered under an Extension of Coverage also involves a “first party loss” or “wrongful act” under any Section or Part of this Policy or form CBC 001, their Extensions of Coverage or an endorsement, then, the maximum limit of insurance shall not exceed the highest applicable limit under any one Part, Extension of Coverage or endorsement.
- (iv) If a specified Extension of Coverage is indicated as not covered on the “cyber schedule”, there is no amount recoverable.
- (v) Unless otherwise stated, are subject to the exclusions, provisions, and conditions of this **Part VIII – Cyber Risk Policy**.

(a) Extended Reporting Periods:

If the insurance provided by **Section III Part 1. INSURING AGREEMENTS (a), (b) or (c)** is cancelled, terminated or non-renewed by the Insurer, for any reason other than:

- (i) non-payment of premium;
- (ii) cancellation or termination by the “insured”;
- (iii) bankruptcy or insolvency of the “company”; or
- (iv) forfeiture or voidance of this Policy under **Section I Part 3. GENERAL PROVISIONS AND CONDITIONS APPLICABLE TO ALL SECTIONS (c) MATERIAL CHANGE IN CIRCUMSTANCES** or **(e) WARRANTIES & COVENANTS**,

The following Extensions of Coverage apply:

1. Automatic Extended Reporting Period:

The Insurer shall extend coverage afforded by **Section III Part 1. INSURING AGREEMENTS (a), (b) or (c)** as set forth on the “cyber schedule” to provide the “insured” with an addition 60 days following the effective date of such cancellation, termination or non-renewal to report to the Insurer in writing any:

- (i) “claim” first made against the “insured” during the “policy period”; and
- (ii) “regulatory proceeding” first brought against the “insured” during the “policy period”,

for any “wrongful act” committed on or after the “retroactive date” and before the effective date of such cancellation, termination or non-renewal, subject to the following provisions:

- a. such Automatic Extended Reporting Period will not provide a new, additional or renewed Limit of Liability or Cyber Risk Policy Aggregate Limit;
- b. this Automatic Extended Reporting Period terminates immediately upon the effective date of any other insurance obtained by the “insured” which covers in whole or in part any coverage afforded by **Section III Part 1. INSURING AGREEMENTS (a), (b) or (c)**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

2. Optional Extended Reporting Period

The “insured” shall have the right, upon the payment of an additional premium of 100% of the last annual premium, to an Optional Extended Reporting Period. There shall be no right to an Optional Extended Reporting Period unless a written request for this extension, together with payment of the additional premium, is received by the Insurer prior to the effective date of such cancellation, termination or non-renewal.

During this Optional Extended Reporting Period, the “insured” may be entitled to insurance under this Policy, subject to all terms, conditions and other provisions hereof, if the “company” provides the Insurer with written notice of a “claim” first made against an “insured” during the “policy period” or Optional Extended Reporting Period for any “wrongful act” or “regulatory proceeding” committed on or after the “retroactive date” and before the effective date of such cancellation, termination or non-renewal, or first occurring during the inception date of the “policy period” and the effective date of such cancellation, termination or non-renewal. The Optional Extended Reporting Period will be in effect for a period of 12 months following the Insurer’s effective date of cancellation, termination or non-renewal.

The additional premium for the Optional Extended Reporting Period shall be fully earned at the inception of the Optional Extended Reporting Period. The Optional Extended Reporting Period, once effected, is not cancellable and is subject to the following provision:

- (i) such Optional Extended Reporting Period will not provide a new, additional or renewed Limit of Liability or Cyber Risk Policy Aggregate Limit; and

Subject to **Section I Part 4. AGGREGATE LIMIT**, the maximum Limit of Liability for all “claims”, occurring wholly prior to the effective date of cancellation, termination or non-renewal, and reported to the Insurer in writing during such Automatic or

Optional Extended Reporting Period will be only the remaining portion of the applicable Limit of Liability for each such coverage set forth on the “cyber schedule” as of the effective date of cancellation or termination or non-renewal.

4. DEFENSE AND SETTLEMENT OF CLAIMS

- (a) The Insurer has the right and duty to defend any covered “claim”, other than a “regulatory proceeding”, even if the allegations are groundless, false or fraudulent. The “insured” may not incur any “claim expenses” in or settle any such “claim”, or otherwise admit or assume any liability or obligation, without the Insurer’s prior written consent. The Insurer will not be liable for any “claim expenses”, settlement, liability or obligation to which it has not consented in writing. The Insurer’s right and duty to defend ends when it has:
- (i) exhausted the Policy’s applicable Limit of Liability;
 - (ii) deposited the Policy’s remaining applicable Limit of Liability with a court of competent jurisdiction; or
 - (iii) exhausted the Cyber Risk Policy Aggregate Limit.

The Insurer has no duty to defend any “claim” after the Policy’s applicable Limit of Liability has been exhausted or deposited with a court of competent jurisdiction.

- (b) The Insurer may investigate any “claim” as it deems appropriate and make any settlement or compromise of such “claim” as it deems expedient with respect to any “claim”, subject to the written consent of the “insured”. If the “insured” withholds consent to such settlement, the Insurer’s liability for all “loss” on account of such “claim” shall not exceed the amount for which the Insurer could have settled such “claim” plus “claim expenses” incurred as at the date such settlement was proposed in writing by the Insurer.

5. LIMITS OF LIABILITY

If a “loss”, “claim” or “regulatory proceeding” covered under any **Section III Insuring Agreement** also involves a “wrongful act” or “regulatory proceeding” under any Section or Part of this Policy or form CBC 001, their Extensions of Coverage or any endorsement, then the maximum limit of insurance shall not exceed the highest applicable limit under any one Section, Part, Extension of Coverage or Endorsement.

(a) Section III Third Party Liability Insuring Agreements (a) and (b)

Subject to **Section I Part 4. AGGREGATE LIMIT**, the maximum aggregate limit of liability of the Insurer for all “loss” from each “claim” under **Section III Part 1. INSURING AGREEMENTS (a) and (b)** respectively, will not exceed the applicable Limit of Liability as shown on the “cyber schedule” for each respective Insuring Agreement. In jurisdictions where the Insurer is barred from including “claim expenses” in the maximum aggregate limit of liability, the maximum aggregate limit of liability of the Insurer for “damages” from each “claim” under **Section III Part 1. INSURING AGREEMENTS (a) and (b)**, respectively, will not exceed the applicable limit of liability as shown on the “cyber schedule” for each respective Insuring Agreement.

(b) Regulatory Proceedings

Subject to **Section I Part 4. AGGREGATE LIMIT**, the maximum aggregate limit of liability of the Insurer for all “claim expenses” from each “regulatory proceeding” under **Section III Part 1. INSURING AGREEMENT (c)** will not exceed the applicable Limit of Liability as shown on the “cyber schedule” for this Insuring Agreement.

6. DEDUCTIBLES

- (a) The Insurer is responsible for paying only the covered “damages” and “claim expenses” which are in excess of the applicable Deductible Amount. The Insurer may pay such Deductible Amount in order to facilitate the settlement or defence of such “claim”. In the event the Insurer does so, the “insured” agrees to reimburse the Insurer for the full Deductible Amount within 30 days of receiving the Insurer’s notification to the “insured” that it has been paid.
- (b) If any “claim” is covered under more than one **Section III Part 1. INSURING AGREEMENT**, the Deductible Amount, as shown on the “cyber schedule” for each applicable **Section III Part 1. INSURING AGREEMENT**, will apply separately to that part of such “claim” covered under such **Section III Part 1. INSURING AGREEMENT**; provided, however, that the sum of all such Deductible Amounts for such “claim” cannot exceed the largest applicable Deductible Amount as shown on the “cyber schedule” for any such **Section III Part 1. INSURING AGREEMENT**.

7. ADDITIONAL PROVISIONS AND CONDITIONS

(a) COVERAGE TERRITORY

Coverage under **Section III Part 1. INSURING AGREEMENTS (a) and (b)** of this Policy applies worldwide, provided the “claim” is brought and commenced in Canada.

(b) RELATED CLAIMS

All “claims” or potential “claims” arising out of the same “wrongful act” or “related wrongful acts” are deemed one “claim”, whichever is applicable, and any such “claim” is deemed to be made on the date the earliest of such “claim” is deemed first made, regardless of whether such date is before the “policy period”. The only policy which would respond would be the policy in effect at the time such “claim” was first made against an “insured”.