

**CYBERPLUS PLATINUM INSURANCE POLICY**

Effectuated with certain Lloyd's Underwriters (hereinafter called the "Insurer") through
Lloyd's Approved Coverholder ("the Coverholder"):

CREECHURCH INTERNATIONAL UNDERWRITERS LTD.

55 University Avenue, Suite 550, Toronto, ON M5J 2H7

THIS IS A CLAIMS MADE POLICY, PLEASE READ IT CAREFULLY.

POLICY DECLARATIONS

POLICY NUMBER: 55100118

1.	Named Insured: Address:	AG Globe Services Inc 2 St Clair Ave W, 18th Floor Toronto ON CANADA M4V 1L5		
2.	Policy Period:	Effective Date: 08 Aug 2016 Expiry Date: 08 Aug 2017 (both days at 12:01 am Standard Time at the Address of the Insured)		
3.	Policy Aggregate Limit of Liability:	\$ 2,000,000 Aggregate for all Insuring Agreements combined, including Defence Costs		
4.	A)	Aggregate Limit of Liability applicable to Insuring Agreement I.A. PRIVACY AND SECURITY LIABILITY:	\$ 2,000,000	
	B)	Aggregate Limit of Liability applicable to Insuring Agreement I.B. PRIVACY BREACH RESPONSE EXPENSES:	\$ 2,000,000	
	C)	Aggregate Limit of Liability applicable to Insuring Agreement I.C. FINES AND PENALTIES:	\$ 2,000,000	
	D)	Aggregate Limit of Liability applicable to Insuring Agreement I.D. FIRST PARTY DATA PROTECTION:	\$ 2,000,000	
	E)	Aggregate Limit of Liability applicable to Insuring Agreement I.E. FIRST PARTY BUSINESS INTERRUPTION:	\$ 2,000,000	
	F)	Aggregate Limit of Liability applicable to Insuring Agreement I.F. CYBER EXTORTION:	\$ 2,000,000	
	G)	Aggregate Limit of Liability applicable to Insuring Agreement I.G. REWARD EXPENSES:	\$ 2,000,000	
	H)	Aggregate Limit of Liability applicable to Insuring Agreement I.H. MULTIMEDIA LIABILITY:	\$ 2,000,000	
	I)	Aggregate Limit of Liability applicable to Insuring Agreement I.I. CYBER TERRORISM:	\$ 2,000,000	
	If "Not Covered" is shown opposite Insuring Agreements I.A., I.B., I.C., I.D., I.E., I.F., I.G. I.H. and I.I. above, there shall be no coverage under such Insuring Agreement under this policy and any reference thereto is deemed to be deleted from this policy			
5.	Retention:			
	A)	Insuring Agreement I.A. (PRIVACY AND SECURITY LIABILITY) Each Insured Event Retention, including Expenses	\$ 5,000	
	B)	Insuring Agreement I.B. (PRIVACY BREACH RESPONSE EXPENSES) Each Insured Event Retention, including Expenses	\$ 5,000	
	C)	Insuring Agreement I.C. (FINES AND PENALTIES) Each Insured Event Retention, including Expenses	\$ 5,000	
	D)	Insuring Agreement I.D. (FIRST PARTY DATA PROTECTION) Each Insured Event Retention, including Expenses (move to proper sequence)	\$ 5,000	
	E)	Insuring Agreement I.F. (CYBER EXTORTION) Each Insured Event Retention, including Expenses	\$ 5,000	
	F)	Insuring agreement I.G. (REWARD EXPENSES) Each Insured Event Retention, including Expenses	\$ 5,000	
	G)	Insuring Agreement I.H. (MULTIMEDIA LIABILITY) Each Insured Event Retention, including Expenses	\$ 5,000	
6.	Premium:	\$ 2,080	Minimum Retained Premium: \$ 416	Policy Fee: \$50
7.	Retroactive Date:	08 Aug 2016		
8.	Pending or Prior Litigation Date:	08 Aug 2016		
9.	Waiting Period	12 Hours Applicable to Insuring Agreement I.E and I.I (FIRST PARTY BUSINESS INTERRUPTION & CYBER TERRORISM):		
10.	Notice of Claim	By email: claims@creechurch.com By mail: Creechurch International Underwriters Ltd. 55 University Avenue, Suite 550, Toronto, Ontario M5J 2H7 T: (416) 601-2155 F: (416) 601-2166		
11.	Insurer: Broker:	Lloyd's Underwriters ASGP Insurance Inc.		
12.	The insurance contract consists of this Declaration page as well as wording CPP050914 and endorsements 1 through 3.			

IDENTIFICATION OF INSURER/ACTION AGAINST INSURER

FOR THE PURPOSES OF THE *INSURANCE COMPANIES ACT (CANADA)*, THIS DOCUMENT WAS ISSUED IN THE COURSE OF LLOYD'S UNDERWRITERS' INSURANCE BUSINESS IN CANADA.

This insurance has been effected in accordance with the authorization granted to the Coverholder by the Underwriting Members of the Syndicates whose definitive numbers and proportions are shown in the Table attached to the Agreement No. B0702BB301420K (hereinafter referred to as "the Underwriters"). The Underwriters shall be liable hereunder each for his own part and not one for another in proportion to the several sums that each of them has subscribed to the said Agreement.

In any action to enforce the obligations of the Underwriters they can be designated or named as "Lloyd's Underwriters" and such designation shall be binding on the Underwriters as if they had each been individually named as defendant. Service of such proceedings may validly be made upon the Attorney In Fact in Canada for Lloyd's Underwriters, whose address for such service is 1155 rue Metcalfe, Suite 2220, Montreal, Quebec, H3B 2V6.

NOTICE

Any notice to the Underwriters may be validly given to the Coverholder.

In witness whereof this policy has been signed, as authorized by the Underwriters, by Creechurch International Underwriters Ltd.

Per: 

The Insured is requested to read this policy, and if incorrect, return it immediately for alteration. In the event of an occurrence likely to result in a claim under this insurance, immediate notice should be given to the office designated above.

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

CYBERPLUS PLATINIUM INSURANCE POLICY

NOTICE: COVERAGE UNDER THIS POLICY IS PROVIDED ON A CLAIMS MADE BASIS AND APPLIES ONLY TO **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** OR THE **OPTIONAL EXTENSION PERIOD** (IF APPLICABLE). AMOUNTS INCURRED AS **DEFENCE COSTS** UNDER THIS POLICY SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

PLEASE REVIEW THE COVERAGE AFFORDED UNDER THIS INSURANCE POLICY CAREFULLY AND DISCUSS THE COVERAGE HEREUNDER WITH YOUR INSURANCE AGENT OR BROKER. TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANINGS. SEE THE DEFINITIONS FOR MORE INFORMATION.

THIS POLICY ONLY AFFORDS COVERAGE UNDER THOSE INSURING AGREEMENTS BELOW THAT ARE INDICATED AS PURCHASED IN ITEM 4. OF THE DECLARATIONS.

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

1. INSURING AGREEMENTS

A. PRIVACY AND SECURITY LIABILITY

The Insurer shall pay on behalf of the **Insured** those amounts which the **Insured** shall become legally obligated to pay as **Damages** and **Defence Costs** resulting from a **Claim** first made against any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable), for a **Privacy Breach** or **Security Breach**.

B. PRIVACY BREACH RESPONSE EXPENSES

The Insurer shall pay **Privacy Breach Response Expenses** incurred by the **Insured** resulting from a **Claim** first made against any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable), for a **Privacy Breach** or **Security Breach**.

C. FINES AND PENALTIES

The Insurer shall pay on behalf of the **Insured** those amounts which the **Insured** is obligated to pay as **Penalties** resulting from a **Claim** first made against any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable), for a **Privacy Breach** or **Security Breach**.

D. FIRST PARTY DATA PROTECTION

The Insurer shall pay **Data Protection Loss** incurred by the **Insured Organization**, resulting from a **Security Breach** first discovered by any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable).

E. FIRST PARTY BUSINESS INTERRUPTION

The Insurer shall pay **Business Interruption Loss** incurred by the **Insured Organization** during the **Period of Restoration** resulting from a **Privacy Breach** or **Security Breach** first discovered by any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable).

F. CYBER EXTORTION

The Insurer shall pay **Cyber Extortion Loss** incurred by the **Insured Organization** arising from an **Extortion Threat** first discovered by any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable).

G. REWARD EXPENSES

The Insurer shall pay **Reward Expenses** incurred by the **Insured Organization** arising from a **Privacy Breach, Security Breach** or **Extortion Threat** first discovered by any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable).

H. MULTIMEDIA LIABILITY

The Insurer shall pay on behalf of the **Insured** those amounts which the **Insured** shall become legally obligated to pay as **Damages** and **Claim Expenses** resulting from a **Claim** first made against any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable), for any **Multimedia Peril**.

I. CYBER TERRORISM

The Insurer shall pay **Business Interruption Loss** incurred by the **Insured Organization** during the **Period of Restoration** resulting from a **Terrorism Act** first discovered by any **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable).

2. DEFINITIONS

Application means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the **Insured** to the Insurer in connection with the underwriting of this Policy or at a later date, or prior policies of which this Policy is a renewal thereof. All such applications, attachments, information and materials are deemed attached to and incorporated into and made part of this Policy.

Business Interruption Loss means the total of **Income Loss** and **Extra Expense** during the **Period of Restoration** provided that **Business Interruption Loss** does not include bank interest or investment income. All **Business Interruption Loss** resulting from multiple covered interruptions or suspensions of **Computer Systems** that arise out of the same or a continuing **Security Breach** or **Terrorism Act**, from related or repeated **Security Breaches** or **Terrorism Acts**, or from multiple **Security Breaches** or **Terrorism Acts**, resulting from a failure of **Computer Security** shall be deemed to be a single **Business Interruption Loss**; provided, however, that a separate **Waiting Period** shall apply to each **Period of Restoration**.

Claim means:

- a) a written demand received by any **Insured** for monetary or non-monetary damages or injunctive relief;
- b) a civil, criminal or penal judicial, administrative, investigative or regulatory proceeding, mediation or arbitration commenced against an **Insured** by the service of a statement of claim or similar pleading, the receipt or filing of a notice of charges, hearing or proceeding, the return of an indictment or laying of an information, or a notice of intent or demand to mediate or arbitrate, or similar document;
- c) with respect to coverage provided under Insuring Agreements 1.A,1.B and 1. C only, institution of a **Regulatory Proceeding** against any **Insured**;
- d) with respect to coverage provided under Insuring Agreement 1.B only, a written report by the **Insured** to the Insurer of an actual or potential **Privacy Breach** or **Security Breach**;
- e) with respect to coverage provided under Insuring Agreement 1.C. only, a written demand or notice received by the **Insured** from a debit or credit card processor or issuer for payment of a **Penalty**; or
- f) a written request or agreement to toll or waive a statute of limitations first received by an **Insured** relating to a potential **Claim** described in paragraphs (a) through (c) above.

Computer Security means:

- a) software, computer or network hardware devices;

- b) the **Insured's** written information security policies and procedures; and
- c) antivirus and intrusion detection software, firewalls and electronic systems that provide access control to **Computer Systems** through the use of passwords, biometric or similar identification of authorized users,

the function or purpose of which is to prevent a **Security Breach**.

Computer Systems means interconnected electronic, wireless, web, or similar systems (including all hardware, software and physical components thereof and the data stored thereon) used to process data or information in analogue, digital, electronic or wireless format, including but not limited to associated input and output devices, data storage devices, mobile devices, networking equipment and electronic backup facilities:

- a) operated by and either owned by or leased to the **Insured Organization**; or
- b) operated by a Dependent Business.

Control Group means the individuals holding the following positions in the **Insured Organization**: President, Chairman of the Board of Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Information Officer, Chief Security Officer, Chief Privacy Officer, Risk Manager, and any individual who previously held any of the above referenced positions.

Corporate Takeover means:

- a) the acquisition by any person or entity of more than 50% of the outstanding securities of the **Named Insured** representing the present right to vote for the election of the directors or trustees; or
- b) the merger or amalgamation of the **Named Insured** with or into another entity or entities such that the shareholders of the **Named Insured**, immediately after the merger or amalgamation, hold or control 50% or less of the outstanding securities of the merged or amalgamated entity representing the present right to vote for the election of the directors or trustees.

Cyber Extortion Loss means:

- a) an **Extortion Payment**;
- b) all other reasonable and necessary expenses incurred by or on behalf of the **Insured Organization** to prevent or terminate an **Extortion Threat**, including but not limited to fees and expenses of a security consultant or negotiator.

Damages means the amount an **Insured** becomes legally obligated to pay as a result of any **Claim**, including:

- a) a monetary judgment, award, settlement, costs, prejudgment or post-judgment interest; and
- b) punitive and exemplary damages, to the extent such damages are insurable under the most favourable laws of any jurisdiction which has a substantial relationship to the **Insured**, the Insurer, this Policy or such **Claim**,

provided that **Damages** shall not include:

- c) future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders, grants, or agreements to provide injunctive or non-monetary relief;
- d) return or offset of fees, charges, royalties or commissions for goods or services already provided or contracted to be provided;
- e) any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or **Penalties**;
- f) discounts, coupons, prizes, awards or other incentives offered to the **Insured Organization's** customers or clients;

- g) liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
- h) except as set forth in Insuring Agreement 1.C. fines, costs or other amounts an **Insured** is responsible to pay under **PCI Rules**;
- i) any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**; or
- j) matters uninsurable under the laws pursuant to which this Policy may be construed.

Data Asset means any software or electronic data that exists in **Computer Systems** including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information and any other information maintained by the **Insured Organization** in its ordinary course of business.

Data Protection Loss means, with respect to any **Data Asset** that is altered, corrupted, destroyed, deleted or damaged:

- a) the actual, reasonable and necessary costs and expenses incurred by the **Insured** to restore, regain access, re-collect or replace such **Data Asset** to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage;
- b) where such **Data Asset** cannot reasonably be restored, accessed, re-collected or replaced, the actual, reasonable and necessary costs and expenses incurred by the **Insured** to reach this determination;
- c) reasonable and necessary costs and expenses of **Computer Security** specialists, investigators, forensic auditors, or loss adjusters retained by the **Insured** to conduct a review or audit to substantiate that a **Security Breach** is occurring or has occurred or to determine the scope, cause, or extent of such **Security Breach**; and
- d) reasonable and necessary costs and expenses for the use of rented, leased, or hired external equipment, services, labour, premises, or additional operating costs, including staff overtime expenses.

Defence Costs means:

- a) reasonable and necessary costs, charges and fees charged by defence counsel designated pursuant to Clause 6, Defence and Settlement of Claims;
- b) all other costs and expenses resulting from the investigation, adjustment, defence and appeal of a **Claim**, suit, or proceeding arising in connection therewith, or circumstance which might lead to a **Claim**, if incurred by the Insurer, or by the **Insured** with the prior written consent of the Insurer; and
- c) the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided the Insurer shall have no obligation to appeal or to obtain bonds.

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

Denial of Service Attack means unauthorized or unexpected interference or malicious attack on the **Computer System** which restricts or prevents access to the **Computer System** by persons or entities authorized to gain access to it, such as overwhelming the capacity through sending an excessive volume of data.

Dependent Business means any third party service provider that provides hosted computer application, website or infrastructure services to the **Insured Organization** or processes, maintains, hosts, stores, or backs up **Data Assets**, all pursuant to written contract with the **Insured Organization** for such services.

Expenses means **Privacy Breach Response Expenses, Data Protection Loss, Business Interruption Loss, Extra Expenses, Forensic Expenses, Cyber Extortion Loss and Reward Expenses.**

However, **Expenses** do not include:

- a) loss arising out of liability to any third party for whatever reason;
- b) legal costs or expenses of any type, other than as covered under **Privacy Breach Response Expenses;**
- c) costs or expenses to identify, remove or remediate software program errors or vulnerabilities;
- d) costs or expenses to restore, update, redesign or enhance a **Data Asset** or **Computer System** to a level beyond that which existed prior to the occurrence of an **Insured Event;**
- e) costs or expenses to research or develop any **Data Asset** or **Computer System**, including but not limited to trade secrets or other proprietary information;
- f) loss incurred as a result of unfavorable business conditions, the monetary value of profits, royalties, or lost market share or any other consequential loss;
- g) costs and expenses of complying with any orders, grants, or agreements to provide injunctive or non-monetary relief;
- h) fines or penalties, either contractual or imposed by law; or
- i) matters that may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

Extortion Payment means cash, marketable goods or services surrendered by or on behalf of an **Insured**, under duress, with the Insurer's prior written consent, to a person reasonably believed to be responsible for an **Extortion Threat**, for the purpose of preventing or terminating such threat.

Extortion Threat means a credible threat or series of related threats, including a demand for money, directed at the **Insured** to breach **Computer Security** to intentionally:

- a) alter, destroy, damage, delete or corrupt any **Data Asset;**
- b) prevent access to **Computer Systems** or a **Data Asset**, including a **Denial of Service Attack** or encrypting a **Data Asset** and withholding the decryption key for such **Data Asset;**
- c) perpetrate a theft of **Data Assets** through external access;
- d) introduce **Malicious Code** into **Computer Systems** or to third party computers and systems from **Computer Systems;**
- e) interrupt or suspend **Computer Systems;** or
- f) introduce **Malicious Code** to, carry out a **Denial of Service Attack** against or a **Theft of Data** from, the **Computer System,**

unless an **Extortion Payment** is received from or on behalf of the **Insured Organization.**

Extra Expense means:

- a) reasonable and necessary expenses that are incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid an **Income Loss**, provided:

- i. that such expenses are over and above those the **Insured Organization** would have incurred had no interruption or suspension of the **Computer Systems** occurred; and
- ii. do not exceed the amount by which the **Income Loss** in excess of the **Retention** and covered under this Policy is thereby reduced; and

b) **Forensic Expenses,**

provided that **Extra Expenses** shall not mean the costs and expenses incurred by the **Insured Organization**, to restore, reproduce, or regain access to any **Data Asset** that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of **Computer Security** to prevent a **Security Breach**.

Forensic Expenses means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of the failure of **Computer Security** to prevent a **Security Breach**.

Income Loss means:

- a) the net profit before income taxes that the **Insured** is prevented from earning through its business operations or the net loss before income taxes that the **Insured** is unable to avoid through its business operations as a direct result of the actual and necessary interruption or suspension of **Computer Systems**; and
- b) fixed operating expenses incurred by the **Insured** (including payroll), but only to the extent that
 - i. such operating expenses must necessarily continue during the **Period of Restoration**; and
 - ii. such expenses would have been incurred by the **Insured** had such interruption or suspension not occurred.

Income Loss shall be reduced to the extent the **Insured** or **Dependent Business** (if applicable) is able, with reasonable dispatch and due diligence, to reduce or limit such interruption or suspension of **Computer Systems** or conduct its business operations by other means.

In determining **Income Loss**, due consideration shall be given to the prior experience of the **Insured's** business operations before the beginning of the **Period of Restoration** and to the probable business operations the **Insured** could have performed had no actual and necessary interruption or suspension occurred as result of a failure of **Computer Security** to prevent a **Security Breach**.

Income Loss will be calculated on an hourly basis based on the **Insured's** net profit (or loss) and fixed operating expenses as set forth above.

Insured means the **Insured Organization** and the **Insured Persons**.

Insured Event means the following provided they were committed, attempted, or allegedly committed or attempted on or after the **Retroactive Date**:

- a) **Privacy Breach**;
- b) **Security Breach**;
- c) **Extortion Threat**;
- d) **Multimedia Peril**; and
- e) **Terrorism Act**.

Insured Organization means the **Named Insured** and any **Subsidiaries**.

Insured Person means:

- a) any past, present or future director, officer, trustee, employee, including temporary, part-time or leased employees, general or managing partner, or principal of the **Insured Organization** but only while acting on behalf of or in the interest of the **Insured Organization**; and
- b) independent contractors of the **Insured Organization** who are natural persons, but only with respect to **Insured Events** within the scope of such person's duties performed on behalf of the **Insured Organization**.

Interrelated Insured Events means all **Insured Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause of series of related facts, circumstances, situations, events, transactions or causes.

Loss means **Damages, Defence Costs, Expenses, and Penalties**.

Malicious Code means any virus, spyware, Trojan Horse, worm or any other similar software program, code or script intentionally designed to infiltrate or damage the **Computer System** without the **Insured's** consent.

Management Control means:

- a) owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of an entity's directors (in the case of a corporation), members of the board of managers (in the case of a limited liability company in the US or Canadian equivalent if any), management committee members (in the case of a joint venture or partnership) or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States; or
- b) having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint, designate, or otherwise remove a majority of: the board of directors of a corporation; the management committee of a joint venture or partnership; the management board of a limited liability company; or persons serving in a functionally equivalent role for such an entity operating or organized outside of Canada or the United States.

Media Material means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include electronic mail, advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

Multimedia Peril means the release of or display of any **Media Material** on the **Insured's** own internet site, or created by the **Insured Organization** for display on the website of others, for which the **Insured** is solely responsible that directly results in any of the following:

- a) defamation, libel, slander, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
- b) invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
- c) infringement of copyright, domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark, or service name; or
- d) domain name infringement or improper deep-linking or framing within **Data Assets**.

In no event shall a **Multimedia Peril** include a **Privacy Breach**.

Named Insured means the individual, partnership, entity, or corporation designated as such in Item 1. of the Declarations.

Notification Requirement means any Canadian or United States federal, provincial, state or territory statute or regulation, or similar legislation worldwide, that requires notice to persons whose **Personal Information** was accessed or reasonably may have been accessed by an unauthorized person, including any applicable governmental privacy legislation, regulatory rules, or guidelines mandating or recommending notification as best practice. In jurisdictions where no such laws, regulations or guidelines exist, **Notification Requirement** shall also include voluntary notification to affected individuals where it is reasonably believed that such notification will mitigate or prevent **Loss** to the **Insured Organization**.

Optional Extension Period means the period of time after the end of the **Policy Period** for reporting **Claims** as provided in Clause 9, **Optional Extension Period**, of this Policy.

Penalties means the following, if insurable in accordance with the law in the applicable venue that most favours coverage for such amounts:

- a) any civil fine or money penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**;
- b) amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer **Claims** (other than payments to charitable organizations) due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a "Consumer Redress Fund"); and
- c) those fines or noncompliance assessments arising out of a breach, suspected breach or potential breach of the **PCI Industry Rules**.

However, **Penalties** shall not mean:

- d) costs to remediate or improve **Computer Systems**;
- e) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies;
- f) audit, assessment, compliance or reporting costs; or
- g) costs to protect the confidentiality, integrity and/or security of **Personal Information** from theft, loss or disclosure, even if it is in response to a **Regulatory Proceeding** or investigation.

PCI Industry Rules means, the following rules, standards, and merchant service agreements, singularly or collectively:

- a) any and all standards issued by the Payment Card Industry Security Standards Council including the Payment Card Industry Data Security Standards, the Payment Application Data Security Standards and the PIN Entry Device Security Standards;
- b) any and all credit and debit card rules, regulations and procedures relating to cardholder data security;
- c) any merchant service agreement between an **Insured Organization** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured Organization** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations; and
- d) any rule or provision within the credit and debit card rules, standards and agreements listed above that permits the issuing, application or assessment of any fees, fines, costs or amounts in relation to items (a), (b) and (c) above;

all as amended, supplemented, revised, replaced or otherwise modified from time to time.

Pending or Prior Litigation Date means the date specified in Item 8 of the Declarations.

Period of Restoration:

- a) begins on the specific date and time that the actual and necessary interruption or suspension of **Computer Systems** first occurred; and
- b) ends on the earlier of the following:
 - i. the specific date and time that the actual and necessary interruption or suspension of **Computer Systems** ends, or would have ended had the **Insured** or **Dependent Business** (if applicable) acted with due diligence and dispatch; or
 - ii. 60 days after the date the **Insured Organization's** business activities are restored, with due diligence and dispatch, to the condition that would have existed had there been no **Security Breach**.

Provided that restoration of **Computer Systems** will not end the **Period of Restoration** if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

Personal Information means the following whether pertaining to **Insured Persons** or any other natural persons, in any electronic or non-electronic format:

- a) information concerning the individual that constitutes "personal information" as defined in Canada by the federal *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, ("PIPEDA") and other similar federal, provincial, state, or local law or common law anywhere in the world;
- b) medical or health care information concerning the individual including "personal health information" as defined in Canada by PIPEDA, and as defined in provincial legislation in Canada (the *Ontario Personal Health Information Protection Act*, 2004, S.O. 2004, c. 3) and other similar federal, provincial, state, or local law or common law anywhere in the world;
- c) information concerning the individual that is defined as private personal information under a **Notification Requirement**; or
- d) the individual's driver's license; social insurance number; unpublished telephone number; and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or personal identification numbers ("pins"), if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information, but does not include publicly available information that is lawfully made available to the general public from government records.

Policy Aggregate Limit of Liability means the aggregate Limit of Liability set forth in Item 3. of the Declarations.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed. **Pollutant** shall not include **Malicious Code**.

Policy Period means the period of time set forth in Item 2. of the Declarations, or any earlier effective date of termination or cancellation of this Policy and specifically excludes any **Optional Extension Period** or any prior policy period or renewal period.

Privacy Breach means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted by an **Insured**, with respect to its duties as such, or others acting on behalf of the **Insured** for whom the **Insured** is legally responsible, which results in an actual or potential:

- a) statutory, regulatory or common law breach by the **Insured** of confidentiality, infringement or violation of any right to privacy of employees of the **Insured Organization** or to third parties, including but not limited to unauthorized access to or collection, use, or disclosure of **Personal Information**, breach of the **Insured Organization's** privacy policy, false light, and intrusion upon a person's seclusion;

- b) theft, loss, unauthorized access to or disclosure of **Third Party Corporate Information** by the **Insured**;
- c) failure by the **Insured** to timely disclose or provide notification of an incident described in paragraphs (a) or (b) above in violation of any **Notification Requirement**; or
- d) failure by the **Insured** to administer i) an identity theft prevention program required by governmental statute or regulation or ii) an information disposal program required by regulations or governmental statute.

Privacy Breach Response Expenses means the following reasonable and necessary costs incurred by the **Insured Organization**:

- a) for a **Computer Security** expert to demonstrate the **Insured's** ability to prevent a future **Data Asset** breach but only where likely to result in a **Loss** otherwise covered by this Policy;
- b) legal fees to determine the applicability of and actions necessary by the **Insured Organization** to comply with a **Notification Requirement**;
- c) to provide notification to those persons who may be directly affected by the actual or potential theft, loss or unauthorized access of **Personal Information** under an applicable **Notification Requirement**;
- d) to change affected individuals' account numbers, identification numbers and security codes;
- e) to provide call centre services to affected individuals;
- f) to provide, credit, identity or healthcare record monitoring, identity theft education and assistance, and record restoration;
- g) for the costs of a public relations consultancy, crisis management firm or law firm, and related advertising or communication expenses for the purpose of averting or mitigating material damage to the **Insured Organization's** reputation or brand and/or restoring the confidence of the **Insured Organization's** customers, employees and investors in **Computer Security**.

However, **Privacy Breach Response Expenses** shall not include:

- h) any internal salary or overhead expenses of the **Insured Organization**; or
- i) costs or expenses incurred by any person or entity to withdraw or recall the **Insured Organization's** material, media, medium, or professional services from the marketplace or from loss of use arising out of such withdrawal or recall.

Regulatory Proceeding means a request for information, civil investigative demand, complaint made to, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of a governmental agency or governmental licensing or regulatory authority in respect of an actual or potential **Privacy Breach**.

Retention means the applicable **Retention** for each Insuring Agreement as specified in Item 5. of the Declarations.

Retroactive Date means the date, if any, specified in Item 7 of the Declarations.

Reward Expenses means the reasonable amount paid by an **Insured**, with the Insurer's prior consent, to an informant for information not otherwise available which leads to the arrest and conviction of a person responsible for a **Cyber Extortion Threat** or **Security Breach**.

Security Breach any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted by an **Insured**, with respect to its duties as such, or others acting on behalf of the **Insured** for whom the **Insured** is legally responsible, which results in a failure by the **Insured** to protect against:

- a) **Unauthorized Access or Use of Computer Systems;**
- b) **Unauthorized Disclosure;**
- c) a **Denial of Service Attack** against **Computer Systems;**
- d) infection of **Computer Systems** by **Malicious Code** or transmission of **Malicious Code** from **Computer Systems;** or
- e) the alteration, corruption, destruction, deletion, or damage to a **Data Asset,**

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

Subsidiary means any entity, including but not limited to any corporation, limited liability company, joint venture or partnership while the **Named Insured**, directly or indirectly has **Management Control** over such entity, if the **Named Insured**:

- a) had **Management Control** over such entity on the effective date of this Policy or such entity was an **Insured** under a policy issued by the Insurer of which this Policy is a renewal;
- b) acquires **Management Control** after the effective date of this Policy, provided the revenues of the entity do not exceed twenty percent (20%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period;** or
- c) acquires **Management Control** after the effective date of this Policy, provided that if the revenues of the entity exceed twenty percent (20%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period,** the provisions of Clause 12 must be fulfilled;

provided, that this Policy only provides coverage for **Claims** or **Insured Events** that take place while the **Named Insured**, either directly or indirectly, has **Management Control** over such entity.

Terrorism Act shall mean an act perpetrated electronically, including but not limited to the use of force or violence and/or the threat of force or violence, of any person or group, whether acting alone or on behalf of, or in connection with any organization or government, committed for political, religious, ideological, or similar purposes including the intention to influence any government and/or put the public, or any Clause of the public, in fear, which results in a total or partial interruption, degradation in service, or failure of the **Computer System.** **Malicious Code** shall not, in any circumstance, be considered a **Terrorism Act.**

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

Unauthorized Access or Use means the gaining of access to or use of **Computer Systems** by an unauthorized person or the use of **Computer Systems** in an unauthorized manner, including access or use resulting from the theft of a password from a **Computer System** or from any **Insured Person.**

Unauthorized Disclosure means the unauthorized taking, misuse, modification, deletion, corruption, destruction or disclosure of **Data Assets** or other information including but not limited to charge, debit, and credit information, banking, financial and investment services account information, proprietary corporate information, and personal, private and confidential information, whether in paper or electronic format.

Waiting Period means the period of time beginning when the **Period of Restoration** begins and expiring after the elapse of the number of hours set forth in Item 9 of the Declarations. A **Waiting Period** shall apply to each **Period of Restoration.**

3. EXCLUSIONS

The Insurer shall not be liable for **Loss** in connection with any **Claim** or **Insured Event**:

a) Bodily Injury & Property Damage

for physical injury, sickness, disease or death of any person, or physical injury to or destruction of any tangible property (which shall not include a **Data Asset**), including the loss of use thereof. However this exclusion shall not apply to any mental anguish, emotional distress or humiliation resulting from a **Privacy Breach** or **Security Breach**.

b) Employment Practices

based upon, arising out of or related to the **Insured's** employment relations, policies, practices, acts or omissions; provided, however, that this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreements 1.A. or 1.C. by a current or former employee of the **Insured Organization**; or to the payment of **Privacy Breach Response Expenses** under Insuring Agreement 1. B involving current or former employees of the **Insured Organization**.

c) Insured v. Insured

brought or maintained by or on behalf of any **Insured**, in their capacity as such, except:

- i. for **Insured Events** resulting in an actual or potential **Privacy Breach** covered under Insuring Agreements 1. A., 1.B., or 1.C.; or
- ii. a **Claim** brought or maintained by an **Insured** for contribution or indemnity which is part of and results directly from a **Claim** otherwise covered under this Policy.

d) Service Interruptions

based upon, arising out of or related to:

- i. any failure, interruption or malfunction of electrical, mechanical, gas, water, telephone, cable or telecommunications infrastructure or services, provided that this exclusion shall not apply to any otherwise covered **Claim** or **Insured Event** arising out of failure of **Computer Security** to prevent a **Security Breach** that was solely caused by a failure or malfunction of infrastructure or a failure or malfunction of services but only when such infrastructure or services are under the **Insured Organization's** direct operational control;
- ii. any satellite failures or interruption of satellite service; or
- iii. fire, smoke, flood, earthquake, volcanic eruption, explosion, lighting, wind, hail, tidal wave, landslide, act of God or other physical event outside of the **Insured's** control.

e) Contractual Breach & Warranty

for contractual liability or obligation, or **Loss** for breach of contract, warranty, guarantee or agreement either oral or written, provided, however, that this exclusion will not apply:

- i. to any obligation, agreement or promise of the **Insured** to maintain the confidentiality or security of **Personal Information** or of **Third Party Corporate Information**;
- ii. to coverage that is otherwise available under Insuring Agreement 1.C. for **Penalties** arising from a breach, suspected breach or potential breach of the **PCI Industry Rules**;
- iii. only with respect to Insuring Agreement 1.H., for misappropriation of ideas under implied contract; or
- iv. to the extent the **Insured** would have been liable in the absence of such contract or agreement.

f) Antitrust or Unfair Trade Practices

based upon, arising out of or related to any antitrust violation, restraint of trade, unfair competition, price fixing, unfair business or unfair trade practices, monopolization, or false or deceptive or misleading advertising or violation of, in Canada, the *Competition Act* (R.S.C., 1985, c. C-34) as amended, in the United States, the *Sherman Antitrust Act*, the *Clayton Act*, or the *Federal Trade Commission Act* as amended, or any other similar law or regulation worldwide; however this exclusion does not apply to any **Claim** resulting from an actual or alleged **Privacy Breach**.

g) Prior Notice, Litigation and Knowledge

based upon, arising out of or related to:

- i. any fact, circumstance, event, or **Insured Event** which might lead to a claim or loss in respect of which any **Insured** has given notice to the insurer of any other policy in force prior to the inception date of this Policy, and such prior policy affords coverage or would afford coverage except for the exhaustion of the applicable limit of liability;
- ii. any written demand, suit or other proceeding pending against, or order, decree or judgment entered against any **Insured** on or prior to the Pending or Prior Litigation Date set forth in Item 8 of the Declarations, or the same or substantially the same facts underlying or alleged therein; or
- iii. any fact, circumstance, event or **Insured Event** which, before the effective date of this Policy, an **Insured** knew or could have reasonably foreseen could result in a **Claim** under this Policy.

h) Racketeering, Securities & Fiduciary

based upon, arising out of or related to:

- i. racketeering or money laundering;
- ii. the violation of any securities law, regulation or legislation or the purchase, sale or offer of or solicitation of an offer to purchase or sell securities; or
- iii. violation of the responsibilities, obligations or duties imposed upon fiduciaries of any employee benefit plan of the **Insured Organization**,

provided that subparagraphs ii. and iii. of this exclusion shall not apply to **Claims** otherwise covered under Insuring Agreement 1. A, or to paying **Privacy Breach Response Expenses** under Insuring Agreement 1.B, arising from a **Privacy Breach**.

i) Individual Conduct

made against any **Insured Person**:

- i. based upon, arising out of or related to any criminal, deliberately dishonest, fraudulent, or malicious act, error or omission, or any intentional violation of law, by any **Insured Person**;
- ii. with respect to Insuring Agreement 1.C. only, based upon, arising out of or related to any intentional or knowing violation of any **PCI Industry Rule** by any such **Insured Person**; or
- iii. based upon, arising out of or related to such **Insured Person** having gained any profit, remuneration or other advantage to which such **Insured Person** was not legally entitled,

if a final, non-appealable adjudication, judgment, binding arbitration decision or conviction against an **Insured Person**, in the underlying proceeding, establishes such conduct, at which time, the **Insured Person** shall reimburse the Insurer for all **Defence Costs** incurred defending the **Claim** and the Insurer shall have no further liability for any payments in connection with such **Insured Person**.

j) Company Conduct

made against any Insured Organization:

- i. based upon, arising out of or related to any criminal, deliberately dishonest, fraudulent, or malicious act, error or omission, or any intentional violation of law by any **Insured Person** if any of the **Control Group** participated in or were in collusion with such **Insured Person**;
- ii. with respect to Insuring Agreement 1.C. only, based upon, arising out of or related to any intentional or knowing violation of any **PCI Industry Rule** by any **Insured Person** if any of the **Control Group** participated in or were in collusion with such **Insured Person**; or
- iii. based upon, arising out of or related to any **Insured Person** having gained any profit, remuneration or other advantage to which such **Insured Person** was not legally entitled if any of the **Control Group** participated in or were in collusion with such **Insured Person**,

if a final, non-appealable adjudication, judgment, binding arbitration decision or conviction against such member of the **Control Group** who participated in or were in collusion with such **Insured Person**, in the underlying proceeding, establishes such conduct. At such time, the **Insured** shall reimburse the Insurer for all **Defence Costs** incurred on behalf of the **Insured** and the Insurer shall have no further liability for any payments in connection with the **Insured**.

k) Intellectual Property

based upon, arising out of or related to:

- i. infringement of patent or patent rights or misuse or abuse of patent;
- ii. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not an **Insured**;
- iii. use or misappropriation of any ideas, trade secrets or **Third Party Corporate Information** (a) by, or on behalf of, the **Insured Organization**, or (b) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**; or
- iv. disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any **Insured Person** prior to the date they began acting in the capacity of an **Insured Person**.

l) Governmental or Regulatory Action

brought or maintained by or on behalf of any governmental entity, regulatory or administrative authority; or based upon, arising out of or related to any seizure, nationalization, confiscation, or destruction of **Computer Systems** or **Data Assets** by order of any governmental or public authority provided that this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreements 1.A or 1.C., or to paying **Privacy Breach Response Expenses** covered under Insuring Agreement 1.B. to the extent such are incurred to provide services in compliance with a **Notification Requirement**.

m) Trading Losses

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

n) Professional Services

based upon, arising out of or related to the rendering or failure of an **Insured** to render professional services including any negligence in the performance of an **Insured's** professional services.

o) Fees

for any fees, expenses or costs paid to or charged by the **Insured**.

p) Labour Action & War

based upon, arising out of or related to strike, lockout or similar labour action; war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition; or destruction of or damage to property by or under the order of any government or public or local authority.

q) Pollution

based upon, arising out of or related to any of the following:

- i. actual, alleged or threatened presence, discharge, dispersal, release, or escape of **Pollutants**;
- ii. treatment, removal or disposal of **Pollutants**; or
- iii. direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants** or in any way respond to or assess the effects of **Pollutants**.

r) Miscellaneous Media Activities

With respect to Insuring Agreement 1. H. only, the Insurer shall not be liable for **Loss** in connection with any **Claim**:

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

4. SEVERABILITY OF EXCLUSIONS AND NOTICE REQUIREMENT

With respect to all of the Exclusions, no act, error or omission pertaining to or knowledge possessed by any **Insured** shall be imputed to any other **Insured**, unless otherwise provided under Exclusion 3 j) to determine if coverage is available.

With respect to the notice requirements in Clause 10 of this Policy, no act, error or omission pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**. However, with respect to the failure to give notice to the Insurer as required under this Policy, any **Insured Person** entitled to the benefit of this severability Clause shall provide notice to the Insurer in compliance with such notice condition promptly after obtaining knowledge of the failure by any other **Insured** to comply therewith, and the reporting of any such **Claim, Insured Event, or Loss** must be made in accordance with the notice requirements in Clause 10 of this Policy.

5. LIMIT OF LIABILITY AND RETENTION

- a) The Insurer shall only be liable to pay that part of each **Loss** which is in excess of the amount of the applicable **Retention** set out in Item 5. of the Declarations, and such **Retention** shall be borne by the **Insured** uninsured and at the **Insured's** own risk. The **Retention** applicable to each of Insuring Agreements 1. E and 1. I. shall be the **Waiting Period**.
- b) The Aggregate Limit of Liability shown in Item 3. of the Declarations shall be the maximum aggregate limit of liability of the Insurer under the policy for each **Claim** and **Insured Event** and in the aggregate for all payments for all **Loss** during the **Policy Period**, regardless of the number of Insuring Agreements that may apply.
- c) The Insurer's maximum liability for all **Loss** on account of each **Claim** and **Insured Event** made during the **Policy Period**, including all **Defence Costs**, shall be the applicable Insuring Agreement Limit of Liability set forth in Item 4 of the Declarations or the unpaid portion of the Aggregate Limit of Liability set forth in item 3 of the Declarations for each **Policy Period**, whichever is less.
- d) More than one **Claim** or **Insured Event** involving the same **Insured Event** or **Interrelated Insured Events** shall be deemed to constitute a single **Claim** or **Insured Event** and shall be deemed to have originated at the earliest date at which a **Claim** alleging any such **Insured Event** or **Interrelated Insured Events** is first made against, or **Insured Event** first discovered by, any **Insured**.
- e) In the event more than one of the Insuring Agreements set forth in Clause 1. are applicable to a **Claim** or **Insured Event**, the highest of the applicable **Retentions** set forth in Item 5. of the Declarations shall be the sole **Retention** applied to all payments under this Policy.
- f) All payments by the Insurer under this Policy shall reduce the available Limits of Liability.
- g) The Insurer shall not be obligated to pay any **Loss**, or to undertake or continue defence of any **Claim**, after the Policy Aggregate Limit of Liability or any other applicable limit of liability set forth in the Declarations has been exhausted by payment of **Loss**, or after deposit of the Policy Aggregate Limit of Liability or any other applicable limit of liability in a court of competent jurisdiction. Upon such payment, the Insurer shall have the right to withdraw from the further defence of any **Claim** under this Policy by tendering control of said defence to the **Insured**.

6. DEFENCE AND SETTLEMENT OF CLAIMS

- a) The Insurer shall have the right and duty to defend, subject to all the provisions, terms and conditions of this Policy, any covered **Claim**, even if any of the allegations of the **Claim** are groundless, false, or fraudulent. Defence counsel shall be mutually agreed upon between the **Named Insured** and the Insurer, but in the absence of such agreement, the Insurer's decision shall be final.
- b) With respect to any **Claim** against the **Insured** seeking **Damages** or **Penalties** which are payable under the terms of this Policy, the Insurer will pay **Defence Costs** incurred with its prior written consent. The Limit of Liability available to pay **Loss** shall be reduced and may be completely exhausted by payment of **Defence Costs**. Except where prohibited by the laws of the Province of Quebec, **Defence Costs** incurred by the Insurer, or by the **Insured** with the written consent of the Insurer, are part of and not in addition to the Aggregate Limit of Liability in Item 3 of the

Declarations and any applicable Insuring Agreement Limit of Liability set forth in Item 4 of the Declarations. **Damages, Penalties, and Defence Costs** shall be applied against the **Retention** payable by the **Insured**.

- c) The Insurer agrees that the **Insured** may settle any **Claim** where the **Loss** does not exceed 50% of the **Retention**, provided the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all the **Insureds** from all claimants, or court approval of the settlement and notice of such settlement is provided to the Insurer. This clause shall not apply where any dispute exists between the Insurer and the **Insured** over whether certain **Claims** have arisen due to **Interrelated Insured Events**.
- d) Solely with respect to Insuring Agreements 1.B and 1.D, the **Insured** may incur **Privacy Breach Response Expenses**, and/or **Data Protection Loss** without the Insurer's prior written consent, provided:
 - i. notice of the intent to incur such expenses and any known details of same is provided to the Insurer as soon as practicable; and
 - ii. that prior to incurring any **Privacy Breach Response Expenses** involving notification to those persons who may be directly affected by the actual or potential theft, loss or unauthorized access of **Personal Information**, the **Insured** obtains legal advice recommending the payment of such expenses in accordance with applicable **Notification Requirements**.

7. ALLOCATION

With respect to coverage under Insuring Agreements 1.A and 1.G only, if **Loss** covered by this Policy and loss not covered by this Policy are incurred, either because a **Claim** includes both covered and uncovered matters or because a **Claim** is made against both an **Insured** and others, the **Insured** and the Insurer shall use their best efforts to agree upon a fair and proper allocation based upon their relative legal exposure to such covered **Loss** and such uncovered loss.

If the **Insureds** and the Insurer agree on an allocation of **Defence Costs**, the Insurer shall advance on a current basis **Defence Costs** allocated to the covered **Loss**. If the **Insureds** and the Insurer cannot agree on an allocation:

- a) no presumption as to allocation shall exist in any arbitration, litigation or other proceeding;
- b) the Insurer shall advance on a current basis **Defence Costs** which the Insurer believes to be covered under this Policy until a different allocation is negotiated or arbitrated in accordance with the ADR process set out in Clause 24 of this Policy.

Any negotiated, or arbitrated allocation of **Defence Costs** on account of a **Claim** shall be applied retroactively to all **Defence Costs** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defence Costs** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

8. ASSISTANCE AND COOPERATION

- a) The Insurer shall have the right to make any investigation it deems necessary, and the **Insured** shall cooperate with the Insurer in all investigations, including investigations regarding the application for and coverage under this Policy. The **Insured** shall execute or cause to be executed all papers and provide all information, assistance and cooperation as is reasonably requested by the Insurer, including allowing the Insurer to inform the appropriate regulatory or law enforcement authorities of an **Extortion Threat**. The **Insured** agrees not to take any action which in any way increases the Insurer's exposure under this Policy.
- b) Upon the Insurer's request, the **Insured** shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of acts, errors or omissions, incidents or events with respect to which insurance is afforded under this Policy; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

- c) The **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the written consent of the Insurer, except as specifically provided in Clause 6, Defence and Settlement of **Claims**, paragraph d).
- d) Compliance with a **Notification Requirement** will not be considered as an admission of liability for purposes of this Clause.
- e) Expenses incurred by the **Insured** in assisting and cooperating with the Insurer do not constitute **Defence Costs** under the Policy.

9. OPTIONAL EXTENTION PERIOD

- a) With respect to Insuring Agreements 1.A., 1.B, 1.C. and 1.H., in the event of the termination or non-renewal of this Policy for any reason except the non-payment of premium, the **Named Insured** shall have the right, upon payment in full and not proportionally or otherwise in part, of 100% of the annualized Premium set forth in Item 6. of the Declarations, to have issued an endorsement providing a 12-month **Optional Extension Period** for **Claims** first made against any **Insured** and reported to the Insurer during the **Optional Extension Period**, and arising out of any **Insured Event** occurring on or after the **Retroactive Date** and before the end of the **Policy Period**, subject to the conditions set forth herein. In order for the **Named Insured** to invoke the **Optional Extension Period** option, the payment of the additional premium for the **Optional Extension Period** must be paid to the Insurer within thirty (30) days of the termination of this Policy.
- b) The Limit of Liability for the **Optional Extension Period** shall be part of, and not in addition to, the Policy Aggregate Limit of Liability and the exercise of the **Optional Extension Period** shall not in any way increase the Policy Aggregate Limit of Liability or any sublimit of liability. The **Optional Extension Period** does not apply to Insuring Agreements 1.D, 1.E, 1. F, 1 .G or 1.I.
- c) At the commencement of the **Optional Extension Period**, the entire premium shall be deemed fully earned, and in the event the **Named Insured** terminates the **Optional Extension Period** for any reason prior to its natural expiration, the Insurer will not be liable to return any premium paid for the **Optional Extension Period**. The offer of different renewal terms and conditions or premiums shall not constitute non-renewal. All notices and premium payments with respect to the **Optional Extension Period** shall be directed to the Insurer through the **Named Insured**.

10. REPORTING, NOTICE AND APPRAISAL

A. OF CLAIMS

- a) The **Insured** shall, as a condition precedent to exercising its rights under this Policy, give to the Insurer written notice as soon as practicable upon any of the **Control Group** becoming aware of any **Claim** made against any **Insured**.
- b) If during the **Policy Period** the **Insured** first becomes aware of any circumstance which could reasonably be the basis for a **Claim** and gives written notice of such to the Insurer, including specific details of the **Insured Event**, potential consequences and damages which may result or have resulted, names of potential claimants and involved **Insureds**, and facts by which the **Insured** first became aware of the **Insured Event** then any **Claim** subsequently arising from such circumstances will be deemed to have been made at the time written notice complying with the above requirements was first given to the Insurer.

B. OF EXPENSES

- a) As a condition precedent to coverage under Insuring Agreement 1. F., the **Insured** shall **notify** the Insurer in writing within 7 days of any **Extortion Threat** being discovered. Furthermore, the **Insured** shall use its best efforts at all times to ensure that knowledge regarding the existence of the **Extortion** coverage afforded by this Policy is kept confidential.
- b) As a condition precedent to coverage under Insuring Agreement 1. I., the **Insured** shall notify the Insurer in writing within 7 days of any **Terrorism Act** being discovered.

- c) The **Insured** shall, as a condition precedent to exercising its rights under this Policy, give to the Insurer written notice as soon as practicable of any **Expense**, but in no event later than 90 days after discovery by any of the **Control Group** of any **Insured Event** potentially giving rise to an **Expense**.
- d) An **Insured** shall provide the Insurer with a written proof of loss, sworn by an officer of the **Named Insured** with full details of all **Insured Events**, including the time, place and cause, and a detailed calculation of all **Loss** claimed, within 6 months after discovery.
- e) Upon the Insurer's request the **Insured** shall submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for **Expenses**.
- f) The costs and expenses of preparing and submitting a proof of loss, and establishing or proving **Expenses** or any other **Loss** under this Policy, shall be the **Insured's** obligation, and are not covered under this Policy.
- g) If the **Insured** makes or reports any **Loss** under this Policy knowing such **Loss** to be false or fraudulent, as regards amounts or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.

C. APPRAISAL OF EXPENSE

If the **Named Insured** and the Insurer do not agree on the amount of an **Expense**, each party shall select and pay an appraiser or other qualified expert (the "Appraiser") to state the amount of the **Expense**, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the **Named Insured** or the Insurer may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the **Expenses** to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of an **Expense** shall be binding on all **Insureds** and the Insurer. The **Named Insured** and the Insurer will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of an **Expense**, and shall not control the determination of whether such **Expense** is otherwise covered by the Policy. The Insurer will still retain and does not waive its rights to deny coverage or enforce any obligation under this Policy.

11. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

Subject otherwise to the terms and conditions of this Policy, coverage shall extend to **Claims** for the **Insured Events** of **Insured Persons** made against the estate, heir, executor, administrator, assign and legal representative of any **Insured Person** in the event of such **Insured Person's** death, incapacity, insolvency or bankruptcy. Further, coverage shall extend to the lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable federal, provincial, state, or local law in Canada or the United States, of any **Insured Person** for such spouse's ownership interest in marital property which the claimant seeks as recovery. No coverage is provided for any **Insured Event** of any estate, heir, legal representative, assign or spouse.

12. CORPORATE ACQUISITIONS, MERGERS, AMALGAMATIONS, AND TAKEOVERS

- a) If the **Named Insured**, directly or indirectly:
 - i. acquires, gains control of, or creates a **Subsidiary**, after the inception date of this Policy; or
 - ii. merges with or amalgamates into another entity, unless such merger or amalgamation constitutes a **Corporate Takeover**;

(collectively, "Transaction")

coverage hereunder shall be afforded for a period of 90 days from such Transaction for any **Claim** or **Loss** arising out of **Insured Events** committed or allegedly committed subsequent to such Transaction so long as such **Insured Events** are otherwise covered under this Policy.

- b) Coverage beyond such 90-day period shall only be available if:
- i. written notice of such Transaction is given to the Insurer by the **Named Insured**;
 - ii. the **Named Insured** provides the Insurer with such information in connection therewith as the Insurer may deem necessary; and
 - iii. the **Named Insured** accepts any special terms, conditions, exclusions or additional premium charge as may be required by the Insurer.

Notwithstanding the foregoing, if the **Named Insured**, directly or indirectly acquires, gains control of or creates during the **Policy Period** an entity whose revenues do not exceed twenty percent (20%) of the **Named Insured's** annual revenues for the four quarterly periods directly preceding inception of the **Policy Period**, (the "Threshold"), the new entity will automatically be included within the definition of **Subsidiary** without the necessity to meet the requirements of (i) through (iii) above, but only with respect to any **Insured Event** committed or allegedly committed after the effective date of the acquisition, gaining of control or creation.

- c) If any entity ceases to be a **Subsidiary** as defined herein after the effective date of this Policy or of any prior policy of which this Policy is a renewal or replacement, this Policy shall continue to apply to the **Insured Persons** and **Subsidiary** which were covered under this Policy or any prior policy, but only with respect to any **Insured Event** committed or allegedly committed prior to the time such entity ceased to be a **Subsidiary**. However, in respect of coverage for **Expenses** under Insuring Agreements 1.D, 1.E, 1. F., 1.G, and 1.I coverage shall continue only for **Expenses** first incurred while such entity was a **Subsidiary**.
- d) In the event of a **Corporate Takeover** after the effective date of this Policy or of any prior policy issued by the Insurer of which this Policy is a renewal or replacement, this Policy shall continue to apply to the **Insured** but only with respect to any **Insured Event** committed or any **Expense** incurred prior to the **Corporate Takeover**.

13. RECOVERED PROPERTY

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

14. SUBROGATION

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

15. OTHER INSURANCE

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

16. ACTION AGAINST THE INSURER, BANKRUPTCY & ASSIGNMENT

No action shall lie against the Insurer unless and until, as a condition precedent thereto, the **Insured** shall have fully complied with all provisions, terms and conditions of this Policy, and in relation to Insuring Agreements 1.A, 1.C, and 1.H,

the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment or award against the **Insured** after trial, **Regulatory Proceeding**, arbitration or by written agreement of the **Insured**, the claimant, and the Insurer. No person or organization shall have the right under this Policy to join the Insurer as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall the Insurer be impleaded by the **Insured** or the **Insured's** legal representative.

The **Insured's** bankruptcy or insolvency of the **Insured's** estate shall not relieve the Insurer of its obligations nor deprive the **Insured** of its rights hereunder.

The interest hereunder of any **Insured** is not assignable unless the Insurer's consent is endorsed hereon.

17. AUTHORIZATION

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

18. WARRANTY AND SEVERABILITY CLAUSE

By acceptance of this Policy, all **Insureds** agree that the declarations and statements contained in the **Application** are their agreements and representations, that they shall be deemed material to the risk assumed by the Insurer, and that this Policy is issued in reliance upon the truth thereof.

The **Application** shall be construed as a separate application for coverage by each of the **Insured Persons**. With respect to the declarations and statements contained in such **Application**, no statement made or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available. Statements made or knowledge possessed by any of the **Control Group** shall be imputed to the **Insured Organization** for the purpose of determining coverage under this policy.

19. CANCELLATION

- a) This Policy may be cancelled by the **Named Insured**, by surrender thereof to the Insurer, or by registered mailing or delivery to the Insurer through the entity named in Item 10 of the Declarations, written notice stating when thereafter such cancellation shall be effective. The effective hour and date of cancellation stated in the notice shall become the end of the **Policy Period**.
- b) The Insurer may cancel this Policy only for non-payment of premium. Such cancellation shall be effected by sending notice by registered mail or by delivery to the **Named Insured** stating when, not less than 10 days thereafter, such cancellation shall be effective. The effective hour and date of cancellation stated in such notice shall become the end of the **Policy Period**.
- c) If the **Named Insured** cancels this Policy, the earned premium shall be computed on the customary short rate basis.
- d) If the Insurer cancels this Policy prior to any **Claim** being reported or **Loss** incurred under this Policy, earned premium shall be computed pro rata.
- e) The premium shall be deemed fully earned if any **Claim** under this Policy is reported to the Insurer or **Loss** incurred under this Policy on or before the date of cancellation.
- f) Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

20. TERRITORY, JURISDICTION AND CHOICE OF LAW

This Policy applies to **Claims** made, and acts, errors or omissions as committed, or **Loss** occurring anywhere in the world.

This Policy will be governed by and interpreted pursuant to the laws of the province or territory where the **Named Insured** is registered and the laws of Canada applicable therein, and any dispute arising hereunder shall be determined in accordance with the ADR provisions set forth in Clause 24 below.

21. HEADINGS, SINGULAR FORM

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

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

22. ENTIRE AGREEMENT

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

23. VALUATION AND CURRENCY

All premiums, limits, **Retentions**, **Loss** and other amounts under this Policy are expressed and payable in the currency of Canada. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is stated in a currency other than Canadian dollars or if **Defence Costs** are paid in a currency other than Canadian dollars, payment under this Policy shall be made in Canadian dollars at the rate of exchange published in the *Globe and Mail* on the date the judgment becomes final or payment of the settlement or other element of **Loss** is due or the date such **Defence Costs** are paid.

24. ALTERNATIVE DISPUTE RESOLUTION

- a) All disputes or differences between the **Insured** and the Insurer arising under this Policy, including the management or resolution of a **Claim** or determination of the amount of any **Loss**, shall be resolved according to an alternative dispute resolution ("ADR") process as provided in this Clause.
- b) Mediation: any dispute between the **Insured** and Insurer shall be first referred, at the request of either party, to a qualified mediator in a good faith effort to negotiate a resolution of the dispute.
- c) Arbitration: In the event mediation is unsuccessful in resolving the dispute between the **Insured** and the Insurer, the parties agree that such dispute shall be determined by final and binding arbitration before a single arbitrator under the provisions of the provincial Arbitration Act currently in force in the jurisdiction of the **Named Insured's** address noted in Item 1 of the Declarations.
- d) ADR Rules: In considering the construction or interpretation of the provisions of this Policy, the mediator or arbitrator shall give due consideration to the general principles of law of the jurisdiction of the **Named Insured's** address noted in Item 1 of the Declarations. Each party shall share equally the expenses of the ADR. The ADR process shall be conducted in the jurisdiction of the **Named Insured's** address noted in Item 1 of the Declarations, or in such other jurisdiction as the parties mutually agree. In all other respects the Insurer and the **Named Insured** shall mutually agree to the procedural rules for the ADR process. In the absence of such an agreement, the arbitrator or mediator shall specify commercially reasonable rules.



Authorized Insurer's Representative
Creechurch International Underwriters Ltd.

Attached to and forming part of Policy No. 55100118

Endorsement # 1

War & Civil War Exclusion (CPP1002)

Named Insured: **AG Globe Services Inc**

Effective Date: 08 Aug 2016

In consideration of the premium charged for the Policy, it is hereby understood and agreed that Item 3., Exclusions is amended to add the following at the end thereof:

- s) For, arising out of or resulting from any Act of Terrorism, strikes or similar labor actions, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular uprising, military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions.

This exclusion also excludes coverage for any loss or **damages** arising out of confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

This exclusion also excludes loss, cost, **damages**, or claims expenses of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to the above.

However this exclusion shall not apply to an Act of Terrorism perpetrated electronically.

All other terms and conditions remain unchanged.



Authorized Insurer's Representative
Creechurch International Underwriters Ltd.

08 Aug 2016

Date

Attached to and forming part of Policy No. 55100118

Endorsement # 2

Nuclear Energy Reactions, Radiation and Contamination Exclusion (CPP1001)

Named Insured: **AG Globe Services Inc**

Effective Date: 08 Aug 2016

It is hereby understood and agreed that this Policy does not apply to:

- (i) loss or damage caused directly or indirectly by any nuclear incident as defined in the Nuclear Liability Act, or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- (ii) loss or damage caused directly or indirectly by contamination by radioactive material

All other terms and conditions remain unchanged.



Authorized Insurer's Representative
Creechurch International Underwriters Ltd.

08 Aug 2016
Date

Attached to and forming part of Policy No. 55100118

Endorsement # 3

Currency Amended (CPP1019)

Named Insured: **AG Globe Services Inc**

Effective Date: 08 Aug 2016

It is hereby understood and agreed that Item 23 – VALUATION AND CURRENCY is deleted in its entirety and replaced with the following:

23. VALUATION AND CURRENCY

All premiums, limits, **Retentions**, **Loss** and other amounts under this Policy are expressed and payable in the currency of the U.S. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is stated in a currency other than U.S. dollars or if **Defence Costs** are paid in a currency other than U.S. dollars, payment under this Policy shall be made in U.S. dollars at the rate of exchange published in the *Globe and Mail* on the date the judgment becomes final or payment of the settlement or other element of **Loss** is due or the date such **Defence Costs** are paid.

All other terms and conditions remain unchanged.



Authorized Insurer's Representative
Creechurch International Underwriters Ltd.

08 Aug 2016

Date