

KRUT AGENCIES LTD
106-1100 CONCORDIA AVE
WINNIPEG MB R2K 4B8

OLD GRACE NOT FOR PROFIT HOUSING CO-OPERATIVE LTD
C/O THE OLD GRACE HOUSING CO-OP
2-1271 SARGENT AVE
WINNIPEG MB R3E 0G3



Call.

KRUT AGENCIES LTD at 204-669-4425



Click.

cooperators.ca



Come in.

KRUT AGENCIES LTD
106-1100 CONCORDIA AVE
WINNIPEG, MB R2K 4B8

Your **business insurance** policy renewal



Access to data breach and cyber security advice Page 3

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Thank you for trusting Co-operators with your Business Insurance needs. Please review your enclosed documents carefully.

Want access to your policy documents anytime, anywhere? Visit cooperators.ca/online-services to sign-up for an Online Services account today!

Our privacy statement, disclosure and agency compensation agreements can change from time to time. To read the latest version, visit cooperators.ca or contact our Privacy Office.

Need expert advice? We've got that covered too.

You can count on Co-operators for expert advice. As our valued client, you can enjoy the peace of mind that comes from complimentary access to:

Risk-free claims advice: Our Claims Guarantee lets you ask our experts for advice about a potential claim without having to worry. The information you share will not be used to increase your premiums or cancel your coverage. Call our claims experts at 1-877-682-5246 or 1-877-594-2667 in Quebec.

Cyber Security resources and advice: Business insurance clients get free access to the expert advice, loss prevention and risk management services of CyberScout®. Visit cooperators.breachresponse.ca and register with "Cooperators1" for **both** the username and password. Then, follow the prompts to create a personal account. You can also call CyberScout toll-free at 1-833-258-4394.

Legal assistance: Call our helpline and talk to a lawyer for confidential general legal assistance. It's an included service that covers almost any topic: from contract disputes to employment or business-related issues, property concerns, tax investigations, and more. Our Legal Assistance Helpline is available from 8 a.m. to midnight local time, and 24/7 in emergency situations. Simply call (toll-free) 1-855-953-1431.

This service is administered by ARAG Legal Solutions Inc.

Get Online Services today!



Now is the perfect time to explore Online Services, where you can securely access and manage your insurance, from anywhere, on any device and at any time.

- Go paperless with secure access to new policies and billing updates
- Make a payment and start a claim
- View and download policy documents*
- Update your profile and preferences

Put your mind at ease, get greener by selecting our paperless option, and get organized to easily manage your documents and billing updates! Discover what Online Services can do for you.

Scan and Sign-in today!

* Not all policies are available through your Online Services account.



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The cyber security advice your business needs to navigate a changing world.



In our increasingly connected world, cyber security affects businesses of every size and across all industries. In fact, 1 in 5 Canadian businesses report a cyber security incident each year.¹ As part of our commitment to you, we've enhanced the benefits automatically included with your policy.

Access to data breach and cyber security advice

As a Co-operators business insurance client, you can access the expert advice, loss prevention and risk management services of CyberScout®. As leaders in cyber security education, protection, and response since 2003, they offer:

Proactive loss prevention resources

Their online knowledgebase is filled with risk analysis tools, best practices, and templates to help you prevent inadvertent data exposures and identity theft.

Personalized support and crisis management

If you experience a breach, CyberScout® experts are standing by and ready to provide guidance, support, and remediation services.

Take advantage of the professional services CyberScout® offers by:

- Visiting cooperators.breachresponse.ca. Start your registration with "Cooperators1" for **both** the username and password. You will be prompted to create your own personal, secure account.
- Calling CyberScout® directly, toll-free at 1-833-258-4394.

Changes to your policy

Removal of the Declaration of Emergency in your policy

We added the Declaration of Emergency – Extension of Termination or Expiry Date provision to policy wordings in 2013. It was intended to prevent coverage interruptions during a significant community emergency, when it might be difficult to contact us.

Recently, extended national states of emergency tested the effectiveness of this wording and its rigid approach. After careful review, we found it necessary to make changes. We heard from clients it is confusing and the process too complex. We also realized it unintentionally increased situational inequality by treating all clients the same, regardless of circumstance.

With this renewal, we have removed the Declaration of Emergency – Extension of Termination or Expiry Date endorsement from your policy. We believe this will provide the flexibility needed for a better, more personalized approach.

We've added a new statement to our general practices about supporting clients during an emergency. This approach helps us offer support measures that are timely, designed to address the unique circumstances of each emergency situation, and easy for clients to understand.

We're proud of our history for supporting clients in times of need and we stand-by our reputation for acting as industry leaders during natural disasters. Your safety is our top priority and we'll be here when you need us. If there's an emergency in your community, we're committed to working with you and helping keep your policy in good standing, so that you have reasonable access to the coverage you need.

Important changes to your Flood and/or Sewer Back-up coverage

We've made changes to combine our Flood and Sewer Back-up endorsements into one coverage. Since these can no longer be purchased separately, your policy now includes our new *combined* Flood and Sewer Back-up Endorsement.

If you previously had one of our separate endorsements, you're now protected from both causes of water damage which means you're more likely to be covered in the event of a loss. This simplifies the claims process so you can get back to business sooner.

Changes to your deductible and limits

Your deductible has changed from a flat dollar amount to a percentage of the insured loss, with minimum (\$2,500) and maximum (\$100,000) deductibles applying.

Because we've combined coverages, you may experience a small increase to your insured limit. Please review your Certificate of Insurance carefully and contact us for questions, or to discuss your coverage in detail.

Enhancements to your policy

We've improved how your data is protected. Introducing Cyber Guard Select.

Your Privacy Breach Liability – Claims Made and Reported coverage has been replaced with our new Cyber Guard Select Policy. Cyber Guard Select provides the robust and specialized data breach coverage you need in today's connected world. Similar limits and deductibles apply to your new coverage and the new wordings are included in your renewal package.

Your new Cyber Guard Select Policy protects you with:

- **Privacy Breach Expenses** coverage for lost personal and protected information affecting your business or customers, resulting in unexpected expenses or costs to comply with privacy laws.
- **Business Interruption Loss** to pay lost income and extra expenses due to a privacy breach or other cyber event.
- **Cyber Event Liability** coverage against third party lawsuits relating to a cyber event such as a data breach or cyber

attack.

- **Privacy Regulatory Liability** which pays fines or penalties that come from a regulatory proceeding.

Insurance for the digital age, made just for you.

To create the insurance protection you need, Cyber Guard Select lets you customize your policy with any of our 9 optional coverages.

- | | | |
|--------------------------|----------------------------|------------------------|
| - Cyber Extortion Threat | - Payment Card Loss | - Crisis Management |
| - Media Liability | - Social Engineering | - Funds Transfer Fraud |
| - Reward Expenses | - Telecommunications Fraud | - Digital Asset Loss |

Note: All optional Cyber Guard Select coverages will appear on your Certificate of Insurance, but only those with a dollar limit are covered under your policy.

Contact us to learn about higher available limits for the four standard coverages, and how our optional add-ons can keep your business protected.

Need expert claims support and advice? We've got you covered.

Looking for emergency support for a data breach event? Concerned your data has been compromised and need advice about a possible loss? As a Co-operators client, you have free access to claim advice and support from our partner CyberScout®, a trusted name in cyber security and protection. Experts are available 7 days a week to investigate and reduce the impact of breaches.

Whether responding to a cyber event or preventing one, look no further.

Along with the protection that comes with your Cyber Guard Select Policy, you have access to a host of digital breach response and prevention services.

A Breach Response team can keep your business up and running with counselling in crisis management, client notifications, media relations and legal support. Experts can also help prepare for a breach before it happens. Contact CyberScout for:

- incident response and security planning
- helpful resources on risk awareness and reduction
- access to security specialists to answer your questions

To report a potential breach, discuss a claim, or receive loss prevention advice call CyberScout toll-free at 1-833-258-4394.

Need expert legal assistance?

Talk to a lawyer and enjoy confidential legal assistance at no additional cost. It's a new service included with your policy.

Our Legal Assistance Helpline provides you with easy, convenient access to general legal assistance. We've added this free service as a new benefit that is automatically included with your policy. It covers almost any topic from contract disputes to employment or business-related issues, property concerns, tax investigations, and more.

There's no limit on the number or length of your calls. Using the service is not considered a claim and it won't affect your policy. The Legal Assistance Helpline is available from 8 a.m. to midnight local time, and 24/7 in emergency situations.

To take advantage of this new service simply call toll-free at 1-855-953-1431.

This service is administered by ARAG Legal Solutions Inc.

INSURED

OLD GRACE NOT FOR PROFIT HOUSING CO-OPERATIVE LTD
2-1271 SARGENT AVE
WINNIPEG MB R3E 0G3

Business Insurance Policy No. 1096425450

Underwritten by Co-operators General Insurance Company
(Hereinafter called the Insurer)

This Certificate of Insurance summarizes your coverages, and shows your policy's effective and expiry dates.

Any premium reimbursement issued by Co-operators General Insurance Company, during the term of your policy, will be made payable to the payor on file, as per the information provided by the insured.

For more information on your property and liability coverages, refer to the Your Coverages section of this policy. For information on your policy coverages, refer to cooperators.ca.

EFFECTIVE DATE

January 1, 2023 at 12:01 AM

EXPIRY DATE

January 1, 2024 at 12:01 AM

All times are local times at the postal address of the Insured.

Questions?

KRUT AGENCIES LTD at 204-669-4425
106-1100 CONCORDIA AVE
WINNIPEG, MB R2K 4B8

PROGRAM: CHF Canada

Insurance is provided for only those locations, operations, coverages and limits specifically indicated herein.

The following forms are applicable to all Property and Loss of Income coverages on this policy:

Insuring Agreements and Common Definitions, Exclusions and Conditions Forms (as per Province)

Communicable Disease Exclusion

Operations: Co-operatives - no mercantile occupancy

Location: 250,254,258 & 262, EVANSON STREET, WINNIPEG, MB R3G 2A5

	CO-INSURANCE	DEDUCTIBLE	LIMIT
Property			
Building Manuscript Form -		\$5,000	\$1,921,863
Building # 1: Housing Co-ops/Residential Condominiums - 4 UNITS -			
Town house - 2018 - 4788 Square feet			
2nd Mortgage - MANITOBA HOUSING AND RENEWAL			
CORPORATION, 200-352 DONALD ST, WINNIPEG MB, R3B 2H8			
Miscellaneous Endorsement			
FAL Guaranteed Replacement Cost for Building			
Contents Manuscript Form #3 - (Associated with Building #1) -		\$5,000	\$50,000
Earthquake Shock Endorsement		3%	
Flood and Sewer Back-up Endorsement			\$1,971,863
Deductible: The greater of \$2,500 or 2% of the total amount of insured loss or damage. Maximum Deductible \$100,000.			

(continued)

The policy contains a clause that may limit the amount payable.

Location: 250,254,258 & 262, EVANSON STREET, WINNIPEG, MB R3G 2A5 (continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
CHF Canada Program - Extension of Coverage Limits Summary			
(Please refer to the terms of the endorsement)			
Property Extensions - Limits of Insurance			
- Accounts Receivable			\$250,000
- Additional Living Expenses and Member/ Tenant Relocation Expense			\$1,000,000
- Arson Reward			\$10,000
- Automatic Fire Suppression System Recharge			Included
- Building By-Laws			Included
- Building Damage by Theft			\$10,000
- Civil Authority			Included
- Courier and Parcel Post			\$10,000
- Debris Removal - 25% of the direct loss or damage to the property insured plus \$50,000			
- Debris Removal - Windstorm			Included
- Electronic Data Processing System, Equipment and Media			Included
- Emergency Evacuation Expense			Included
- Environmental Alternatives - 10% \$50,000 maximum			
- Errors and Omissions			Included
- Exhibitions			\$50,000
- Extra Expense/Expediting Expense			\$250,000
- Fine Arts			Included
- Fire Department Charges			Included
- Fire Extinguishing Materials			Included
- Fungus, Mould or Spores resulting from an insured peril			Included
- Furs, Fur Garments, Jewels, Jewellery, Costume Jewellery, Watches, Pearls, Precious and Semi-precious Stones			\$5,000
- Glass			Included
- Growing Plants, Lawns, Trees, or Shrubs - Limit applies to any one occurrence			\$50,000
- Home Office			\$10,000
- Identity Theft			\$10,000
- Improvements and Betterments - Limit shown is the aggregate			\$250,000
- Inflation Protection			Included
- Installation			\$30,000

(continued)

Location: 250,254,258 & 262, EVANSON STREET, WINNIPEG, MB R3G 2A5 (continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
- Inventory Preparation Expenses			\$10,000
- Land and Water Pollution Clean Up			\$50,000
- Liberalization Clause			Included
- Lock Replacement Costs			\$10,000
- Master Key Coverage			\$250,000
- Newly Acquired Building(s), Equipment and Stock			\$1,500,000
- Newly Constructed Buildings			\$250,000
- Non Owned Locations			\$25,000
- Pair and Set			Included
- Parking Lots, Walkways, Roadways			\$250,000
- Personal Property of Officers and Employees - Limit applies to any one individual			\$5,000
- Professional Fees			\$500,000
- Proof of Loss Preparation Costs			\$10,000
- Property in Transit			\$250,000
- Removal of Insured Property - Number of Days			30
- Sewer Back-Up			Included
- Signs Including Street Clocks, Communication Towers, Antennae, and Satellite Receivers			Included
- Temporary or Unnamed Locations			\$250,000
- Third Party Vehicles			Included
- Vacancy - permission to remain vacant			Included
- Valuable Papers and Records			\$250,000
Business Income Extensions - Limits of Insurance			
- Additional Leasehold Expenses			Included
- Auditors' Fees			\$25,000
- Breach of Contract/leasehold interest			\$50,000
- Contingent Loss of Income - Neighbouring		no waiting period	Included
- Contingent loss of Income - Contributing/Recipient		no waiting period	Included
- Extra Expense			\$50,000
- Guaranteed Mortgage Rate - Number of Months			60
- Housing Charges and Rental income			Included
- Ingress/Egress - Number of Days			30
- Interruption by Civil Authority - Number of Days			30
- Newly Acquired Locations			\$250,000
- Off Premises Utilities Interruption		no waiting period	Included
General Conditions Endorsement			
- Cancellation or Termination - Total Days notice			60

Loss of Income

Loss of Income Manuscript Form - \$97,356

(continued)

Location: 250,254,258 & 262, EVANSON STREET, WINNIPEG, MB R3G 2A5 (continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
Period of Indemnity: 18 Months			

Location: 200 ARLINGTON STREET, WINNIPEG, MB R3G 0W6

	CO-INSURANCE	DEDUCTIBLE	LIMIT
Property			
Building Manuscript Form -		\$5,000	\$18,798,399
Building # 2: Housing Co-ops/Residential Condominiums - 60 UNITS			
- 2017 - 71788 Square feet			
1st Mortgagee - ASSINIBOINE CREDIT UNION c/o 2ND FLOOR, 200			
MAIN ST, PO BOX 2 STN MAIN, WINNIPEG MB, R3C 2G1			
2nd Mortgagee - MANITOBA HOUSING AND RENEWAL			
CORPORATION, 200-352 DONALD ST, WINNIPEG MB, R3B 2H8			
Miscellaneous Endorsement			
FAL Guaranteed Replacement Cost for Building			
Contents Manuscript Form #4 - (Associated with Building #2) -		\$5,000	\$50,000
Earthquake Shock Endorsement		3%	
Flood and Sewer Back-up Endorsement			\$18,848,399
Deductible: The greater of \$2,500 or 2% of the total amount of insured loss or damage. Maximum Deductible \$100,000.			

CHF Canada Program - Extension of Coverage Limits Summary

(Please refer to the terms of the endorsement)

Property Extensions - Limits of Insurance

- Accounts Receivable	\$250,000
- Additional Living Expenses and Member/ Tenant Relocation Expense	\$1,000,000
- Arson Reward	\$10,000
- Automatic Fire Suppression System Recharge	Included
- Building By-Laws	Included
- Building Damage by Theft	\$10,000
- Civil Authority	Included
- Courier and Parcel Post	\$10,000
- Debris Removal - 25% of the direct loss or damage to the property insured plus \$50,000	

(continued)

Location: 200 ARLINGTON STREET, WINNIPEG, MB R3G 0W6 (continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
- Debris Removal - Windstorm			Included
- Electronic Data Processing System, Equipment and Media			Included
- Emergency Evacuation Expense			Included
- Environmental Alternatives - 10% \$50,000 maximum			
- Errors and Omissions			Included
- Exhibitions			\$50,000
- Extra Expense/Expediting Expense			\$250,000
- Fine Arts			Included
- Fire Department Charges			Included
- Fire Extinguishing Materials			Included
- Fungus, Mould or Spores resulting from an insured peril			Included
- Furs, Fur Garments, Jewels, Jewellery, Costume Jewellery, Watches, Pearls, Precious and Semi-precious Stones			\$5,000
- Glass			Included
- Growing Plants, Lawns, Trees, or Shrubs - Limit applies to any one occurrence			\$50,000
- Home Office			\$10,000
- Identity Theft			\$10,000
- Improvements and Betterments - Limit shown is the aggregate			\$250,000
- Inflation Protection			Included
- Installation			\$30,000
- Inventory Preparation Expenses			\$10,000
- Land and Water Pollution Clean Up			\$50,000
- Liberalization Clause			Included
- Lock Replacement Costs			\$10,000
- Master Key Coverage			\$250,000
- Newly Acquired Building(s), Equipment and Stock			\$1,500,000
- Newly Constructed Buildings			\$250,000
- Non Owned Locations			\$25,000
- Pair and Set			Included
- Parking Lots, Walkways, Roadways			\$250,000
- Personal Property of Officers and Employees - Limit applies to any one individual			\$5,000

(continued)

Location: 200 ARLINGTON STREET, WINNIPEG, MB R3G 0W6 (continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
- Professional Fees			\$500,000
- Proof of Loss Preparation Costs			\$10,000
- Property in Transit			\$250,000
- Removal of Insured Property - Number of Days			30
- Sewer Back-Up			Included
- Signs Including Street Clocks, Communication Towers, Antennae, and Satellite Receivers			Included
- Temporary or Unnamed Locations			\$250,000
- Third Party Vehicles			Included
- Vacancy - permission to remain vacant			Included
- Valuable Papers and Records			\$250,000
Business Income Extensions - Limits of Insurance			
- Additional Leasehold Expenses			Included
- Auditors' Fees			\$25,000
- Breach of Contract/leasehold interest			\$50,000
- Contingent Loss of Income - Neighbouring		no waiting period	Included
- Contingent loss of Income - Contributing/Recipient		no waiting period	Included
- Extra Expense			\$50,000
- Guaranteed Mortgage Rate - Number of Months			60
- Housing Charges and Rental income			Included
- Ingress/Egress - Number of Days			30
- Interruption by Civil Authority - Number of Days			30
- Newly Acquired Locations			\$250,000
- Off Premises Utilities Interruption		no waiting period	Included
General Conditions Endorsement			
- Cancellation or Termination - Total Days notice			60

Loss of Income

Loss of Income Manuscript Form -			\$1,315,500
Period of Indemnity: 18 Months			

Equipment Breakdown

Equipment Breakdown Form (Including Production Machinery)	\$5,000	\$18,848,399
Production Machinery Deductible	\$7,500	
Spoilage	\$2,500	\$100,000

	CO-INSURANCE	DEDUCTIBLE	LIMIT
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Accident

Blanket Accident Insurance Form

(continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
Principal Sum			\$200,000
Weekly Indemnity-Temporary Total Disability			\$1,000
Blanket Medical Reimbursement			\$25,000
Aggregate Limit per Accident			\$5,000,000
Schedule of Insured Positions:			
Directors and Officers, Volunteers			
Miscellaneous Endorsement			
FAL Group Accident Insurance - Schedule of Insured persons and Benefits - Volunteers			

Crime

Crime Standard Conditions Form			
Comprehensive Dishonesty, Disappearance and Destruction Form			
Employee Dishonesty Coverage - Commercial Blanket Bond			\$50,000
Money and Securities - Loss Inside the Premises			\$50,000
Money and Securities - Loss Outside the Premises			\$50,000
Money Orders and Counterfeit Paper Currency			\$50,000
Depositors Forgery			\$250,000
Credit Card, Debit Card or Automated Teller Card Fraud			\$25,000
Professional Fees			\$25,000
Amended Definition of Employee - Directors Endorsement			
Computer Fraud or Funds Transfer Fraud Endorsement			\$50,000
Money and Securities - Loss Outside the Premises Extension Endorsement			
Miscellaneous Endorsement			\$25,000
Credit Card, Debit Card Or Automated Teller Card Fraud			
Miscellaneous Endorsement			\$25,000
Professional Fees			

Liability

Commercial General Liability Policy - Occurrence Basis			
Bodily Injury and Property Damage Liability			
Each Occurrence Limit			\$5,000,000
Products-Completed Operations Aggregate Limit			\$5,000,000
Each Occurrence Deductible - Property Damage		\$500	
Personal and Advertising Injury Liability			\$5,000,000
Medical Expense Limit - Any One Person			\$25,000
Tenants' Legal Liability Limit - Any One Premises			\$2,000,000
Each Occurrence Deductible - Property Damage		\$500	
Abuse Limited Liability Coverage Endorsement			\$500,000
Employee Benefits Errors and Omissions Liability Endorsement		\$500	\$2,000,000

(continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
Employers' Bodily Injury Liability Endorsement			
Forest Fire Fighting Expenses Endorsement		\$1,000	\$2,000,000
Fungi and Fungal Derivatives Limited Liability Endorsement - Products and Completed Operations and Premises		\$500	\$100,000
Miscellaneous Endorsement Elevator And/Or Hoist Collision Extension Endorsement		\$1,000	\$2,000,000
Miscellaneous Endorsement Amending Notice of Termination Clause in CGL to 60 days			
Miscellaneous Endorsement FAL Abuse Limited Liability Coverage Extension			
Miscellaneous Endorsement Watercraft exclusion in CGL does not apply to watercraft of 30 meters or less			
Additional Insured(s): ASSINIBOINE CREDIT UNION Brydges Property Management MANITOBA HOUSING AND RENEWAL COR THE CITY OF WINNIPEG, CORPORATE FINANCE INSURANCE SECTION			
Non-owned Automobile Liability			\$5,000,000
Contractual Liability Endorsement			
Legal Liability for Damage to Hired Vehicles Endorsement			\$100,000
Excluding Long Term Leased Vehicle Endorsement			
Reduction of Coverage for Lessees or Drivers of Leased Vehicles Endorsement			
Limited Pollution Liability Form - Claims Made		\$5,000	
Pollution Incident Limit			\$500,000
Aggregate Limit			\$500,000

Cyber Guard

Coverage is provided only if a Limit of Insurance is shown below
opposite a coverage description:

Cyber Guard Select Policy

Aggregate Limit		\$250,000
Pending or Prior Litigation Date: January 1, 2018		
Extended Reporting Period = 1 year 100% of annual premium		

Liability Coverages

Media Liability	—	—
Cyber Event Liability	\$0	\$250,000
Privacy Regulatory Liability	\$0	\$250,000

Expense and Loss Coverages

(continued)

	CO-INSURANCE	DEDUCTIBLE	LIMIT
Privacy Breach Expenses		\$0	\$25,000
Business Interruption Loss			\$25,000
Waiting Period 24 Hours			
Digital Asset Loss		—	—
Cyber Extortion Threat		—	—
Reward Expenses		—	—
Crisis Management		—	—
Payment Card Loss		—	—
Social Engineering		—	—
Funds Transfer Fraud		—	—
Telecommunications Fraud		—	—
<hr/>			
Non-Taxable Premium			\$42,121.00
Taxable Premium			\$0.00
Total Policy Cost			\$42,121.00



Robert Wesseling
President and Chief Executive Officer
Authorized Signature of Insurer

INSURING AGREEMENTS AND COMMON DEFINITIONS, EXCLUSIONS AND CONDITIONS FORM - APPLICABLE TO ALL PROVINCES EXCEPT THE PROVINCES OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO AND QUEBEC

Applicable to all Property and Business Interruption coverages of this Policy.

Words and phrases in quotation marks have special meaning as defined in the Common Definitions.

I. Insuring Agreements

The Insurer, in consideration of payment of the premium, in reliance upon and subject to the statements in the application made a part of this Policy and subject to all the terms and conditions of this Policy, the “Certificate of Insurance” and the Forms, Schedules and Endorsements attached, agrees with the Named Insured as follows:

A. Indemnity Agreement

In the event that insured property is lost or damaged during the policy period by an insured peril, the Insurer will indemnify the Insured against the direct loss or damage so caused to an amount not exceeding whichever is the least of:

1. the value of the lost or damaged property as determined in the applicable Form or Endorsement;
2. the interest of the Insured in the property;
3. the Limit of Insurance specified in the “Certificate of Insurance” for the lost or damaged property.

The inclusion of more than one person or interest shall not increase the Insurer’s liability.

B. Extensions of Coverage

The following extensions of coverage shall not increase the Limits of Insurance stated in the “Certificate of Insurance” and are subject to all the conditions of this Form.

1. **Removal:** If any of the insured property is necessarily removed from the “Premises” or “Project Site” to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this Policy that exceeds the amount of the Insurer’s liability for any loss already incurred shall, for 30 days only, or for the unexpired term of the Policy if less than 30 days, insure the property removed and any property remaining at the “Premises” or “Project Site” in the proportions which the value of the property in each of the locations bears to the value of the property in them all.
2. **a. Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the “Premises” or “Project Site” of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this Policy.
The amount payable under this extension shall not exceed 25% of the sum of:
 - i. the total amount payable for the direct loss of or damage to insured property; and
 - ii. the amount of the applicable deductible.
- b. Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this Policy but which has been blown by windstorm upon the “Premises” or “Project Site”.

Extensions of coverage **2. a.** and **2. b.** do not apply to costs or expenses:

1. to “Clean Up” “Pollutants” from land or water; or
2. for testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

Debris removal expense shall not be considered in the calculation of the value as determined in the applicable Form or Endorsement for the purpose of applying Co-insurance.

II. Common Exclusions

A. War Exclusion

This Policy does not insure against loss or damage caused by, related to, directly or indirectly, in whole or in part, by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. 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 loss or damage.

B. Nuclear Exclusion

This Policy does not insure against loss or damage caused by, related to, directly or indirectly, in whole or in part:

1. By any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
2. By contamination by radioactive material.

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 loss or damage.

C. Bylaw Exclusion

This Policy does not insure against loss or damage caused by, related to, directly or indirectly, in whole or in part, arising in consequence of or contributed to by the enforcement of any bylaw, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which bylaw, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

D. Data and Cyber Exclusion

Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this policy excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "data", including any amount pertaining to the value of such "data".
2. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a "computer system", except as follows;

Subject to all other terms, conditions and exclusions contained in this policy, this policy will insure direct physical loss of or damage to property insured under the policy and any "time element loss" directly resulting therefrom, provided this policy insures for any "time element loss", where such direct physical loss of or damage to property insured is directly caused by any of the following perils, provided these perils are insured by this policy and not otherwise excluded:

- a. fire,
- b. lightning,
- c. explosion,
- d. aircraft or vehicle impact,
- e. falling objects,
- f. windstorm,
- g. hail,

- h. tornado,
- i. cyclone,
- j. hurricane,
- k. earthquake,
- l. volcano,
- m. tsunami,
- n. flood,
- o. freeze,
- p. weight of snow.

E. Pollution Exclusion

This Policy does not insure against:

1. loss or damage caused by, related to, directly or indirectly in whole or in part, by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”, nor the cost or expense of any resulting “Clean Up”. This exclusion does not apply:
 - a. if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants” is directly caused by a peril not otherwise excluded in this Policy; or
 - b. to loss or damage caused directly by a resultant peril not otherwise excluded in this Policy;
2. cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

F. Fungi and Spores Exclusion

This Policy does not insure against:

1. loss or damage caused by, related to, directly or indirectly, in whole or in part, by any “Fungi” or “Spores”.

This exclusion does not apply:

 - a. if the “Fungi” or “Spores” are directly caused by a peril not otherwise excluded in this Policy; or
 - b. to loss or damage caused directly by a resultant peril not otherwise excluded in this Policy;
2. the cost or expense for any testing, monitoring, evaluating or assessing of “Fungi” or “Spores”.

G. Terrorism Exclusion

This Policy does not insure loss or damage caused by, related to, directly or indirectly, in whole or in part, by “Terrorism” or by any activity or decision of a government agency or other entity to prevent, respond to or terminate “Terrorism”. 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 loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to law or statute, the remainder shall remain in full force and effect.

III. Common Definitions

Wherever used in this Policy:

- A. **“Certificate of Insurance”** means the page(s) of your Policy which provide the specifics of your insured coverages and limits including any supplementary pages or schedule of coverages attached thereto applicable to this Policy subject to the terms and conditions of this Policy.
- B. **“Clean Up”** means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of “Pollutants”, including testing which is integral to any of these processes.

- C. **“Computer system”** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
- D. **“Data”** means representations of information or concepts, in any form.
- E. **“Fire Protective Equipment”** includes tanks, watermain, hydrants, valves and any other apparatus whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:
 - 1. branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
 - 2. any watermain or appurtenances located outside of the “Premises” or “Project Site” and forming a part of the public water distribution system;
 - 3. any pond or reservoir in which the water is impounded by a dam.
- F. **“Fungi”** includes, but is not limited to, any form or type of mould, yeast, mushroom, mildew, wet or dry rot or bacteria, whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any “Fungi” or “Spores” or resultant mycotoxins, allergens or pathogens.
- G. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
- H. **“Premises”** means the entire area within the property lines and areas under adjoining sidewalks and driveways at:
 - 1. each location described in the “Certificate of Insurance”;
 - 2. Temporary Locations and any Newly Acquired Location, if covered by this Policy; and in or on vehicles within 100 metres (328 feet) of such locations.
- I. **“Project Site”** means the site of the project described in the “Certificate of Insurance”.
- J. **“Specified Perils”** means:
 - 1. **Fire or Lightning**
 - 2. **Explosion:** Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:
 - a. i. 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;
 - ii. piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
 - iii. the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
 - iv. smelt dissolving tanks;
 - b. other vessels and apparatus, and connected pipes, 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 except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;

- c. moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- d. any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
- e. gas turbines.

The following are not explosions within the intent of this section:

- 1. electric arcing or any coincident rupture of electrical equipment due to such arcing;
- 2. bursting or rupture caused by hydrostatic pressure or freezing;
- 3. bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

- 3. **Impact by Aircraft, Spacecraft or Land Vehicle:** The terms Aircraft and Spacecraft include articles dropped from them.

There shall in no event be any liability for cumulative damage or for loss or damage:

- a. caused by land vehicles belonging to or under the control of the Insured or any of the Insured's employees;
- b. to aircraft, spacecraft or land vehicles causing the loss;
- c. caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "Building".

- 4. **Smoke:** means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.

- 5. **Leakage from "Fire Protective Equipment":** means:

- a. the leakage or discharge of water or other substance from;
- b. the collapse of; or
- c. the rupture due to freezing of;

"Fire Protective Equipment" for the "Premises", "Project Site" or for adjoining structures.

- 6. **Windstorm or Hail:** There shall in no event be any liability for loss or damage:

- a. to the interior of the "Building" or to "Contents" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- b. directly or indirectly caused by any of the following whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

- K. **"Spores"** includes but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "Fungi".
- L. **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
- M. **"Time element loss"** means business interruption, contingent business interruption or any other consequential losses.

IV. Policy Conditions

Where the terms and conditions of this Policy, the "Certificate of Insurance" and the Forms, Schedules and Endorsements attached thereto are in conflict with the applicable Provincial statutes, the interpretation most favourable to the Insured shall prevail.

A. Subrogation

The Insurer, upon making any payment or assuming liability for payment under this Policy, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights.

All rights of subrogation are waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this Policy.

Where the net amount recovered, after deducting the costs of recovery, is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively.

Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

B. Enhancement Clause

If the Insurer in its sole discretion elects to broaden coverage under this Policy without any additional premium during the policy period, the broadened coverage will immediately apply to this Policy.

C. Recovery by Innocent Persons

If a contract contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an Insured or any other person, the exclusion applies only to the claim of a person

1. whose act or omission caused the loss or damage,
2. who abetted or colluded in the act or omission,
3. who
 - a. consented to the act or omission, and
 - b. knew or ought to have known that the act or omission would cause the loss or damage, or
 - c. who is not a natural person

provided that coverage shall only apply if the insured

- i. co-operates with the insurer in respect of the investigation of the loss, including, without limitation, by submitting to an examination under oath, if requested by the insurer, and
- ii. produces for examination, at such reasonable place and time as is designated by the insurer, all documents that relate to the loss in addition to those required by the contract.

Nothing in the above paragraph allows an insured to recover more than that insured's proportionate interest in the lost or damaged property.

D. Examination Under Oath

After a loss which may be insured under this policy, the Insured shall, upon the Insurer's request:

1. submit to an examination under oath, and produce for the examination, at a reasonable place and time as designated by the Insurer, all documents in the Insured's possession or control that relate to the matters in question, and permit extracts and copies to be made;
2. use reasonable best efforts to produce employees or others for examination under oath.

The Insured shall not interfere in any negotiation for settlement or in any legal proceeding.

V. Statutory Conditions

The Statutory Conditions below apply to the peril of fire and, as modified or supplemented by Forms or Endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this Policy.

A. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in

order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

B. Property of Others

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured in such property is stated in the contract.

C. Change of Interest

The Insurer shall be liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

D. Material Change

Any change material to the risk and within the control and knowledge of the Insured voids the contract as to the part 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. In a default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

E. Termination

1. This contract may be terminated:
 - a. by the Insurer giving to the Insured written notice of termination at least:
 - i. five days before the effective date of termination if personally delivered;
 - ii. 15 days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or
 - iii. 30 days before the effective date of termination if the contract is terminated by registered mail for any other reason.
 - b. by the Insured at any time on request.
2. When this contract is terminated by the Insurer:
 - a. the Insurer shall refund the excess of premium actually paid by the Insured(s) over the pro rata premium for the expired time, subject to any minimum retained premium specified; and
 - b. the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
3. When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
4. The refund may be made by money, postal or express company money order or cheque payable at par.
5. The 15 and 30 days mentioned in clauses 1. a. ii. and iii. of this condition commence to run on the day following the receipt of the registered letter at the post office to which it is addressed.

F. Requirements After Loss

1. Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if loss or damage is covered by the contract, in addition to observing the requirements of Conditions I., J., and K.:
 - a. immediately give notice of the loss or damage in writing to the Insurer;

- b. deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
 - i. giving a complete inventory of the lost, destroyed or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
 - ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
 - iii. stating that the loss did not occur through any wilful act or neglect or procurement, means or connivance of the Insured;
 - iv. showing the amount of other insurances and the names of other Insurers;
 - v. showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property;
 - vi. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
 - vii. showing the place where the property insured was at the time of loss;
 - c. if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
 - d. if required, and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
2. The evidence furnished under clauses 1. c. and d. of this condition shall not be considered proofs of loss within the meaning of Conditions L. and M.

G. Fraud

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.

H. Who May Give Notice and Proof

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

I. Salvage

- 1. The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location;
- 2. The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-section 1. of this condition.

J. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.

K. Appraisal

In the event of disagreement as to the value of the insured property or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until proof of loss has been delivered.

L. When Loss Payable

The loss is payable within 60 days after completion of the proof of loss, unless the contract provides for a shorter period.

M. Replacement

1. The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention to do so within 30 days after receipt of the proof of loss;
2. In that event, the Insurer shall commence to repair, rebuild, or replace the property within 45 days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

N. Action

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.

O. Notice

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "Registered" means registered in or outside Canada.

CYBER GUARD SELECT POLICY

THIS POLICY CONTAINS A CLAUSE THAT MAY LIMIT THE AMOUNT PAYABLE

The Liability Insuring Agreements of this Policy provide claims-made coverage which applies only to "Claims" first made during the "Policy Period", or an applicable "Extended Reporting Period". Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning. The titles of the various sections, paragraphs, and clauses of this Policy and any endorsements attached to this Policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

In consideration of the payment of the premium, in reliance upon the statements made in the "Application" for this insurance which are made a part hereof, the Insurer agrees to provide insurance as follows:

Section 1. Insuring Agreements

1. Liability Coverages

A. Media Liability

The Insurer will pay on behalf of the "Insured", all "Damages" and "Defence Costs", resulting from any "Claim" first made against the "Insured" during the "Policy Period" or, if applicable, during the "Extended Reporting Period", alleging a "Media Wrongful Act".

B. Cyber Event Liability

The Insurer will pay on behalf of the "Insured" all "Damages", and "Defence Costs", resulting from any "Claim" first made against the "Insured" during the "Policy Period" or, if applicable, during the "Extended Reporting Period", for a "Cyber Event".

C. Privacy Regulatory Liability

The Insurer will pay on behalf of the “Insured” all “Damages”, and “Defence Costs”, resulting from any “Claim” first made against the “Insured” during the “Policy Period” or, if applicable, during the “Extended Reporting Period”, for a “Regulatory Proceeding”.

2. Expense and Loss Coverages

E. Privacy Breach Expenses

The Insurer will pay on behalf of the “Insured” all “Privacy Breach Expenses” resulting from a “Cyber Event” first “Discovered” during the “Policy Period”, provided the “Privacy Breach Expenses” are incurred within one (1) year of the expiration of the “Policy Period”.

F. Business Interruption Loss

The Insurer will pay on behalf of the “Insured” all:

- a. “Business Interruption Loss”, subject to the “Waiting Period”, the “Insured” incurs during the “Period of Restoration” directly resulting from a “Network Outage” that first occurs during the “Policy Period”;

The “Failure of Security” causing the “Network Outage” and the “Business Interruption Loss”, must each first occur during the “Policy Period” and be solely the result of an unintentional breach or violation by the “Insured” of any “Privacy Law” or common law right to privacy.

G. Digital Asset Loss

The Insurer will pay on behalf of the “Insured” all “Digital Asset Loss” the “Insured” sustains resulting from a “Failure of Security” of the “Insured’s” “Computer System” or of a “Computer System” maintained or operated by an “Outside Service Provider” on behalf of the “Insured”, first “Discovered” during the “Policy Period”.

H. Cyber Extortion Threat

The Insurer will pay on behalf of the “Insured” all “Extortion Expense” and “Extortion Monies” resulting directly from any “Credible Threat” that includes a demand for “Extortion Monies” first “Discovered” during the “Policy Period”.

I. Reward Expenses

The Insurer will pay on behalf of the “Insured” all “Reward Expenses” arising from a “Credible Threat” or “Cyber Event” first “Discovered” during the “Policy Period”.

J. Crisis Management

The Insurer will pay on behalf of the “Insured” all “Crisis Expenses” of an “Insured Organization” incurred in connection with a “Crisis” first “Discovered” during the “Policy Period”.

K. Payment Card Loss

The Insurer will pay on behalf of the “Insured” all “Payment Card Loss” arising directly from a “Payment Card Wrongful Act” first “Discovered” during the “Policy Period”.

L. Social Engineering

The Insurer will pay on behalf of the “Insured” all “Social Engineering Loss” arising directly from “Social Engineering Fraud” first “Discovered” during the “Policy Period”.

M. Funds Transfer Fraud

The Insurer will pay on behalf of the “Insured” all “Funds Transfer Fraud Loss” arising directly from “Funds Transfer Fraud” first “Discovered” during the “Policy Period”.

N. Telecommunications Fraud

The Insurer will pay on behalf of the “Insured” all “Telecommunications Fraud Loss” arising directly from “Telecommunication Fraud” first “Discovered” during the “Policy Period”.

Section 2. Definitions

As used in this Policy, the following words or expressions shall mean:

1. **"Actual Loss":**

- a. Net Sales less the cost of sales expenses the "Insured" would have earned or incurred had there been no "Network Outage"; and
- b. Continuing normal operating expenses incurred by the "Insured", including ordinary payroll expenses, provided such operating expenses must continue during the "Network Outage" and only to the extent that such expenses would have been incurred by the "Insured" had no "Network Outage" occurred.

2. **"Advertising":**

a notice that is broadcast or published to the general public or specific market segments about the "Insured's" goods, products or services for the purpose of attracting customers or supporters.

3. **"Application":**

all signed "Applications", any attachments to such "Applications", other materials submitted therewith or incorporated therein, and any other documents submitted to the Insurer in connection with the underwriting of this Policy or any policy of which this Policy is a renewal or replacement. All such "Applications" are deemed attached to and incorporated into this Policy.

4. **"Business Interruption Loss":**

the sum of "Actual Loss", and "Extra Expense" resulting directly from a "Network Outage". "Business Interruption Loss" will be calculated based on the actual "Business Interruption Loss" the "Insured" sustains per hour during the "Period of Restoration". If an "Insured" could reduce the "Actual Loss" or "Extra Expense" resulting from a "Network Outage" by complete or partial resumption of operations, such reductions will be taken into account in arriving at "Actual Loss" or "Extra Expense".

"Business Interruption Loss" does not include:

- a. Contractual penalties of any nature;
- b. Cost or expenses incurred to identify or remediate "Computer System" errors or vulnerabilities;
- c. Cost or expenses incurred to update, restore, replace or otherwise improve any "Computer System" to the level of functionality beyond that which existed prior to the "Event";
- d. Any other consequential loss or damage;
- e. Legal costs or legal expenses of any nature; and
- f. "Damages" arising out of liability to any "Third Party" for whatever reason.

5. **"Change in Control":** the "Named Insured" is merged, consolidated with or acquired by another entity, or entities acting in concert, such that the "Named Insured" is no longer a surviving entity, and/or the acquiring party has the right to elect at least fifty percent (50%) of the directors of the "Named Insured", and/or all or substantially all of the "Named Insured's" assets are acquired by another entity.

6. **"Claim":**

- a. Any written demand for monetary, injunctive or non-monetary relief made against the "Insured" including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process;
- b. A civil proceeding against an "Insured" commenced by the issuance or filing of notice of action, statement of claim, writ of summons, complaint or similar originating notice of claim;
- c. For the purpose of Insuring Agreement 1.C, a "Regulatory Proceeding" only;
- d. A criminal proceeding against an "Insured" commenced by the receipt of notice of charges, statement of allegations, laying of an information, arrest, the return of an indictment or information, or similar document (including any appeal therefrom).

7. **“Computer System”**: computer hardware, software, firmware, and components thereof, including electronic data stored thereon, which are linked together through a network or two or more computers, including such networks accessible through the “Internet”, intranets, extranets or virtual private networks.
8. **“Content”**: audio, visual, digital or informational material that is disseminated by any means under the authorization and control of the “Insured”.
9. **“Control Group”**: an “Insured Organization’s” Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Technology Officer, General Counsel, Risk Manager, or the organizational or functional equivalent of such positions.
10. **“Coverage Territory”** anywhere in the world.
11. **“Credible Threat”**: threat or series of related threats directed at an “Insured” to:
 - a. Release, divulge, disseminate, destroy or use “Protected Information” of an “Insured” acquired by “Unauthorized Access” or “Unauthorized Use” of the “Insured’s” “Computer System”;
 - b. Alter, corrupt, damage, manipulate, delete or destroy (including encrypt, lock down, or otherwise render unreadable or unusable) the “Insured’s” “Digital Assets”
 - c. Introduce “Malicious Code” into the “Computer System” of the “Insured”;
 - d. Transmit “Malicious Code” from the “Insured’s” “Computer System” to corrupt, damage or destroy the “Computer System” of a “Third Party”; or
 - e. Corrupt, damage, destroy, or restrict or inhibit access to the “Computer System” of the “Insured” or of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the “Insured”, including the threat of criminal or malicious “Denial of Service”.
12. **“Crisis”**: any actual or alleged negative publicity against the “Insured Organization” that has been publicised through any media channel, including television, print media, radio or the World Wide Web, resulting from a “Claim” or “Event” that is covered under this Policy.
13. **“Crisis Expenses”**: reasonable costs, charges, fees and expenses incurred by the “Insured Organization”, with the prior written consent of the Insurer, for services provided by a lawyer or public relations consultant solely for the purpose of responding to a “Crisis” and averting or mitigating damage to and restoring the “Insured Organization’s” reputation or brands. “Crisis Expenses” shall not include any “Privacy Breach Expenses”.
14. **“Cyber Event”**:
 - a. With respect to Insuring Agreements 1.B or 1.C, any actual or alleged breach of duty, act, error or omission, by or on behalf of the “Insured” that results in or is based upon a “Cyber Event” as referenced in any of paragraphs (b) (i) through (iii) Immediately below; and
 - b. With respect to Insuring Agreements 2.E or 2.I any:
 - i. Actual or reasonably suspected “Failure of Security”;
 - ii. Actual or reasonably suspected failure by an “Insured”, or an “Outside Service Provider” to, properly protect and keep secure, handle, manage, store, or destroy “Protected Information”; or
 - iii. Unintentional breach or violation by the “Insured” of any “Privacy Law” or common law right to privacy.
15. **“Cyberterrorism”**: any actual, alleged or threatened attack perpetuated electronically by any person or group, whether acting alone or on behalf of, or in connection with any organization or government, committed for political, religious, social, ideological or similar purposes, or with the apparent intention to cause harm or to intimidate any person or entity in furtherance of such objectives, which results in total or partial interruption, degradation in service or failure of the “Computer System” of the “Insured” or of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the “Insured”.

16. **“Damages”**: the amount that an “Insured” is obligated to pay, including but not limited to “Damages”, settlements, and judgments. “Damages” shall also include:
- Costs awarded against the “Insured” in respect of any judgment or appeal;
 - Punitive, aggravated or exemplary damages to the extent that such “Damages” are insurable under the law most favourable to the insurability of such “Damages” of any jurisdiction which has a substantial relationship to the “Insured”, the Insurer, this Policy or the “Claim”; and
 - Pre- and post – judgment interest on any award or settlement of “Damages” arising from paragraphs (a) or (b) above;
- “Damages” shall not include:
- Taxes, fines, penalties or sanctions, except for civil monetary fines or penalties arising in a “Regulatory Proceeding” under Insuring Agreement 1.C;
 - Future profits, future royalties, costs of licensing, or other costs of obtaining future use;
 - Restitution or disgorgement by any “Insured”;
 - The cost of correcting, or re-performing any services provided by the “Insured”;
 - Discounts, coupons, refunds or other incentives offered to the “Insured’s” customers or clients;
 - Matters that are uninsurable under the law pursuant to which this Policy is construed;
 - The return of fees, expenses, costs, chargebacks, chargeback fees, interchange fees or rates, transfer fees, transaction fees, discount fees, merchant service fees or prospective service fees, or other compensation paid to or charged by the “Insured”;
 - The multiple portion of a multiplied damage award;
 - Assessments, fines, penalties, or other cost recovery mechanisms of payment card companies including but not limited to counterfeit card recovery costs, operating expense recovery costs, and assessments and/or disqualification for noncompliance; or
 - “Expenses and Losses”.
17. **“Defence Costs”**: all reasonable and necessary costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of any “Insured”) incurred by the Insurer, or by the “Insured” with the prior written consent of the Insurer, in the defence, investigation, adjustment, settlement or appeal of any “Claims” for which coverage is afforded under this Policy, and the premium for appeal, attachment, advancement of costs or similar bonds arising out of covered judgements. “Defence Costs” are part of and not in addition to all limits of liability applicable to this Policy, except where required by the laws of the Province of Quebec, including the Policy Aggregate Limit and any applicable Shared Limit of Liability or Separate Limit of Liability.
- “Defence Costs” do not include “Privacy Breach Expenses”.
18. **“Denial of Service”**: an attack launched by a person or persons that sends an excessive volume of electronic data to a “Computer System” in order to deplete such “Computer System’s” capacity, and prevents those who are authorized to do so from gaining access to such “Computer System” in a manner in which they are legally entitled, provided such depletion of capacity is not caused by a mistake in determining capacity needs.
19. **“Digital Assets”**:
- Software or other information, stored electronically on any “Computer System” of the “Insured” or of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the “Insured”, which is subject to regular back-up procedures; or
 - Capacity to store, process or transmit over the “Internet” information of any “Computer System” of the “Insured” or of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the

“Insured”, including without limitation, memory, bandwidth, or processor time, use of communication facilities and any other computer-connected equipment.

20. “Digital Asset Loss”:

The reasonable and necessary costs incurred by the “Insured” to:

- a. “Restore” or “Recollect” its “Digital Assets” that have been altered, corrupted, destroyed, disrupted, deleted or damaged. In the event the “Insured” is not able to “Restore” or “Recollect” such “Digital Assets”, the “Digital Asset Loss” will mean only the reasonable and necessary costs incurred by the “Insured” to reach this determination; or
- b. Replace or repair physical hardware or equipment that is part of an “Insured’s” “Computer System” which has been damaged electronically but has not sustained any property damage, and which, in the sole discretion of the Insurer, it is determined to:
 - i. Be more practical and cost-effective to physically repair or replace such hardware or equipment rather than to “Restore” or “Recollect” the Digital Assets thereon; or
 - ii. Be permanently vulnerable or unstable due to the corruption or destruction of firmware previously thereon.

However, such coverage (Bricking Coverage) as provided by subparagraph 20 (b) shall only be available up to the sublimit of liability as shown in the “Certificate of Insurance”.

“Digital Asset Loss” does not include:

- i. Loss arising out of any liability to “Third Parties” for whatever reason;
- ii. Costs and expenses incurred by the “Insured” to update, upgrade, enhance or replace the “Insured’s” “Digital Assets” to a level beyond that which existed prior to the “Failure of Security”;
- iii. Legal costs or legal expenses;
- iv. Loss arising out of any physical damage to or destruction of the computer hardware, firmware or any other property except “Digital Assets”, however this subparagraph (iv) does not apply to Bricking Coverage as described in paragraph 20 (b);
- v. That part of any “Digital Asset Loss” for which the proof as to its existence or amount is solely dependent on an inventory computation or comparison; or a profit and loss computation or comparison; provided, however, where the “Insured” establishes wholly apart from such comparison that it has sustained a “Digital Asset Loss”, then it may offer its inventory records and actual physical count of inventory in support of the amount of such “Digital Asset Loss” claimed;
- vi. The costs or expenses incurred for researching or developing “Digital Assets”;
- vii. The economic or market value of, or the monetary value of lost market share, profits, or royalties related to any “Digital Assets”, including without limitation “Trade Secrets”;
- viii. Costs or expenses incurred to identify and remove software program errors or vulnerabilities; or
- ix. The monetary value of any electronic fund transfers or transactions by the “Insured” or on the “Insured’s” behalf, which is lost, diminished or damaged during transfer from, into or between the “Insured’s” accounts.

21. “Discovered”: the date when there is evidence that is known to any member of the “Control Group” that would cause them to reasonably believe that an “Event” has been or is likely to result in “Expenses and Losses” even though the exact amount or detail of such “Expenses and Losses” may not be known at that time.

22. “Employee”: any past, present or future “Employee”, including part-time, seasonal, “Leased Worker”, “Temporary Worker” or an “Individual Contracted Worker”, but only with respect to the conduct of the “Insured’s” business and only while acting within the scope of their duties as such.

23. **“Event”**: any “Cyber Event”, “Network Outage”, “Failure of Security”, “Credible Threat”, “Crisis”, “Payment Card Wrongful Act”, “Social Engineering Fraud”, “Funds Transfer Fraud” or “Telecommunications Fraud”.
24. **“Expenses and Losses”**: any “Privacy Breach Expense”, “Business Interruption Loss”, “Digital Asset Loss”, “Extortion Expense”, “Extortion Monies”, “Reward Expenses”, “Crisis Expenses”, “Payment Card Loss”, “Social Engineering Fraud Loss”, “Funds Transfer Fraud Loss” or “Telecommunications Fraud Loss”
25. **“Extended Reporting Period”**: any “Extended Reporting Period” applicable pursuant to **Section 9** of this Policy.
26. **“Extortion Expense”**: the reasonable expense other than “Extortion Monies” incurred by the “Insured” with the Insurer’s prior written consent in response to a “Credible Threat”. Such consent will not be unreasonably withheld.
27. **“Extortion Monies”**: any “Funds” or property (including cryptocurrencies or other consideration) paid by the “Insured”, with the Insurer’s prior written consent, to a person reasonably believed to be responsible for a “Credible Threat” insured under Insuring Agreement 2. H, for the purpose of terminating that threat and all residual effects. Such consent will not be unreasonably withheld.
28. **“Extra Expense”**: necessary or reasonable expenses incurred by the “Insured” directly as a result of a “Network Outage”, but only to the extent such expense reduces “Actual Loss”.
29. **“Failure of Security”** the actual or reasonably suspected;
 - a. Failure or inability of the “Security” of the “Insured’s” “Computer System” or of a “Computer System” maintained or operated by an “Outside Service Provider” on behalf of the “Insured”, to prevent “Unauthorized Access” to or “Unauthorized Use” of such “Computer System” or corruption or deletion of “Digital Assets” held by such “Computer System”;
 - b. Receipt or transmission of a “Malicious Code” or “Denial of Service” by the “Insured’s” “Computer System” or by a “Computer System” maintained or operated by an “Outside Service Provider” on behalf of the “Insured”; or
 - c. Failure or inability to prevent the physical theft of hardware or firmware in the possession or control of the “Insured” or an “Outside Service Provider”, on which “Protected Information” entrusted to the “Insured” is stored electronically; or
 - d. Any of the above resulting from the theft of a password or access code by non-electronic means in direct violation of the “Insured’s” specific written policies and procedures regarding “Security”.

Any failures, interruptions, suspensions and delays of a “Computer System” of the “Insured” or of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the “Insured”, that results in the same or interrelated “Failure of Security” will be considered a single “Failure of Security”, regardless of the number of such failures, interruptions, suspensions or delays or dates when such failures, interruptions, suspensions or delays happened.
30. **“Fissionable Substance”**: any prescribed substance that is, or from which can be obtained a substance, capable of releasing atomic energy by nuclear fission.
31. **“Funds”**: “Money” and “Securities”.
32. **“Funds Transfer Fraud”**: any transfer of “Funds” resulting directly from “Unauthorized Access” to the “Insured’s” “Computer System” or to the “Computer System” of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the “Insured”.
33. **“Funds Transfer Fraud Loss”**: “Funds” of the “Insured” lost directly due to “Funds Transfer Fraud”
34. **“Identity Theft”**: the misappropriation of “Protected Information” of customers or members that is in the “Insured’s” care, custody and control or stored in any “Computer System” of the “Insured”, or of an “Outside Service Provider” who operates or maintains a “Computer System” on behalf of the “Insured”, which has resulted in, or could reasonably be expected to result in, the wrongful or fraudulent use of such information.

35. **“Individual Contracted Worker”**: an individual person hired under contract by the “Insured Organization” for a specific task, but only while acting within the scope of their duties for the “Insured Organization” and performing duties related to the conduct of the “Insured Organization’s” business under the “Insured’s” direction.
36. **“Insured”**:
- a. The “Insured Organization”;
 - b. Past, present or future director (whether elected, appointed, or de facto), officer or trustee, of the “Insured Organization”, but only while acting in their capacity as such (and in the event an “Insured Organization” is a partnership, limited liability partnership or limited liability company, then any general or managing partner or principal thereof acting in their capacity as such);
 - c. An “Employee”;
 - d. Any family member of an “Insured” as defined in subparagraph (b) above (hereinafter a “D or O”), including but not limited to the lawful spouse of such “D or O”, but only where recovery against such family member is sought solely because property is held jointly with, or owned by the family member on behalf of such “D or O”, and solely in relation to “Wrongful Acts” by such “D or O”;
 - e. The legal representatives, heirs, assigns or estates of any deceased “D or O”, but solely in relation to “Wrongful Acts” by such “D or O”; or
 - f. The legal representatives or assigns of any “D or O” in the event of the “D or O’s” incompetency, insolvency or bankruptcy, but solely in relation to “Wrongful Acts” by such “D or O”.
37. **“Insured Organization”**: the “Named Insured” and any “Subsidiary”.
38. **“Internet”**: the worldwide public network of computers which enables the transmission of electronic data and which includes intranets, extranets and virtual private networks.
39. **“Interrelated Events”**: “Events” that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.
40. **“Interrelated Wrongful Acts”**: “Wrongful Acts” that have as a common nexus any fact, circumstance, situation, event, transaction, goal, motive, methodology, or cause or series of causally connected facts, circumstances, situations, events, transactions, goals, motives, methodologies or causes.
41. **“Leased Worker”**: a person leased to the “Insured Organization” by a labour leasing firm, under an agreement between the “Named Insured” and the labour leasing firm, to perform duties related to the conduct of the “Named Insured’s” business.
“Leased worker” does not include a “Temporary Worker”.
42. **“Malicious Code”**: unauthorized corrupting or harmful piece of code, including, but not limited to, computer viruses, Trojan horses, worms, time or logic bombs, spyware, malware or spiderware.
43. **“Media”**: any “Content” or “Advertising” disseminated or posted by the “Insured” in any nature or form, including a “Website”, the “Internet”, chat rooms, bulletin boards, databases or blogs, or any other social media site, or through non-electronic printed materials.
44. **“Media Wrongful Act”**: any actual or alleged act, error or omission by the “Insured” in relation to any “Media” that results in:
- a. Wrongful publication, defamation, slander, libel, product disparagement, trade libel or other tort related to disparagement or harm to the reputation of character of any persons or entity;
 - b. Misappropriation or misdirection of messages or “Media” of a “Third Party” by the “Insured”, including metatags, “Website” domains and names, and related “Content”;
 - c. Invasion of or interference with the right to privacy or publicity;

- d. Misappropriation of any ideas, names, likeness or image;
 - e. Plagiarism, copyright infringement; or
 - f. Infringement of trademark, domain name, title, slogan, or service mark.
45. **“Money”**:
- a. Currency (including cryptocurrency), coins and bank notes in current use and having a face value; and
 - b. Travelers cheques, registered cheques and money orders held for sale to the public.
46. **“Named Insured”**: the person or entity identified as such in the “Certificate of Insurance”.
47. **“Network Outage”**: the actual and measurable interruption or suspension of:
- a. With respect to Insuring Agreement 2.F (a) the “Insured’s” “Computer System”, which is directly caused by a “Failure of Security”.
48. **“Nuclear Energy Hazard”**: the radioactive toxic, explosive or other hazardous properties of “radioactive material”.
49. **“Nuclear Facility”**
- a. Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - b. Any equipment or device designed or used for:
 - i. Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
 - ii. Processing or utilizing spent fuel, or
 - iii. Handling, processing or packaging waste;
 - c. Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the “Insured(s)” at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
 - d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste “radioactive material” and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
50. **“Official Body”**: any regulator, prosecuting authority, government body, government agency, parliamentary commission, official trade body, law enforcement agency or any other professional body with powers to investigate, regulate or discipline an “Insured”.
51. **“Outside Service Provider”**: a “Third Party” independent contractor that provides information technology and/or business process outsourcing services for the “Insured’s” benefit under written contract with the “Insured”. Such services include but are not limited to data hosting, security management, co-location, data storage, data backup, data processing, cloud services or computing, call centre services, fulfilment services, and logistical support.
52. **“Payment Card Agreement”**: that part of any agreement which sets out the terms and conditions relating to the “Insured Organization’s” acceptance of payments or donations via payment cards between the “Insured Organization” and a financial institution, credit/debit card company, credit/debit card processor or independent service operator.
53. **“Payment Card Loss”**: monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries, including card reissuance costs, that an “Insured” is contractually obligated to pay under a “Payment Card Agreement” as a result of an actual or alleged “Payment Card Wrongful Act”.
54. **“Payment Card Wrongful Act”**:

- a. Any actual or alleged breach of duty, act, error or omission, by or on behalf of the “Insured” that results in or is based upon a “Failure of Security”; or
 - b. A failure of the “Insured” to properly protect, handle, store, destroy, handle or otherwise control credit/debit card data, including “Protected Information”.
55. **“Period of Restoration”**: the period of time that:
- a. Begins with the date and time that the “Network Outage” first occurs; and
 - b. Ends with the earliest of:
 - i. The date and time that the “Network Outage” ends, or would have ended, if the “Insured” had exercised due diligence and dispatch; or
 - ii. 30 days after the date and time that the “Network Outage” first occurred.
56. **“Policy Period”**: the period shown on the “Certificate of Insurance”. If this Policy is cancelled, the “Policy Period” shall be amended accordingly. If the “Extended Reporting Period” is exercised in accordance with **Section 9** it shall be part of the last “Policy Period” and not an additional period.
57. **“Pollutants”**: any solid, liquid, gaseous or thermal irritant or contaminant including smoke, odour, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
58. **“Privacy Breach Expenses”**: the following expenses which were incurred by the “Insured”, or by others on the “Insured’s” behalf, with the Insurer’s prior consent:
- a. Notification Expenses: necessary expenses incurred to minimize any “Damages” or “Expenses and Losses” otherwise covered under this Policy, or to comply with any “Privacy Law” requiring a person or organization storing “Protected Information” to provide notice to an identified individual of any actual or potential disclosure of, “Unauthorized Use” of, or “Unauthorized Access” to “Protected Information”. Such costs to include call centre services and web-site expenses for notification;
 - b. Credit Monitoring and Data Recovery Expense:
 - i. To provide credit monitoring expenses to an identified individual to the extent required by “Privacy Law” or to minimize any “Damages” or “Expenses and Losses” otherwise covered under this Policy; or
 - ii. To recover information which has been accessed without the identified individual’s permission where the costs of recovery would minimize any “Damages” or “Expenses and Losses” otherwise covered under this Policy;
 - c. Cyber Investigation Expense: to pay a “Third Party” to conduct an investigation into a “Computer System” from which “Protected Information” has been accessed in order to determine the manner in which and the date and time such information was accessed. Such costs do not include compensation, fees, benefits, overhead or the charges or expenses of any “Insured”; and
 - d. Crisis Management Expense: to pay a public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the “Insured’s” reputation or business or to the persons or entities affected due to “Protected Information” that has been wrongfully accessed. Such costs do not include compensation, fees, benefits, overhead or the charges or expenses of any “Insured”, nor any “Crisis Expense”.
59. **“Privacy Law”**: laws, statutes, legislation and regulations governing the protection, use or disclosure of “Protected Information”, “Identity Theft” or breach of privacy, including:
- a. *Personal Information Protection and Electronic Documents Act* (PIPEDA);
 - b. In provinces where PIPEDA has not been enacted, any provincial law, statute, legislation or regulation that has been deemed substantially similar to PIPEDA;
 - c. The *Privacy Act*;

- d. *Ontario Personal Health Information Protection Act*; or
 - e. Other similar federal, provincial, state, local or foreign laws requiring commercial entities that collect “Protected Information” to adopt privacy policies or controls, or notify individuals or “Regulators” in the event that “Protected Information” has been, or potentially has been, compromised.
60. **“Professional Services”**: acts or services requiring specialized knowledge, skill or professional judgment, which the “Insured” renders to others pursuant to a written agreement and for a fee or other consideration.
61. **“Protected Information”**: any one or more of the following, in any format:
- a. Any information concerning an individual that constitutes personal, private or sensitive information in the “Insured’s” written privacy policy or in any “Privacy Law”;
 - b. Medical or healthcare information or data concerning an individual;
 - c. Credit, debit or other financial account information, in combination with associated security codes, access codes, password or personal identification numbers, that would permit access to an individual’s financial account;
 - d. An individual’s social insurance number or social security number, drivers’ license number, unpublished telephone number, or any other non-public personal information from which an individual may be uniquely and reliably identified or contacted; and
- “Protected Information” shall not include information that is lawfully made available to the general public for any reason, including but not limited to publicly accessible information from federal, provincial or local government records.
62. **“Radioactive Material”**: uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Atomic Energy Control Board may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
63. **“Recollect”**: cost of expenses to:
- a. Recollect the information making up a “Digital Asset”, including without limitation, information from non-electronic sources; and
 - b. Organize and transcribe such information into the same or substantially similar form as the original “Digital Asset”.
64. **“Regulator”**: a regulatory authority, government agency, or government licensing entity with authority to enforce a statutory mandate to protect “Protected Information”.
65. **“Regulatory Proceeding”**:
- a. Civil, administrative or regulatory proceeding against an “Insured”, brought or conducted by a “Regulator”, commenced by the service of an action or similar pleading on an “Insured”;
 - b. Civil investigation of an “Insured” brought or conducted by a “Regulator”, commenced pursuant to a court order, order of a “Regulator”, notice of charges, subpoena, or any similar document; or
 - c. A request for information or demand by a “Regulator” received by an “Insured”, where the alleged events have given rise, or may reasonably be expected to give rise, to a “Claim” covered under this Policy.
66. **“Restore”**: costs or expenses to restore “Digital Assets” from any collection of partially or fully matching electronic data or software, or through electronic data or disaster recovery methods.
67. **“Reward Expenses”**: 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 “Credible Threat”, or “Cyber Event” as defined in paragraph (b) of the “Cyber Event” definition.

68. **“Securities”** negotiable and non-negotiable instruments or contracts representing either “Money” or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the “Insured”;
- but does not include “Money”.
69. **“Security”**: hardware, software or firmware with a function or purpose that is to mitigate loss from, or prevent “Unauthorized Access” to, “Unauthorized Use” of, receipt or transmission of a “Malicious Code” by or “Denial of Service” attacks to or from a “Computer System”. “Security” includes, without limitation, firewalls, filters, computer virus protection software, intrusion detection, the electronic use of passwords or similar identification of authorized users. “Security” also includes specific written policies and procedures intended to directly prevent theft of a password or access code by non-electronic means.
70. **“Social Engineering Fraud”**: loss of “Funds” paid, transferred or delivered by the “Insured” to a person, place or account beyond the “Insured’s” control resulting directly from an “Employee’s” good faith reliance upon an instruction transmitted via writing, email or telephone, directing such transfer, payment or delivery of “Funds”. Such instruction must purport to be from:
- a. A director, officer, partner, member or sole proprietor of the “Insured”;
 - b. An “Employee” who is authorized by the “Insured” to instruct other “Employee(s)” to transfer, pay or deliver the “Insured’s” “Funds”; or
 - c. An “Employee” of an entity that is under a written contract with the “Insured” to exchange goods or services with the “Insured” for a fee (other than a financial institution, asset manager, broker-dealer, armored motor vehicle company or any similar entity); or
 - d. A person acting in collusion with such person set out in either of paragraphs (a) or (b) immediately above but which contained a fraudulent and material misrepresentation and was actually sent by an imposter. As a condition precedent to coverage, the “Insured’s” established and documented verification procedure must have been followed before acting upon such instruction.
71. **“Social Engineering Fraud Loss”**: the loss of “Funds” by the “Insured” as a direct result of “Social Engineering Fraud”. The term “Social Engineering Loss” does not include indirect or consequential losses.
72. **“Subsidiary”**: any entity, including but not limited to any corporation, income trust, joint venture, limited liability company, unlimited liability company, or partnership of which the “Insured Organization” either directly or indirectly, (i) holds or controls more than 50% of the outstanding securities representing the right to vote for the election of such entity’s directors or; (ii) has the right, pursuant to written contract, certificate of incorporation, charter, by-laws, articles of association, limited liability company agreement, partnership agreement or other organizational or similar documents of an entity to elect, appoint, or designate a majority of such entity’s directors, officers, general partners, managing members, members of the Board of Managers or their equivalent (hereinafter deemed as management control),
- a. On or before the effective date of this Policy; or
 - b. Subsequent to the effective date of this Policy, by reason of it being acquired or created by the “Insured Organization”.
- “Subsidiary” shall include coverage for any past “Subsidiary” that is otherwise covered under **Section 6** but only with respect to “Wrongful Acts”, or “Events” taking place while a “Subsidiary”.

73. **"Telecommunications Fraud"** an intentional, malicious or willful act that results in the misuse of or unauthorized access to the "Insured's" telephone system.
74. **"Telecommunications Fraud Loss"** any direct financial loss the "Insured" becomes legally obligated to pay as a result of "Telecommunications Fraud".
75. **"Temporary Worker"**: a person who is furnished to the "Insured Organization" to substitute for a permanent "Employee" on leave or to meet seasonal or short-term workload conditions.
76. **"Third Party"**: any person or entity which is not an "Insured".
77. **"Trade Secret"**: information (including any idea that has been reduced to a written or electronic form, including a formula, compilation, pattern, program, device, method, process, or technique) which:
 - a. Derives independent economic value, actual or potential, from not being readily ascertainable through proper means by another person who can obtain economic advantage from its disclosure or use;
 - b. Is the subject of reasonable efforts to maintain its secrecy; and
 - c. Is used, capable of being used, or intended to be used in commerce.
78. **"Unauthorized Access"**: the gaining of access to a "Computer System" by an unauthorized person, or by an authorized person in an unauthorized manner.
79. **"Unauthorized Use"**: the use of a "Computer System" by a person unauthorized by the "Insured" or a person authorized by the "Insured" that used a "Computer System" for a purpose not intended by the "Insured".
80. **"Waiting Period"**: the number of hours after the "Insured's" "Computer System" experiences a "Network Outage" before the Insurer is first obligated to pay "Business Interruption Loss". The "Waiting Period" incepts immediately following the "Network Outage". The "Waiting Period" is specified on the "Certificate of Insurance".
81. **"Website"**: the software, "Content", and other materials accessible via the "Internet" at a designated Uniform Resource Locator (URL) address owned by the "Insured".
82. **"Wrongful Acts"**: the following, when committed by an "Insured" in their capacity as such;
 - a. "Media Wrongful Act".

Section 3. Exclusions

A. Exclusions applicable to all insuring agreements

The Insurer shall not be liable for any "Damages", "Defence Costs", or "Expenses and Losses" on account of any "Claim" or "Event":

1. Conduct

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- a. Any deliberately fraudulent or criminal act or omission or any willful violation of any statute, law or regulation by an "Insured"; or
- b. The gaining of any profit, remuneration or advantage to which an "Insured" was not legally entitled; provided that:
 - i. This exclusion will not apply to "Defence Costs" and will not apply unless a final, non-appealable adjudication in an underlying action adverse to the "Insured", or a guilty plea entered into and accepted in a court of competent jurisdiction, establishes such conduct or violation, at which time the "Insured" shall reimburse the Insurer for any "Defence Costs" paid by the Insurer; and
 - ii. No conduct pertaining to or knowledge possessed by any natural person "Insured" will be imputed to any other natural person "Insured", and only conduct pertaining to, or knowledge possessed by a member of the "Control Group", other than a "Rogue Actor", will be imputed to an "Insured" Organization". For purposes of this exclusion, "Rogue Actor" means a "Control Group" member acting outside their capacity.

2. Bodily Injury or Property Damage

- a. For bodily injury, sickness, mental anguish, disease or death of any person; or
- b. For damage to or destruction of any tangible property including all resulting loss of use of that property.
Tangible property does not include data or other information that is in electronic form.

This exclusion will not apply to a “Claim” for mental injury, mental anguish, or emotional distress resulting directly from a “Cyber Event”, “Media Wrongful Act”.

3. Delay, Warranties, Guarantees, Cost Estimates, Fee Disputes

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- a. Delay in the performance of any contract or agreement;
- b. Express or implied warranty or guarantee;
- c. Cost guarantee or cost estimate; or
- d. Disputes involving the “Insured’s” fees or charges.

4. Employment Related Practices or Discrimination

based upon, arising from, directly or indirectly resulting from, or in consequence of discrimination of any kind, or any employment relationship, or the nature, terms or conditions of employment, including any refusal to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, harassment, humiliation or any other employment-related practices, policies, acts, errors or omissions. However, solely with respect to Insuring Agreement 1.B, this exclusion shall not apply to that part of any “Claim” alleging employee-related invasion of privacy or employee-related wrongful infliction of emotional distress in the event such “Claim” arises out of the actual or alleged disclosure or theft of “Protected Information” resulting from a “Cyber Event”.

5. Fiduciary Duty or Securities Law

based upon, arising from, directly or indirectly resulting from, or in consequence of any: (i) breach of fiduciary duty, responsibility or obligation in connection with any employee benefit, retirement or pension plan, or (ii) alleged or actual violation of securities laws, legislation, regulations or statutes. However, solely with respect to Insuring Agreement 1.B or 2.E, paragraph (i) immediately above, shall not apply.

6. Contract Liability

for any direct or assumed liability or obligation of the “Insured”, under any contract or agreement, except and to the extent the “Insured” would have been liable in the absence of such contract or agreement. Provided however this exclusion shall not apply to:

- a. Solely with respect to Insuring Agreements 1.B or 2.E any “Claim” or “Privacy Breach Expenses” arising out of:
(i) a “Cyber Event” in relation to any contractual liability or obligation to maintain the confidentiality or security of “Protected Information”; or, (ii) an unintentional breach of an “Insured’s” Privacy Policy;
- b. Solely with respect to Insuring Agreement 1.A, misappropriation of idea under implied contract; or
- c. Solely with respect to Insuring Agreement 2.K, any “Payment Card Loss”.

7. Mechanical Failure/Force Majeure

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- a. Any electrical or mechanical failures, including power interruption, surge, brownout, blackout or outages to gas, water, or “Internet” access service; however, this exclusion shall not apply to electrical or mechanical failures resulting from: (i) a “Cyber Event” relating to the avoidance or minimization of the events described in paragraph (a) immediately above or the resulting consequences, or (ii) where such failures are the result of a “Cyber Event” involving infrastructure under the “Insured’s” operational control; or
- b. Fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God, or any other physical event, however caused.

8. Intellectual Property Infringement

based upon, arising from, directly or indirectly resulting from, or in consequence of infringement, misappropriation or violation of any copyright, trademark, service mark, trade dress or trade name; however, this exclusion shall not apply to a “Claim” under Insuring Agreement 1.A.

9. Patents and Trade Secrets

based upon, arising from, directly or indirectly resulting from, or in consequence of the validity or invalidity, infringement, misappropriation, copying, theft, display, publication or violation of any patent or “Trade Secret”; however, this exclusion shall not apply to all **Section 1**.Item 2. Expense & Loss Coverages arising out of a “Failure of Security”, and with respect to Insuring Agreement 1.B, the disclosure or theft of “Protected Information” arising out of a “Failure of Security”.

10. Pollution

based upon, arising from, directly or indirectly resulting from, or in consequence of the actual, alleged or threatened spill, discharge, emission, disbursement, seepage, leakage, migration, release or escape of “Pollutants” at any time, or any request, demand, direction or order that any “Insured” or others test for, monitor, clean-up, remove, contain, treat, detoxify, remediate or neutralize, or in any way respond to or assess the effects of “Pollutants”, or any voluntary decision to do so.

11. Prior Claims, Proceedings

based upon, arising from, directly or indirectly resulting from, or in consequence of any written demand, action or other proceeding, order, decree or judgment entered for or against any “Insured” prior to or pending at the applicable Pending or Prior Litigation Date stated in the “Certificate of Insurance”, or which arises from matters substantially the same as alleged in or forming the subject matter therein.

12. Prior Noticed Circumstances

based upon, arising from, directly or indirectly resulting from, or in consequence of any circumstances notified in writing to, and accepted by, any insurer under a policy of which this Policy is a renewal or replacement and which provides coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such “Claim” or “Event”.

13. Prior Knowledge

based upon, arising from, directly or indirectly resulting from, or in consequence of any “Wrongful Act” or “Event” that first occurred, arose or took place prior to the earlier of the effective date of this Policy, or the effective date of any policy issued by the Insurer of which this Policy is a continuous renewal or replacement, and any member of the “Control Group” knew of such “Wrongful Act” or “Event”; and with respect to all Liability Coverages, any member of the “Control Group” reasonably could have foreseen that such “Wrongful Act” or “Event” did or could lead to a “Claim”.

14. Product Recall

based upon, arising from, directly or indirectly resulting from, or in consequence of the cost or expenses incurred by the “Insured” or others to withdraw or recall the “Insured’s” products or services or any part of such product or service from the marketplace or from use; however, this exclusion will not apply to any “Claim” by a “Third Party” for loss of use resulting from the withdrawal, recall, inspection, repair, replacement, adjustment or removal of the “Insured’s” products.

15. Professional Services

based upon, arising from, directly or indirectly resulting from, or in consequence of the rendering of or failure to render “Professional Services”.

16. Nuclear Liability

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- a. Liability imposed by or arising under the *Nuclear Liability Act*;
- b. Any “Claim” or any “Cyber Event” under Insuring Agreement 1.B with respect to which an “Insured” under this Policy is also insured under a contract of nuclear energy liability insurance (whether the “Insured” is unnamed in such contract or whether or not it is legally enforceable by the “Insured”) issued by the Nuclear Insurance Association of Canada or any other Insurer or group or pool of Insurers or would be an “Insured” under any such Policy but for its termination upon exhaustion of its limit of liability;
- c. Any “Claim” or “Cyber Event” under Insuring Agreement 1. B. resulting directly or indirectly from the “Nuclear Energy Hazard” arising from:
 - i. The ownership, maintenance, operation or use of a “Nuclear Facility” by or on behalf of an “Insured”;
 - ii. The furnishing by an “Insured” of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “Nuclear Facility”; and
 - iii. The possession, consumption, use, handling, disposal or transportation of “Fissionable Substances”, or of other “Radioactive Material” (except radioactive isotopes, away from a “Nuclear Facility”, which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by any “Insured”.

17. Transfer of Funds

based upon, arising from, directly or indirectly resulting from, or in consequence of any transfer of “Funds”, except “Funds Transfer Fraud Loss” covered under Insuring Agreement 2.M.

18. Antitrust, Competition Act or Unfair Trade Practices

based upon, arising from, directly or indirectly resulting from, or in consequence of any actual or alleged violation of any law relating to anti-trust, restraint of trade, deceptive or unfair trade practices, false or deceptive advertising, price fixing, monopolization or any other law protecting competition or consumers. However, this exclusion shall not apply to a “Claim” under Insuring Agreement 1.B resulting directly from a violation of “Privacy Law”.

19. Violation of Statutes Governing Methods of Sending Material or Information

based upon, arising from, directly or indirectly resulting from, or in consequence of any distribution of material that violated or is alleged to violate any statute, law, legislation, rule or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

20. War

based upon, arising from, directly or indirectly resulting from, or in consequence of war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, terrorism, military or usurped power, or martial law, or confiscation by order of any government or public authority, however, this exclusion shall not apply to “Cyberterrorism”.

21. Unlawful Use or Collection of Protected Information

For the unlawful collection, use or retention of “Protected Information”, or the failure to provide adequate notice that such information is being collected, used or retained, by an “Insured”, with knowledge of any member of the “Control Group”.

B. Exclusions applicable only to specific insuring agreements

The Insurer shall not be liable for any “Damages”, “Defence Costs”, or “Expenses and Losses” on account of any “Claim” or “Event”:

1. Internet Media

Solely with respect to Insuring Agreement 1.A, based upon, arising out of, directly or indirectly resulting from, in consequence of:

- a. Disputes over ownership of, licensing or royalty fees associated with, or use of or exercise of rights associated with “Media”;
- b. Actual or alleged “Failure of Security” of the “Insured’s” “Computer System”;
- c. Any “Wrongful Acts” or “Interrelated Wrongful Acts” in which the first “Wrongful Act” occurs prior to the inception of or subsequent to the termination of the “Policy Period”; or
- d. Inaccurate, incomplete, inadequate description of price of goods, products, or services, disclosure of fees, representations regarding authenticity of products or failure of goods, product or services to conform with advertised quality or performance; provided, that this exclusion will not apply to the display of “Advertising” on the “Insured’s” “Internet” site.

2. Insured versus Insured

Solely with respect to Insuring Agreements 1.A, and 1.B, brought or maintained by, or on behalf of, any “Insured”. Provided, however, solely with respect to Insuring Agreement 1.B, this exclusion will not apply to that part of any “Claim” by an “Employee” alleging a “Cyber Event”.

3. Contest and Lotteries

Solely with respect to Insuring Agreement 1.A, based upon, arising from, directly or indirectly resulting from, or in consequence of any liability resulting from services provided by or on behalf of the “Insured” for others that involve contests, gambling, games of chance or skill, lotteries, sweepstakes or similar events offering awards or other valuable consideration, including tickets or coupons or over-redemption thereto.

4. Ransomware

Solely with respect to Insuring Agreement 2.H, this policy shall not cover “Claim” for a ransomware attack that infects and restricts access until a ransom is paid.

Section 4. Limit of Liability & Deductible

1. Combined Policy Aggregate Limit:

The Policy Aggregate Limit stated in the “Certificate of Insurance” is the most the Insurer will pay as “Damages” and “Defence Costs” for all “Claims” and “Cyber Events” first made against any “Insured” during the “Policy Period”, and the most the Insurer will pay for all “Expenses and Losses” for all “Events” first “Discovered” during the “Policy Period”, regardless of the number of “Insureds”, the number of claimants, or the number of Insuring Agreements purchased under this Policy.

2. Liability Coverage :- Limit of Liability:

The Liability Limits for all **Section 1**, Item 1. Liability Coverages shown in the “Certificate of Insurance” as purchased is the maximum amount that the Insurer will pay under each of such Insuring Agreements as “Damages” and “Defence Costs” for each “Claim” and “Cyber Event”, and for all “Claims” and “Cyber Events” in the aggregate, made against any “Insured” during the “Policy Period”, regardless of the number of “Insureds”, the number of claimants or the number of Liability Insuring Agreements purchased under this Policy. The Liability Limit will be part of and not in addition to the Policy Aggregate Limit.

3. Expense and Loss Coverage: Limit of Insurance

The Expense and Loss Limit for all **Section 1**, Item 2. Expense and Loss Coverages shown in the “Certificate of Insurance” as purchased is the maximum aggregate amount that the Insurer will pay under each of such Insuring Agreements as “Expenses and Losses” for each “Event” “Discovered”, and for all “Events” “Discovered” in the aggregate, during the “Policy Period”. The Expense and Loss Limit will be part of and not in addition to the Policy Aggregate Limit.

4. Deductible:

The Liability Deductible stated in the "Certificate of Insurance" Page will apply to "Damages" and "Defence Costs" for each "Claim" and/or each "Cyber Event" as applicable, under **Section 1**, Item 1. Liability Coverages. The Expense and Loss Deductible stated in the "Certificate of Insurance" Page will apply to all "Expenses and Losses" incurred or sustained by the "Insured" under **Section 1**, Item 2. Expense and Loss Coverages and the Insurer will only be responsible in excess of this amount. The full applicable Limit of Liability will apply over the Deductible.

Solely with respect to Insuring Agreement 2.F the Insurer will pay actual "Business Interruption Loss" incurred by an "Insured" once the applicable "Waiting Period" shown in the "Certificate of Insurance" has expired.

5. Interrelated Claims and "Events":

One or more "Claim" arising out of the same or related "Wrongful Acts", "Interrelated" "Wrongful Acts" or "Cyber Events" reported under **Section 1**, Item 1. Liability Coverages will be considered a single "Claim", first reported in the "Policy Period" in which the earliest "Claim" was reported and subject to a single Liability Limit and a single Liability Deductible.

One or more "Events" arising out of the same, or related incidents or "Interrelated Events", reported under **Section 1**, Item 2. Expense and Loss Coverages will be considered a single "Event", first reported in the "Policy Period" in which the earliest "Event" is first "Discovered" and subject to a single Expense and Loss Limit and a single Expense and Loss Deductible.

Section 5. Defence and Settlement

1. With respect to any "Claim" covered under **Section 1**, Item 1. Liability Coverages the Insurer shall have the right and duty to:
 - a. Defend any "Claim" against the "Insured" even if any of the allegations of the "Claim" are groundless, false or fraudulent; and
 - b. Investigate and negotiate the settlement of any "Claim" as it deems expedient.
2. The Insurer shall not settle any "Claim" without the consent of the "Insured". If, however, the "Insured" shall refuse to consent to any settlement recommended by the Insurer and shall elect to contest the "Claim" or continue any legal proceedings in connection with such "Claim", then the Insurer's liability for the "Claim" shall not exceed:
 - a. The amount of "Damages" for which the "Claim" could have been so settled with the "Insured's" consent plus all "Defence Costs" incurred up to the date the Insurer made its recommendation to settle to the "Named Insured";
 - b. Eighty percent (80%) of all subsequent covered "Damages" and "Defence Costs" in excess of such amount referenced in paragraph (a) immediately above, which amount shall not exceed that portion of any applicable Limit of Liability that remains unexhausted by payment of covered amounts hereunder. The remaining twenty percent (20%) of all "Damages" and "Defence Costs" shall be borne by the "Insured" uninsured and at their own risk.

However, this provision does not apply to any potential settlement that is within the Deductible.

3. The "Insured" shall not admit liability for, plead guilty to, or settle, any "Claim", or incur any "Defence Costs" without the written consent of the Insurer, such consent not to be unreasonably withheld.
4. The Insurer shall not be obligated to investigate, defend, pay or settle any "Claim" after any applicable Limit of Liability has been exhausted by payment of "Damages" or "Defence Costs", or by any combination thereof, or after the Insurer has paid the remainder of any unexhausted applicable Limit of Liability into a court of competent jurisdiction. In either such case, the Insurer shall have the right to withdraw from the further investigation defence, or payment of settlement of such "Claim" by tendering control of such "Claim" to the "Insured".

Section 6. Subsidiary Creation and Cessation

In the event the “Insured” Organization” creates or acquires a “Subsidiary”, coverage under this Policy shall automatically extend to such “Subsidiary”, unless such entity has total assets that exceed twenty-five percent (25%) of the total assets of the “Named Insured” as reflected in their respective most recent audited consolidated financial statements (the Threshold).

In such a case where the newly acquired or created entity exceeds the Threshold, this Policy shall not automatically extend coverage for such new entity. Rather, at the “Insured Organization’s” request, the Insurer may, in its sole discretion, extend cover for such entity as a “Subsidiary”, but only if the “Insured Organization” provides the Insurer with written notice containing full details of such entity and agrees to any additional terms, conditions, limitations and premium that the Insurer requires.

In either case of automatic coverage or the Insurer’s agreement to extend coverage to the created or acquired entity, the Insurer shall only be liable for “Wrongful Acts” committed or alleged to have been committed, or to “Events” that took place after the date of acquisition or creation of such entity by the “Insured Organization”.

If any entity ceases to be a “Subsidiary” after the inception date of the Policy or any policy of which the Policy is a renewal or replacement, the Policy shall continue to apply to any of the “Subsidiaries” who were covered under the Policy, but only with respect to any “Wrongful Acts”, committed or alleged to have been committed, or to “Events” taking place, prior to the time such entity ceased to be a “Subsidiary”.

Section 7. Change in Control

In the event of a “Change in Control”, this Policy shall only apply to “Wrongful Acts” committed, or to “Events” taking place, prior to the effective date of such “Change in Control”. The full annual premium for the “Policy Period” shall be deemed fully earned immediately upon the occurrence of such “Change in Control” and this Policy may not be cancelled thereafter but shall continue until the expiration date shown in the “Certificate of Insurance”.

In the event of a “Change in Control”, the “Named Insured” will have the option to purchase an “Extended Reporting Period” as set out in **Section 9**.

Section 8. Territory

This Policy applies to all “Claims” and “Events” which occur within the “Coverage Territory”.

Section 9. Extended Reporting Period

1. If;(i) this Policy is terminated or not renewed for any reason other than for non-payment of premium; or, (ii) there is a “Change in Control”; and, (iii) in the case of both (i) and (ii) if this Policy is neither renewed nor replaced with a policy on terms substantially the same as this Policy, then the “Insured” will be entitled to an “Extended Reporting Period” automatically of 60 days for no additional premium or, the “Named Insured” may elect to purchase an “Extended Reporting Period”. The “Extended Reporting Period” provides an additional period, which commences upon the Policy termination or expiry of the “Policy Period”, or in the case of a “Change in Control” from the effective date of such event, and continues for 60 days (if automatic), or for the term selected from the options indicated in the “Certificate of Insurance” (if purchased), during which the “Insured” may provide notice, but only in respect of “Claims” under **Section 1**, Item 1. Liability Coverages first made during the “Extended Reporting Period” for “Wrongful Acts”, or in the case of Insuring Agreement 1. B or 1.C for “Cyber Events”, committed or alleged to have been committed prior to the end of the “Policy Period”, or in the case of a “Change in Control” prior to the effective date of such event. The additional premium associated with the purchase of the “Extended Reporting Period” is calculated at the percentage shown in the “Certificate of Insurance” multiplied by the total Annual Premium as shown in the “Certificate of Insurance”.
2. It is specifically agreed that the purchase of the “Extended Reporting Period” shall be dependent upon:

- a. Written notice requesting the “Extended Reporting Period” being received by the Insurer within sixty (60) days following the date of termination of the Policy or the expiry date of the “Policy Period”, or in the case of a “Change in Control” within sixty(60) days of the “Change in Control”; and
 - b. The applicable additional premium being received by the Insurer no more than fifteen (15) days after the date of receipt of such request.
3. Purchase of the “Extended Reporting Period” shall not in any way increase the Policy Aggregate Limit or any Liability Coverage Limit of Liability.
4. The “Extended Reporting Period”, once purchased, is not cancellable and the additional premium charged is fully earned at inception. The Insurer has no obligation under this Policy to offer any additional or sequential “Extended Reporting Period” after the “Extended Reporting Period” set out in this section.

Section 10. Conditions

1. Action Against the Insurer

No action or legal proceedings may be initiated against the Insurer unless the “Insured” has fully complied with the requirements of this Policy. Every action or proceeding against an Insurer for the recovery of insurance money payable under the Policy is absolutely barred unless commenced within the time set out in the Insurance Act.

2. Allocation

In the event that a “Claim” made against the “Insured” is partly covered by this Policy and partly not covered by this Policy, or a “Claim” is made against the “Insured” and against any persons or entities not insured by this Policy, the “Insured” agrees that the Insurer’s obligation to make payment for “Defence Costs” under this Policy is limited to payments in respect of covered “Claims”, persons and entities only, and all “Defence Costs” shall be allocated as between the covered and non-covered “Claims”, and covered and non-covered persons or entities, as follows:

- a. The “Insured” recognizes and agrees that all “Defence Costs” paid by the Insurer under the Policy must be allocated only to the defence of “Claims” covered under the Policy, and the “Insured” agrees that the Insurer and the “Insured” will use best efforts to determine a fair and proper allocation of “Defence Costs” as between covered and non-covered claims and as between covered and non-covered persons or entities, taking into account the relative legal and financial exposures, and the relative benefits obtained by the “Insured”.
- b. In the event that the “Insured” and Insurer are not able to agree on the allocation to be made pursuant to this **Section 10**, Condition 2 of the Policy, the “Insured” agrees that the Insurer shall advance such amounts as the Insurer believes to be fair and proper until a different amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.

The allocation determined by the Insurer under this section shall not create any presumption with respect to the allocation of “Damages” for such “Claim”, nor for any allocation for any other “Claim”.

3. Assignment

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed hereon.

4. Assistance and Co-Operation

- a. The “Insured” shall co-operate with the Insurer in the investigation of all “Claims”, “Events”, and “Expenses and Losses” under this Policy, and shall provide the Insurer with all assistance as may be reasonably required by the Insurer.
- b. The “Insured” shall cooperate with the Insurer in the defence of any “Claim”, shall assert all appropriate defences and cross claims for contribution, indemnity or “Damages”, and shall give to the Insurer such information and written statements as the Insurer may require, shall attend examinations for discovery, depositions, hearings and trials and give evidence in connection with the defence of such “Claim”, all without charge to the Insurer.

5. Audit

The Insurer may examine and audit the “Insured’s” books and records at any time during the “Policy Period” and within three (3) years after the end of the “Policy Period”, as they relate to the matter of this Policy.

6. Authorization Clause

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

7. Bankruptcy

Bankruptcy or insolvency of the “Insured” or of the “Insured’s” estate does not relieve the Insurer of its obligations under this Policy.

8. Canadian Currency

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

9. Cancellation

This Policy may be cancelled:

- a. By the Insurer giving to the “Named Insured” by registered mail 30 days’ written notice of cancellation due to non-payment of premium.
- b. By the “Named Insured”, giving written notice at any time. Cancellation will take effect on the date of the “Named Insured’s” written notice or at a later date if specified therein. The Insurer will refund the unearned premium on a short-rate basis, but in no event shall the short-rate premium for the expired time be deemed to be less than any minimum retained premium specified.

10. Changes

This Policy contains all the agreements between the “Insured” and the Insurer concerning the insurance afforded. The “Named Insured” is authorized to make changes in the terms of this Policy with the Insurer’s consent. The terms of this Policy may be amended or waived only by endorsement issued by the Insurer and made a part of this Policy.

11. Notice

- 11.1. The “Insureds” shall, as a condition precedent to the Insurer’s liability under this Policy, provide written notification of any “Claim” first made against any “Insured”, or “Event” first “Discovered”, during the “Policy Period” as soon as reasonably practicable after any member of the “Control Group” first becomes aware of such “Claim” or “Event”. However,
 - a. If this Policy expires and a replacement policy has been issued by the Insurer, written notice may be given within 180 days of this Policy expiration provided the “Insured” satisfies the Insurer that sooner notice was not reasonably possible;
 - b. If this Policy expires (or is otherwise terminated) and a replacement policy is not issued by the Insurer and the “Extended Reporting Period” has not been exercised, notice may be given within 90 days after the Policy expiration date;
 - c. If the “Extended Reporting Period” has been exercised, whether automatic or purchased, written notice in respect of any “Claim” must be given before the expiration date of the “Extended Reporting Period”; and
 - d. If this Policy has been cancelled for non-payment of premium, notice must be given prior to the effective date of this Policy termination.
- 11.2. If during the period of this insurance the “Insured” shall first become aware of any occurrence or situation which might reasonably be expected to give rise to a “Claim” against the “Insured”, including a request to toll,

waive or extend a limitation period, and shall during the period of this insurance give written notice to the Insurer of such occurrence or situation, then any such "Claim" which is subsequently made shall be deemed to have been made on the date that the Insurer was advised of the occurrence or situation. Such notice shall include:

- a. The name of the potential claimant and a date and description of the specific "Wrongful Acts" or "Events" which form the basis of the potential "Claim";
- b. The nature of the potential damages arising from such specific "Wrongful Acts" or "Events"; and
- c. The circumstances by which the "Insured" first became aware of the specific "Wrongful Acts" or "Events".

11.3. Failure to give any notice required or permitted to be given by this Policy within the prescribed time shall not invalidate any "Claim" or "Event" under this Policy if the "Insured", acting reasonably, considers that it is unable to notify a "Claim" or "Event" in order to comply with the requirements of an "Official Body", or pursuant to any statute or other legal obligation.

11.4. Expense and Loss Coverage – Proof of Loss

With respect to coverage for any "Expenses and Losses" arising under **Section 2**. Expense and Loss Coverages, it is a condition precedent to coverage that:

- a. The request for payment or reimbursement by the "Insured" shall be accompanied by:
 - i. A written description of details of the "Event"; and
 - ii. A written, detailed and sworn proof of loss within ninety (90) days after "Discovery" (unless such period has been extended by the Insurer's written agreement) including a full description and computation of such "Expenses and Losses". Such proof of loss shall include detail regarding calculation of all "Expenses and Losses" and any supporting documentary evidence;
- b. Upon the Insurer's request, the "Insured" submit to an examination under oath;
- c. At the Insurer's request the "Insured" report any "Credible Threat" to an "Official Body"; and
- d. The "Insured" provide the Insurer with any cooperation and assistance that the Insurer may request, including assisting the Insurer in:
 - i. Any investigation of an "Event", "Expenses and Losses" or circumstances that may give rise to a "Claim";
 - ii. Enforcing any legal rights the "Insured" or the Insurer may have against anyone who may be liable to the "Insured";
 - iii. Executing any documents that the Insurer deems necessary to secure the Insurer's rights under this Policy; and
 - iv. Any inspection or audit conducted by the Insurer.

The costs and expenses of establishing or proving "Expenses and Losses" under this Policy, including those in connection with preparing a proof of loss shall be the obligation of the "Insured" and are not covered under this Policy.

12. Notification of Claim

All "Claim" notices are to be reported to the Insurer as directed in the Claims Notification advisory page which attaches to, and forms part of, this Policy.

13. Other Insurance

If other valid and collectable insurance is available to an "Insured" for any "Claim" or "Event" covered under this Policy:

- a. If the insurer of the other applicable valid and collectible insurance is not the Insurer or any affiliate of the Insurer, this Policy shall apply only as excess insurance over such other valid and collectible insurance, including any retention or deductible portion of such insurance. The Insurer under this Policy shall be liable for only the excess, if any, of any "Defence Costs", "Damages" or "Expenses and Losses" over the applicable limit of the other insurance covering such "Defence Costs", "Damages" or "Expenses and Losses", and this Policy shall not contribute to any "Claim", "Event" or to "Defence Costs", "Damages" or "Expenses and Losses" that are less than or equal to the applicable limit of the other insurance covering such "Claim", "Event" or to "Defence Costs", "Damages", or "Expenses and Losses"; or
- b. In the event that any part of such other valid and collectible insurance is issued by the Insurer or any affiliate of the Insurer, the Insurer's liability hereunder shall be reduced by the amount payable under such other insurance.

14. Representations

By accepting this Policy, the "Named Insured" agrees:

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

15. Severability Clause

This Policy shall be construed as a separate agreement with each "Insured". Nothing in this clause shall increase the Insurer's maximum liability as set forth in **Section 4** Limit of Liability & Deductible of this Policy.

16. Governing Law

- a. This Policy shall be governed by the laws of, and, other than as set out in **Section 10**, Item 19, subject to the exclusive jurisdiction of the province or territory where the "Named Insured" has its principal address, as noted in the "Certificate of Insurance".
- b. In the event that there is an inconsistency between any applicable provincial or territorial legislation regarding insurance and any term or condition of this Policy, then it is understood and agreed that, where permitted by law, the Insurer shall apply those terms and conditions of either the provincial or territorial insurance legislation or the Policy which are more favourable to the "Insured".
- c. Where this Policy is legally required to be interpreted in accordance with the laws of the Province of Quebec:
 - i. Les parties ont expressément convenu que cette convention ainsi que tous documents y afférents soient rédigés en langue anglaise seulement.
The parties have expressly agreed that this Policy and all related documents be drafted in the English language only; and
 - ii. The Policy provisions shall be deemed to be amended to comply with the applicable mandatory provisions of the Quebec Civil Code, but only to the extent necessary to comply with such mandatory provisions of the Quebec Civil Code and only to the extent that such mandatory provisions are contrary to the existing terms of this Policy. Terms of this Policy, which are in conflict with the statutes of the province where the "Insured" has its main address, are hereby amended to conform to such statutes.

17. Singular and Plural/Masculine and Feminine

Any reference to the singular shall include the plural and vice versa. Any reference to the masculine shall include the feminine and vice versa.

18. Subrogation

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

By paying any loss under this Policy, the Insurer does not waive, compromise or release its right to recover such loss from the issuers of any other insurance under which coverage may be owed, or from the "Insured Organization".

19. Alternative Dispute Resolution

- a. All disputes or differences which may arise under or in connection with this Policy, whether arising before or after termination of this Policy, including any determination of the amount of loss, shall be submitted to an alternative dispute resolution (ADR) process as provided in this clause.
- b. **Mediation**
If any dispute arises between any "Insured" and the Insurer involving this Policy and/or a "Claim" or "Event" hereunder, it is hereby mutually agreed by the "Insured" and the Insurer that such dispute shall be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute, prior to the initiation of any arbitration or other proceedings. The party electing to mediate shall provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. Notice of Mediation to the Insurer shall be forwarded to the address stated under Notice in the "Certificate of Insurance". The "Named Insured" is authorized and directed to accept the Notice of Mediation on behalf of any "Insured".
- c. **Arbitration**
As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to above cannot resolve a dispute between any "Insured" and the Insurer involving this Policy or a "Claim" or "Event" hereunder, it is hereby mutually agreed 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" principal address indicated in the "Certificate of Insurance". If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the chapter of the ADR Institute of Canada Inc. operating in the jurisdiction of the applicable Arbitration Act.
- d. **ADR Rules**
In considering the construction or interpretation of the provisions of this Policy, the mediator or arbitrator(s) must give due consideration of the general principles of the law of the jurisdiction of the "Named Insured's" principal address. Each party shall share equally the expenses of the ADR. At the election of the "Named Insured", the ADR process shall be commenced in Toronto, Ontario, or in the province or territory reflected in the address of the "Named Insured", or in accordance with the applicable Arbitration Act. In all other respects, the Insurer and the "Named Insured" shall mutually agree to the procedural rules for the mediation or arbitration. In the absence of such an agreement, after reasonable diligence, the arbitrator(s) or mediator shall specify commercially reasonable rules.

In witness whereof the Insurer has executed and attested these presents, but this Policy shall not be valid unless countersigned on the "Certificate of Insurance" by a duly authorized representative of the Insurer.

FLOOD AND SEWER BACK-UP ENDORSEMENT

This Endorsement modifies the coverage under the Property Form to which it is attached.

This Endorsement applies only to, and separately to, each location for which Flood and Sewer Back-up Endorsement is specified in the "Certificate of Insurance".

Words and phrases in quotation marks have special meaning as defined in Clause 6. of this Endorsement. Where not present in Clause 6. of this Endorsement, the special meaning is that in the underlying Property Form(s) to which this Endorsement is attached or in the Insuring Agreements and Common Definitions, Exclusions and Conditions form.

1. Insured Perils

The Property Form to which this Endorsement is attached is amended to insure against direct physical loss of or damage to the Insured Property caused directly by "Sewer Back-up", "Flood" and "Surface Water", pursuant to the terms and conditions of this Endorsement.

2. Limit of Insurance

The liability of the Insurer under this Endorsement shall not exceed the Limit of Insurance stated in the "Certificate of Insurance" for this Endorsement at the location to which this Endorsement applies. The Insured may apply this limit to any items of Insured Property at the location to which this Endorsement applies.

3. Deductible

The Insurer is liable under this Endorsement for the amount by which the loss or damage caused by an Insured Peril under this Endorsement exceeds the deductible specified in the "Certificate of Insurance" for any one occurrence.

The deductible for the coverage provided by this Endorsement is the percentage shown on the "Certificate of Insurance" of the total amount of the insured loss or damage, subject to the minimum and maximum amounts shown on the "Certificate of Insurance".

4. Exclusions

- a. This Endorsement does not cover loss or damage caused directly or indirectly by:
 - i. Continuous or repeated leakage or seepage of water; or
 - ii. any of the following perils whether or not caused by or attributable to "Flood": fire, explosion, smoke, "Leakage from Fire Protective Equipment" or leakage from a watermain, theft, riot, vandalism or malicious acts.
- b. This Endorsement does not cover loss or damage caused by mudslide, mudflow or landslide, unless occurring concurrently with loss or damage caused by "Flood" or "Surface Water".

5. Extensions of Coverage

The following extensions of coverage shall not increase the Limit of Insurance stated in the "Certificate of Insurance" for this Endorsement.

- a. The Insurer shall be liable for loss or damage to the Insured Property caused by wind, hail, rain or snow entering a building through an opening in the roof or walls directly resulting from a "Flood".
- b. The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured under the Property Form but which has been deposited by "Flood" and "Surface Water" upon the "Premises" or "Project Site".

However, the Insurer will not indemnify the Insured for expenses incurred:

- i. to "Clean Up" "Pollutants" from land or water; or

- ii. for testing, monitoring, evaluating or assessing an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of “Pollutants”.

6. Definitions

Only with respect to this Endorsement, the following additional definitions shall apply:

“Flood” means the rising of, the breaking out or the overflow of any body of water, whether natural or man-made, and includes waves, tides, tidal waves and tsunamis. It also includes water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through any opening in a sidewalk, driveway, foundation, wall or floor.

“Surface Water” means water or natural precipitation temporarily diffused over the surface of the ground.

“Sewer Back-up” discharging, backing up or overflow of water or sewage from a sewer, sump, septic system or other wastewater treatment system, outside drain, French drain, weeping tile, eaves trough, inside or outside downspout, rainwater leader, retention tank or holding pond.

Except as otherwise provided in this Endorsement, all terms, provisions and conditions of the Policy shall have full force and effect.