

# TECHNET SOLUTIONS™ INSURANCE POLICY

## IMPORTANT NOTICE

**CLAIM EXPENSE** IS INCLUDED IN THE LIMIT OF INSURANCE AND THE RETENTION. ALL WORDS OR PHRASES, OTHER THAN CAPTIONS, PRINTED IN BOLD FACE ARE DEFINED IN THE POLICY. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT INSURED.

**CLAIMS MADE POLICY:** THIS INSURANCE COVERAGE IS ON A CLAIMS MADE BASIS. COVERAGE APPLIES ONLY TO THOSE **CLAIMS** THAT ARE FIRST MADE DURING THE **POLICY PERIOD** AND ANY EXTENDED REPORTING PERIOD, IF APPLICABLE, AS THOSE TERMS ARE DESCRIBED IN THIS POLICY. COVERAGE DOES NOT APPLY TO ANY **WRONGFUL ACTS** COMMITTED BEFORE THE **RETROACTIVE DATE** STATED ON THE DECLARATIONS PAGE.

In consideration of the payment of the premium and in reliance on the statements in the Application and subject to all other terms of this Policy, the **Company** designated in the Declarations agrees with the **Insured** to the following:

### Section I. INSURING AGREEMENT

#### A. What the Company Insures

The **Company** will pay on behalf of the **Insured** all **Damages** and **Claim Expense** in excess of the Retention and within the Limit of Insurance which the **Insured** becomes legally obligated to pay because of liability imposed by law or **Assumed Under Contract** as a result of one or more **Claims** arising from any of the following actual or alleged **Wrongful Acts** in performing **Cyber and Technology Activities**, including obtaining, processing, uttering or disseminating **Content** in or for the **Cyber and Technology Activities**, when the first written **Claim** is made against any **Insured** during the **Policy Period** or any Extended Reporting Period:

1. any form of defamation or other tort related to disparagement or harm to the character, reputation or feelings of any person or organization, including libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct;
2. any form of invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness;
3. infringement of title, slogan, trademark, trade name, trade dress, service mark or service name;
4. infringement of copyright, false attribution of authorship, passing off, plagiarism or misappropriation of ideas under implied contract;
5. **Piracy, Unfair Competition** or other misuse of an intellectual property right in **Content**, but only when alleged in conjunction with the types of **Claims** named in 3. and 4. above;
6. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy;
7. false arrest, detention or imprisonment or malicious prosecution;
8. failure to prevent a party from:
  - a. unauthorized access to, unauthorized use of, tampering with or introduction of malicious code into data or systems; or
  - b. repetitively accessing a website, under the control of an **Insured**, with the intent to deny others access to such website or with the intent to cause such website's functionality to fail, including what is commonly referred to as denial of service attacks; or
9. errors, omissions or negligent acts.

## B. Defense of a Claim

The **Company** will have the right and duty to appoint an attorney and defend a covered **Claim**, even if the allegations are groundless, false or fraudulent. Provided, however, that:

1. The **Company** may, at the **Company's** discretion, investigate and settle a covered **Claim**.
2. No offer to settle any **Claim** will be made or accepted by the **Insured** without prior written agreement by the **Company**. Notwithstanding the foregoing, it is understood that the **Insured** may settle any **Claim** for which the total cost of **Damages** and **Claim Expense** associated therewith is less than the amount of the remaining Retention.
3. If the **Company** is willing to accept the judgment of the trial or appellate court or any negotiated settlement or settlement offer and the **Insured** is not willing to accept such judgment or settlement, the **Company's** liability for any **Claim Expenses** and/or **Damages** incurred after the **Company** indicated its willingness to accept such judgment or settlement, shall be limited to the amount for which the **Company** could have resolved the **Claim** plus an additional fifty percent (50%) of that amount. Nothing in this provision will cause the **Company's** liability to exceed the applicable Limits of Insurance set forth on the Declarations.
4. All **Claim Expenses** incurred and **Damages** awarded prior to the judgment or settlement offer that triggers **Section I.B.3.** above, will be paid in accordance with all other applicable Policy provisions and the coverage granted therein.
5. The **Company's** right and duty to defend and pay on the **Insured's** behalf ends when the **Company** has used up the applicable Limit of Insurance in payment of **Damages** or **Claim Expenses**, except where specifically noted otherwise in this Policy.
6. Nothing in this **Section I.B.** will relieve the **Insured** from any notice or cooperation requirements contained in **Section VI.D.1.** or within any other part of this Policy.

## C. Spousal Coverage

If a **Claim** made against an **Individual Insured** includes a **Claim** against that **Individual Insured's** lawful spouse solely by reason of:

1. such spouse's status as the **Individual Insured's** spouse; or
2. such spouse's ownership interest in property from which the claimant seeks recovery for the **Individual Insured's Wrongful Acts**;

all loss which such spouse becomes legally obligated to pay on account of such **Claim** shall be treated for purposes of this Policy as loss which the **Individual Insured** is legally obligated to pay on account of the **Claim** made against the **Individual Insured**. Such loss shall be covered under this Policy only if and to the extent that such loss would be covered under this Policy if incurred by the **Individual Insured**. The coverage extension afforded by this subsection does not apply to any **Claim** alleging any **Wrongful Act** or omission by the **Individual Insured's** spouse. The term "spouse" as used in this subsection shall include any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law in the United States of America.

## Section II. DEFINITIONS

- A. "**Advertising by Insured**" means advertising, publicity or promotion of any kind of the **Insured's** products and services.

**Advertising by Insured** does not include films for theatrical release, radio or television programs; the operation of a radio station, television station or cable system; or books or periodical publications that are independent of and separate from **Advertising by Insured** for clients, unless endorsed to this Policy for an additional premium to be determined by the **Company**.

- B. "Assumed Under Contract"** means liability assumed by the **Insured** in the form of hold harmless or indemnity agreements executed with any party, but only as respects the types of **Claims** specified in **Section I., INSURING AGREEMENT**, in the performance of **Cyber and Technology Activities**, including obtaining, processing, uttering or disseminating **Content** in or for the **Cyber and Technology Activities**.

Examples of **Assumed Under Contract** are hold harmless or indemnity agreements with clients, broadcasting companies, publishers and other media accepting **Advertising by Insured**.

- C. "Bodily Injury"** means physical injury, sickness or disease sustained by a person, including death resulting from any of these at any time. **Bodily Injury** also includes disability, mental anguish, mental injury, shock or fright resulting in or from **Bodily Injury**.

- D. "Claim"** means a demand or assertion of a legal right made against any **Insured**, even if any of the allegations of the **Claim** are groundless, false or fraudulent. **Claim** also means a **Regulatory Action** or a suit seeking injunctive relief relating to the **Wrongful Acts** specified in **Section I., INSURING AGREEMENT**.

- E. "Claim Expense"** means, when authorized and approved by the **Company**:

1. fees charged by an attorney in defense of a **Claim**, including such fees necessitated by a demand for a retraction or correction;
2. all other fees, costs and expenses which result from the investigation, discovery, adjustment, defense, negotiation, arbitration, mediation, settlement or appeal of a **Claim**;
3. interest on any part of a judgment not exceeding the Limit of Insurance that accrues after the entry of the judgment and before the **Company** has paid or tendered or deposited the applicable judgment amount in court; and
4. premiums on appeal bonds required as a result of a **Claim** and premiums on bonds to release attachments for a bond amount not exceeding the Limit of Insurance, but the **Company** has no obligation to apply for or furnish any such bonds.

**Claim Expense** does not include salary charges or expenses of regular employees of the **Insured**.

- F. "Company"** means the insurance company stated at the top of the Declarations.

- G. "Content"** means printed, audio, visual, digital or informational material.

- H. "Cyber and Technology Activities"** means those services or other activities as described in Item 4. of the Declarations, **Technology Services** and **Advertising by Insured**.

- I. "Damages"** means monetary judgment, award or settlement, including those that are actual, statutory, punitive, multiplied or exemplary, except when applicable law prohibits insurance for punitive, multiplied or exemplary damages; and legal expense or other costs included as part of a judgment, award or settlement.

**Damages** does not include civil or criminal fines or penalties; royalties, fines or penalties sought by any music licensing organization; return of or disputed royalties, fees, deposits, commissions or charges for **Content**, goods or services; or loss or disbursement of profits by an **Insured**.

**Damages** also does not include costs of correcting, performing or reperforming the **Insured's Cyber and Technology Activities** by:

1. the **Insured**; or
2. another party when the **Insured** had the opportunity to correct, perform or reperform the activity that generated the costs.

For purposes of insuring punitive damages under this Policy, the law of the jurisdiction most favorable to the insurability of punitive damages shall control, provided such jurisdiction is where:

1. the punitive damages were awarded or imposed; or
2. any **Insured** is incorporated or otherwise organized or has a place of business; or
3. the **Company** is incorporated or has its principle place of business.

**J. "First Inception Date"** is the Inception Date of the earliest errors and omissions insurance policy the **Company** issued to the **First Named Insured**, provided that there has been uninterrupted coverage by the **Company** for the **First Named Insured** from that earliest policy to this Policy.

**K. "First Named Insured"** means the **Named Insured** first listed in Item 1. of the Declarations.

**L. "Insured"** means, individually and collectively:

1. a **Named Insured**; and
2. the **Individual Insureds**.

**M. "Individual Insured"** means, individually and collectively:

1. any **Named Insured** that is an individual person;
2. any **Named Insured's** stockholders for their liability as stockholders;
3. any **Named Insured's** and **Subsidiaries'** partners, officers, directors and employees, but only with respect to their activities within the scope of their duties in such capacity in the performance of **Cyber and Technology Activities** by the **Named Insured** or any **Subsidiary**;
4. any **Named Insured's** and **Subsidiaries'** former partners, officers, directors and employees, but only with respect to their activities within the scope of their duties in the capacity of the **Named Insured's** partner, officer, director or employee in the performance of **Cyber and Technology Activities** by the **Named Insured**; and
5. in the event of death, incompetence, insolvency or bankruptcy of any **Insured**, the **Insured's** legal representative, but only with respect to their activities within the scope of their duties in such capacity in the performance of **Cyber and Technology Activities** by a **Named Insured**.

**N. "Named Insured"** means the person(s) or entity(ies) listed in Item 1. of the Declarations of this Policy and their **Subsidiaries**.

**O. "Piracy"** means the wrongful use, reprinting or reproduction of copyrighted intellectual property.

**P. "Policy Period"** means the period of time stated in Item 2. of the Declarations or any shorter period resulting from cancellation of this Policy.

**Q. "Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to:

1. smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, silica, mold or asbestos;
2. hazardous, toxic or radioactive matter or nuclear radiation;
3. waste, which includes material to be recycled, reconditioned or reclaimed; or
4. any other **Pollutant** as defined by applicable federal, state or local statutes, regulations, rulings or ordinances.

- R. "**Property Damage**" means physical injury to tangible property and any resulting loss or corruption of data or information, including all resulting loss of use of that property, data or information. **Property Damage** does not mean the loss, corruption or destruction of data or information when the tangible property on which the data or information resides or resided is not physically injured.
- S. "**Regulatory Action**" means a request for information, civil investigation, civil proceeding or any breach or violation of any federal, state or local statutes and regulations associated with the control and use of personally identifiable financial or medical information.
- T. "**Retroactive Date**" means the date, if any, stated in Item 3. of the Declarations.
- U. "**Subsidiary(ies)**" means any entity in which, and so long as, the **Named Insured** either directly or indirectly:
- owns more than fifty percent (50%) of the issued and outstanding voting equity securities; or
  - controls voting rights representing the present right to vote for election or to appoint more than fifty percent (50%) of the directors or trustees;

on or before the effective date of this Policy, or after the effective date of this Policy; provided that, with respect to any entity that becomes a **Subsidiary** after the effective date of this Policy, and if the entity's gross revenues exceed ten percent (10%) of **Insureds'** annual gross revenues at the Inception Date of this Policy, the entity shall only be deemed a **Subsidiary** under this Policy for a period of ninety (90) days from the date it became a **Subsidiary**.

If the **Named Insured** gives written notice, within ninety (90) days of the creation or acquisition of the **Subsidiary**, including the necessary underwriting information as the **Company** may require, and pays any additional premium as the **Company** may require, then the **Company** will issue an endorsement including such entity in the definition of **Subsidiary** for the duration of the **Policy Period**.

In all events there is no coverage for **Wrongful Acts** by any **Subsidiary**, or **Insured** thereof, occurring prior to the time such entity became a **Subsidiary**.

- V. "**Technology Services**" means, with respect to any electronic or computer based system or network:
- analysis, design, programming or integration of information systems;
  - processing of data;
  - information technology consulting;
  - licensing of computer software;
  - marketing, selling, distributing, installing, maintaining and training in the use of electronic or computer related hardware and software;
  - website design, programming, maintenance or hosting, including Internet service provider services and application service provider services; or
  - outsourcing to vendors any of the services described in V.1. through 6. above to be performed by individuals who are not employees of the **Named Insured**.
- W. "**Wrongful Act**" means the conduct or alleged conduct, as described in **Section I., INSURING AGREEMENT, A.1.** through 9., by the **Insured** or any person or organization for whom the **Insured** is legally liable.

All **Wrongful Acts** that:

- take place between the **Retroactive Date** and the end of the **Policy Period** of the last Insurance Policy issued by the **Company** to the **Insured**; and

2. involve the same or related subject, person, class of person or have common facts or circumstances or involve common transactions, events or decisions, regardless of the number of repetitions, alterations, actions or forms of communication;

will be treated under this Policy as one **Wrongful Act**.

X. “**Unfair Competition**” means the misuse of an intellectual property right in **Content**.

### Section III. WHERE AND WHEN WE INSURE

#### A. Where We Insure

The territory and jurisdiction of this Policy is universal. Coverage applies to **Wrongful Acts** committed anywhere and to **Claims** made in any jurisdiction in the world. If **Damages** or **Claim Expenses** are paid in a currency other than United States of America dollars, then the payment under this Policy will be considered to have been made in United States dollars at the conversion rate, which is in effect at the time of the payment.

#### B. When We Insure

##### 1. Claims First Made

This insurance applies when a written **Claim** is first made against an **Insured** during the **Policy Period**. To be covered, the **Claim** must also arise from a **Wrongful Act** committed during the **Policy Period**.

The **Company** will consider a **Claim** to be first made against an **Insured** when a written **Claim** is first received by any **Insured**.

This insurance also applies to **Claims** under the following conditions:

##### 2. Prior **Wrongful Acts**

The **Company** will cover a written **Claim** first made against any **Insured** arising from a **Wrongful Act** committed between the **Retroactive Date** and the Inception Date of this Policy, but only if all of the following conditions are met:

- a. the written **Claim** is first made against any **Insured** during the **Policy Period**. The **Company** will consider a **Claim** to be first made against the **Insured** when a written **Claim** is first received by any **Insured**;
- b. no **Insured** knew prior to the **First Inception Date** of a circumstance that could reasonably be expected to lead to the **Claim**; and
- c. there is no other valid and collectible insurance for the **Claim**.

##### 3. Reported **Wrongful Acts**

The **Company** will cover a written **Claim** first made against any **Insured** after the end of the **Policy Period**, but only if all of the following conditions are met:

- a. the **Wrongful Act** is committed between the **Retroactive Date** and the end of the **Policy Period**;
- b. the **Company** receives written notice from the **Insured** during the **Policy Period** of the **Wrongful Act**;

The notice must include all of the following information:

- (1) the names of those persons or organizations involved in the **Wrongful Act**;
- (2) the specific person or organization likely to make the **Claim**;
- (3) a description of the time, place and nature of the **Wrongful Act**; and
- (4) a description of the potential **Damages**;

- c. no **Insured** knew prior to the **First Inception Date**, of a circumstance that could reasonably be expected to lead to the **Claim**; and
- d. there is no other valid and collectible insurance for the **Claim**.

A **Claim** first made after the end of the **Policy Period** and arising from a reported **Wrongful Act** will be covered under the provisions of this Policy in effect on the date the **Company** receives the notice of the **Wrongful Act**.

#### 4. Extended Reporting Period

This section describes the provisions and conditions that apply to **Claims** first made after the end of the **Policy Period** when the **Insured** has not reported a **Wrongful Act** during the **Policy Period** in accordance with **Section III.B.3.** above. Such **Claims** are not automatically covered. To cover them, the **First Named Insured** must purchase an Extended Reporting Period from the **Company**.

If the **First Named Insured** purchases an Extended Reporting Period, the **Company** will cover a **Claim** first made against any **Insured** during the Extended Reporting Period, but only if all of the following conditions are met:

- a. the **Wrongful Act** is committed between the **Retroactive Date** and the end of the **Policy Period**;
- b. no **Insured** knew prior to the **First Inception Date**, of a circumstance that could reasonably be expected to lead to the **Claim**; and
- c. There is no other valid and collectible insurance for the **Claim**.

The **Company** will consider a **Claim** to be made during the Extended Reporting Period only if written **Claim** is first received by any **Insured** after the Expiration Date of the **Policy Period** and prior to the Expiration Date stated in the Extended Reporting Period Endorsement.

The following provisions and conditions also apply to the Extended Reporting Period:

- d. If the **Company** or **First Named Insured** cancels or non-renews this Policy, and upon request by the **First Named Insured**, the **Company** will offer an Extended Reporting Period, unless the **Company** cancels or non-renews the policy because:
  - (1) any **Insured** failed to pay the premium or Retention; or
  - (2) any **Insured** failed to comply with policy provisions.

The Extended Reporting Period options and the respective percentages of the premium that the **First Named Insured** must pay to purchase an Extended Reporting Period are:

One Year	=	100% of the annual premium
Two Years	=	150%

Changes or proposed changes in premium or policy provisions shall not be construed as cancellation or nonrenewal of this Policy by the **Company**.

- e. The **Company** must receive the **First Named Insured's** request for the Extended Reporting Period in writing within thirty (30) days after the end of the **Policy Period**. On receipt and acceptance of the request, the **Company** will issue an endorsement showing the Extended Reporting Period in accordance with the option requested by the **First Named Insured**. At the same time, the **Company** will bill the additional premium and the **Company** must receive payment within thirty (30) days after the billing date for the endorsement to be effective.
- f. The endorsement shall also include the provisions and conditions applicable to the Extended Reporting Period. Once in effect, the Extended Reporting Period may not be canceled.

- g. A **Claim** that is first made during the Extended Reporting Period will be deemed to have been made on the last day of this **Policy Period**. The provisions of this Policy in effect on the last day of this **Policy Period** will apply.
  - h. The Extended Reporting Period does not reinstate or increase the Limit of Insurance.
  - i. The Extended Reporting Period does not extend the **Policy Period** or change the scope of coverage provided.
5. Multiple **Claims**

All **Claims** arising from the same **Wrongful Act** will be deemed to have been made on the earlier of the following dates:

- a. the date the first of those **Claims** is made against any **Insured**; or
- b. the first date the **Company** receives the **Insured's** written notice of the **Wrongful Act**.

The provisions of this Policy in effect on that date will apply.

#### Section IV. POLICY LIMIT AND RETENTION

##### A. Limit of Insurance

###### 1. Each **Wrongful Act**

The Each **Wrongful Act** Limit of Insurance stated in Item 5.a. on the Declarations is the maximum the **Company** will pay for **Damages** and **Claim Expenses** combined for the total of all **Claims** made during the **Policy Period** and any Extended Reporting Period arising from each **Wrongful Act**, no matter how many:

- a. **Insureds** this Policy covers;
- b. **Claims** are made; or
- c. persons or organizations make **Claims**.

###### 2. Total Limit of Insurance

The Total Limit of Insurance stated in Item 5.b. of the Declarations is the maximum the **Company** will pay for **Damages** and **Claim Expenses** combined for the total of all **Claims** made during the **Policy Period** and any Extended Reporting Period, no matter how many:

- a. **Insureds** this Policy covers;
- b. **Claims** are made;
- c. persons or organizations make **Claims**; or
- d. **Wrongful Acts** are committed.

###### 3. Sub-Limits

- a. The sub-limit stated in any endorsement is the most the **Company** will pay for **Damages** and **Claim Expenses** combined for the total of all **Claims** made during the **Policy Period** and any Extended Reporting Period arising from each sub-limit activity as defined in this Policy, no matter how many:

- (1) **Insureds** this Policy covers;
- (2) **Claims** are made; or
- (3) Persons or organizations make **Claims**.



- b. The sub-limits are part of, and count toward, the Total Limit of Insurance stated in Item 5.b. on the Declarations and do not increase the Total Limit of Insurance.
- c. If there is no amount entered on the endorsement for any given sub-limit or the amount entered is zero (0), this Policy provides no coverage for **Damages** or **Claim Expense** for that sub-limit activity.

## B. Retention

A separate Retention applies to each actual and/or alleged **Wrongful Act**. For purposes of this provision, a series of related **Wrongful Acts**, as described in **Section II.W.**, will be considered a single **Wrongful Act**. The Retention applies to **Damages** and **Claim Expenses** combined, and the **Company's** obligation to pay **Damages** and **Claim Expenses** applies only to the amount of **Damages** and **Claim Expenses** in excess of the Retention. The amount of the **Insured's** Retention is stated in Item 6. of the Declarations. The Retention does not deplete the applicable Limit of Insurance.

## Section V. EXCLUSIONS

A. The **Company** will not be obligated to pay **Damages** or **Claim Expense** or defend **Claims** for or arising out of actual or alleged:

1. **Bodily Injury** or **Property Damage**;
2. harassment, misconduct or discrimination because of or relating to:
  - a. race, creed, color or age;
  - b. sex, sexual preference, national origin or religion; or
  - c. handicap, disability or marital status;

but only if the harassment, misconduct or discrimination was knowingly committed. The **Company** will defend such a **Claim** until a judgment or other final adjudication by a jury, court or arbitrator establishes such conduct. The **Company** will have the right to seek reimbursement from any **Insured** for any **Claim Expenses** paid to defend any **Claim** that such a judgment or final adjudication finds to have involved harassment, misconduct or discrimination as described above, which was knowingly committed;

3. infringement or contributing to the infringement of patent;
4. malfunction or defect of any hardware, equipment or component; except this Exclusion does not apply when the malfunction or defect is solely the result of the **Insured's** actual or alleged negligence in performing **Cyber and Technology Activities**;
5. electrical failure including electrical power interruption, surge, brownout or blackout; except this Exclusion does not apply when the electrical failure is solely the result of the **Insured's** actual or alleged negligence in performing **Cyber and Technology Activities**;
6. breach of contract, warranty or guarantee; however, with respect to allegations of breach of contract this Exclusion shall not apply to any liability that would have attached in the absence of such contract or liability **Assumed Under Contract**;
7. false, misleading, deceptive, fraudulent or misrepresenting statements in **Advertising by Insured**;
8. antitrust, restraint of trade or unfair or deceptive trade practices;
9. acts of the **Insured** related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974, or any amendment to the Act or any violation of any regulation, ruling or order issued pursuant to the Act;

10. violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisor's Act of 1940, any state blue sky or securities law, any similar state or federal law, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws;
11. the actual or threatened discharge, dispersal or release of any **Pollutant**; or the creation of an injurious condition involving any **Pollutant**; or the existence of any **Pollutant** on any property; or the clean up, removal, testing, monitoring, containment, treatment, detoxification or neutralization of any **Pollutant**. This Exclusion, **V.A.11.**, is effective whether or not the pollution was sudden, accidental, gradual, intended, expected or preventable or whether or not any **Insured** caused or contributed to the pollution.

**B. The Company will not be obligated to pay Damages or Claim Expense for Claims for or arising out of:**

1. an act, error or omission that a jury, court or arbitrator finds dishonest, fraudulent, criminal, malicious or intentionally committed while knowing it was wrongful; or
2. intentional unauthorized access to, unauthorized use of, tampering with or introduction of malicious code into data or systems by any **Insured** or person who would qualify as an **Insured** but for their acts being outside the scope of their duties as a partner, officer, director or employee of an **Insured**.

However, these Exclusions, **V.B.1.** and **2.**, do not apply to any **Insured** who did not commit, acquiesce or participate in the actions that gave rise to the **Claim**.

**C. The Company is not obligated to pay Damages or Claim Expense for Claims made by:**

1. any **Insured**;
2. any entity which is a parent, affiliate, **Subsidiary**, joint venturer or co-venturer; or other entity in which any **Insured** is a partner;
3. any entity directly or indirectly controlled, operated or managed by an entity described in **Section V.C.1.** or **2.** above;
4. any party or the successor or assignee of any party who has supplied, is supplying or is to supply **Content**, material or services to the **Insured** pursuant to an express contractual relationship, but only with respect to **Claims** involving disputes over the ownership of, fees associated with, use of or exercise of rights in the **Content**, material or services supplied;
5. any regulatory authority, or any federal, state or local governmental agency; except this Exclusion does not apply to:
  - a. a **Claim** brought by any of these entities, if such entity is also a client, and if the **Claim** arises from actual or alleged **Wrongful Acts** in performing **Cyber and Technology Activities**; or
  - b. **Claim Expenses** or **Damages** incurred up to the **Regulatory Action** sub-limit set forth in the **Regulatory Action Sub-Limit Endorsement** for all **Claims** made during the **Policy Period** and any Extended Reporting Period arising out of any **Regulatory Action**; or
6. any present, former or prospective employee based on, resulting from or arising directly or indirectly out of the employment relationship or the nature, terms or conditions of employment, including, but not limited to discrimination, harassment, wrongful discharge, breach of contract, employment-related defamation or workplace or employment torts.

## Section VI. CONDITIONS

### A. Time of Inception; Policy Period

This Policy will begin at 12:01 a.m. on the Inception Date shown in the Declarations. This Policy will continue to apply until 12:01 a.m. on the Expiration Date also shown in the Declarations unless terminated at an earlier date.

## B. Premium

The **Named Insured** will pay to the **Company** the amount of premium stated in Item 7. of the Declarations. The premium may be adjusted at any time during the **Policy Period** or any extensions of the **Policy Period** based upon changes in the **Insured's Cyber and Technology Activities** or provisions of this Policy as may be agreed upon by the **Named Insured** and the **Company**.

## C. Change of Operations

This Policy applies only to **Cyber and Technology Activities** described at the Inception Date of this Policy in the Declarations or by endorsement. This Policy will not apply to any other activities or entities unless, with the **Company's** consent, such activities or entities are added to this Policy by endorsement. The **Named Insured** will promptly pay any additional premium that may become due as a result of such addition.

## D. Insured's Duties in the Event of Claim

1. If there is a **Claim**, the **Insured** must do the following after the **Named Insured** has knowledge of the **Claim**:
  - a. Notify the **Company** in writing as soon as practicable; this notice must:
    - (1) Be sent to the **Company**, in care of the **Company's** underwriting manager, Media/Professional Insurance, Two Pershing Square, Suite 800, 2300 Main Street, Kansas City, Missouri 64108-2404; and
    - (2) Contain details that identify the **Insured**, the claimant and also reasonably obtainable information concerning the time, place and other details of the **Wrongful Act and Claim**;
  - b. Immediately send the **Company** copies of all demands, notices, summonses or legal papers received in connection with the **Claim**;
  - c. Authorize the **Company** to obtain records and other information;
  - d. Cooperate with and assist the **Company** in the investigation, settlement or defense of the **Claim**; and
  - e. Assist the **Company**, upon the **Company's** request, in enforcing any rights of contribution or indemnity against another who may be liable to any **Insured**.
2. No **Insured** will, except at the **Insured's** own cost, voluntarily make a payment, admit liability, assume any obligation or incur any expense without the **Company's** prior written consent.
3. When **Section VI.D.1.** requires that an **Insured** provide notice of a **Claim** we will consider the **Insured** to have knowledge of that **Claim** only when the **Named Insured's** chairperson of the board of directors, president, chief executive officer, chief operating officer, chief financial officer, risk manager or in-house counsel has that knowledge.

## E. Other Insurance

The insurance afforded by this Policy is excess over any other valid and collectible insurance available to the **Insured**, except insurance specifically arranged by the **Named Insured** to apply in excess of this insurance.

## F. Subrogation and Recovery of Claim Expense

In the event of any payment under this Policy, the **Company** will be subrogated to all the **Insured's** rights of recovery therefore against any person or organization, and the **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights. The **Company** will have no rights of subrogation against any **Insured** hereunder. Any recoveries shall be applied as follows:

1. First, to the **Company** up to the amount the **Company** has paid for **Damages** and **Claim Expense**.
2. Then, to the **First Named Insured** as recovery of Retention amounts paid as **Damages** and **Claim Expense**.

The **Company** will have the right to seek recovery from any **Insured** of any **Claim Expense** incurred as a result of any portion of a **Claim** that is not covered by this Policy.

## G. Changes

Notice or knowledge possessed by any person will not effect a waiver or a change in any part of this Policy or estop the **Company** from asserting any rights under the terms of this Policy; nor will the terms of this Policy be waived or changed except by written endorsement issued to form a part of this Policy.

## H. Assignment

Assignment of any interest under this Policy will not bind the **Company** unless and until its written consent is endorsed hereon.

## I. Action Against the Company

1. No action will lie against the **Company** unless, as a condition precedent thereto, there will have been full compliance with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay will have been fully determined either by judgment or award against the **Insured** after actual trial or arbitration or by written agreement among the **Insured**, the claimant and the **Company**.
2. Any person or organization, or the legal representative thereof, who has secured such judgment or written agreement, will thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy.
3. No person or organization will have any right under this Policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor will the **Company** be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of the **Insured** or the **Insured's** estate will not relieve the **Company** of any of its obligations hereunder.

## J. Cancellation and Nonrenewal

### 1. Cancellation

This Policy may be canceled by the **First Named Insured** by mailing to the **Company** written notice stating when thereafter the cancellation will be effective. This Policy may be canceled by the **Company** by mailing to the **First Named Insured**, at the address shown in this Policy, written notice stating when, not less than sixty (60) days thereafter, such cancellation will be effective. If cancellation is a result of nonpayment of premium or Retention, the **Company** will give written notice stating when, not less than ten (10) days thereafter, such cancellation will be effective.

If this Policy is canceled prior to the Expiration Date, the premium due the **First Named Insured** will be:

- a. the pro rata unearned amount of the annual premium subject to a factor of .90, if such cancellation is by the **First Named Insured**; or
- b. the pro rata unearned amount of the annual premium if such cancellation is by the **Company**;

but the return of such premium to the **First Named Insured** is not a condition of cancellation.

### 2. Nonrenewal

The **Company** may elect not to renew this Policy by mailing or delivering written notice of nonrenewal to the **First Named Insured's** last mailing address known to the **Company**. The **Company** will mail or deliver the notice at least sixty (60) days before the expiration of this Policy.

If notice of cancellation or nonrenewal is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

## K. Authorization

The **First Named Insured** is responsible for assurance of payment of all premiums and Retentions. The **First Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to providing and receiving notices of cancellation or nonrenewal, receiving any return premium, and purchasing an Extended Reporting Period. In the event of a disagreement between any **Insureds**, the **First Named Insured** will have exclusive authority to act on behalf of all other **Insureds** with respect to negotiation of settlements and the decision to appeal or not to appeal any judgment.

## L. Representations

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

1. the statements in the Application or Renewal Application for this insurance furnished to the **Company** are accurate and complete;
2. those statements furnished to the **Company** are representations the **Named Insured** made to the **Company** on behalf of all **Insureds**;
3. those representations are a material inducement to the **Company** to issue this Policy;
4. the **Company** has issued this Policy in reliance upon those representations;
5. this Policy embodies all agreements existing between the **Insured** and the **Company** or any of its agents relating to this insurance; and
6. the Application or Renewal Application, including any attachments, and all other information and materials submitted by or on behalf of the **Insureds** to the **Company** in connection with the **Company** underwriting this Policy, will be kept on file by the **Company** and deemed attached to this Policy as if physically attached to it.

## M. Severability

With regard to the information provided on any insurance Application, only facts pertaining to and knowledge possessed by any of the **First Named Insured's** chairperson of the board of directors, president, chief executive officer, chief operating officer, chief financial officer, risk manager, in-house counsel or any person whose signature appears on the Application, shall be imputed to **Insured**.

In Witness Whereof, the **Company** has caused this Policy to be executed and attested, but this Policy will not be valid unless countersigned by a duly authorized representative of the **Company**.

President

Secretary