

PART 1 - DECLARATION

CERTIFICATE OF INSURANCE

Certificate Number: **US UCS 2641921.12**

Please note that this insurance is written on a claims made basis. This means that this insurance will only provide cover for **claims** made against **you** and reported to **us** in the **policy period** in accordance with the terms and conditions of the policy. It is also important that **you** understand the full extent of **your** and **our** rights and duties under this insurance so **we** urge **you** to read the declarations and **your** entire policy carefully and discuss the coverage provided with **your** agent or broker.

This insurance is provided, in return for the premium **you** have paid, through Hiscox Inc, 357 Main Street, Armonk, NY 10504, who are authorised by **us** to issue insurance certificates on **our** behalf under Contract No. B1234INCS362412. If **you** write to **us**, please quote the certificate number shown in **your** Declarations. If **you** have any questions or complaints, please contact **your** broker or agent. If **you** are not satisfied with the way a complaint has been dealt with, **you** may ask the Complaints Department at Lloyd's to review **your** case. This will not affect **your** legal rights. The address is: Lloyd's Complaints Department, Customer Services, Lloyd's, One Lime Street, London EC3M 7HA. Telephone +44 (0)20 7327 5693. Email complaints@lloyds.com.

I. GENERAL DETAILS

A Certificate Number	US UCS 2641921.12
B Insured	Simultaneous Solutions, Inc.
C Insured's Contact Address	3452 Lake Lynda Dr Ste 420 Orlando, Florida 32817-8464
D Underwriter	Syndicate 3624
E Insured's Broker	Agency Marketing Services Inc. 9800 4th St. N. Suite 400 Saint Petersburg, Florida 33702
F Insured's Payment	Payment by Broker's Account
G Premium	\$ 2,323.00

**"SURPLUS LINES INSURERS'
POLICY RATES AND FORMS ARE
NOT APPROVED BY ANY
FLORIDA REGULATORY
AGENCY."**

Administration Fee \$35.00
Tax \$117.90
Service Fee \$2.36
FHCFF: \$30.65

II. COVERAGE DETAILS

A Policy Wording	TMT US Portfolio Wording
B Policy Period	September 11th 2012 to September 11th 2013 at 12:01 am local time at the insured's contact address
C Coverage Module(s) Included in this Policy	Technology Protection

III. MODULE-SPECIFIC COVERAGE DETAILS

FSU Insurance & Financial Services
(P) 407-260-1046
(F) 407-260-1275
www.fsuinsurance.com

SURPLUS LINES AGENT: Boyd H. Wolf A289060

AGENT ADDRESS: 9800 4th St. N. Ste. 400
St. Petersburg, FL 33702

Prod. Agent: *Scott Richardson*

Address: *950 S. Winter Park Dr. Suite 310*
Address: *Casselberry, FL 32707*

This Insurance is issued pursuant to the Florida Surplus Lines Laws. Persons insured by Surplus Lines Carrier's do not have the protection of the Florida Insurance Guaranty Act to the extent of any recovery for the obligation of an insolvent unlicensed carrier.

AGENT'S COUNTERSIGNATURE: *Boyd Wolf*

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A TECHNOLOGY PROTECTION

- 1 **Definition of "Business Activities."** As it applies to this module, where the phrase "business activities" appears in this policy (whether in the singular or plural), it shall solely mean the following:

The following provided to or performed for others for a fee:

- i) Designing, reselling, supplying, developing, programming, installing, integrating, testing, converting, migrating, maintaining and supporting computer software.
- ii) Database management, design and processing services.
- iii) Website design and hosting services.
- iv) Reselling, installing, configuring, testing, maintaining and supporting computer hardware and computer networks.
- v) Consulting, project managing, staff augmentation and training relating to computer software, computer hardware and computer networks.

- | | | |
|---|----------------------------|---|
| 2 | Premium | \$ 2,323.00 |
| 3 | Policy Limit | \$ 1,000,000 Single Aggregate Limit, inclusive of costs and expenses |
| 4 | Retention | \$ 10,000 Each and every claim. This includes all costs and expenses. |
| 5 | Retroactive Date | Sep 11, 1998 |
| 6 | Geographical Limits | Worldwide |
| 7 | Applicable Courts | Worldwide |
| 8 | Date of Application | Sep 10, 2012 |

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ENDORSEMENTS - Applicable to the whole policy

Endorsement 1

E3013.2 General Notification Endorsement

Notification requirements for this policy are set out in each module.

Please provide notification in all instances to the following:

Hiscox - Tech and Privacy/Data Breach Claims Dept
520 Madison Avenue, 32nd Floor
New York, NY 10022
Email - tmtclaims@hiscox.com
Fax # - 212-922-9652

Additionally, for any modules requiring notification to **our cyber representative**,
please provide notification to the following:

NetDiligence
Email - management@NetDiligence.com
Fax # - 267-200-0734
Phone Contacts:

- Dave Chatfield: 954-684-9190
- Mark Greisiger: 610-525-6383

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Endorsement 2

E3015.1 US Emerging Tech Business Mandatory Endorsement

In consideration of the premium charged and upon the understanding that the following amendment leaves all other terms, conditions and exclusions unchanged:

1. **Part five - What we will not pay** is amended to include the following at the end thereof:

In addition to the WHAT WE WILL NOT PAY section(s) under PART 3. of this policy, **we** will not make any payment, including any **defense cost** payment, toward any portion of any:

SME-A. **claim or loss** for, alleging, or arising, either directly or indirectly, from any of the below listed products, services or activities:

PRODUCTS/SERVICES/ACTIVITIES

- a) supplier of financial trading systems;
- b) payment card gateway or payment processing services provider;
- c) developer or publisher of console/mobile/PC games or smartphone/tablet apps;
- d) manufacturer or designer of hardware;
- e) Internet Service Provider or Telecommunication company;
- f) supplier of Business Process Outsourcing (BPO) services;
- g) supplier of process control software (e.g. SCADA, PLC);
- h) supplier of military defense or aerospace software;
- i) supplier of non-administration healthcare/medical software;
- j) supplier of safety control software (e.g. air traffic control, railway signaling);
- k) services as a health information exchange or health information organization;
- l) supplier of online auctions, gambling or pornography;
- m) supplier of internet advertising services such as lead generation, affiliate marketing or email marketing; or
- n) supplier of mobile banking products or services.

SME-B. **claim or loss** for, alleging, or arising from any use of any user profile gathering technology without the knowledge or permission of the user.

SME-C. **claim or loss** for, alleging or arising either directly or indirectly from any transfer of funds, monies or securities to or from any natural person or entity.

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SME-D. **claim** or **loss** for, alleging, or arising from any violation of any federal, state, local or foreign statutes, ordinances, regulations or other laws regarding or relating to unsolicited telemarketing, solicitations, emails, faxes, text messages, mobile video messages, or any other communications of any type or nature, including but not limited to any anti-spam and do-not-call statutes.

SME-E. **claim** or **loss** for, alleging, or arising from any violation of the Telephone Consumer Protection Act or the Fair Credit Reporting Act.

SME-F. **claim** or **loss** for, alleging or arising either directly or indirectly from any punitive action taken against **you** and/or any **client** of **yours** by a search engine, including but not limited to, the removal of **your client's** website from the search engine's search results.

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Endorsement 3

E3021.1 Service of Suit Endorsement

In consideration of the premium charged and upon the mutual understanding that the following amendment leaves all other terms, conditions, and exclusions unchanged, Part seven, General Matters, subsection V. Service of suit is deleted in its entirety and replaced with the following:

V. Service of suit

In the event of **our** failure to pay any amount claimed under this policy, at **your** request, **we** will agree to submit to the jurisdiction of a Court of competent jurisdiction within the United States. **Our** agreement, however, does not mean that **we** waive **our** rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to any United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. Service of process in such suit may be made upon

Hiscox Inc.
520 Madison Ave. – 32nd Floor
New York, NY 10022
Attn: Head of Claims
Email – tmtclaims@hiscox.com
Fax # - 212-922-9652

and that in any suit instituted against any **us** upon this policy, **we** will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on **our** behalf in any such suit and/or upon **your** request to give a written undertaking to **you** that they will enter a general appearance upon **our** behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, **we** hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as **our** true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of **you** or any beneficiary hereunder arising out of this policy of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

The foregoing is not intended to conflict with or override **your** and **our** obligation to arbitrate any dispute arising out of or relating to this policy, as provided in the arbitration provision under subsection IV. Arbitration above. This Service of Suit clause applies only to suits to enforce arbitration awards.

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Endorsement 4

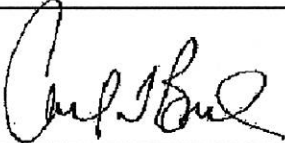
E3240.3 Lloyd's Syndicate 3624 Definition

In consideration of the premium charged and upon the mutual understanding that the following amendment leaves all other terms, conditions, and exclusions unchanged, Part 7 GENERAL MATTERS Section I. DEFINITIONS is amended to include the following:

Syndicate(s) "Syndicate(s)" means:
Syndicate: **3624**
Proportion Percent **100%**
Policy #: B1234INCS362412
Registration Date: January 1, 2006

This policy is subject to all the terms, conditions, exclusions and warranties as set forth in this insurance or endorsed to this insurance, all of which are to be considered as incorporated into this policy.

IN WITNESS WHEREOF this Certificate has been signed at New York, New York



Hiscox Inc.

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

**SURPLUS LINES INSURERS' POLICY
RATES AND FORMS ARE NOT
APPROVED BY ANY FLORIDA
REGULATORY AGENCY.**

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Report Revision Date: 07/11/2008

BEST'S RATING

Based on our opinion of the Lloyd's Market's Financial Strength, it is assigned a Best's Rating of A (Excellent). The Lloyd's Market's Financial Size Category is Class XV.

RATING RATIONALE

Rating Rationale: A.M. Best's rating of Lloyd's of London (Lloyd's) reflects its excellent capitalisation and less volatile anticipated operating performance supported by enhanced risk management. In addition, as a result of implementation of phase one of the Equitas agreement with National Indemnity Company (NIC), Lloyd's exposure to uncertainty relating to Equitas has been substantially reduced. The ratings continue to reflect Lloyd's excellent global business profile.

Excellent capitalisation -- A.M. Best believes that underwriting discipline at Lloyd's is likely to be maintained through 2008 and into 2009. Whilst market capacity remained stable at GBP16.0 billion at the beginning of 2008 (2007: GBP16.1 billion), overall, existing syndicates reduced stamp by 5% and new entrants provided the balance of capacity. A.M. Best believes that Lloyd's rigorous review procedures of both existing syndicates and new applicants is likely to help prevent new insolvent members from emerging, despite the influx of new capacity entering the market this year. A.M. Best also believes that strain on the Central Fund from existing insolvent members is diminishing, owing to stabilising reserves and the closure of a significant number of open years. A.M. Best expects Lloyd's central solvency capital to remain excellent through 2008. It increased 20% to GBP 2,457 million at the 2007 year-end and was supported by the GBP 500 million subordinated loan note issued in June.

Less volatile performance -- A.M. Best expects strong performance from the market in 2008, although some deterioration is anticipated on the excellent results achieved in 2007, as underwriting margins reduce and uncertainty in the capital markets continues. A good combined ratio of 95-100% is forecast, incorporating a positive contribution from prior years, due to Lloyd's current reserve strength, which partly reflects the absence of major loss experience in 2006/7. At this stage, A.M. Best believes that the sub-prime related losses arising from underwriting or through investments are unlikely to have a material impact on Lloyd's performance, although uncertainty as to underwriting losses from this source will continue for some time. Excellent performance in 2007 was supported by a strong underwriting result and by investment income. Underwriting performance benefited from benign catastrophe experience in the year, a strong rating environment for certain lines of business combined with a significant reserve release. A.M. Best believes that continued enhancement to governance at Lloyd's, internal oversight of the market and enhanced management information and peer analysis continue to raise risk management standards. These processes are likely to help identify emerging issues early and dampen the high volatility in Lloyd's performance observed in previous cycles.

Excellent global business profile -- In A.M. Best's opinion, Lloyd's has an excellent business profile, which has enabled it to attract and retain business despite the development of alternative insurance centres in lower tax jurisdictions. Lloyd's benefits from a capital efficient operating structure and global underwriting reach that facilitates access to a range of different business lines and underwriting markets. Both factors provide strong support for Lloyd's business profile. In A.M. Best's view, expanding international trading platforms, such as those in Singapore and China, and reducing the cost of placing business at Lloyd's are likely to further enhance its profile, reducing its dependence on a single location at which to underwrite business. Lloyd's exposure to uncertainty relating to Equitas, which was previously an offsetting rating factor, has been substantially reduced following implementation of phase one of a two-phase deal with National Indemnity Company (Nebraska). Completion of phase two, expected in 2009, would provide further benefit.

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Risk Management Assistance Hotline from Hiscox

Policy Number: US UCS 2641921.12
Insured Name: Simultaneous Solutions, Inc

Risk Management Assistance available from **Hiscox Inc.**

As a complimentary service to this policy, we are pleased to provide a free confidential risk management and loss prevention service, consisting of an initial consultation and up to 1-hour of legal services to assist you in better understanding and minimizing risks that commonly lead to the types of claims covered under this policy.

If you have a question about minimizing these types of liability risks in your business, please email your question to us at riskmanagement@hiscox.com, along with your policy number. A Hiscox representative will get back to you within 1 (one) business day with a referral to a nationally recognized law firm with a practice specifically focused on your industry. Please note that any inquiries made to this service will not constitute a notice of claim or potential claim under your policy. For all claim or potential claim matters, please follow the notification provisions in this policy.

- Please also note that this service is not intended to respond to questions regarding your insurance policy or coverage. For all such inquiries, please contact your agent or broker.



ECONOMIC AND TRADE SANCTIONS POLICYHOLDER NOTICE

Hiscox is committed to complying with the U.S. Department of Treasury Office of Foreign Assets Control (OFAC) requirements. OFAC administers and enforces economic sanctions policy based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, and narcotics traffickers as Specially Designated Nationals (SDN's) and Blocked Persons. OFAC has also identified Sanctioned Countries. A list of Specially Designated Nationals, Blocked Persons and Sanctioned Countries may be found on the United States Treasury's web site <http://www.treas.gov/offices/enforcement/ofac/>.

Economic sanctions prohibit all United States citizens (including corporations and other entities) and permanent resident aliens from engaging in transactions with Specially Designated Nationals, Blocked Persons and Sanctioned Countries. Hiscox may not accept premium from or issue a policy to insure property of or make a claim payment to a Specially Designated National or Blocked Person. Hiscox may not engage in business transactions with a Sanctioned Country.

A Specially Designated National or Blocked Person is any person who is determined as such by the Secretary of Treasury.

A Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States.

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy may be rendered void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

- (1) Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to US economic trade sanctions;
- (2) Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country government, where any action in connection with such claim or suit is prohibited by US economic or trade sanctions;
- (3) Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to US economic or trade sanctions;
- (4) Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country government, where any activities related to such property are prohibited by US economic or trade sanctions; or
- (5) Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to US economic or trade sanctions.

Please read your Policy carefully and discuss with your broker/agent or insurance professional. You may also visit the US Treasury's website at <http://www.treas.gov/offices/enforcement/ofac/>.

eRisk Hub® Breach Response Resources

Complimentary access to web portal for qualified Hiscox USA Technology and Privacy Insurance policyholders.

When a breach event occurs, time is of the essence. Having a response plan in place with access to the third-party resources you need will help you more efficiently and cost-effectively respond to and recover from the breach. As a qualified Hiscox USA Technology and Privacy Insurance policyholder, you receive complimentary access to the

eRisk Hub® portal, powered by NetDiligence®. eRisk Hub provides tools and resources to help you understand the exposures, establish a response plan and minimize the effects of a breach on your organization.

Key features of the eRisk Hub® portal

- **Breach Response Services:**

- **Incident Roadmap** – includes suggested steps to take following a breach event.
- **Breach Coach®** – a resource to support you in managing your response, including a free initial consultation.
- **Breach Response Team** – a list of data breach service providers at predetermined rates.
- **eRisk resources** – a directory to quickly find external resources with expertise in pre- and post- breach disciplines.

We are pleased to provide our Hiscox USA Technology and Privacy Insurance policyholders with free access to this portal*.

For more information, email us at hiscox@eriskhub.com.

About Hiscox in the US

Hiscox, the international specialist insurer, is headquartered in Bermuda and listed on the London Stock Exchange (LSE:HSX). There are three main underwriting parts of the Group - Hiscox London Market, Hiscox UK and Europe and Hiscox International. Hiscox International includes operations in Bermuda, Guernsey and the USA. Hiscox ASM Ltd, Hiscox Underwriting Ltd and Hiscox Syndicates Ltd are authorized and regulated by the UK Financial Services Authority. The ability of syndicates at Lloyd's to do business in the USA, and its territories, is restricted as they are not US-based insurers.

Hiscox Inc., a Delaware corporation headquartered in New York, d/b/a Hiscox Insurance Agency in CA, is a licensed insurance intermediary for admitted and surplus lines business. Hiscox Inc. underwrites on behalf of, and places business with, Hiscox Insurance Company Inc., other domestic insurers, and syndicates at Lloyd's (www.lloyds.com). Hiscox Insurance Company Inc. is a Chicago, IL domiciled insurer, which is admitted or licensed to do business in all 50 states and the District of Columbia.

Inquiries as to insurance or other products or services should be directed to an insurance agent or broker licensed to conduct business in the relevant US state. For further information about an insurer's ability to do business in the USA and US territories please contact a licensed agent or broker for advice.

This communication provides general information on Hiscox's products and services only and is not intended to be, and does not constitute, a solicitation of business by syndicates at Lloyd's from or in respect of the USA or US territories. Coverages are subject to underwriting and may not be available in all states. The information contained herein is not a part of an insurance policy, and may not be used to modify any insurance policy that might be issued. In the event the actual policy forms are inconsistent with any information provided herein, the language of the policy forms shall govern.

*Coverage for the costs of engaging the services of a law firm or breach response service provider are subject to the terms and conditions of your policy, which in some instances may require the prior approval by your insurance carrier. Please familiarize yourself with the terms and conditions of your policy. Information provided through the eRisk Hub portal does not constitute legal advice. Please consult your, attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.



eRisk Hub® Breach Response Resources Notice of access

Register now! Don't wait until you have suffered a breach. Be prepared.

As a qualified Hiscox USA Technology and Privacy Insurance policyholder, you now have free access to the eRisk Hub® portal, powered by NetDiligence®.

eRisk Hub® is a private, web-based portal containing information and technical resources provided to assist you in the timely reporting, response and recovery from a data breach event.

Key features of the eRisk Hub® portal

- **Breach Response Services:**

- **Incident Roadmap** – includes suggested steps to take following a breach event.
- **Breach Coach®** – a resource to support you in managing your response, including a free initial consultation.
- **Breach Response Team** – a list of data breach service providers at predetermined rates.

- **eRisk resources** – a directory to quickly find external resources with expertise in pre- and post- breach disciplines.

Please note the following:

1. The eRisk Hub portal is a private site for Hiscox USA Technology and Privacy Insurance policyholders only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the Hiscox access code provided to you.
2. Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Manager or Legal Counsel.
3. This portal contains a directory of experienced providers of cyber risk management and breach recovery services. Hiscox does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility*.
4. Should you experience a data breach event, you may choose to call the Breach Coach® listed in the portal for immediate triage assistance. Your initial consultation of up to one half-hour is free of charge. Please be aware that the Breach Coach service is provided by a third-party law firm. Therefore, calling the Breach Coach does not satisfy the claim notification requirements of your policy.

We are pleased to provide our qualified Hiscox USA Technology and Privacy Insurance policyholders with free access to this portal*. To register:

1. go to www.eriskhub.com/hiscox.php
2. complete the registration form. Your **Hiscox access code** is **08663**
3. once registered, you can access the portal immediately.

For more information or questions, email us at hiscox@eriskhub.com.

About Hiscox in the US

Hiscox, the international specialist insurer, is headquartered in Bermuda and listed on the London Stock Exchange (LSE:HSX). There are three main underwriting parts of the Group - Hiscox London Market, Hiscox UK and Europe and Hiscox International. Hiscox International includes operations in Bermuda, Guernsey and the USA. Hiscox ASM Ltd, Hiscox Underwriting Ltd and Hiscox Syndicates Ltd are authorized and regulated by the UK Financial Services Authority. The ability of syndicates at Lloyd's to do business in the USA, and its territories, is restricted as they are not US-based insurers.

Hiscox Inc., a Delaware corporation headquartered in New York, d/b/a Hiscox Insurance Agency in CA, is a licensed insurance intermediary for admitted and surplus lines business. Hiscox Inc. underwrites on behalf of, and places business with, Hiscox Insurance Company Inc., other domestic insurers, and syndicates at Lloyd's (www.lloyds.com). Hiscox Insurance Company Inc. is a Chicago, IL domiciled insurer, which is admitted or licensed to do business in all 50 states and the District of Columbia.

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*Coverage for the costs of engaging the services of a law firm or breach response service provider are subject to the terms and conditions of your policy, which in some instances may require the prior approval by your insurance carrier. Please familiarize yourself with the terms and conditions of your policy. Information provided through the eRisk Hub portal does not constitute legal advice. Please consult your attorney or other professional advisor to discuss your specific situation and obtain the appropriate legal or other expert advice.



CONFORMITY NOTICE

(This does not amend, extend, or alter the coverages or any other provisions contained in your policy)

Whenever the symbol "\$" is used in this policy, it shall mean United States Dollars (USD).



TMT wording
TMT/USA worldwide
DTD jacket

Contents

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Part 5 - What we will not pay - applicable to the entire policy

Part 6 - Your obligations to us

Part 7 - General matters



Part two – Our promise to you

About this policy

The Hiscox TMT policy is designed to offer comprehensive cover for technology, media and telecommunication risks. We provide this cover through several specialized coverage modules, all of which fall within one of two categories: I. Cover for Claims Against You, or II. Cover for Your Own Losses. You can identify which of these two categories of cover you have purchased by simply looking at the module heading at the top of each page in Part 3 of this policy. We urge you to read this policy carefully so you understand which module(s) you have purchased, and the full extent of your and our rights and duties under this policy. Please note that all words and phrases that appear in bold-type (except headings) have special meaning and are either defined in the Definitions section under Part 7 of this policy, or in the case of module-specific definitions, defined within each relevant coverage module under Part 3 of this policy.

I. Cover for claims against you

If **you** have purchased a module that provides cover for **claims** against **you**, then **we** will pay on **your** behalf any **claim** that falls within WHAT HAS TO GO WRONG under that module, WHAT WE WILL PAY under that module, and HOW MUCH WE WILL PAY APPLICABLE TO THE ENTIRE POLICY. However, **we** will not make any payment in connection with any **claim** unless **we** are notified of the **claim** in accordance with WHAT YOU MUST NOTIFY AND WHEN under that module, and **you** have paid the premium and applicable **retention**, and **you** are in compliance with YOUR OBLIGATIONS TO US. **We** will not pay for any portion(s) of any **claim** that fall(s) within WHAT WE WILL NOT PAY under that module, or fall(s) within WHAT WE WILL NOT PAY APPLICABLE TO THE ENTIRE POLICY.

II. Cover for your own losses

If **you** have purchased a module that provides cover for **your** own **losses**, then **we** will indemnify **you** under that module for any **loss** that falls within WHAT HAS TO GO WRONG under that module, WHAT WE WILL PAY under that module, and HOW MUCH WE WILL PAY APPLICABLE TO THE ENTIRE POLICY. However, **we** will not make any payment in connection with any **loss** unless **we** are notified of the **loss** in accordance with WHAT YOU MUST NOTIFY AND WHEN under that module, and **you** have paid the premium and applicable **retention**, and **you** are in compliance with YOUR OBLIGATIONS TO US. **We** will not pay for any portion(s) of any **loss** that fall(s) within WHAT WE WILL NOT PAY under that module, or fall(s) within WHAT WE WILL NOT PAY APPLICABLE TO THE ENTIRE POLICY.



Part three – Coverage module(s)

Technology protection module

Cover for claims against you

TPM I.

What has to go wrong

The performance of **business activities** by **you** or anyone on **your** behalf, including **your** subcontractors and outsourcers, on or after the **retroactive date** and prior to the end of the **policy period**, results in a **claim** first made against **you** during the **policy period** for any actual or alleged:

- a. unintentional breach of a written contract brought by a **client**;
- b. negligence or breach of any duty to use reasonable care, including but not limited to negligent transmission of a computer virus, worm, logic bomb or Trojan horse or negligence in connection with a denial of service attack, or negligent misrepresentation;
- c. intellectual property infringement (but not any patent infringement or trade secret misappropriation), including but not limited to copyright infringement, trademark infringement, trademark dilution, trade dress infringement, publicity rights violations, cyber squatting violations, moral rights violations, any act of passing-off, or any misappropriation of formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material, or artwork;
- d. unfair competition, deceptive trade practices or false designation of origin but only when asserted in conjunction with and based on the same allegations as a **claim** under WHAT HAS TO GO WRONG TPM I.c. above;
- e. breach of any duty of confidentiality, unauthorized interception or recording of images or sound in violation of any civil anti-wiretap statute, or invasion of privacy, including false light, intrusion upon a person's seclusion, or misappropriation of a person's picture, name, or voice for commercial gain; or
- f. defamation, including but not limited to libel, slander, trade libel, product disparagement, or injurious falsehood.

TPM II.

What you must notify and when

A. Claims

You must notify **us** of **claims** against **you** as soon as practicable and within the **policy period**. Proper notification of **claims** must be sent in accordance with the notification details set forth on the Declarations.

B. Potential claims

You may notify **us** of **potential claims** under this policy. If **you** do, such notification must be provided as soon as practicable and within the **policy period**, and must to the full extent possible identify the particulars of the **potential claim**, including identifying the potential claimant(s), the likely basis for liability, the likely demand for relief, and any additional information about the **potential claim** that **we** reasonably request. If such a **potential claim** notification is made to **us** then **we** will treat any **claim** arising from the same particulars as that notification as if it had first been made against **you** on the date **you** properly notified **us** of it as a **potential claim**, even if that **claim** is first made against **you** after the **policy period** has expired. Proper notification of **potential claims** must be sent in accordance with the notification details set forth on the Declarations.

C. Automatic extended reporting period

If **we** renew this policy, then **we** agree to accept **your** proper notification of **claims** and **potential claims** under this policy up to 30 days after the **policy period** has expired, provided **you** first become aware of the **claim** or **potential claim** during the last 30 days of the **policy period**.

If **we** cancel or do not renew this policy, or **you** cancel or do not renew this policy and do not obtain replacement coverage as of the effective date of such cancellation or nonrenewal, then **we** agree to accept **your** proper notification of **claims** and **potential claims** under this policy up to 30 days after the **policy period** has expired, provided **you** first become aware of the **claim** or



Part three – Coverage module(s)

Technology protection module Cover for claims against you

potential claim during the last 30 days of the **policy period** or during the 30 day window immediately following the **policy period**, and such **claim** or **potential claim** directly arises from **business activities** first performed after the **retroactive date** but before the end of the **policy period**.

The automatic extended reporting periods described in this section do not apply unless **we** are notified of such **claim** or **potential claim** as soon as practicable but no later than 30 days from the date **you** first learned of the **claim** or **potential claim**. They also do not apply to any policy that **we** have cancelled or refused to renew due to **your** non-payment of premium or failure to comply with **YOUR OBLIGATIONS TO US**.

It is agreed that the applicable extended reporting period(s) set forth in this section shall be superseded by any conflicting applicable law that provides **you** with a longer extended reporting period.

TPM III.

What we will pay

- | | |
|--|--|
| A. Payments toward defense costs | We will pay covered defense costs on your behalf, and covered defense costs on behalf of your employee with your prior consent subject to WHAT WE WILL PAY TPM III.C. below; provided you have paid the applicable retention . |
| B. Payments toward claim resolution | We will pay the amount agreed by you and us through good faith negotiation, mediation or some other form of alternative dispute resolution to settle a claim or satisfy a judgment or arbitration award against you or your employee subject to WHAT WE WILL PAY TPM III.C. below, including any judgment or award ordering the payment of claimant's attorney fees and costs. Such amounts to be paid by us shall not include or be calculated based on any of your overhead expenses, lost costs or profits, salaries or wages, or any future cost of doing business, including but not limited to the cost of any future license or royalty. |
| C. Payments toward claims against your employees | <p>Subject to your written request following your review of a claim against an employee, we will pay sums as described in WHAT WE WILL PAY TPM III.A. and TPM III.B. above on behalf of your employee due to a claim being made against him or her that directly arises from the performance of your business activities. The only payments we will make toward a claim against your employee under this policy are payments to which you would be entitled under this policy if the same claim against your employee had been made against you. However, we will not deny cover for payments toward a claim against your employee due to any failure by you to comply with WHAT YOU MUST NOTIFY AND WHEN where the failure is solely attributable to your employee's failure to notify you of the claim against him or her as soon as practicable.</p> <p>We will not pay for any portion of any claim against your employee that:</p> <ol style="list-style-type: none">a. arises out of any fraudulent conduct, dishonest conduct, criminal conduct, malicious conduct, conduct committed in reckless disregard of another's rights (but not in respect of a defamation claim), conduct intended to cause harm to another person or business, or any knowing or willful violation of a law committed by your employee; however, this exclusion will not apply unless such conduct, or willful violation of the law has been established by a final adjudication in any judicial, administrative, or alternative dispute resolution proceeding, or by your or your employee's admission in a proceeding or otherwise, at which time you shall reimburse us for all payments made by us in connection with such conduct or willful violation of the law and all of our duties in respect of that entire claim shall cease;b. arises out of any matter that prior to the first day of the policy period you knew or reasonably ought to have known would be likely to lead to a claim against you or your employee; or |



Part three – Coverage module(s)

Technology protection module

Cover for claims against you

- c. results in whole or in part from **your employee's** admission of liability in a proceeding or otherwise.
- D. Payments toward your own declaratory relief actions
- We** will pay reasonable attorney's fees on **your** behalf excess of the amount of the **retention** to prosecute **your** own declaratory relief action if:
- a claimant has advised **you**, in writing, that **you** are committing copyright or trademark infringement;
 - after that claimant has asserted such a written **claim**, and after **you** have filed a declaratory relief action directly in response to that **claim**, the claimant files a counterclaim against **you** alleging copyright or trademark infringement; and
 - the counterclaim is covered under this policy and pending against **you** while **you** are prosecuting **your** declaratory relief action.
- E. Payments toward your outstanding fees
- If **your client** refuses to pay **your** contractually agreed fees (including any amount **you** are legally liable to pay a sub-contractor at the date **your client** first refuses to pay), and **you** satisfy **us** that:
- you** do not have reasonable grounds to legally compel payment of the amount owed; and
 - there is written evidence from **your client** that they intend to make a legitimate **claim** against **you** for an amount covered by this policy that is greater than the amount **you** are owed;
- then **we** will pay the amount **you** are owed excess of the amount of the **retention** (excluding any amount for **your** lost profit, mark-up and liability for taxes or its equivalent) if **you** satisfy **us** that **our** payment is reasonably likely to fully and finally resolve all known **claims** and **potential claims** by that **client**.
- If subsequently a **claim** is still made against **you** following **our** payment of **your** outstanding fees, then these payments will be a credit against any amounts payable by **us** in the defense and/or resolution of that **claim**. Any credit that may remain after that **claim** is resolved may be applied against any amounts payable by **us** in the defense and/or resolution of any other **claim** subject to coverage under this policy.
- F. Defense arrangements
- This is a duty to defend policy. Therefore, **we** have the right and duty to defend **you** against covered **claims**, even if the allegations underlying those **claims** are groundless, false, or fraudulent. However, **we** have no duty to defend **you** against **claims** not covered under this policy.
- If a covered **claim** is made against **you**, then **we** have the right to appoint suitably qualified counsel to defend **you**. However, **you** have the right to appoint **your** own counsel from the pre-approved Hiscox Technology Panel Counsel List without **our** prior consent.
- Our** duty to make a payment under this policy arises only after the applicable **retention** under this policy is fully paid. Any payments made in connection with non-covered **claims** or portions of **claims**, including **defense costs**, will not apply to the erosion of any **retention** under this policy.
- You** may not admit liability in connection with, make any settlement offer with respect to, or settle any **claim** under this policy without **our** prior consent. **We** always have the right to settle covered **claims** on **your** behalf.



Part three – Coverage module(s)

Technology protection module Cover for claims against you

TPM IV.

What we will not pay

In addition to PART 5: WHAT WE WILL NOT PAY APPLICABLE TO THE ENTIRE POLICY, **we** will not make any payment toward any portion(s) of any **claim** (including **defense costs**) under this module:

- A. alleging or arising from:
 - i. any contractual liability where at the time such contract was entered **you** were aware or reasonably ought to have been aware that there were not sufficient technical, logistical, or financial resources to perform the contract as promised, including **your** promise to meet a certain performance standard under a service level agreement;
 - ii. any breach of a warranty or guarantee; however, this exclusion will not apply to the following:
 - a. **your** warranty or guarantee that **you** will use reasonable care and skill in the performance of a contract;
 - b. **your** warranty or guarantee that any software, hardware, firmware, or related services falling within **your business activities** will not infringe another's intellectual property rights;
 - c. any implied warranty or similar statutory term requiring any software, hardware, or firmware falling within **your business activities** to meet a certain standard of quality, safety or fitness, even if **you** have expressly warranted that such software, hardware, or firmware will meet the legally required standard to which **you** are subject;
 - d. **your** warranty or guarantee that any software, hardware, firmware, or related services falling within **your business activities** will substantially conform to any material, written specifications and performance standards forming part of the contract between **you** and **your client**; or
 - iii. any breach of any exclusivity, non-competition, non-solicitation, or other similar commercial terms in **your** contract with a **client**;
- B. resulting in an award for consequential, special or indirect damages, or loss of claimant's profits. However, this exclusion will not apply to:
 - i. breach of a warranty made by **you** that any software, hardware, firmware, or related services falling within **your business activities** will not infringe another's intellectual property rights;
 - ii. breach of an express contractual provision that is solely triggered by **your** disclosure of **your client's** confidential information;
 - iii. a court's award of consequential, special or indirect damages resulting from **your** contractual disclaimer of such damages being deemed unenforceable by the same court issuing the award;
 - iv. any portion of such an award that falls within and is subject to a monetary cap on damages contained in **your** contract with a **client**, or
 - v. any contract between **you** and a governmental entity that has insisted, in writing, that it retain the right to recover consequential damages as a precondition to the execution of the contract;
- C. for, alleging or arising from any defect in any software, hardware, firmware, or associated network cabling that is solely caused by a third party, including but not limited to any third party software supplier, manufacturer or originator; however, this exclusion will not apply to:
 - (1) covered **defense costs** **we** pay on **your** behalf to defend such **claims** but only until (if ever) there is a finding in any legal proceeding (including any arbitration) or any admission that the defect at issue is solely caused by a third party, at which time **our** duty to defend **you** shall end and **you** shall reimburse **us** for all **defense costs** that **we** have paid toward that **claim**, or (2) any amount **you** satisfy **us** that **you** are legally able to recover under a written contract;



Part three – Coverage module(s)

Technology protection module

Cover for claims against you

- D. for, alleging, or arising from any costs or expenses involved in the repair, upgrade, correction, recall or replacement of any software, hardware, firmware, or associated network cabling, or any costs or expenses relating to **your** legal obligation to comply with an injunction; however, this exclusion will not apply to any portion of a judgment requiring **you** to pay direct damages to **your client** for breach of contract;
- E. for, alleging, or arising from any false or misleading advertisement about **your** goods or services that is published or broadcast to the general public or a specific marketing segment for the purpose of promoting any aspect of **your** business; however, this exclusion will not apply to any covered portion of any **claim** based on **your** alleged unauthorized use of another's trademark where **you** have purchased a module expressly granting cover for trademark infringement or false designation of origin under WHAT HAS TO GO WRONG;
- F. for, alleging, or arising from **your** commercial decision to cease providing a particular product or service but only if **you** are contractually obligated to continue providing such product or service;
- G. for, alleging, or arising from any self-replicating, malicious code that was not specifically targeted to **your** system; however, this exclusion will not apply to any covered portion of any **claim** for negligent transmission of a computer virus, worm, logic bomb, or Trojan horse;
- H. for, alleging, or arising from any commercial dispute with **your** business partner or business associate, including but not limited to any reseller, distributor, original equipment manufacturer, third-party sales agent, systems integrator, or joint venturer, but only to the extent such a **claim** is based upon:
 - i. a commission or royalty, or any other term upon which such partner or associate is to be compensated in connection with doing business with **you**, or any compensation or remuneration promised or owed by **you** pursuant to those terms; or
 - ii. **your** decision to cease doing business with such a partner or associate; or
- I. for, alleging or arising from any unauthorized acquisition, access, use, or disclosure of personal information in any form.



Part four – How much we will pay

Applicable to the entire policy

I. Our maximum payment

The **policy limit** is the maximum **we** will pay under this policy for any single **claim** (inclusive of **defense costs**), single **loss**, and the maximum **we** will pay for the total aggregate of all **claims** (inclusive of **defense costs**), all **losses**, and all other payments expressly covered by purchased modules.

However, if a policy sub-limit is specified in the Declarations set forth in Part 1 of this policy, then such sub-limit shall apply. In the event the same matter or **related matters** result in a **claim** and/or **loss**, or multiple **claims** and/or **losses**, which are covered under more than one module of this policy, the highest applicable sub-limit is the maximum **we** will pay for the total aggregate of all payments covered by any of the modules for such **claims** (inclusive of **defense costs**) and **losses**. Such highest sub-limit is not in addition to, and does not increase, any other applicable sub-limit. All sub-limits under this policy are included within the **policy limit** and are not in addition to the **policy limit**.

The cover provided by each module is independent of, and does not overlap with, the cover provided in any other module.

II. Paying the policy limit

At any stage, **we** can pay **you** the remainder of the **policy limit**, after which **we** will have no further liability to **you** under this policy, either for **defense costs**, **claims** or otherwise.

At any stage, **we** can pay **you** the remainder of a sub-limit, after which **we** will have no further liability to **you** under the module(s) to which that sub-limit applies, either for **defense costs**, **claims**, or otherwise



Part five – What we will not pay

Applicable to the entire policy

In addition to the WHAT WE WILL NOT PAY section(s) under PART 3 of this policy, **we** will not make any payment, including any **defense cost** payment, toward any portion(s) of any:

1. **claim** for, alleging, or arising from any infringement, use, or disclosure of a patent, or any use, disclosure or misappropriation of a trade secret;
2. **claim** or **loss** for, alleging, or arising from any fraudulent conduct, dishonest conduct, criminal conduct, malicious conduct, conduct committed in reckless disregard of another's rights (but not in respect of any otherwise covered defamation **claim**), conduct intended to cause harm to another person or business, or any knowing or willful violation of a law, whether committed by **you** or committed by another whose conduct or violation of the law **you** have ratified or actively condoned; however, this exclusion will not apply unless such conduct, or willful violation of the law has been established by a final adjudication in any judicial, administrative, or alternative dispute resolution proceeding, or by **your** own admission in a proceeding or otherwise, at which time **you** shall reimburse **us** for all payments made by **us** in connection with such conduct or willful violation of the law and all of **our** duties in respect of that entire **claim** or **loss** shall cease;
3. **claim** for, alleging, or arising from any unfair competition, deceptive trade practices, restraint of trade or antitrust statute, legislation or regulation; however, this exclusion will not apply to any covered portion of any **claim** for unfair competition, deceptive trade practices, or false designation of origin where **you** have purchased a module expressly granting such cover under WHAT HAS TO GO WRONG;
4. **claim** for, alleging, or arising from any governmental enforcement of any state or federal regulation, including but not limited to any regulation promulgated by the Federal Trade Commission, Federal Communications Commission or the Securities and Exchange Commission;
5. **claim** for, alleging, or arising from any:
 - a. liability or breach of any duty or obligation owed by **you** regarding the sale or purchase of any stocks, shares, or other securities, or the misuse of any information relating to them, including breach or alleged breach of any related legislation or regulation, including but not limited to the U.S. Securities Act of 1933 and Securities Exchange Act of 1934, both as amended;
 - b. liability or breach of any duty or obligation owed by **you** regarding any statement or representation (express or implied) contained in **your** accounts, reports or financial statements, or concerning **your** financial viability;
 - c. liability or breach of any duty or obligation owed by **you** regarding financial advice **you** give or the arrangement of any financing or credit by **you**;
 - d. violation of any taxation law or regulation(s);
 - e. breach of any fiduciary duty owed by **you**;
6. **claim** for, alleging, or arising from any:
 - a. racketeering or conspiracy law, including but not limited to violation of the Racketeer Influenced and Corrupt Organizations (RICO) Act and all amendments to this Act or any rules or regulations promulgated under it;
 - b. collusion, extortion, or threatened violence;
7. **claim** for, alleging, or arising from any:
 - a. liability or breach of any duty or obligation owed by **you** in connection with the operation or administration of any health, pension or employee benefit scheme, plan, trust or fund, including but not limited to violation or alleged violation of any related legislation or regulation such as the Employee Retirement Income Security Act of 1974;
 - b. liability or breach of any duty or obligation owed by **you** as an employer, including but not limited to any allegation of discrimination, harassment, or wrongful termination;



Part five – What we will not pay

Applicable to the entire policy

- c. liability or breach of any duty or obligation owed to **you** and/or **your** shareholders by any of **your** director(s), officer(s), trustee(s), or board member(s), including but not limited to any allegation of insider trading or breach of any duty of corporate loyalty;
- 8. **claim** for, alleging, or arising from any chargeback, liability, or fee incurred by **you** or **your client** as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction;
- 9. **claim** made against **you** by:
 - a. any person or entity falling within the definition of **you**;
 - b. any entity in which **you** directly or indirectly hold more than a 15% ownership interest, or that **you** directly or indirectly manage, control, or operate, in whole or in part; or
 - c. any person or entity that directly or indirectly holds more than a 15% ownership interest in **you**, or that directly or indirectly owns, manages, controls, or operates **you**, in whole or in part;

however, this exclusion will not apply to any portion of any **claim** based on a liability to an independent third party directly arising out of the performance of **your** defined **business activities** but which is brought against **you** via a subsidiary, parent or sister company;
- 10. **claim** made against **you** by any person or entity that **you** currently employ or formerly employed, including but not limited to **employees**, freelancers, and independent contractors; however, this exclusion will not apply to any portion of any **claim** solely based on **business activities** performed when such person or entity was not working for **you**;
- 11. **claim** for, alleging or arising from **your** provision of any sweepstakes, gambling activities, or lotteries;
- 12. **claim** for which **you** are legally obligated to pay punitive and/or exemplary damages; however **we** will pay an award of such damages if insurable in the jurisdiction where such award was first ordered;
- 13. **claim** for which **you** are legally obligated to pay criminal, civil, or regulatory sanctions, fines, penalties, disgorgement of profits, treble damages, and/or multiple damages, including but not limited to those imposed by any federal, state, or local governmental body or by ASCAP, BMI, SESAC, or other similar licensing organization;
- 14. **claim** or **loss** for, alleging or arising from any matter that prior to the first date of the **policy period** (or if this policy is a renewal then prior to the first date of the first policy issued to **you** by **us** and from which the current policy forms an unbroken chain of successive policies issued to **you** by **us**), **you** knew or reasonably ought to have known would be likely to lead to a **claim** or **loss**;
- 15. **claim** or **loss** for, alleging or arising from any armed struggle, civil unrest or conflict or any nationalization, confiscation, requisition, expropriation, appropriation, seizure or destruction of property by or under the order of any government or public or local authority;
- 16. **claim** or **loss** for, alleging, or arising from any act or threatened act of terrorism, including but not limited to the use of force or violence, of any person(s) or group(s) of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear;
- 17. **claim** or **loss** for, alleging, or arising from any pollution, contamination or toxic exposure, including but not limited to any pollution, contamination or toxic exposure caused by or arising out of the following: noise, electromagnetic fields, radio waves, nuclear radiation, or radioactive contamination; or the mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibers or material containing asbestos; or exposure to asbestos, asbestos fibers or materials containing asbestos; or the provision of instructions, recommendations, notices, warnings supervision or advice given, or which should have been given, in connections with asbestos, asbestos fibers or structures or materials containing

Part five – What we will not pay

Applicable to the entire policy

asbestos;

18. **claim** or **loss** for, alleging, or arising from any bodily injury, including but not limited to death, mental injury, and mental disease; however, this exclusion does not apply to any portion of any otherwise covered **claim** seeking damages for mental anguish or distress where such damages solely stem from a covered cause of action for defamation, breach of privacy, or negligent publication;
19. **claim** or **loss** for, alleging, or arising from any failure or interruption of service provided by an internet service provider, telecommunications provider or other utility provider except when **you** provide those services as part of **your business activities**;
20. **claim** or **loss** for, alleging, or arising from any damage to, or destruction or loss of use of any tangible property; however, this exclusion does not apply to damage to data, or destruction or loss of use of data;
21. **claim** or **loss** for, alleging, or arising from any form of discrimination, including but not limited to adverse or disparate impact;
22. **claim** or **loss** for, alleging, or arising from:
 - a. any prior or pending litigation, **claim**, written demand, arbitration, administrative or regulatory proceeding or investigation which was filed or commenced against **you** and of which **you** had notice prior to the first date of the **policy period** (or if this policy is a renewal then prior to the first date of the first policy issued to **you** by **us** and from which the current policy forms an unbroken chain of successive policies issued to **you** by **us**); or
 - b. the same or **related matters** as alleged in such prior or pending litigation, **claim**, written demand, arbitration, administrative or regulatory proceeding or investigation referenced in Part 5.21.a;
23. **claim** or **loss** for, alleging, or arising from:
 - a. any **claim**, **loss** or matter, or **potential claim** or **loss**, which has been the subject of any written notice given under any other policy before the effective date of this **policy**; or
 - b. the same or **related matters** as any **claim**, **loss** or matter, or **potential claim** or **loss**, referenced in Part 5.22.a; or
24. **claim** or **loss** for, alleging or arising from any fine or penalty arising out of any agreement by **you** to:
 - a. comply with or follow the **PCI Standard** or any **Payment Card Company Rules**; or
 - b. implement, maintain or comply with any security measure(s) or standards related to any payment card data,

including but not limited to any fine or penalty imposed by a payment card company on a merchant bank or payment processor that **you** have paid or agreed to reimburse or indemnify; provided, however, this exclusion shall not apply to civil penalties to the extent insurable by law arising out of an otherwise covered **claim** for any civil regulatory action as described under part WHAT HAS TO GO WRONG PPM I.f. (if applicable).



Part six – Your obligations to us

I. Your representations

You agree that all representations (whether verbal or written) made by **you** in connection with the application for this policy and all materials submitted by **you** or on **your** behalf in connection with the application to this policy are true, accurate, and not misleading, and were relied upon by **us** and were material to **our** decision to issue this policy to **you**. If **we** learn that such representations or submitted materials were untrue, inaccurate, or misleading, in any material respect, then **we** are entitled to treat this policy as if it had never existed.

II. Your dealings with others

We will not make any payment under this policy if **you**, when dealing with **your client** or a third party, admit that **you** are liable (unless **you** have **our** prior written consent), or collude to obtain a recovery under this policy, or prejudice **our** rights of recovery against any party.

You must also ensure that **our** rights of recovery, including but not limited to any subrogated rights of recovery, against a third party are not unduly restricted or financially limited by any term in any of **your** contracts.

You must also not reveal the amount of cover available under this insurance, unless **you** had to give these details in negotiating a contract with **your client** (including negotiating any request for proposal), **you** are required by law or compelled by a court, or **you** otherwise have **our** prior written consent.

III. Providing us with information and assistance

You must provide **us** with full, timely, and accurate information about all **claim(s)**, **potential claim(s)**, and **loss(es)** that **you** have notified to **us** under this policy. If **you**, or anyone on **your** behalf, try to deceive **us** by deliberately giving **us** false information in connection with such a notification, **we** immediately shall be relieved of all obligations under this policy with respect to the notification at issue, including **our** duty to defend **you**.

If **we** have accepted notice of any **claim**, **potential claim**, or **loss** under this policy, then **you** must:

1. give **us**, or anyone appointed by **us**, at **your** expense, all the assistance, cooperation and information which **we** reasonably require under this policy, and **you** must do anything which **we** reasonably request to avoid, minimize, or resolve any **claim**, **potential claim**, or **loss**, including paying the **retention** when requested by **us**;
2. notify **us** as soon as practicable of all settlement offers made by a claimant in connection with such **claim** or **potential claim**; and
3. give **us** all assistance and cooperation **we** reasonably require to pursue at **our** expense any subrogated right of recovery **we** may have in connection with such **claim**, **potential claim**, or **loss**.

If a situation arises where **we** have a good faith belief that a claimant's monetary offer to settle a covered **claim** is reasonable when **you** do not, then **we** will neither compel **you** to accept the settlement offer nor will **we** cease providing cover for such a **claim** merely because **you** did not accept the offer. However, if **we** recommend that **you** do accept such an offer and **you** elect not to, then **our** maximum payment toward that particular **claim** following the rejection or expiration of that offer will be outstanding covered **defense costs** incurred up to the date the settlement offer was rejected or expired, plus the amount of the unaccepted settlement offer, minus **your** remaining **retention** on the day the settlement offer is rejected or expires. If this amount is in excess of the **retention**, then at **your** request and subject to **our** discretion **we** will pay this amount to **you** in a lump sum payment in return for **you** fully releasing **us** from all liability with respect to the unsettled **claim**, including **our** duty to defend **you**.

In exchange for this release, **we** will not seek reimbursement for any portion of **our claim** payment to **you**, even if the **claim** is later resolved for less than the amount **we** paid **you**.



Part six – Your obligations to us

IV. Notifying us of changes to your business

You must promptly tell **us** if **you** materially change **your** business, acquire or merge with another business or if any party acquires **your** business. **We** will only provide cover under this policy for such a change if **we** have given **our** written approval and **you** have agreed to all additional coverage terms and/or additional premium **we** may request to cover the change in risk. However, **you** have no obligation to notify **us** under this section of any entity that falls within subsection (1) of the definition of **acquired entity** under Part 7 of this policy.

V. Satisfying the retention

We will not make any payment under this policy unless **you** pay the applicable **retention**. In the event the same matter or **related matters** result in a **claim** and/or **loss**, or multiple **claims** and/or **losses**, under the same module or multiple modules of this policy, only one **retention** will apply and it shall be the highest applicable **retention**; provided, however:

- a. any **time retention** (if applicable) is separate from and in addition to **your** obligation to pay any other applicable **retention**; and
- b. any co-insurance obligation (if applicable) is separate from and in addition to **your** obligation to pay any other applicable **retention**.

You may not insure the **retention**, and neither sums paid toward uncovered portions of **claims** nor payments **you** recover from another insurer or indemnitor will erode the **retention**.

I. Definitions

All phrases and words that appear in bold-type in this policy (excluding headings and those phrases and words expressly defined within Part 3 of this policy), either in singular or plural form, have the meaning that is given to them below:

Acquired entity

'Acquired entity' means:

1. any entity that the **Insured** directly or indirectly acquires during the **policy period**, but only to the extent that the entity performs the same **business activities** as the **Insured**, and only if:
 - i. the annual revenue or the total book value of the consideration provided in return for such control is less than 10% of the **Insured's** annual revenue,
 - ii. no **claim** or **potential claim** exists against such entity that has resulted or is reasonably likely to result in a payment in excess of 50% of the **retention** (including **defense costs**), and
 - iii. no matter exists, or event has occurred, with respect to such entity that has resulted or is reasonably likely to result in a payment for **loss** in excess of 50% of the **retention**; and
2. any entity that the **Insured** acquires during the **policy period** which has an annual revenue of more than 10% of the **Insured's** annual revenue, but only if **you** have provided **us** with written notification of the acquisition within 30 days of such, and only if **we** have provided **our** written consent to provide coverage to that entity under this policy, such consent never to be unreasonably withheld.

For purposes of this definition, 'acquires' means taking ownership of over 50% of the outstanding voting stock or interest, or assets of any business entity.

'Acquired entity' does not include any **divested entity**.

Business activities

'Business activities' means those activities described as 'business activities' on the declarations attached to and forming Part 1 of this policy, and which are performed within the **geographical limit**.

Claim

'Claim' means any written assertion of liability or any written demand for financial compensation or injunctive relief made against **you** anywhere in the world.

Client

'Client' means any person or entity with whom **you** have contracted to provide services or deliverables that expressly fall within **your business activities**.

Defense costs

'Defense costs' means all reasonable and necessary legal costs and fees incurred with **our** prior written consent to investigate, settle, defend, and/or appeal or respond to an appeal of a covered **claim**, including any premiums on attachment or appeal bonds (however, **we** are under no obligation to apply for or furnish such bonds), pre-judgment and post-judgment interest, but not including any overhead costs, general business expenses, salaries, or wages incurred by **you** or any other person or entity entitled to coverage under this policy.

Divested entity

'Divested entity' means any entity that was an **existing subsidiary** or an **acquired entity** but that during the **policy period**, the **Insured** ceases to own, directly or indirectly, more than 50% of the assets or outstanding voting shares or interests of such entity.

Employee

'Employee' means an individual performing employment duties solely on **your** behalf in the ordinary course of **your business activities** and who is subject to **your** sole control and direction and to whom **you** supply the instrumentalities and place of work necessary to perform such **business activities**. **You** and **your** independent contractors will not be treated as **employees** under this policy.

Existing subsidiary

'Existing subsidiary' means each and every entity identified on the application for this policy, but only if:

- a. the **Insured** directly or indirectly owns more than 50% of the assets or outstanding voting shares or interests as of the first day of the **policy period**, and

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b. its annual revenue is included on **your** application for this **policy**.

'Existing subsidiary' does not include any **divested entity**.

Geographical limit	'Geographical limit' means the limit stated as the 'geographical limit' on the declarations attached to and forming Part 1 of this policy.
Insured	'Insured' means the entity stated as 'the insured' on the declarations attached to and forming Part 1 of this policy.
Loss	'Loss' means any financial harm caused to your business.
Payment card company rules	'Payment Card Company Rules' means any payment card company programs, rules, by-laws, policies, procedures, regulations or requirements, including but not limited to VISA's CISP, Mastercard's SDP, Discover Card's DISC and AMEX's DSOP, as amended.
PCI Standard	'PCI Standard' means the Payment Card Industry Data Security Standard, as amended, and any frequently asked questions, assessments, guidance documents, glossaries and any other supporting or interpretative documents related such standard, as amended.
Policy limit	'Policy limit' means the amount stated as the 'policy limit' on the declarations attached to and forming Part 1 of this policy.
Policy period	'Policy period' means the period of time stated as the 'policy period' on the declarations attached to and forming Part 1 of this policy, subject to any termination or cancellation of this policy.
Potential claim	'Potential claim' means any matter reasonably likely to lead to a claim covered under this policy.
Related matters	'Related matters' means all matters that have as a common nexus any fact, circumstance, situation, event, transaction or cause or series of related facts, circumstances, situations, events, transactions or causes. However, in respect of any claim or potential claim for any actual or alleged defamation, matters will be deemed related only to the extent the actual or alleged defamatory statements involve or arise from a common set of facts.
Retention	'Retention' means the amount as stated as the 'retention' on the declarations attached to and forming Part 1 of this policy.
Retroactive date	'Retroactive date' means the date stated as the 'retroactive date' on the declarations attached to and forming Part 1 of this policy. However, in respect of any claim or potential claim arising out of activities performed by an acquired entity above, 'retroactive date' means the date the Insured first took control of such entity, unless otherwise agreed by us in writing.
We/Us/Our	'We,' 'Us,' and 'Our,' means Syndicate(s) at Lloyd's managed by Hiscox Ltd.
You/Your	'You' and 'Your' means: <ol style="list-style-type: none"> 1. the Insured, existing subsidiaries, and acquired entities, but not including employees or independent contractors of the Insured or any existing subsidiary or acquired entity; 2. board members, executive officers, in-house counsel, risk managers, chief technology officers, chief information officers, and chief privacy officers of the Insured, existing subsidiaries, and acquired entities; and 3. a person or entity that takes legal control of the Insured, existing subsidiary, or acquired entity upon the insolvency or bankruptcy of the Insured, existing subsidiary, or acquired entity.



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II. Other insurance

Any payment due under this policy is specifically excess of and will not contribute with any other valid insurance, regardless if the insurance is collectible or not, including but not limited to any project-specific or production-specific insurance policy purchased by **you** or any third-party. This policy is not subject to the terms set forth in any other insurance policy.

III. Choice of law

This policy, including its construction, application and validity, is governed by the laws of the State of New York without reference to that state's choice of law principles.

IV. Arbitration

Any dispute arising out of or relating to this policy, including but not limited to its construction, application and validity, or any breach thereof, shall be resolved only in binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association ('AAA') in effect at the time of the dispute, as amended by this policy. No award of punitive damages shall be made in any such arbitration. Each party shall bear its own fees and costs in connection with any such arbitration, but the costs incurred through AAA, including the fees and expenses of the arbitrator, shall be shared equally by the parties unless the arbitration award provides otherwise. All arbitration proceedings shall be held only in a city where either **you** or **we** have a place of business in the United States, at the election of the party commencing arbitration. The decision of the arbitrator or arbitrators is final and binding and any award may be confirmed and enforced in any court of competent jurisdiction.

V. Service of suit

In the event **we** fail to pay an amount claimed under this policy, at **your** request, **we** will agree to submit to a court of competent jurisdiction within the United States. **Our** agreement, however, does not mean that **we** waive **our** rights to commence an action in any court of competent jurisdiction in the United States, remove an action to any United States District Court or seek to transfer a case to another court as permitted by the laws of the United States or of any state in the United States. **We** appoint the person named in the Declarations to accept service of process on **our** behalf.

The foregoing is not intended to conflict with or override **your** and **our** obligation to arbitrate any dispute arising out of or relating to this policy, as provided by the arbitration provision under Section IV. above. This Service of Suit clause applies only to suits to enforce arbitration awards.

VI. Cancellation

We will only cancel this policy if **you** fail to pay the premium within 30 days of the inception of this **policy period**, or intentionally make a material misrepresentation to **us** in regard to any **claim**, **potential claim**, or **loss** notified to **us** under the policy, in which case **we** will provide **you** with a notice of cancellation in accordance with applicable law. **We** will return a pro-rata amount of premium unless **we** have accepted any notification of any **claim**, **potential claim**, or **loss** before the cancellation takes effect.

VII. Related matters

A. Related claims

All **claims** arising out of the same matter or **related matters** will be deemed to be a single **claim**, and such **claim** will be:

- a. deemed to be first made against **you** on the date the earliest such **claim** is first made against **you** regardless of whether such date is before or during the **policy period**; and
- b. subject to all terms and conditions of the policy applicable on that date, if **we** insured **you** on that date;

provided, however, any **claim** **we** determine subsequently arose from the same particulars of a **potential claim** properly notified to **us** will be deemed to be first made against **you** on the date **you** properly notified **us** of such **potential claim** and such **claim** shall be subject to the terms and



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- conditions of the policy under which such **potential claim** was properly reported to **us**.
- B. Multiple policies issued by us Two or more policies may be issued by **us** to **you**, and these policies may cover **loss** and/or **claim(s)** arising from the same matter or **related matters**. In such a case, if such **loss** and/or **claim(s)** is covered under more than one policy issued by **us** to **you**, then:
- a. all such **loss** and **claim(s)** are covered only under the first such policy for which coverage is available; and
 - b. the **policy limit** of the first such policy for which coverage is available is the maximum **we** will be required to pay in the aggregate for all such **loss** and **claim(s)**.
- C. Related occurrences All acts, errors, omissions, activities, operations, events or occurrences (including without limitation any triggering event referenced in any WHAT HAS TO GO WRONG section of this policy) that have as a common nexus any fact, circumstance, situation, event, transaction or cause, or series of related facts, circumstances, situations, events, transactions or causes, will be deemed a single act, error, omission, activity, operation, event or occurrence, and will be deemed to have occurred at the time of the first such act, error, omission, activity, operation, event or occurrence.