

Code of Consumer Rights and Responsibilities

Insurance companies, along with the brokers and agents who sell home, auto and business insurance, are committed to safeguarding your rights when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy, at least thirty days prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy at least forty-five days prior to the expiration of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

Insurance companies will disclose their compensation arrangements with their distribution networks. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through brochures and websites, as well as through one-on-one meetings with your broker, agent, or company representative. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your insurance company or broker or agent of any change in your circumstances. Information required to determine renewal terms of your policy must be provided at least forty-five days prior to the expiration of the policy.

Right to Complaint Resolution

Insurance companies, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access your company's complaint resolution process. Your insurer, agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Disputes involving claims settlement matters may be handled by the independent General Insurance OmbudService www.gioscad.org where your complaint may be referred to an independent mediator.

Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that insurers are subject to Canada's privacy laws.



tech + pro + media + security + privacy

Named Insured: Members of Prospectors & developers Association of Canada and Affiliated Member Organizations	Policy Number: PLP2345269
Producer: Partners Indemnity Insurance Brokers Ltd. (1368)	Company: Continental Casualty Company Effective Date: AS PER CERTIFICATES ON FILE WITH INSURER Policy Period: AS PER CERTIFICATES ON FILE WITH INSURER <i>12:01am Standard time at the mailing address of the Named Insured</i> Coverage Territory: Worldwide

Coverage Form	
Coverage Type	Premium
1. Professional Liability Coverage	\$As per individual certificates
Total Premium payable at inception:	\$As per individual certificates

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

Premium shown in the Declarations for a Policy Period extending beyond one year will be calculated based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date, we will compute the premium for each Coverage Form in accordance with our underwriting standards then in effect.

In return for the payment of the premium, and subject to all the terms of the policy, we agree with you to provide insurance as stated in this policy. This policy consists of a series of Coverage Forms that follow this page. This premium may be subject to adjustments.

Note: For purposes of the Insurance Companies Act (Canada), this document was issued in the course of Continental Casualty Company's insurance business in Canada.

Authorized Representative

EO-001-102012



Endorsements

- Coverage Territory Limitation Endorsement
- Declaration Of Emergency Endorsement
- United States Terrorism Risk Insurance Act Endorsement
- Quebec General Conditions Endorsement

Notice to Insureds

Pursuant to the Freedom of Information and Protection of Privacy Act, 1997, we are required by the Government of Ontario to attach the following to all policies that may involve Ontario exposures, effective on or after January 1, 1990.

Legal Authority For Collection:

Insurance Act, R.S.O. 1990, c218, as amended, section 80 (1).

Principal Purpose For Which Personal Information Intended To Be Used

Information collected by insurers from insureds or supplied to insurers pertaining to the attached will be used:

- to compile aggregated statistical data to be used in monitoring trends in the insurance industry;
- to develop statistical exhibits to be used in monitoring the insurance industry;
- to respond to requests for customised statistical information in the insurance industry;
- to respond to inquiries on statistical information on the insurance industry;
- to use and disclose such information for the purposes which are consistent with the previous clauses.

The Public Official Who Can Answer Questions About The Collection Is:

Manager, Commercial Liability Statistical Plan

16th Floor, 5160 Yonge Street, North York, Ontario. M2N 6L9

Telephone: (416) 250 – 6750

Fax: (416) 590 – 7073

Professional Liability Declarations

Policy Number:

Named Insured:

Members of Prospectors & developers Association of Canada and Affiliated Member Organizations

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

Coverage and Limits of Liability

Coverage under this policy is provided only for those coverages for which a limit of liability appears below. If no limit of liability is shown for a coverage, such coverage is not provided by this policy. The Aggregate Limit of Liability shown below is the most the Insurer will pay regardless of the number of coverages purchased

Aggregate Limit of Liability \$ AS PER CERTIFICATE ON FILE WITH INSURER in the Aggregate for All Damages, Claim Expenses and Privacy Event Expenses under all Coverages

Coverage Type	Each Claim or Proceeding	Annual Aggregate	Retention	Retroactive date
Technology Liability	N/A	N/A	N/A	N/A
Professional Liability	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER
Media Liability	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER
Cyber Liability:				
• Network Security Liability	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER
• Privacy Injury Liability	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER
• Privacy Regulation Proceeding	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	
• Privacy Regulation Fines Sublimit	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	
• Privacy Event Expense	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	
• Extortion Demand	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	
• Privacy Regulation Investigation	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	
• Business Interruption & Extra Expense	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	AS PER CERTIFICATE ON FILE WITH INSURER	



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Coverage:	Coverage Premium
Technology Liability	N/A
Professional Liability	\$ As per individual certificates
Media Liability Coverage	\$ As per individual certificates
Cyber Liability Coverage	\$ As per individual certificates

Endorsements

- CAPPED CLAIM EXPENSES LIMITS ENDORSEMENT
- PROFESSIONAL SERVICES ENDORSEMENT
- REVISED OPTIONS FOR THE OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT (One, Two & Three Year Purchase Options)
- AUTOMATIC EXTENDED REPORTING PERIOD (QUEBEC NAMED INSURED ONLY)



Common Policy Conditions

Policy Number:

Named Insured:

**Members of Prospectors & developers Association of
Canada and Affiliated Member Organizations**

PLP2345269

CONTRACT

All Coverage Forms included in this policy are subject to the following conditions except where these conditions are either modified or supplemented by the Coverage Forms, riders or endorsement(s) attached, or where this policy and its forms are in conflict with the Civil Code of the Province of Quebec. Where the terms and conditions of this policy and its forms attached are in conflict with the Civil Code, such terms and conditions are amended to conform to the Civil Code.

ALL THE TERMS AND CONDITIONS OF THIS POLICY SHALL BE IN FULL FORCE AND EFFECT AS OF THE EFFECTIVE DATE OF THIS POLICY.

VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.

Throughout this policy the words "you" and "your" refer to the **insured** as defined directly below. The words "we", "us" and "our" refer to the Company providing this insurance.

The word **insured** means the Named Insured shown in the Declarations and any persons or organization qualifying as such, if any, under WHO IS AN INSURED within each Coverage Form, and all subsidiary and affiliated companies, entities, divisions, corporations, firms, joint ventures or other interests which exist now and in which you have 50% or more controlling interest.

Other words and phrases that appear in **bold** print, here and within each Coverage Form, have special meaning. Such words and phrases may be defined either in DEFINITIONS or elsewhere within the policy text.

A. STATUTORY CONDITIONS (APPLICABLE TO ALL PROVINCES EXCEPT THE PROVINCE OF QUEBEC)

The Statutory Conditions apply with respect to all perils insured by this Policy and to the liability coverage, where provided, except where these conditions may be modified or supplemented by riders or endorsements attached.

1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

2. Property of Others

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

3. Change of Interest

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

4. Material Change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the Part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

5. Termination

- (1) This contract may be terminated,
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or



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- 5 days' written notice of termination personally delivered;
- (b) by the Insured at any time on request.
- (2) When this contract is terminated by the Insurer,
 - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but, in no event, shall the pro rata premium of the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where the contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

6. Duties in the Event of Loss or Damage

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10, 11,
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any willful act or neglect or procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss;
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value,
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of sub-paragraph (1) of this condition shall

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not be considered proofs of loss within the meaning of conditions 12 and 13.

7. **Fraud**

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

8. **Who may give Notice and Proof**

Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

9. **Salvage**

- (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage of further damage thereto.
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-paragraph (1) of this condition according to the respective interests of the parties.

10. **Entry, Control, Abandonment**

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

11. **Appraisal**

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

12. **When Loss Payable**

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

13. **Replacement**

- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of

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the proofs of loss.

- (2) In the event that the Insurer shall commence to so repair, rebuild or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

14. Action

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year* next after the loss or damage occurs. *Two years in Provinces of Manitoba and Yukon Territory.

15. Notice

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

N.B. To the extent that the Civil Code of the Province of Quebec is applicable to this contract the General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions, a copy of which is available on request from the Insurer, apply to all perils insured by this policy and to the liability coverage, where provided, except where such conditions and provisions may be modified or supplemented by riders or endorsements attached.

B. COMMON POLICY CONDITIONS

1. Representation of Risk, Misrepresentation, or Concealment

If you falsely describe the property, misrepresent or fraudulently omit to communicate any circumstance that would enable us to properly judge the risk to be undertaken, this contract is void to that property in the same relationship as the misrepresentation or omission is material.

You are bound to represent all the facts known which are likely to influence us in the setting of the premium, the appraisal of the risk or the decision to cover it, but are not bound to represent facts known to us or which from their notoriety we are presumed to know, except in answer to inquiries.

Any misrepresentation or concealment of relevant facts nullifies the contract as relates to liability assumed, even in respect to losses not connected with the risk misrepresented or concealed.

However unless your bad faith is established, or unless it is established we would not have covered the risk if we had known the true facts, we retain liability in the same proportion as the premium we collected bears to the premium we should have collected if all facts would have been known.

2. Changes

This policy contains all agreements between you and us concerning the insurance afforded. Only the first Named Insured shown in the Declarations is authorized to request or negotiate changes in the terms of this policy. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

3 Termination

The first Named Insured may terminate this policy or any of its individual Coverage Forms at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to



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take effect.

We may terminate this policy or any of its individual Coverage Forms at any time by sending to the first Named Insured a notice 90 days (15 days in the event of non-payment of premium) in advance of the termination date. Our notice of termination will be mailed to the first Named Insured's last known mailing address, and will indicate the date on which coverage is terminated. If notice of termination is mailed, proof of mailing will be sufficient proof of notice.

When you terminate this contract, we shall refund as soon as practicable, the excess premium paid over the short rate premium for the expired term, but in no event will the short rate premium for the expired time be deemed to be less than any minimum retained premium specified, if any, in the contract

When we terminate this contract, we shall refund the excess premium paid by you over the pro-rata premium for the expired time, but in no event will the pro-rata premium for the expired time be less than any minimum retained premium specified, if any, in the contract. The refund will accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund will be made as soon as practicable.

The refund may be made by money, postal or express company money order or cheque payable at par.

4. When We Do Not Renew

If we decide not to renew this policy, or any coverage forming a part of this policy or any foreign policy that we have arranged for you in conjunction with this policy, we will mail to the first Named Insured shown in the Declarations written notice of the non-renewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

5. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy, at any time during the policy period and up to three years after the expiration of this policy. Any premium due for exposures that exist but were not reported will be determined by our audit. We will compute such premiums in accordance with our rules, rates and rating plans in effect as of the inception date of the policy.

6. Inspections, Surveys and Audits

We have the right but are not obligated to:

- make inspections and surveys at any time;
- give you reports on any conditions that we find; and
- recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- are safe or healthful; or
- comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

7. Inadvertent Non-Disclosure

Your unintentional failure to tell us about all exposures existing on the effective date of this contract for which coverage(s) may exist under this policy shall not be a reason by itself for us to deny coverage under this insurance.

8. Subrogation

If any person or organization to or for whom we make payment under any Coverage Form of this policy has rights to recover damages from another, then those rights are transferred to us to the extent of our



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payment. That person or organization must do everything necessary to secure our rights and must do nothing after **loss** to impair them. You may waive your rights against another party in writing only:

- prior to any known **loss, claim, suit, accident** or **occurrence** ; or
- after a known **loss, claim, accident** or **occurrence** if the other party is someone insured by this insurance or a business firm owned or controlled by you or which owns or controls you.

9. Canadian Currency Clause

All limits of insurance, premiums and other amounts expressed in this contract are in Canadian currency. In the event of a loss adjustment involving foreign currency, conversion into the currency of Canada will be at the free rate of exchange published by the Bank of Canada as of the date of the **loss** payment. If any part of or all of the adjustment is based on the cost of replacement or reconditioning, then the amount of settlement will be converted into the currency of Canada at the prevailing free rate of exchange published by the Bank of Canada at the time the cost of replacement or reconditioning is incurred.

10. Premiums

The first Named Insured shown in the Declarations:

- is responsible for the payment of all premiums; and
- will be the payee for any return premiums.

11. Bankruptcy

Your bankruptcy or insolvency of your estate will not relieve us of obligations under this insurance.

12. Local Coverage Warranty

In consideration of the premium for which this policy is written, it is a condition hereof that all local insurance will be maintained in full force and effect during the term of this policy and any renewal or replacement of such policies will not be more limited or restricted than the current limits and coverage, unless specific written approval is provided by us. In the event you fail to maintain such local insurance, this policy will apply as though such insurance were in force.

If we place such insurance, we will warrant terms and conditions of placed coverage.

13. Titles of Paragraphs

The titles of various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for the convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

14. Transfer of Rights and Duties

Your rights and duties under this insurance may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

15. Severability

Whenever possible, each provision of this policy will be interpreted in such manner and to such an extent as to be effective and valid under applicable law. If any provision of this policy or the application thereof to any party or circumstance shall, to any extent be or become invalid or unenforceable because of applicable law, the remainder of the policy or the application of such provision to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

16. Abandonment

There can be no abandonment of any property to us .

17. No Benefit to Bailee



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No person or organization, other than you, having custody of covered property, will benefit from this insurance.

C. COMMON COVERAGE CONDITIONS

1. Coverage Territory

This insurance applies to **occurrences** anywhere in the world, excluding territories prohibited by law or regulation of the country in which this policy is issued, subject to :

- the settlement, investigation and defence provisions of this contract will apply to **claims** made or **suits** brought anywhere in the world provided such **suit** emanates from **loss** caused by an **occurrence** or offence arising from your operations in the policy territory to which this insurance applies, as described above.
- in jurisdictions where we may be prevented by law or otherwise from paying on your behalf or defending you, we will:
 - pay you those sums you become legally obligated to pay as **loss** to which this insurance applies; and
 - pay the cost of defence and aid and/or manage your defence.

2. Non-Admitted Insurance

The insurance afforded by this policy is non-admitted insurance in many countries of the world. We are not responsible for any fines, taxes, or other penalties for non-admitted coverage if you have failed to obtain compulsory insurance for your local operations in any country. We are not responsible for providing any locally admitted bonds, certificates, or other evidence of insurance where this policy is non-admitted insurance.

With respect to any **claim** brought against you for liability to which this insurance applies:

- in jurisdictions where we may be prevented by law or otherwise from paying settlements on your behalf, investigating or defending **suits** brought against you, the provision of any coverage under this policy which provides payment on your behalf is amended to provide, we will indemnify for such settlement, investigation, defence or expense payments made with our written consent.
- In any case we elect not to investigate, settle or defend you under our supervision, and you make or cause to be made investigation, defence or settlement as may be reasonably necessary, subject to our prior authorization, we will reimburse you for the reasonable cost of such investigation, defence or settlement.

3. Other Insurance

In addition to the Other Insurance conditions contained in various Coverage Forms, the following conditions are added:

- when you have insurance within any country against a **loss** that is also covered by this policy, this insurance will be excess only and reduced by and will not contribute to any local policies. However, if local valid and collectible insurance does not respond to a **loss** which is otherwise covered by this policy, then this insurance will be primary insurance and respond in accordance to the conditions herein.
- If we have issued more than one policy or Coverage Form that applies to the same **loss** to which this insurance applies, whether issued by us or by one of our subsidiaries, partners, or associates, then the total limit of insurance under all such policies or Coverage Forms shall not exceed the highest applicable limit under any one of those policies or Coverage Forms.

4. Language

If you have local insurance in any country with terms and conditions that are in conflict with this policy, the terms and conditions of this policy will govern any coverage provided by this policy.

5. Liberalization



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If we adopt or make any changes :

- within 30 days prior to the effective date shown in the Declarations; or
- during the policy period,

which could broaden this insurance without an additional premium charge, you will automatically receive the benefit of the broadened coverage.

6. Nuclear Energy Liability

This insurance does not apply to:

- (1) Liability imposed by or arising under any Nuclear Liability Act and/or **nuclear energy hazard**;
- (2) **Bodily injury or property damage** with respect to which you under this coverage are also an **insured** under a contract of nuclear energy liability insurance (whether you are unnamed in such contract and whether or not it is legally enforceable by you) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for termination upon exhaustion of its limit of liability;
- (3) **Bodily injury or property damage** resulting directly or indirectly from any **nuclear energy hazard** arising from:
 - (a) The ownership, maintenance, operation or use of **nuclear facility** by or on behalf of you;
 - (b) The furnishing by you of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**;
 - (c) The possession, consumption, use, handling, disposal or transportation of **fissionable substances**, or of other **radioactive material** (except radioactive isotopes, away from a **nuclear facility**, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by you;
 - (d) War or any warlike activity.
- (4) As used in this exclusion from coverage:
 - (a) The term **nuclear energy hazard** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material;
 - (b) The term **radioactive material** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances that the Canadian Nuclear Safety Commission may, by regulation, designate as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy;
 - (c) The term **nuclear facility** means:
 - (i) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
 - (ii) Any equipment or device designed or used for:
 - Separating the isotopes of plutonium, thorium and uranium or any one or more of them;
 - Processing or utilizing spent fuel; or
 - Handling, processing or packaging waste;
 - (iii) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or

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- contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (iv) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste radioactive material; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
- (d) The term **fissionable substance** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.

THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN ACCORDANCE WITH SECTION VI. CONDITIONS, PARAGRAPH B. CLAIM EXPENSES ARE WITHIN THE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation (the "Insurer"), the Insurer and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. ENTERPRISE LIABILITY COVERAGES

If the Insuring Agreement has been purchased, as indicated in the Declarations, the **Insurer** will pay on behalf of the **Insured** all sums, in excess of the retention and up to the applicable limit of liability, that the Insured shall become legally obligated to pay:

1. Technology and Professional Liability

as **Damages** and **Claim Expenses** resulting from any **Claim** first made against the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable, alleging **Wrongful Acts** by the **Insured**, or by someone for whose **Wrongful Acts** the **Insured** is legally liable;

2. Media Liability

as **Damages** and **Claim Expenses** resulting from liability imposed by law or **Assumed Under Contract** resulting from any **Claim** first made against the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable, alleging **Wrongful Acts** by the **Insured**, or by someone for whose **Wrongful Acts** the **Insured** is legally liable;

3. Network Security Liability

as **Damages** and **Claim Expenses** resulting from any **Claim** first made against the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable, alleging **Wrongful Acts** by the **Insured** or by someone (including a **Rogue Employee** or **Third Party Custodian**) for whose **Wrongful Acts** the **Insured** is legally liable;

4. Privacy Injury Liability

as **Damages** and **Claim Expenses** resulting from any **Claim** first made against the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable, alleging **Wrongful Acts** by the **Insured** or by someone (including a **Rogue Employee** or **Third Party Custodian**) for whose **Wrongful Acts** the **Insured** is legally liable;

5. Privacy Regulation Proceeding

as **Damages** (including **Privacy Regulation Fines**) and **Claim Expenses** resulting from any **Privacy Regulation Proceeding** first made against the **Insured** during the **Policy Period**, or any Extended Reporting Period, if applicable, alleging **Wrongful Acts** by the **Insured** or by someone (including a **Rogue Employee** or **Third Party Custodian**) for whose **Wrongful Acts** the **Insured** is legally liable.

B. REIMBURSEMENT COVERAGES

If the Insuring Agreement has been purchased, as indicated in the Declarations, the Insurer will reimburse the **Insured Entity**:

1. Privacy Event Expense Reimbursement

for **Privacy Event Expenses**, up to the **Privacy Event Expenses** limit of liability and in excess of the **Privacy Event Expenses** retention;

2. Extortion Demand Reimbursement

for **Extortion Payments** up to the **Extortion Payment** limit of liability and in excess of the



Extortion Payment retention;

3. Privacy Regulation Investigation

for **Privacy Regulation Investigation Expense** up to the **Privacy Regulation Investigation Expense** limit of liability and in excess of the **Privacy Regulation Investigation Expense** retention.

C. FIRST PARTY BUSINESS INTERRUPTION COVERAGE AND EXTRA EXPENSE

If the Insuring Agreement has been purchased, as indicated in the Declarations, the Insurer will pay the **Insured Entity** all **First Party Loss** in excess of any applicable retention and up to the applicable limit of insurance that the **Insured Entity** incurs due to an **Exploit** that causes **Network Impairment** during the **Policy Period**.

D. HOW COVERAGE APPLIES

1. The coverages provided under paragraph **A.** above apply only if:
 - a. prior to the inception date of this Policy or the first such policy issued and continuously renewed by the Insurer, of which this Policy is a renewal, whichever is earlier;
 1. no **Executive Officer** knew or should have known that any such **Wrongful Act**, or **Related Wrongful Acts**, might result in such **Claim**;
 2. such **Wrongful Act** has not been the subject of any notice given under any prior policy;
 - b. such **Wrongful Act** occurred on or after the applicable **Retroactive Date** as set forth in the Declarations and prior to the end of the **Policy Period**; and,
 - c. the **Claim** is reported to the Insurer in accordance with Section **VI. CONDITIONS**, paragraph **B. NOTICE OF CLAIM OR CIRCUMSTANCE/PRE-CLAIMS ASSISTANCE/DATE OF CLAIM**.
2. The coverages provided under paragraph **B.** above apply only if:
 - a. the **Privacy Event** is first discovered, the **Extortion Demand** is first made or **Privacy**
 - b. the **Privacy Event Expenses**, **Extortion Payments** or **Privacy Regulation Investigation Expenses** are incurred within twelve months after the date that the **Insured** reports the **Privacy Event**, **Privacy Regulation Investigation** or **Extortion Demand** in accordance with Section **VI. CONDITIONS**, paragraph **B. NOTICE OF CLAIM OR CIRCUMSTANCE/PRE-CLAIMS ASSISTANCE/DATE OF CLAIM**, and such amounts are consented to in writing by the Insurer, such consent not to be unreasonably withheld.

E. VICARIOUS LIABILITY

1. Third Party Vicarious Liability Coverage

Any entity or natural person the **Insured Entity** is required by written contract to include as an insured for liability of such entity or natural person for an **Insured's Wrongful Acts** shall be insured under this Policy but solely to the extent that a **Claim** is made against such entity or natural person for a **Wrongful Act** of an **Insured**, and only so long as the written contract is entered into before such **Claim** occurs, provided:

- a. there shall be no coverage afforded to such entity or natural person for its **Wrongful Acts**; and,
- b. nothing herein shall serve to confer any rights or duties to such person or entity under this Policy, other than as provided in this paragraph.

2. Assumed Liability of Insured

The **Insured Entity** is insured for liability it assumes in a written contract or agreement under which it assumes the tort liability (liability that would be imposed by law in the absence of any contract or agreement) of another party incurred by such third party as a result of an **Insured's Wrongful Act** provided the **Wrongful Act** gives rise to a **Claim** and occurs subsequent to the execution of such contract or agreement. Solely for the purposes of liability



assumed by the **Insured Entity** in such contract or agreement reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an **Insured** are deemed to be **Damages** provided:

- a. liability to such party for, or for the cost of, that party's defense has also been assumed in such contract or agreement; and,
- b. such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which **Damages** to which this insurance applies are alleged.

Any coverage afforded by this paragraph is subject always to all of the Policy's terms, conditions and exclusions.

II. DEFINITIONS

The following defined words shall have the same meaning throughout this Policy, whether expressed in the singular or the plural.

Application means all signed applications, any attachments to such applications, other materials submitted therewith or incorporated therein, and any other documents submitted in connection with the underwriting of this Policy by the Insurer, or any other policy underwritten by the Insurer or its affiliates of which this Policy is a direct or indirect renewal or replacement.

Assumed Under Contract means liability of others, for **Matter** furnished by the **Insured**, that the **Insured** agrees to assume under a hold harmless or indemnity agreement but only to the extent such liability arises out of any **Wrongful Act**.

Claim means:

- A. a written demand (other than an **Extortion Demand**) for monetary damages or non-monetary relief, including a demand for injunctive or declaratory relief;
- B. a civil proceeding in a court of law or equity or any alternative dispute resolution proceeding;
- C. a **Privacy Regulation Proceeding**, against an **Insured**, alleging a **Wrongful Act** including any appeal therefrom.

Claim also means a written request received by the **Insured** to toll or waive a statute of limitations in connection with a **Claim** as defined by paragraphs **B.** and **C.** above.

However, a **Claim** does not include any criminal proceeding or criminal or civil investigation. Nor does a **Claim** include any regulatory proceeding except if the regulatory proceeding is a **Privacy Regulation Proceeding**.

Claim Expenses mean:

- A. fees charged by attorneys designated by the Insurer or by the **Insured** with the written consent of the Insurer;
- B. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** if incurred by the Insurer including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation of the Insurer to apply for or furnish any such bond.

In the event the **Insured** is entitled by law to select independent counsel to defend the **Insured** at the Insurer's expense, **Claim Expenses** also include fees the Insurer must pay to such counsel provided that such fees are limited to fees charged in accordance with the rates the Insurer actually pays to counsel the Insurer retains in the ordinary course of business in the defense of similar **Claims** in the community where the **Claim** is being defended;

However, **Claim Expenses** do not include fees and expenses of independent adjusters or salaries of the Insurer's officials or employees.

Commerce Operations means the **Insured Entity's** income producing activities.

Consumer Redress Amounts means a sum of money which the **Insured** is legally obligated to deposit in



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a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Privacy Regulation Proceeding**. **Consumer Redress Amounts** do not include any sums paid which constitute taxes, fines, penalties, injunctions or sanctions.

Damages mean:

- A. settlements, judgments (including any award of pre-judgment and post-judgment interest on a covered judgment), or other amounts for which the **Insured** is legally obligated to pay on account of a covered **Claim**;
- B. punitive and exemplary damages and the multiplied portion of multiplied awards (subject to this Policy's other terms, conditions and limitations). Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such punitive, exemplary and multiplied amounts;
- C. **Consumer Redress Amounts** with respect to **Insuring Agreement A.5. Privacy Regulation Proceeding** only.

However, **Damages** do not include:

- 1. civil or criminal fines, penalties, taxes, sanctions or forfeitures, imposed on an **Insured**, except that this does not apply to **Privacy Regulation Fines** and **Consumer Redress Amounts**;
- 2. fees, costs and expenses paid or incurred or charged by any **Insured**, no matter whether claimed as restitution of specific funds, financial loss, mitigation expenses, set-off amounts or payments in the form of service credits or coupons or other non-cash consideration;
- 3. liquidated damages pursuant to a written contract or agreement in excess of the **Insured's** liability caused by the **Wrongful Act**;
- 4. the **Insured's** production costs, or the **Insured's** cost of reprinting, recalling, recovering, shipping, mailing, correcting, reprocessing, restoring, repairing, replacing, or reproducing erroneous, damaged or lost tangible property or **Matter**;
- 5. any amount attributable to the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature;
- 6. funds, monies, or securities that an **Insured** transferred or failed to transfer;
- 7. any loss of investment income;
- 8. any amounts assessed as royalty fees or payments;
- 9. any amount for which an **Insured** is absolved from payment by reason of any covenant, agreement or court order;
- 10. plaintiff's attorney fees or expenses associated with items 1. through 9. above.

Domestic Partner means any spouse and any person qualifying as a domestic partner under any federal, provincial, foreign or other law (including common law), statute or regulation or under the **Insured Entity's** employee benefit plans.

Denial of Service Attack means an attack executed over one or more **Networks** or the internet, which attack is designed and intended to disrupt the operation of one or more **Networks** and render the **Networks** inaccessible to authorized users.

Electronic Infection means the transmission of a computer virus.

ERISA or any Similar Act means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of Canada, the United States or their states, territories or provinces or any other jurisdiction anywhere in the world.

Executive Officer means:

- A. any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Risk Officer, Chief Legal Officer, Risk Manager, General Counsel, in-house attorney designated to be in charge of litigation, or the



functional equivalent of any of the foregoing, of the **Named Insured**;

- B. an official in an **Insured Entity** organized and operated in a **Foreign Jurisdiction** who is holding a position that is equivalent to an executive position listed in A. above.

Exploit means **Unauthorized Access**, **Electronic Infection** or a **Denial of Service Attack** by a third party.

Extortion Demand means an incident or series of related incidents occurring during the **Policy Period** where an **Insured Entity** receives a threat to launch an attack on, to suspend, or to otherwise disrupt a **Network**, disrupt or deface the **Insured Entity's** website or release or use **Protected Information** in the **Insured Entity's** care, unless monies are paid or specified action is taken, and an **Executive Officer** believes there is an imminent and probable danger of such action. An **Extortion Demand** does not include any demand seeking monies from the **Insured Entity** that are allegedly due and owing pursuant to contract or operation of law.

Extortion Payment means all reasonable and necessary expenses incurred by the **Insured Entity** with the Insurer's prior consent, in order to respond to an **Extortion Demand**, including payment of monies demanded by an extortionist. **Extortion Payments** do not include such expenses to the extent the **Insured Entity** has recovered such expenses or been reimbursed for them from any other source.

Extra Expense means any reasonable and necessary expenses, in excess of the **Insured Entity's** normal operating expenses, that the **Insured Entity** incurs during the **Period of Restoration** associated with restoring and resuming **Commerce Operations**, including:

- A. reasonable expense incurred to minimize the interruption of **Commerce Operations** not covered elsewhere in this Policy; and,
- B. reasonable expense incurred to resume **Commerce Operations** on a temporary basis, including those associated with securing temporary third party Internet Service Provider services, temporary website and/or e-mail hosting services, rental of temporary **Networks**, other temporary equipment or service contracts.

First Party Loss means:

- A. the amount of net income, before interest, tax, depreciation or amortization, that the **Insured Entity** would have earned during the **Period of Restoration** but for the **Network Impairment**; and,
- B. **Extra Expense**.

However, **First Party Loss** does not include:

1. ordinary operating expenses incurred by the **Insured Entity** during the **Period of Restoration**;
2. costs or expenses to update, upgrade, enhance, or replace the **Insured's Network** beyond that which existed prior to the occurrence of the **Network Impairment**;
3. costs or expenses the **Insured Entity** incurs to prove or document **First Party Loss**;
4. **Privacy Event Expenses** and **Extortion Payments**.

Foreign Jurisdiction means any jurisdiction, other than Canada, the United States or any of its territories or possessions.

Insured means the **Insured Entity** and:

- A. any natural person who was, is or becomes an employee (including leased and temporary employees), director, officer, trustee, manager, member or partner of the **Insured Entity** but solely with respect to a **Wrongful Act** committed within the scope of such individual's duties on behalf of the **Insured Entity**;
- B. any natural person independent contractor of the **Insured Entity** but solely with respect to a **Wrongful Act** committed within the scope of such individual's duties on behalf of the **Insured Entity**;
- C. any natural person of an **Insured Entity** organized and operated in a **Foreign Jurisdiction**

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who is holding a position that is equivalent to an executive position listed in **A.** above.

Insured Entity means the **Named Insured** and any **Subsidiary** including any such entity:

- A.** as a joint venturer but only with respect to such **Insured Entity's** interest in such joint venture;
- B.** as a debtor in possession under Canadian bankruptcy law or an equivalent status under the law of any other country.

Internet Services means services to obtain, maintain or use the Internet, Intranet or extranet, including, but not limited to:

- A.** services as an Internet access provider, application service provider, domain name registrar, domain name register, search engine, web browser;
- B.** web hosting, e-commerce transaction services, electronic exchange and auction services, Internet media services, managed and network security services, public key infrastructure services and web portal services;
- C.** development, design and maintenance of chat rooms, websites, e-mail services, bulletin boards.

Management Control means owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of, or having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents, to elect, appoint or designate a majority of the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company, the general partners of a limited partnership or the partnership managers of a general partnership or the **Foreign Jurisdiction** equivalent of any such entity.

Matter means any content regardless of its nature or form.

Named Insured means any entity named as such in the Declarations.

Network means a network owned or operated by or on behalf of or for the benefit of the **Insured Entity**, provided, however, **Network** does not include the Internet, telephone company networks, electrical grids, or other public infrastructure network.

Network Impairment means the disruption, modification, destruction or damage to the **Insured's Network** that results in the impairment of the **Insured Entity's Network** to such an extent that the **Insured Entity** is substantially unable to conduct **Commerce Operations**.

Nonpublic Corporate Information means proprietary and confidential information including trade secrets, of a third-party entity.

Period of Restoration means the period of time that:

- A.** begins with the date and time that **Commerce Operations** have first been interrupted by a **Network Impairment** and after application of the Business Interruption Waiting Period Retention, as specified in the Declarations; and
- B.** ends with the earlier of:
 - 1. the date and time **Commerce Operations** are restored to substantially the level of operation that existed prior to the **Network Impairment**; or,
 - 2. the date and time **Commerce Operations** would have been restored to substantially the level of operation that existed prior to the **Network Impairment** if the **Insured Entity** exercised due diligence in remediating such **Network Impairment**.

Personal Information means any information relating to an identified or identifiable natural person.

Policy Period means the period from the effective date of this Policy to the Policy expiration date stated in the Declarations, or its earlier cancellation date.

Pollutants means any substance exhibiting hazardous characteristics as is or may be defined or identified



on any list of hazardous substances issued by the Canadian Environmental Protection Act (1999) or any provincial, local or foreign counterpart. Pollutants also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

Privacy Event means any act, error or omission which, in the reasonable opinion of an **Executive Officer** did cause or is reasonably likely to result in the unauthorized disclosure or the unauthorized use of **Protected Information**.

Privacy Event Expenses means all reasonable and necessary fees, costs and expenses incurred by the **Insured Entity** and consented to by the Insurer:

- A. to directly effect compliance with a **Security Breach Notice Law** including notification to individuals or entities who are required to be notified;
- B. to provide voluntary notification to individuals or entities whose **Protected Information** may have been subject to a **Privacy Event**;
- C. to hire a computer forensics firm to investigate the existence and cause of a **Privacy Event** and to determine the extent such **Protected Information** has been or may have been disclosed;
- D. to hire an attorney or expert to determine the applicability of and the actions necessary to comply with **Security Breach Notice Laws**;
- E. to minimize harm to the **Insured Entity's** reputation from a **Privacy Event**, including but not limited to the costs to set up a call center or provide a credit monitoring service for those impacted by a **Privacy Event**.

However, **Privacy Event Expenses** do not include the costs, fees and expenses necessary to remediate any deficiencies that gave rise to the **Privacy Event**.

Privacy Injury means:

- A. unauthorized collection, disclosure, use, access, destruction or modification of **Protected Information**;
- B. failure to implement, maintain, or comply with policies and procedures stating the **Insured's** obligations with regard to **Protected Information**.

Privacy Regulation Fines means civil fines, sanctions or penalties insurable under applicable law and imposed under any **Privacy Regulation Proceeding** for a violation of any **Security Breach Notice Law** or any law, statute or regulation governing **Protected Information**.

Privacy Regulation Investigation means a civil, administrative or regulatory investigation or written request for information by a federal, provincial, local or foreign governmental authority in connection with any law governing **Protected Information** or any **Security Breach Notice Law**, and that is reasonably likely to give rise to a covered **Claim**.

Privacy Regulation Investigation Expenses means all reasonable and necessary expenses incurred by the **Insured Entity** with the Insurer's prior consent, in order to respond to or effectuate compliance with a **Privacy Regulation Investigation**. **Privacy Regulation Investigation Expenses** shall not include **Privacy Event Expenses**.

Privacy Regulation Proceeding means a civil, administrative or regulatory proceeding by a federal, provincial, local or foreign governmental authority, alleging a **Wrongful Act** as defined in paragraph E. of the definition of **Wrongful Act**.

Professional Services means those services performed for others that are specified in the attached "Professional Services Endorsement". If no "Professional Service Endorsement" is attached to this Policy, no **Professional Services** are covered under this Policy.

Property Damage means:



- A. physical injury to tangible property including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
- B. loss of use of tangible property that is not physically damaged which is caused by an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Tangible property does not include electronic data. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Protected Information means **Nonpublic Corporate Information** or **Personal Information**.

Related Claims mean all **Claims** based upon or arising out of a single **Wrongful Act** or any **Related Wrongful Acts**.

Related Wrongful Act means all **Wrongful Acts** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

Retroactive Date means the date set forth in the Declarations.

Rogue Employee means a past, present or future employee of the **Insured Entity** who acts outside of his or her scope of employment

Security Breach Notice Law means any statute or regulation that requires an entity that maintains **Protected Information** to provide notice to specified individuals of any actual or potential unauthorized disclosure or potential disclosure of such **Protected Information**.

Subsidiary means any entity in which the **Named Insured** has **Management Control** directly or indirectly through one or more other **Subsidiaries**:

- A. on or before the effective date of this Policy;
- B. after the effective date of this Policy by reason of being created or acquired by the **Insured Entity** after such date, if and to the extent coverage with respect to the entity is afforded pursuant to Section VI. **CONDITIONS**, paragraph K. **COVERAGE FOR NEW SUBSIDIARIES**.

Takeover means:

- A. the acquisition of **Management Control** of the **Named Insured** by another entity or person, or group of entities or persons acting in concert;
- B. the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity; or
- C. the consolidation of the **Named Insured** with another entity.

Technology Product means:

- A. hardware, firmware, software or source or object code;
- B. information technology equipment, electronic device, electronic component or computer peripheral;
- C. any wireless or wire line telecommunication equipment including, but not limited to, wireless, wireline, satellite or broadcast network equipment,

that is created, designed, manufactured, sold, or distributed by or on behalf of the **Insured Entity** or licensed or leased by the **Insured Entity** to others.

Technology Services means:

- A. information technology services including, but not limited to:
 - 1. designing, developing, programming, writing, testing, installing, servicing, supporting, maintaining, repairing and updating software including any modification and reengineering and

providing training, updates and support;

2. planning, designing, developing, engineering, installation and maintaining computer systems, computer networks and electronic systems;
3. managing and operating computer systems, computer networks and facilities, as well as facilities support services;
4. designing and publishing prepackaged and custom designed application and systems software;
5. data processing, management, warehousing and data hosting including data entry, conversion, destruction and analysis;

B. Internet Services;

C. Telecommunications Services;

D. outsourcing, education, training, project management or consulting of or related to **A.** through **C.** above or on **Technology Products**.

Telecommunication Services means:

- A.** the offering of the electronic or digital transmission of information, including local, regional and long distance wireline and wireless dial tone access and switched services, cable, DSL, ISDN and VOIP services;
- B.** any value added services offered in conjunction with **A.** above including directory assistance, toll free services, voice mail, paging, call forwarding, call waiting, caller ID and emergency 911 services;
- C.** analysis, design, integration and conversion of telecommunication systems or wireless or wire line telecommunication equipment including satellite or broadcast network equipment.

Third Party Custodian means any third party to whom the **Insured Entity** entrusts **Protected Information**.

Unauthorized Access means any accessing of the **Insured Entity's Network** or information residing on the **Insured Entity's Network** by unauthorized persons or by authorized persons accessing or using **Insured Entity's Network** or information thereupon in an unauthorized manner.

Wrongful Act means:

- A.** with respect to **Insuring Agreement A.1. Technology and Professional Liability** only, a **Wrongful Act** means any actual or alleged act, error or omission:
 1. committed solely in the conduct of **Professional Services** or **Technology Services** for others; or
 2. resulting in the failure of the **Insured's Technology Products** to perform the function or serve the purpose intended;
- B.** with respect to **Insuring Agreement A.2. Media Liability** only, **Wrongful Act** means:
 1. gathering, acquiring, obtaining, researching, developing, editing, preparing, producing, filming, videotaping and recording **Matter**; or
 2. the dissemination or utterance of **Matter**, through any medium and by any means, including:
 - a. publishing, printing, advertising, marketing, promoting, exhibiting;
 - b. broadcasting, telecasting, webcasting, cablecasting;
 - c. syndicating, selling, leasing, licensing, distributing, serializing or releasing;
 - d. public appearances or performances;
 - e. blogging, tweeting or other forms of online, digital or electronic dissemination, that results in:

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- i. any form of defamation or other tort related to disparagement or harm to the character, reputation or feelings of any person or organization, including but not limited to libel, slander, product disparagement or trade libel;
 - ii. any form of invasion, infringement or interference with rights of privacy or publicity, including but not limited to false light, public disclosure of private facts, intrusion and commercial appropriation of name or likeness;
 - iii. wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy;
 - iv. false arrest, detention or imprisonment, abuse of process or malicious prosecution;
 - v. infringement of title, slogan, logo, trademark, trade name, trade dress, service mark or service name;
 - vi. infringement of copyright or any plagiarism, violation of moral rights (droit moral) or passing off, piracy, misappropriation of ideas under implied contract or other misappropriation of property rights, ideas or information;
 - vii. infliction of emotional distress, outrage or outrageous conduct, or any prima facie tort;
 - viii. negligence in connection with the content of **Matter**;
 - ix. unfair competition or unfair trade practices alleged in conjunction with paragraphs i. through viii. above, including but not limited to dilution, confusion, deceptive trade practices or unfair trade practices, civil actions for consumer fraud, false, disruptive or misleading advertising or misrepresentation in advertising; or
 - x. negligent supervision of an employee alleged in conjunction with paragraphs i. through viii. above;
- C. with respect to **Insuring Agreement A.3. Network Security Liability** only, **Wrongful Act** means any actual or alleged act, error or omission that results in a breach of security of the **Network** and gives rise to:
1. an unscheduled or unplanned inability of an authorized third party user to gain access to the **Network** to communicate with the **Insured Entity** or other computers or computer networks (other than any Internet service provider interruptions);
 2. disruption or degradation of a network owned or operated by or on behalf of or for the benefit of a person or entity other than the **Insured Entity** (other than Internet, telephone company networks, electrical grids, or other public infrastructure network) including but not limited to the infection of a third party network with malware or viruses; or
 3. the unauthorized use, disclosure, disruption, modification or destruction of or unauthorized access to any information (other than software) resident on the **Network** or the unauthorized use, modification or destruction of any software resident on the **Network**
- D. with respect to **Insuring Agreement A.4. Privacy Injury Liability** only, **Wrongful Act** means any **Privacy Injury**
- E. with respect to **Insuring Agreement A.5. Privacy Regulation Proceeding** only, **Wrongful Act** means any actual or alleged act, error or omission that results in a violation of any statute or regulation governing **Protected Information** or any violation of a **Security Breach Notice Law**.

III. EXCLUSIONS

This Policy does not apply to any **Claim**:

A. ASSUMED LIABILITY

based upon or arising out of any assumption of the liability of others under any contract or agreement, except that this exclusion does not apply to liability arising under Section I. **INSURING AGREEMENTS**, Paragraph E. **VICARIOUS LIABILITY** or, with respect to **Insuring Agreement**



A.2. Media Liability, liability Assumed Under Contract.

B. BODILY INJURY/PROPERTY DAMAGE

based upon or arising out of any actual or alleged bodily injury (including death), sickness, disease, emotional distress, mental anguish, of any person, or **Property Damage**, provided however that this exclusion does not apply to:

1. allegations of emotional distress or mental anguish brought under **Insuring Agreement A.2. Media Liability**;
2. the wrongful infliction of emotional distress or mental anguish arising out of **Privacy Injury**;

C. CLAIMS BY INSUREDS

by or on behalf of any **Insured** provided, however that this exclusion does not apply to:

1. any **Claim** that is in the form of a crossclaim, third-party claim or otherwise for contribution or indemnity which is part of and results directly from a **Claim** which is not otherwise excluded under this Policy;
2. any **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, liquidator, receiver or rehabilitator for an **Insured Entity** or any assignee of such trustee, examiner, liquidator, receiver or rehabilitator;
3. any **Claim** by an **Insured** (other than an **Insured Entity**) that alleges **Privacy Injury**;

D. DELIBERATE ACTS/COMMINGLING OR MISAPPROPRIATION OF FUNDS

based upon or arising out of any dishonest, fraudulent, criminal or malicious act or omission, commingling, misappropriation or misuse of funds, intentional wrongdoing or knowing violation of any contract or agreement by or on behalf of an **Insured**. The Insurer shall pay **Claim Expenses** of such **Claims** unless or until a final judgment, ruling or other finding of fact in any proceeding establishes that such act, omission, commingling, misappropriation, misuse or violation was committed. If such act, or such commingling, misappropriation, misuse or violation is so determined to have been committed, the **Insured** will reimburse the Insurer for all **Claim Expenses** paid. The Insurer will not defend any criminal act which was the subject of a criminal prosecution in which the **Insured** was found guilty or pleaded guilty, *nolo contendere* or no contest. Criminal proceedings are not covered under this Policy regardless of the allegations made against any **Insured**. Provided, however, that solely with respect to **Insuring Agreement A.2. Media Liability**, this exclusion does not apply to any such act if an attorney for the **Insured Entity** approves of such act in advance based upon a good faith belief that such act is protected by the First Amendment to the United States Constitution or any similar law of another jurisdiction;

For purposes of determining the applicability of this exclusion:

1. the facts pertaining to and knowledge possessed by any natural person **Insured** shall not be imputed to any other natural person **Insured**; and,
2. only facts pertaining to and knowledge possessed by any **Executive Officer** shall be imputed to the **Insured Entities**;

E. DISCRIMINATION

based upon or arising out of any actual or alleged discrimination, humiliation, harassment or misconduct that relate to an individual's race, creed, colour, age, sex, national origin, religion, handicap, marital status or sexual preference except that this exclusion does not apply to **Claims** brought under **Insuring Agreement A.2. Media Liability**;

F. ERISA OR ANY SIMILAR ACT

based upon or arising out of any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by **ERISA** or any **Similar Act**;

G. GOVERNMENTAL ORDERS

as a direct result of any action or order by any domestic or foreign law enforcement,



administrative, regulatory or judicial body or other governmental authority;

H. LICENSING AND OWNERSHIP OF MATERIAL

by any joint venture or on behalf of such party based upon or arising out of ownership disputes relating to **Matter** supplied;

I. MECHANICAL OR ELECTRICAL FAILURE AND SERVICE INTERRUPTIONS

based upon or arising out of any failure of:

1. electrical infrastructure;
2. telecommunications infrastructure; or
3. any satellite,

which is not under the **Insured Entity's** operational control;

J. OVER-REDEMPTION

based upon or arising out of price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the total contracted or expected amount;

K. OWNED ENTITY

made against an **Insured** by any entity, if at the time of the **Wrongful Act** giving rise to such **Claim**:

1. any **Insured** controlled, owned, operated or managed such entity;
2. any **Insured** was an owner, partner, director, officer or employee of such entity;

For the purpose of this exclusion, a 5% or more owner of the voting stock of a publicly held corporation or a 40% or more owner of the voting stock of a privately held corporation shall be deemed to own such entity;

L. PATENT INFRINGEMENT

based upon or arising out of actual or alleged infringement of patent;

M. POLLUTION/NUCLEAR

based upon or arising out of: any actual or alleged nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged **Property Damage**, or bodily injury, sickness, disease or death of any person, or financial loss to the **Insured Entity**, their security holders, or their creditors resulting from any of the aforementioned matters;

N. PRIOR WRONGFUL ACTS OF SUBSIDIARIES

based upon or arising out of any **Wrongful Act**:

1. by or on behalf of any **Subsidiary** whether such **Subsidiary** qualified as such prior to the inception date of the Policy, or after the inception date of this Policy by virtue of paragraph 1. of Section **VI. CONDITIONS**, paragraph **K. Coverage for New Subsidiaries** or by natural person **Insureds** of any such **Subsidiary**, where such **Wrongful Act** occurred in whole or in part before the date the **Insured Entity** first had **Management Control**;
2. occurring on or after the date the **Insured Entity** first had **Management Control** of any **Subsidiary** described in paragraph 1. above, which, together with any **Wrongful Acts** described in paragraph 1. above, would be considered **Related Wrongful Acts**;

O. SECURITIES AND INVESTMENT CLAIMS

based upon or arising out of any actual or alleged:



1. filing of any registration statement under the Securities Acts of 1933, or the Securities Exchange Act of 1934, any State Blue Sky Law, or any other state or local securities law;
2. violation of the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities and Exchange Act of 1934, rules or regulations of the Securities Exchange Commission under either or both acts, similar securities laws or regulations of province, or any laws of any state relating to any transaction arising out of, involving, or relating to the public offering of securities;

Provided however that this exclusion does not apply to any **Claim for Privacy Injury**;

P. TRADE SECRETS

based upon or arising out of any actual or alleged misappropriation of trade secrets obtained by any natural person **Insured** prior to commencing employment with an **Insured Entity**;

Q. UNFAIR COMPETITION/ANTITRUST CLAIMS/RICO CLAIMS

based upon or arising out of any actual or alleged:

1. unfair competition, dilution, deceptive trade practices, civil actions for consumer fraud or false or deceptive advertising or misrepresentation in advertising;
2. charges of price fixing, monopolization or restraint of trade;
3. violation of:
 - a. the Federal Trade Commission Act;
 - b. The Competition Act, the Sherman Act, the Clayton Act, or any federal statutory provision regarding anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade;
 - c. the Racketeer Influenced and Corrupt Organizations Act;
 - d. any rules or regulations promulgated under or in connection with the above statutes, or any similar provision of any federal, provincial, foreign or other law (including common law) or statute,

except that paragraph 1. does not apply to any **Claim** under **Insuring Agreement A.2. Media Liability** and paragraphs 1. and 3.a. do not apply to any **Claim** under **Insuring Agreement A.5. Privacy Regulation Proceeding**;

R. Unsolicited Communication

based upon or arising out of:

1. any actual or alleged violation of any federal, provincial or foreign anti-spam statute or regulation, including the Fighting Internet and Wireless Spam Act, CAN-SPAM Act of 2003; or
2. any actual or alleged violation of any federal, provincial or foreign statute or regulation prohibiting the dissemination of unsolicited electronic communications to multiple third parties, including any violation of the National Do Not Call List, Fighting Internet and Wireless Spam Act, and the Telephone Consumer Protection Act of 2001;

IV. FIRST PARTY EXCLUSIONS

This Policy does not apply to any **First Party Loss**, regardless of any other cause or event that contributes concurrently or in any sequence to the **First Party Loss**, caused by or resulting from:

A. DEFECTS IN DATA AND SOFTWARE AND NETWORK

any defect of design, implementation, operation, incompatibility or any other fault of data and software or the **Insured Entity's Network**, or any part thereof where such defect or fault is introduced by the **Insured Entity's**:

1. use of a third party product, including but not limited to software and equipment, in a manner inconsistent with the manufacturer's intended use;



2. modification of a third party product or integration of components in violation of the manufacturer's warranty or other license terms;
3. integration of components in a manner inconsistent with any of the components' intended use as established by its manufacturer; or,

B. DELIBERATE ACTS

any deliberately dishonest, fraudulent or criminal act or omission, or any willful violation of any statute or regulation, by or on behalf of an **Insured**;

C. GOODWILL

any adverse impact on goodwill, reputation or potential future income;

D. GOVERNMENTAL ORDERS

any action or order by any domestic or foreign law enforcement, administrative, regulatory or judicial body or other governmental authority;

E. PROPERTY DAMAGE

direct physical loss of or damage to property;

F. VALUE OF STOCKS

any change in value of shares, stock or securities;

G. VENDOR ACTS

unauthorized and deliberate malicious act or omission by a vendor or other third party authorized by the **Insured Entity** to perform services on the **Insured Entity's Network**.

V. LIMITS OF LIABILITY/RETENTION

A. POLICY AGGREGATE

The amount set forth as the Policy Aggregate Limit of Liability in the Declarations shall be the maximum aggregate limit of liability of the Insurer for all **Damages, Claim Expenses, Privacy Event Expenses, Extortion Payments, Privacy Regulation Investigation Expenses** and **First Party Loss** under this Policy. The Scheduled Limits of Liability set forth in the Coverage Schedule in the Declarations are sub-limits which further limit and do not increase the Insurer's limit of liability under this Policy Aggregate Limit. The limits of liability set forth in paragraph **B.** below are subject always to this Policy Aggregate.

B. INSURING AGREEMENTS LIMITS OF LIABILITY

Each Insuring Agreement limit of liability set forth in the Coverage Schedule of the Declarations applies as follows:

1. All Claims in the Aggregate

The amount set forth in the Coverage Schedule in the Declarations is the limit of liability for all **Damages** and **Claim Expenses** for all applicable **Claims/Privacy Regulation Proceedings** combined.

2. Privacy Regulation Fines Sublimit of Liability

The amount set forth in the Coverage Schedule in the Declarations as the **Privacy Regulation Fines Sublimit of Liability**, is the limit of liability for all **Privacy Regulation Fines**, which limit is a sublimit of, and not in addition to, the **Privacy Regulation Proceeding** limit of liability set forth in the Declarations.

3. Privacy Regulation Investigation Limit of Liability

The amount set forth in the Coverage Schedule in the Declarations as the **Privacy Regulation Investigation Sublimit of Liability**, is the limit of liability for all **Privacy Regulation Investigation Expense**, which limit is a sublimit of, and not in addition to, the **Privacy Regulation Proceeding**



limit of liability set forth in the Declarations.

4. **First Party Limit of Liability**

The amount set forth in the Coverage Schedule in the Declarations as the **First Party Loss** limit of Liability, is the limit of liability for all **First Party Loss**, regardless of the number of **Network Impairments** that occur during the **Policy Period**.

5. **All Privacy Event Expenses, Extortion Payments and Privacy Regulation Investigation Expenses in the Aggregate**

The amount set forth in the Coverage Schedule in the Declarations for **Privacy Event Expenses, Extortion Payments and Privacy Regulation Investigation Expenses** is the limit of liability for all covered **Privacy Event Expenses, Extortion Payments and Privacy Regulation Investigation Expenses**, as applicable.

C. **RETENTIONS**

1. Retentions set forth in the Declarations shall apply for each Insuring Agreement as set forth in the Declarations. The Insurer shall pay **Damages** and **Claim Expenses** in excess of any retention as it becomes due and payable to the **Insureds**.
2. The Insurer's obligation to pay **Damages** and **Claim Expenses** is in excess of any applicable retention. The Insurer will have no obligation to pay all or any portion of any applicable retention. Should the Insurer, in its sole discretion, pay any retention, then the **Named Insured** shall have the obligation to reimburse the Insurer for such amounts.
3. A separate retention applies to each **Privacy Event, Extortion Demand and Privacy Regulation Investigation** in the amount and as specified in declarations. The Insurer shall only be liable for the amount of **Privacy Event Expenses, Extortion Payments or Privacy Regulation Investigation Expenses** in excess of the applicable retention amounts.
4. A separate retention applies to each **Network Impairment** under each First Party Business Interruption Coverage And Extra Expense Insuring Agreement in the amount and as specified in declarations. The Insurer shall only be liable for the amount of **First Party Loss** which is in excess of the applicable retention amounts.
5. In the event more than one retention applies, the maximum total retention amount applicable shall be the highest of such applicable retentions.

D. **RELATED CLAIMS AND RELATED PRIVACY EVENT, EXTORTION DEMAND, PRIVACY REGULATION INVESTIGATION, OR NETWORK IMPAIRMENT**

1. If **Related Claims** are subsequently made against the **Insured** and reported to the Insurer, all such **Related Claims**, whenever made, shall be considered a single **Claim** subject to the limit of liability applicable to the earliest such **Claim** first reported to the Insurer.
2. If there is more than one **Privacy Event, Extortion Demand, Privacy Regulation Investigation, or Network Impairment** involving the same act, error or omission or acts, errors or omissions that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision, then each such **Privacy Event, Extortion Demand, Privacy Regulation Investigation, or Network Impairment** shall be considered as one **Privacy Event, Extortion Demand, Privacy Regulation Investigation, or Network Impairment** which shall be subject to the **Privacy Event, the Extortion Demand, the Privacy Regulation Investigation, or the Network Impairment** limit applicable to the earliest such **Privacy Event, Extortion Demand, Privacy Regulation Investigation, or Network Impairment** reported to the Insurer under this Policy or under any prior policy.

E. **MULTIPLE INSUREDS, CLAIMS AND CLAIMANTS**

The limits of liability shown in the Declarations and subject to the provisions of this Policy is the amount the Insurer will pay for **Damages, Claim Expenses, Privacy Event Expenses, Extortion Payments, Privacy Regulation Investigation Expenses and First Party Loss** regardless of the number of **Insureds, Claims** made, **Privacy Events, Extortion Demands, Privacy Regulation Investigations**, persons or entities making **Claims**.



VI. CONDITIONS

A. SETTLEMENT/DEFENSE OF CLAIMS

1. Defense/Settlement

The Insurer shall have the right and duty to defend in the **Insured's** name and on the **Insured's** behalf a **Claim**, other than a **Privacy Regulation Proceeding**, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Insurer has the right to make such investigation and conduct negotiations and enter into such settlement of any **Claim** as the Insurer deems necessary. The **Insureds** and not the Insurer have the duty to defend any **Privacy Regulation Proceedings**. The Insurer shall be entitled to effectively associate in the defense and the negotiation of any settlement of any **Privacy Regulation Proceeding** that involves or appears reasonably likely to involve the Insurer. Each **Insured** shall give the Insurer full cooperation and shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information and assistance as the Insurer may reasonably request.

2. Consent to Settlement

The Insurer shall not settle any **Claim** without the prior written consent of the **Named Insured**. If however, the **Named Insured** refuses to consent to such settlement or compromise recommended by the Insurer and agreed to by the claimant, the Insurer's duty to defend shall then cease and the **Named Insured** shall thereafter at the **Named Insured's** own expense negotiate or defend such **Claim** independently of the Insurer, and the Insurer's limit of liability for such **Claim** shall be reduced to:

- a. the amount of the proposed settlement plus **Claim Expenses** incurred up to the date of the **Named Insured's** refusal to consent to such proposed settlement;
- b. fifty percent (50%) of **Claim Expenses**, in excess of the amount referenced in paragraph a. above.

3. Exhaustion of Limits

The Insurer shall not be obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **Claim** after the applicable limit of liability has been exhausted by payment of **Damages** or **Claim Expenses**, or any combination thereof. In such case, the Insurer shall have the right to withdraw from the further investigation, defense, payment or settlement of such **Claim** by tendering control of said investigation, defense or settlement of the **Claim** to the **Insured**.

B. NOTICE OF CLAIM, CIRCUMSTANCE OR NETWORK IMPAIRMENT/PRE-CLAIMS ASSISTANCE/DATE OF CLAIM

1. The **Insured**, as a condition precedent to the obligations of the Insurer shall give written notice of any **Claim**, **Extortion Demand** or **Privacy Event** to the Insurer as soon as reasonably practicable after any **Executive Officer** learns of such **Claim**, **Extortion Demand**, **Privacy Event** or **Privacy Regulation Investigation** but in no event later than ninety (90) days after termination or expiration of the **Policy Period** or any subsequent renewal **Policy Period** in an uninterrupted series of renewals, or prior to the expiration of the **Extended Reporting Period**, if applicable. Failure to give such notice as soon as reasonably practicable shall not invalidate coverage of such **Claim**, unless the failure to provide timely notice has prejudiced the Insurer or unless the notice is provided ninety (90) days after termination or expiration of the **Policy Period** or any subsequent renewal **Policy Period** in an uninterrupted series of renewals, or prior to the expiration of the **Extended Reporting Period**, if applicable.

2. Notice of Circumstance

If during the **Policy Period** the **Insureds** first become aware of any facts or circumstances which may reasonably be expected to give rise to a **Claim** and during such **Policy Period** give written notice to the Insurer of:

- a. the allegations anticipated as the basis of the potential **Claim** and the names of any potential claimants;
- b. the identity of the specific **Insureds** allegedly responsible for such specific facts



and circumstances;

- c. the consequences which have resulted or may result from such specific facts and circumstances;
- d. the amount of the potential monetary damages or the nature of non-monetary relief which may be sought in consequence of such specific facts and circumstances; and
- e. the circumstances by which **Insureds** first became aware of such specific facts and circumstances,

then any such covered **Claim** which is subsequently made and which arises out of such facts and circumstances shall be deemed to have been first made against the **Insured** and reported to the Insurer by the **Insureds** at the time such written notice was received by the Insurer.

3. **Notice of Network Impairment**

If a **Network Impairment** takes place or is reasonably likely to take place, the **Insured Entity** must do the following:

- a. provide notice to the Insurer as soon as practicable;
- b. such notice should include particular details as to the nature of the **Network Impairment**; and, immediately
- c. forward to the Insurer all information the **Insured Entity** possesses or receives in connection with the **Network Impairment**.

4. **Pre-Claims Assistance**

a. **Insurer's Discretionary Investigation**

Until the date a **Claim** is made, the Insurer may pay for all costs or expenses it incurs, at its sole discretion and without any obligation, as a result of investigating a circumstance that the **Insured** reports in accordance with subparagraph **2. Notice of Circumstance** above. Such costs and expenses are outside the limits or liability and not subject to the retention.

b. **Insurer's Discretionary Remediation**

If the Insurer elects to investigate a circumstance pursuant to paragraph **4.a.** above, and such investigation results in recommended remediation measures that both the Insurer and the **Named Insured** mutually agree to undertake, the Insurer shall reimburse the **Insured** for reasonable costs and expenses to enact such recommended remediation measures if such costs and expenses were approved by the Insurer in advance. Such costs and expenses are within the limits of liability, subject to the retention and the coinsurance percentage provided below and subject to a sublimit of liability in the amount of 10% of the aggregate limit of liability.

The **Insureds** shall bear uninsured the percentage provided on the declarations as a coinsurance percentage applied to all costs and expenses incurred pursuant to this paragraph **b.** The coinsurance percentage is in addition to the applicable retention and the Insurer is only liable to pay the remaining percentage of costs and expenses in excess of the applicable retention and coinsurance percentage.

5. **When a Claim is Deemed Made**

- a. in the case of a written demand for monetary damages or non-monetary relief, on the earlier of the **Executive Officer's** or Insurer's receipt of notice of such demand;
- b. in the case of a civil proceeding in a court of law or equity or arbitration, on the date of service upon or other receipt by any **Executive Officer** a complaint against the **Insured** in such proceeding or arbitration;
- c. in the case of a **Privacy Regulation Proceeding**, on the date of receipt by such **Executive Officer** of a written notice from the investigating authority identifying such **Insured** as an individual or entity against whom a proceeding will be commenced.

6. **To Whom Notices are Sent**



The **Insureds** shall give written notice to the Insurer under this Policy as specified in the Declarations. If mailed, the date the Insurer receives such notice shall constitute the date such notice was given. Proof of mailing shall be sufficient proof of notice.

C. CANCELLATION

1. Insurer's Right to Cancel

We may cancel this policy or any of its individual Coverage Forms at any time by sending to the first Named Insured a notice 90 days (15 days in the event of non-payment of premium) in advance of the termination date. Our notice of cancellation will be mailed to the first Named Insured's last known mailing address, and will indicate the date on which coverage is terminated. If notice of termination is mailed, proof of mailing will be sufficient proof of notice. When we cancel this contract, we shall refund as soon as practicable, the excess premium paid by you over the pro-rata premium for the expired time, but in no event will the pro-rata premium for the expired time be less than any minimum retained premium specified, if any, in the contract. The refund will accompany the notice unless the premium is subject to adjustment or determination as to the amount, in which case the refund will be made as soon as practicable.

The refund may be made by money, postal or express company money order or cheque payable at par.

2. Named Insured's Right to Cancel

The **Insureds** grant the exclusive authority to cancel this Policy to the **Named Insured**. The **Named Insured** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed on a pro-rata basis.

D. EXTENDED REPORTING PERIOD

1. Automatic Extended Reporting Period

The **Named Insured** shall have the right to a period of sixty (60) days following the effective date of such cancellation or non-renewal, in which to give written notice to the Insurer of **Claims** first made against the **Insured** during said sixty (60) days period for any **Wrongful Act** committed prior to the end of the **Policy Period** and otherwise covered by this Policy.

2. Optional Extended Reporting Period

If the **Named Insured** or Insurer cancels or non-renews this Policy, the **Named Insured** shall have the right to purchase, upon payment of an additional premium, an extension of this Policy, for any **Claim** first made or deemed to be first made during such period for **Wrongful Acts** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**. The additional premium shall be as set forth below.

<u>Policy Extension</u>	<u>Additional Premium</u> <u>(as a % of the Total Premium Paid for this Policy)</u>
1 Year	100%
2 Years	150%
3 Years	200%

This period shall be referred to as the "Optional Extended Reporting Period".

3. Payment of Extended Reported Period Premium

As a condition precedent to the right to purchase the Optional Extended Reporting Period, the total premium for this Policy must have been paid. The right to purchase such Optional Extended Reporting Period shall end unless the Insurer receives written notice of the **Named Insured's** election to purchase such Optional Extended Reporting Period and full payment of the premium for such period within sixty (60) days after the end of the **Policy Period**.

4. Non-Cancelable/Premium Fully Earned

If the Optional Extended Reporting Period is purchased, it is non-cancelable and the entire



premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.

5. No Separate Limit

There is no separate or additional limit of liability for any Extended Reporting Period.

E. TERRITORY

Coverage shall apply to **Claims** made and **Wrongful Acts** committed anywhere.

F. APPLICATION

The **Insureds** represent and acknowledge that the statements contained in the **Application** and any materials submitted or required to be submitted therewith (which shall be maintained on file by the Insurer and be deemed attached to and incorporated into this Policy as if physically attached), are true and accurate and:

1. are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; and,
2. shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth and accuracy of such representations. In the event the statements, representations or information in the **Application**, including materials submitted or required to be submitted therewith, contains any misrepresentation or omission which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under this Policy, this Policy shall be null and void.

G. OTHER INSURANCE

The Insurer will have no duty to defend any **Claim** that any other insurer has a duty to defend. If no other insurer defends, the Insurer will undertake to do so; but it will be entitled to the **Insured's** rights against all those other insurers. This Policy applies to the **Damages** or **Claim Expenses** that exceed the available limit of liability and any self insured retentions or retention amounts of any other insurance available to the **Insured**. If there is such other insurance covering the same **Damages** or **Claim Expenses**, the Insurer will pay only for the amount of covered **Damages** or **Claim Expenses** in excess of the amount due from that other insurance, but it will not pay more than the applicable Limit of Liability. This paragraph does not apply to any other insurance that was bought specifically to apply in excess of the Limits of Liability shown in the Declarations of this Policy.

H. ESTATES, LEGAL REPRESENTATIVES AND DOMESTIC PARTNERS

The estates, heirs, legal representatives and any **Domestic Partner** of a natural person **Insured** shall be considered **Insureds** under this Policy; provided, however, coverage is afforded to such estates, heirs, legal representatives and **Domestic Partners** only for a **Claim** arising solely out of their status as such and, in the case of a **Domestic Partner**, where such **Claim** seeks **Damages** from marital community property, jointly held property or property transferred from such **Insured** to the **Domestic Partner**. No coverage is provided for any act, error or omission of an estate, heir, legal representative or **Domestic Partner**. All terms and conditions of this Policy, including without limitation the retention, applicable to **Damages** or **Claim Expenses** incurred by the **Insured** shall also apply to **Damages** and **Claim Expenses** incurred by such estates, heirs, legal representatives, assigns and **Domestic Partners**.

I. NO ACTION AGAINST INSURER

No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Insureds** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Insureds** after trial or by written agreement of the **Insureds**, the claimant and the Insurer.

No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insureds** to determine the **Insureds** liability, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives in any such **Claim**.

J. ASSIGNMENT OF INTEREST



Assignment of interest under this Policy does not bind the Insurer unless the Insurer's consent to such assignment is endorsed to this Policy.

K. COVERAGE FOR NEW SUBSIDIARIES

1. Other than an entity described in paragraph 2. below, if, after the effective date of this Policy the **Insured Entity** first has **Management Control** of any entity then such entity and its subsidiaries, directors, officers, trustees, managers, members, partners or employees who otherwise would thereby become an **Insured**, shall be covered under this Policy, subject to its terms and conditions.
2. If, after the effective date of this Policy, the **Insured Entity** first has **Management Control** of an entity where the total revenues (as reflected in the most recent audited consolidated financial statements of such entity and the **Insured Entity**) exceeds ten percent (10%) of the combined total revenues of all **Insured Entities**, as of the inception date of this Policy, then the Insurer, at its sole option upon submission of such information as the Insurer may require, and payment of any additional premium or amendment of the provisions of the Policy, may agree to provide coverage for such entity and its subsidiaries, directors, officers, managers, members, partners or employees.

L. CHANGE OF STATUS OF INSUREDS

1. Takeover of the Named Insured

In the event of a **Takeover** of the **Named Insured**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Acts** occurring before the effective date of the **Takeover**, unless:

- a. the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date; and,
- b. the **Named Insured** accepts any additional terms, conditions and exclusions and pays any additional premium charge required by the Insurer.

2. Cessation of Subsidiary

If any organization ceases to be a **Subsidiary**, coverage under this Policy or any renewal of this Policy, shall continue until this Policy is otherwise terminated, but only with respect to **Claims** for **Wrongful Acts** occurring before the effective date of such cessation, unless:

- a. the Insurer is notified in writing of such cessation prior to the effective date thereof and agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date; and,
- b. the **Insured Entity** accepts any special terms, conditions and exclusions and pays any additional premium charge required by the Insurer.

M. SUBROGATION AND RECOVERY

To the extent it pays any **Damages** or **Claim Expenses**, the Insurer shall be subrogated to all the **Insureds** rights of recovery therefor, including without limitation an **Insureds** right to indemnification or advancement from the **Insured Entity**. The **Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall take no action which impairs the Insurer's rights of subrogation or recovery.

N. NOTICES TO THE NAMED INSURED

Any notices to the **Named Insured** under this Policy shall be provided to the **Named Insured** at the last known address and to its last known insurance agent or broker. If properly mailed to the **Named Insured** at such address, the date of mailing shall constitute the date such notice was given.

O. CHANGES

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer does not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right



under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

P. INSURED AUTHORIZATION

The **Insureds** agree that the **Named Insured** will act on behalf of the **Insureds** with respect to giving of all notices to the Insurer (except notices provided in Section VI. **CONDITIONS**, paragraph B. **NOTICE OF CLAIM, CIRCUMSTANCE OR NETWORK IMPAIRMENT/PRE-CLAIMS ASSISTANCE/DATE OF CLAIM**) the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

Q. VALUATION

All premiums, limits, retentions, **Damages, Claim Expenses** and other amounts under this Policy are expressed and payable in Canadian currency. If any judgment, settlement or any part of **Damages** or **Claim Expenses** are expressed or calculated in any other currency, payment of such **Damages** or **Claim Expenses** due under this Policy will be made in the currency of Canada, at the rate of exchange published in The Globe and Mail on the date the Insurer's obligation to pay such **Damages** or **Claim Expenses** is established, or, if not published on that date, on the date of next publication

R. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** shall not relieve the Insurer of any of its obligations hereunder.

If a liquidation or reorganization proceeding is commenced by the **Named Insured** and/or any other **Insured Entity** (whether voluntarily or involuntarily) under the Companies Creditors Arrangement Act or the Bankruptcy and Insolvency Act (as amended), or any similar provincial, local or foreign law (collectively "Bankruptcy Law") then, in regard to a covered **Claim** under this Policy, the **Insureds** hereby:

- A. waive and release any automatic stay or injunction to the extent it may apply in such proceeding to the proceeds of this Policy under such Bankruptcy Law; and
- B. agree not to oppose or object to any efforts by the Insurer or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of this Policy as a result of the commencement of such liquidation or reorganization proceeding.

S. CONFIDENTIAL SOURCE/RETRACTION OF MATTERS

Solely with respect to a **Claim** under **Insuring Agreement A.2. Media Liability**, the **Insured's** rights under this Policy shall not be prejudiced by the **Insured's** refusal to reveal the identity of a confidential source or to disclose documents or information obtained by the **Insured** during the course of any **Wrongful Act** as set forth in paragraph B. of the definition of **Wrongful Act**. The **Insured** shall have full discretion to retract or clarify all **Matter**.

T. TRADE AND ECONOMIC SANCTIONS

This Policy does not provide coverage for **Insureds**, transactions or that part of **Damages** or **Claim Expenses** that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

U. PROOF, VALUATION AND PAYMENT OF FIRST PARTY LOSS

1. Proof of First Party Loss

The **Named Insured** must submit a written proof of **First Party Loss** providing details relating to the particulars and composition of the amounts claimed in the event of a **Network Impairment**. The proof of loss shall be submitted with reasonable promptness, but in no event later than 6 months after the date initial notice of **Network Impairment** was submitted to the Insurer. The amount of **First Party Loss** shall be payable by the Insurer, to the **Named Insured**, within 60 days after the Insurer's formal agreement to the amounts claimed in the proof of loss.

2. Examination of the Insured Books and Records



Solely with respect to verification of **First Party Loss**, the **Insured** agrees to allow the Insurer to examine and audit the **Insured Entity's** books and records that relate to this Policy, at any time during the **Policy Period** and up to 3 years thereafter.

3. Inspections and Surveys

The Insurer has the right but is not obligated to do the following, on its own or through its independent contractors:

- A. make remote electronic scan inspections of all or any part of the **Insured Entity's Network** or of the **Network** of any entities newly acquired by the **Insured** at any time;
- B. give the **Insured** reports on the conditions the Insurer finds; C. recommend changes to the **Insured Entity's Network**; or, D. conduct loss control and prevention activity.

Any inspections, surveys, reports, or recommendations relates only to insurability and the premiums to be charged. The Insurer, by such inspections, surveys, reports, or recommendations, does not warrant that the **Insured Entity's Network** is safe or in compliance with laws, regulations, codes or standards, domestic or foreign. This condition applies not only to the Insurer, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, reports or recommendations.

Such inspections or surveys will be arranged with mutual consent of the **Insured Entity** and Insurer.

4. First Party Loss and Arbitration

If the **Insured** and the Insurer disagree on the amount of **First Party Loss** sustained, either may make a written demand for an appraisal of such **First Party Loss**. If such demand is made, each party will select an appraiser. The appraisers will state separately the amount of **First Party Loss** sustained. If they fail to agree, the **Insured** and the Insurer will submit their differences to an impartial third appraiser jointly selected by both the **Insured Entity** and the Insurer. A decision agreed to by any two will be binding. The **Insured Entity** and the **Insurer** will each bear their own costs with respect to the selection and retention of their appraisals and any disputes arising out of the payment of **First Party Loss**. The Insurer and the **Insured Entity** shall jointly bear the costs of the third appraiser.

Any appraisal of **First Party Loss** shall still be subject to all other terms, conditions and exclusions of this policy.

V. APPLICABLE LAW AND FORUM

Unless an applicable statute of a Canadian province provides otherwise, all matters arising hereunder, including questions related to the validity, interpretation, performance, and enforcement of this Policy, shall be determined in accordance with the law of the province

W. HEADINGS

The descriptions in the headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

Common Policy Endorsement

Named Insured:

**Members of Prospectors & developers Association of
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Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

Coverage Territory Limitation Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that this insurance does not apply to:

1. any liability arising out of the sale or receipt of any product(s) or service(s);
2. any liability arising out of business or employee travel;
3. any fixed assets; or
4. any worldwide shipments of goods

to, from or in the following countries:

Cuba, Iran, Liberia, Myanmar (Burma), North Korea, Sudan, Syria

and any restricted countries that are subject to Canadian Economic Sanctions, unless referred to underwriters for their prior review and approval.

Note: This list of restricted countries will change from time to time therefore, please refer to your insurance broker or underwriter for updates. The list of countries subject to Canadian Economic Sanctions can be [accessed](http://www.international.gc.ca/sanctions) through the internet at <http://www.international.gc.ca/sanctions>.

All other terms and conditions remain unchanged.

CPC 00-002 CE 112009



Common Policy Endorsement

Named Insured:

**Members of Prospectors & developers Association of
Canada and Affiliated Member Organizations**

Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

Declaration Of Emergency Endorsement Extension of Termination or Expiry Date

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an **emergency** is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The **emergency** must have a direct effect or impact on:
 - i) The Insured, the insured site or insured property located in the declared emergency area; or
 - ii) The operations of the Insurer or its agent/broker located in the declared emergency area.
2. A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the **emergency** is terminated plus the lesser of:
 - i) 30 days; or
 - ii) The number of days equal to the total time the **emergency** order was in effect.
2. B. If this policy is due to expire during an **emergency**, it will continue in force until the "emergency" is terminated plus the lesser of:
 - i) 30 days; or
 - ii) The number of days equal to the total time the **emergency** order was in effect.
3. In no event shall the total term of this extension exceed 120 consecutive days.

The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

Emergency means the first statutory declaration of an emergency:

- a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- b) as provided for by the relevant governing legislation if different from a).

but does not include any subsequent statutory declaration(s) that may be issued relating to the same event.

All other terms and conditions of the Policy to which this endorsement applies remain unchanged.

CPC 00-016 CE 052010



Common Policy Endorsement

Named Insured:

**Members of Prospectors & developers Association of
Canada and Affiliated Member Organizations**

Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

United States Terrorism Risk Insurance Act Endorsement

This endorsement addresses requirements of the United States Terrorism Risk Insurance Act.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

Certified Act of Terrorism

Certified act of terrorism means an act that is certified by the United States Secretary of the Treasury, in concurrence with the United States Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the United States federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a **certified act of terrorism** include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If the aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the United States Secretary of the Treasury.

Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy, such as losses excluded by a nuclear hazard exclusion or a war exclusion.

CPC 00-007 CE 112009



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Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

Quebec General Conditions Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMON POLICY CONDITIONS

The Conditions and Provisions hereunder apply to all Risks located in the Province of Quebec and covered by this contract.

This Policy is subject to the Civil Code of the Province of Quebec, Book XV – of Insurance (Replaced 1974, Bill 7, s.2). references to the Code are for information only and are not necessarily intended to reenact its official wording.

QUEBEC GENERAL CONDITIONS

Section 1 STATEMENTS

1. Representation of Risk (Art. 2408)

The client, and the Insured if the Insurer(s) requires it, is bound to represent all the facts known to him which are likely to materially influence an Insurer(s) in the settling of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts known to the Insurer(s) or which from their notoriety he is presumed to know, except in answer to inquiries.

The client means the person submitting an insurance application.

2. Material Change in Risk (Art. 2466 and 2467)

The Insured shall promptly notify the Insurer(s) of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an Insurer(s) in settling the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer(s) may cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the insured within thirty days of the proposal, the policy ceases to be in force.



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3. Misrepresentation or Concealment (Art. 2410, 2411 and 2466)

Any misrepresentation or concealment of relevant facts mentioned in section 1 and in the first paragraph of section 2 by the client or the Insured nullifies the contract at the instance of the Insurer(s), even in respect of losses not connected with the risk so misrepresented or concealed.

Unless the bad faith of the client or of the Insured is established or unless it is established that the Insurer(s) would not have covered the risk if he had known the true facts, the Insurer(s) remains liable towards the Insured for such proportion of the indemnity as the premium he collected bears to the premium he should have collected.

4. Warranties (Art. 2412)

Any increases in risk resulting from a breach of warranty suspends the coverage until accepted by the Insurer(s) or until such breach has been remedied by the Insured.

Section 2 GENERAL PROVISIONS

1. Insurable Interest (Art. 2481 and 2484)

(Applicable to Property Insurance Only)

A person has an insurable interest in a property where the loss or deterioration of the property may cause him direct and immediate damage. It is necessary that the insurable interest exist at the time of the loss but not necessary that the same interest have existed throughout the duration of the contract. The insurance of a property in which the Insured has no insurable interest is null.

2. Changes (Art. 2405)

The terms of this policy shall not be waived or changed except by endorsement.

3. Assignment (Art. 2475 and 2476)

This policy may be assigned only with the consent of the Insurer(s) and in favour of a person who has an insurable interest in the insured property.

Upon the death or bankruptcy of the Insured or the assignment of his interest in the insurance to a Co-Insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining Insured, subject to his performing the obligations that were incumbent upon the Insured.

4. Books and Records

The Insurer(s) and its authorized representative shall have the right to examine the Insured's books and records related to the subject matter of this insurance at any time during the period of this policy and the three subsequent years.

5. Inspection



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The Insurer(s) and its authorized representatives shall have the right but are not obligated to make inspections of the risk, give the Insured reports on the conditions found and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. They shall not constitute a warranty that the Premises, property or operations are safe or healthful or comply with laws, codes or standards.

6. Currency

All limits of insurance, premiums and other amounts in this policy are in Canadian currency.

Section 3 LOSSES

1. Notice of Loss (Art. 2470)

The Insured shall notify the Insurer(s) of any loss which may give rise to an indemnity, as soon as he becomes aware of it. Any interested person may give such notice.

In the event that the requirement set out in the preceding paragraph is not fully complied with, all rights to compensation shall be forfeited by the Insured where such non-compliance has caused prejudice to the Insurer(s).

2. Information to be Provided (Art. 2471)

The Insured shall inform the Insurer(s) as soon as possible of all the circumstances surrounding the loss, including its probable cause, the nature and extent of the damage, the location of the Insured property, the rights of third parties, and any concurrent insurance; he shall also furnish him with vouchers and swear or warrant to the truth of the information.

Where, for a serious reason, the Insured is unable to fulfill such obligation, he is entitled to a reasonable time in which to do so. If the Insured fails to fulfill his obligation, any interested person may do so on his behalf.

In addition, the Insured shall forthwith send to the Insurer(s) a copy of any notice, letter, subpoena or writ or document received in connection with a claim.

3. False Representation (Art. 2472)

Any deceitful representation entails the loss or the right of the person making it to any indemnity in respect of the risk to which the representation relates.

However, if the occurrence of the event insured against entails the loss of both movable property or of both property for occupational use and personal property, forfeiture is incurred only with respect to the class of property to which the representation relates.

4. Intentional fault (Art. 2464)

The Insurer(s) is never liable to compensate for injury resulting from the Insured's intentional fault.

Where there is more than one Insured, the obligation of coverage remains in respect of those Insureds who have not committed an intentional fault.



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Where the Insurer(s) is liable for injury caused by a person for whose acts the Insured is liable, the obligation of coverage subsists regardless of the nature or gravity of that person's fault.

5. Notice to Police (Applicable to Property Insurance Only)

The Insured must promptly give notice to the police of any loss caused by vandalism, theft or attempted theft or other criminal act.

6. Safeguarding and Examination of Property (Art. 2495)

(Applicable to Property Insurance Only)

At the expense of the Insurer(s), the Insured must take all reasonable steps to prevent further loss or damage to the insured property and any further loss or damage resulting directly or indirectly from the Insured's failure to take such action shall not be recoverable.

The Insured may not abandon the damaged property if there is no agreement to that effect. The Insured shall facilitate the salvage and inspection of the insured property by the Insurer.

He shall, in particular, permit the Insurer(s) and his representatives to visit the Premises and examine the insured property before repairing, removing or modifying the damaged property, unless so required to safeguard the property.

7. Admission of Liability and Cooperation (Art. 2504)

No transaction made without the consent of the Insurer(s) may be set up against him.

The Insured shall not admit any liability nor settle or attempt to settle any claim, except at his own cost.

The Insured shall cooperate with the Insurer(s) in the processing of all claims.

8. Right of Action (Art. 2502)

(Applicable to Liability Insurance Only)

The Insurer(s) may set up against the injured third person any grounds he could have invoked against the Insured at the time of the loss, but not grounds pertaining to facts that occurred after the loss, the Insurer(s)

Has a right of action against the Insured in respect of facts that occurred after the loss.

Section 4 COMPENSATION AND SETTLEMENT

1. Basis of Settlement (Art. 2490, 2491 and 2493)

(Applicable to Property Insurance Only)

Unless otherwise provided, the Insurer(s) shall not be liable for more than the actual cash value of the property at the time of loss as normally determined.



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In valued policies, the amount of insurance does not make proof of the value of the insured property. In valued policies, the agreed value makes complete proof, between the Insurer(s) and the Insured, of the value of the insured property.

If the amount of insurance is less than the value of the property, the Insurer(s) is released by paying the amount of the insurance in the event of total loss or a proportional indemnity, in the event of partial loss.

2. Pair and Set (Applicable to Property Insurance Only)

In the case of loss or damage to any article or articles, whether scheduled or unscheduled, which are part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

3. Parts (Applicable to Property Insurance Only)

In case of loss or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer(s) is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

4. Replacement (Art. 2494) (Applicable to Property Insurance Only)

Subject to the rights of preferred and hypothecary creditors, the Insurer(s) reserves the right to repair, rebuild or replace the insured property. He is then entitled to salvage and may take over the property.

5. Time of Payment (Art. 2469 and 2473)

The Insurer(s) shall pay the indemnity within sixty days after receiving the notice of loss or, at his request, all relevant information and vouchers.

Any outstanding premium may be deducted from the indemnity payable.

6. Property of Others (Applicable to Property Insurance Only)

Where a claim is made as a result of loss of or damage to property not owned by the Insured, the Insurer(s) reserves the right to pay the indemnity to the Insured or to the owner of the property and to deal directly with such owner.

7. Waiver

Neither the Insurer(s) nor the Insured shall be deemed to have waived any term or condition of the policy by an act relating to arbitration or to the completion or delivery of proof of loss, or to the investigation or adjustment of the claim.

8. Action Against Insurer(s)

The Insured may not bring any action to recover the amount of a claim under this policy unless the requirements of this policy have been complied with nor until the amount of the loss has been



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ascertained by arbitration or by judgment against the Insured or by agreement between the parties with the written consent of the Insurer(s).

9. Limitation of Actions (Art. 2925)

Every action or proceeding against the Insurer(s) under this policy shall be commenced within three years from the date the right of action has arisen.

10. Subrogation (Art. 2474)

Unless otherwise provided, the Insurer(s) shall be subrogated to the extent of the amount paid or the liability assumed therefore under this policy to the rights of the Insured against persons responsible for the loss except when they are members of the Insured's household. The Insurer(s) may be fully or partly released from his obligation towards the Insured where, owing to any act of the Insured, he cannot be so subrogated.

Section 5 OTHER INSURANCE

1. Property Insurance (Art. 2496)

The Insured who, without fraud, is insured by several insurers, under several policies, for the same interest and against the same risk so that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred may be indemnified by the Insurer(s) or Insurers of his choice, each being liable only for the amount he has contracted for.

No clause suspending all or part of the performance of the contract by reason of other insurance may be used against the Insured.

Unless otherwise agreed, the indemnity is apportioned among the Insurers in proportion to the share of each in the total coverage, except in respect of specific insurance, which constitutes primary insurance.

2. Liability Insurance

The liability insurance provided under this policy is primary insurance except when stated to apply in excess of, or contingent upon the absence of, other insurance. When the insurance is primary and the Insured has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Insurer(s) liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis whether primary, excess or contingent, the Insurer(s) shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below.

Contribution by Equal Share

If all of such other collectible insurance provides for contribution by equal shares, this Insurer(s) shall not be liable for a greater proportion of such loss than would be payable if each Insurer(s) contributed an equal share until the share of each Insurer(s) equals the lowest applicable limit of



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liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each Insurer(s) has paid its limit in full or the full amount of the loss is paid.

Contribution by Limits

If any such other insurance does not provide for contribution by equal shares, this Insurer(s) shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

Section 6 Cancellation (Articles 2477 and 2479)

This policy may be cancelled at any time:

- (a) By any of the Named Insureds giving written notice. Termination takes effect upon receipt of the notice and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the short-term rate for the expired time.
- (b) By the Insurer giving written notice to each Named Insured. Termination takes effect fifteen days following receipt of such notice by the Insured at his last known address and the Insurer shall refund the excess of premium actually paid over the pro rata premium for the expired time. If the premium is subject to adjustment or determination as to amount, the refund shall be made as soon as practicable.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Condition, the words **premium actually paid** mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

Section 7 NOTICE

Any notice to the Insurer(s) may be sent by any recognized means of communication to the Insurer(s) or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

It is incumbent upon the sender to prove that such notice was received.

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Common Policy Endorsement

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Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

CAPPED CLAIM EXPENSES LIMITS ENDORSEMENT

In consideration of the premium paid, it is agreed that the Policy is amended as follows:

1. Section **V. LIMITS OF LIABILITY/RETENTION** is amended by the addition of the following:

CLAIM EXPENSES LIMITS

- Solely with respect to the following expenses incurred, provided they have been specifically authorized by the Insurer, a **Claim Expenses** limit applies in the amount of \$50,000.
 - a. reimburse the Insured for the costs, charges and expenses (excluding the salary of the Insured) incurred in defending actions, suits or proceedings against the Insured for criminal offences, in respect of any professional services, if the defense of same proves fully successful.
 - b. expenses incurred by an Insured and payable to a lawyer for conference, counselling, investigation, preparation of documents and transcripts and for witness fees provided that such amounts are payable to the lawyers. This also includes such expenses being reasonably incurred by the Insured while under investigation or when called upon to appear before a any geoscientist licensing body or disciplinary committee.
- The Limits of Liability for **Claim Expenses** set forth above is the maximum aggregate Limit of Liability of the Insurer for all **Claim Expenses** regardless of the number of **Claims** made against or **Damages** incurred by **Insureds**.
- **Claim Expenses** resulting from any **Claim** covered under the Policy shall first be applied to this **Claim Expenses** limit of liability. If and when such limit of liability for **Claim Expenses** is exhausted by payment of **Claim Expenses**, then and in that event only shall any remaining **Claim Expenses** be applied to the applicable limit of liability for **Loss**.

2. Section **VI. CONDITIONS**, Subsection A. **SETTLEMENT/DEFENSE OF CLAIMS** is amended by adding the following:

- If and when the maximum aggregate Limit of Liability for all **Damages** and **Claim Expenses** set forth in the Declarations is exhausted by payment of **Damages**, other than **Claim Expenses**, payment of **Claim Expenses**, or both, the Insurer's obligation to defend any **Claim** or pay any **Damages** or **Claim Expenses**, shall be completely fulfilled and the Insurer shall have the right to withdraw from the further investigation, defense or settlement of such **Claim** by tendering control of such investigation, defense or settlement to the **Insureds**.
- The Insurer's obligation to defend any **Claim** or pay any **Damages** and **Claim Expenses**, including shall be completely fulfilled and extinguished if the Limit of



Professional Liability Endorsement

Policy Number:

Named Insured:

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Liability applicable to all **Damages** and **Claim Expenses**, set forth in the Declarations, has been exhausted, even if any applicable Limit of Liability for **Claim Expenses**, set forth in this endorsement remains. In such case, the Insurer shall have the right to withdraw from the further investigation, defense or settlement of such **Claim** by tendering control of such investigation, defense or settlement to the **Insureds**.

All other terms and conditions of the Policy remain unchanged.

CNA66880XX (5-12)



Named Insured:

**Members of Prospectors & developers Association of
Canada and Affiliated Member Organizations**

Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

PROFESSIONAL SERVICES ENDORSEMENT

In consideration of the premium paid for this Policy, it is understood and agreed that the Policy is amended as follows:

1. Section II. **DEFINITIONS**, the definition of **Professional Services** is as the following:

Professional Services are the services provided by the **Insured** while acting within their scope of professional duties as a geoscientist or geological engineer, including securities and investment claims arising from NR 43-101 technical reports, or any other duly recognized international equivalent, and a member of the Prospectors and Developers Association of Canada or APGO or Member Organization or the Canadian Federation of Earth Sciences as defined by the regulation of the province, or where the provincial definition is not given, as per the prevailing definition of the professional or governing body.

All other terms and conditions of the Policy remain unchanged.

GSL15599XX (10-09)

Named Insured:

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Policy Number:

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Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

REVISED OPTIONS FOR THE OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT (One, Two & Three Year Purchase Options)

In consideration of the premium paid for this Policy, it is hereby agreed that Paragraph **2. Optional Extended Reporting Period** of **Section D. EXTENDED REPORTING PERIOD** is deleted in its entirety and replaced as follows:

2. Optional Extended Reporting Period

If the **Named Insured** cancels or fails to renew this Policy or the Insurer non-renews this Policy, the **Named Insured** shall have the right to purchase, upon payment of an additional premium, an extension of this Policy for any **Claim** first made or deemed to be first made during such period for **Wrongful Acts** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**. The additional premium for the Optional Extended Reporting Period shall be based upon the rates for such coverage in effect on the date this Policy was issued or last renewed and shall be: one (1) year at 100% of such premium; two (2) years at 150% of such premium; or, three (3) years at 175% of such premium.

This period shall be referred to as the "Optional Extended Reporting Period".

All other terms and conditions of the Policy remain unchanged.

GSL11611XX (11-08)



Professional Liability Endorsement

Named Insured:

**Members of Prospectors & developers Association of
Canada and Affiliated Member Organizations**

Policy Number:

PLP2345269

Effective Date:

AS PER CERTIFICATES ON FILE WITH INSURER

Policy Period:

AS PER CERTIFICATES ON FILE WITH INSURER

AUTOMATIC EXTENDED REPORTING PERIOD (QUEBEC NAMED INSURED ONLY)

In consideration of the premium paid for this Policy, it is hereby agreed that Paragraph 2. **Optional Extended Reporting Period** of D. **EXTENDED REPORTING PERIOD** is deleted in its entirety and replaced as follows:

- If the Insurer or the **Named Insured** non-renews or the **Named Insured** cancels this Policy, the **Named Insured** shall have the right to purchase, upon payment of an additional premium, an extension of this Policy for 60 months, for any **Claim** first made or deemed to be first made during such period for **Wrongful Acts** committed before the earlier of the end of the **Policy Period** or the effective date of any **Takeover**. The additional premium shall be NIL% of the total premium charged for this Policy.

This period shall be referred to as the "Optional Extended Reporting Period".

All other terms and conditions of the Policy remain unchanged.

GSL1329XX (12-06)

